

CITY OF RAYMORE, MISSOURI

**ANNUAL FINANCIAL STATEMENTS
AND ACCOMPANYING
INDEPENDENT AUDITORS' REPORT**

**For the Fiscal Year Ended
October 31, 2005**

TABLE OF CONTENTS

	<u>Statement</u>	<u>Page</u>
LIST OF PRINCIPAL OFFICERS		1
INDEPENDENT AUDITORS' REPORT		2-3
REQUIRED SUPPLEMENTARY INFORMATION		
Management's Discussion and Analysis		4-11
BASIC FINANCIAL STATEMENTS		
Government-Wide Financial Statements:		
Statement of Net Assets	1	12
Statement of Activities	2	13-14
Fund-Financing Statements:		
Balance Sheet-Modified Accrual Basis-Governmental Funds	3	15
Reconciliation of Fund Balance to Statement of Net Assets	3	16
Statement of Revenues, Expenditures and Changes in Fund Balances-Modified Accrual Basis- Governmental Funds	4	17
Reconciliation of the Statement of Revenues, Expenses and Changes in Fund Balances of Government Funds to the Statement of Activities	4	18
Statement of Net Assets - Proprietary Funds	5	19
Statement of Revenues, Expenses and Changes in Fund Balances - Proprietary Funds	6	20
Statement of Cash Flows - Proprietary Funds	7	21
Statement of Fiduciary Net Assets - Fiduciary Funds	8	22
NOTES TO BASIC FINANCIAL STATEMENTS		23-44
REQUIRED SUPPLEMENTARY INFORMATION	<u>Exhibit</u>	
Budgetary Comparison Schedule-Modified Accrual Basis-General Fund	1	46-47
Budgetary Comparison Schedule-Modified Accrual Basis-Special Revenue Funds	2	48
Notes to Required Supplementary Information	3	49
OTHER SUPPLEMENTARY INFORMATION		
Report on Compliance and on Internal Control Over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards		51-52

TABLE OF CONTENTS

Balance Sheets-Modified Accrual Basis-Special Revenue Funds Combined	4	53
Balance Sheet-Modified Accrual Basis-Capital Projects Funds Combined	5	54
Statement of Revenues, Expenditures and Changes in Fund Balances-Modified Accrual Basis-Special Revenue Funds Combined	6	55
Statement of Revenues, Expenses and Changes in Fund Balance- Modified Accrual Basis - Capital Projects Funds Combined	7	56
Statement of Net Assets - Proprietary Funds Combined	8	57
Statement of Revenues, Expenses and Changes in Fund Balances- Proprietary Funds Combined	9	58
Statement of Revenues and Expenses In Detail - Proprietary Funds	10	59

CITY OF RAYMORE, MISSOURI

LIST OF PRINCIPAL OFFICERS

October 31, 2005

MAYOR

Juan I. Alonzo

CITY COUNCIL

Paul Doss	Ward I
Ivan Waite	Ward I
Dale Jacobson	Ward II
Judy Goff	Ward II
Dale Eldridge	Ward HI
Jeffrey Adams	Ward III
Charlene Hubach	Ward IV
Ernie Van Hooser	Ward IV

CITY ADMINISTRATOR

Eric Berlin

MANAGEMENT TEAM

Todd Thompson	Assistant City Administrator
Susan Gnefkow	City Clerk
Kris Turnbow	Chief of Police
Jim Feuerborn	Finance Director
Jim Cadoret	Community Development Director
Janet Snook	Park & Recreation Director
Gene Thompson	Economic Development Director
Mary Jaeger	Public Works Director/City Engineer

INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and
Members of the City Council
City of Raymore, Missouri

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of Raymore, Missouri, as of and for the year ended October 31, 2005, which collectively comprise the City's financial statements as listed in the accompanying table of contents. These financial statements are the responsibility of the City of Raymore's management. Our responsibility is to express an opinion on these financial statements based on our audit.

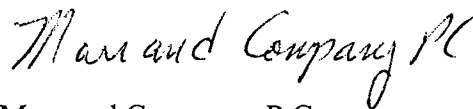
We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of Raymore as of October 31, 2005, and the respective changes in financial position and cash flows, where applicable thereof, for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated March 1, 2006, on our consideration of the City of Raymore's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in conjunction with this report in considering the results of our audit.

The management's discussion and analysis pages 4-12 and budgetary comparison information (pages 47-50) are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Raymore's basic financial statements. The introductory section, and other combining supplementary information, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combined supplementary information has been subjected to the auditing procedures applied in the audit of the basic financial statements taken as a whole. The introductory sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.



Marr and Company, P.C.
Certified Public Accountants

Kansas City, Missouri
March 1, 2006

CITY OF RAYMORE, MISSOURI

MANAGEMENT'S DISCUSSION AND ANALYSIS

Year Ended October 31, 2005

The financial department for the City of Raymore offers readers of the City of Raymore's financial statements this narrative overview and analysis of the financial activities of the City of Raymore for the fiscal year ended October 31, 2005. We encourage readers to consider the information presented here in conjunction with the City's financial statements that follow this section. All amounts, unless otherwise indicated, are expressed in total dollars.

Financial Highlights

- The City of Raymore contracted with a new audit firm, and several funds presentations have changed for fiscal year 2005 as compared to previous years.
- The assets of the City of Raymore exceeded its liabilities at the close of the most recent fiscal year by \$61,937,637. Of this amount, \$14,973,631 represents unrestricted net assets and may be used to fund ongoing obligations.
- Total net assets increased by \$10,447,640, or 20.29%. This increase is primarily attributable to an increase in revenues in both the governmental and business-type activity funds, leading to an increase in restricted cash and investments as assets of \$8,799,516. Investment in capital assets of the City also increased by \$3,605,661.
- As of the close of the 2005 fiscal year, the City of Raymore's governmental funds reported combined ending fund balances of \$18,454,609.
- At the end of the current fiscal year, unreserved, undesignated fund balance for the general fund was \$1,853,780, or 29.94% of the total general fund expenditures for the period.
- Total debt for the City of Raymore increased during the fiscal year 2005. Three issues contributed to this increase, including a \$4,625,000 bond refunding, a \$750,000 Tax Anticipation Note issued April 1 for construction related expenses at the City's new Public Works Facility, and \$10,360,000 in Tax Increment Revenue Bonds, Series 2005.

Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to the City of Raymore's basic financial statements. The City of Raymore's basic financial statements comprise four components: 1) government-wide financial statements, 2) fund financial statements, 3) notes to the financial statements, and 4) required supplemental information. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements. The government-wide financial statements are designed to provide readers with a broad overview of the City of Raymore's finances, in a manner similar to a private-sector business.

The statement of net assets presents information on all of the City of Raymore's assets and liabilities, with the difference between the two reported as net assets. Over time and in consideration of other factors from the notes to the financial statements, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the City of Raymore is improving or deteriorating.

CITY OF RAYMORE, MISSOURI

MANAGEMENT'S DISCUSSION AND ANALYSIS Year Ended October 31, 2005

The statement of activities presents information showing how the government's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some 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 distinguish functions of the City of Raymore that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City of Raymore include general government, public safety (police), public works, community development, economic development, parks and recreation among other departments. Business type activities of The City of Raymore include water and sewer operations.

The government-wide financial statements can be found beginning on page 13 of this report.

Fund 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 of Raymore, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City of Raymore can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental funds. Governmental funds are used to account for essentially the same functions reported as the 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. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may 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.

The City of Raymore maintains 12 individual governmental funds in four categories. Information for the general fund stands alone in the Balance Sheet and Statement of Activities, while the other 11 funds are categorized under the heading of Special Revenue, Debt Service, and Capital Project Funds. Specific data on the Special Revenue, Debt Service, and Capital Projects funds is presented on pages 52-60 of the financial statements.

CITY OF RAYMORE, MISSOURI

MANAGEMENT'S DISCUSSION AND ANALYSIS

Year Ended October 31, 2005

The City of Raymore adopts an annual appropriated budget for its general fund and other funds. A budgetary statement has been provided within this analysis for the general fund to demonstrate compliance with this budget for City departments represented by that fund. Actual expenses for the fund are included in the net assets report. The budgetary amounts presented here include any amendments presented to the City Council during the fiscal year.

City of Raymore's

Departmental Budget to Actual Expense Report

Department	Budget	Actual
Administration	923,090	843,390
Information Technology	278,755	274,291
Economic Development	210,226	159,539
Community Development	560,250	553,342
Engineering	555,400	434,476
Streets and Roads	650,714	650,712
Buildings and Grounds	279,550	263,216
Municipal Court	131,204	118,828
Finance	468,460	423,766
Police	2,511,825	2,401,465
Emergency Preparedness	104,980	94,597
Park	618,600	616,739
Water and Sewer	3,524,968	3,375,937
Totals	10,818,022	10,210,298

Proprietary funds. The City of Raymore maintains five proprietary funds. Of these funds, the Enterprise fund is used to report the same functions presented as business-type activities in the government-wide financial statements, and is the primary operational fund associated with this group. The City of Raymore uses the enterprise fund to account for it's water and sewer operations.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail.

The basic proprietary fund financial statements can be found beginning on 20 of this report.

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 statement because the resources of those funds are not available to support the City of Raymore's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds and the funds are primarily represented by accounts which are held in escrow for development or development conditions.

The basic fiduciary fund financial statement can be found on page 23 of this report.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found beginning on page 24 of this report.

CITY OF RAYMORE, MISSOURI

MANAGEMENT'S DISCUSSION AND ANALYSIS Year Ended October 31, 2005

Government-wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of government's financial position. In the case of the City of Raymore, assets exceeded liabilities by \$61,937,637 at the close of the most recent fiscal year.

The largest portion of the City of Raymore's net assets, 60%, reflects its investment in capital assets (land, buildings, machinery, equipment), less any related debt used to acquire those assets that is still outstanding. The City of Raymore uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City of Raymore's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

City of Raymore Statement of Net Assets

	Governmental Activities			Business-type Activities			Total		
	2005*	2004	2003	2005*	2004	2003	2005*	2004	2003
Assets:									
Current and other assets	25,271,575	9,953,160	7,981,416	12,095,090	10,919,906	10,129,961	37,366,665	20,873,066	18,111,377
Capital assets	30,504,901	23,070,720	23,037,783	32,880,806	30,900,252	31,863,401	63,385,707	53,970,972	54,901,184
Total assets	55,776,476	33,023,880	31,019,199	44,975,896	41,820,158	41,993,362	100,752,372	74,844,038	73,012,561
Liabilities:									
Long-term liabilities outstanding	31,354,092	16,533,484	17,151,514	5,410,000	5,740,000	6,860,000	36,764,092	22,273,484	24,011,514
Other liabilities	1,253,236	525,385	444,365	797,407	556,084	643,324	2,050,643	1,081,469	1,087,689
Total liabilities	32,607,328	17,058,869	17,595,879	6,207,407	6,296,084	7,503,324	38,814,735	23,354,953	25,099,203
Net assets:									
Invested in capital assets net of related debt	14,004,036	7,015,699	6,359,422	27,356,190	25,160,252	25,003,401	41,360,226	32,175,951	31,362,823
Restricted	5,603,780	7,033,416	5,122,856	0	6,106,515	6,231,719	5,603,780	13,139,931	11,354,575
Unrestricted	3,561,332	1,915,896	1,941,042	11,412,299	4,257,307	3,254,918	14,973,631	6,173,203	5,195,960
Total net assets	23,169,148	15,965,011	13,423,320	38,768,489	35,524,074	34,490,038	61,937,637	51,489,085	47,913,358

* As stated in the financial highlights, the City employed the services of a new audit firm for fiscal 2005. This firm's interpretation of which funds should be listed in the governmental and business-activities groupings has changed, leading to reporting variances from the previous two years.

Additionally, a portion of the City of Raymore's net assets (9% in *all funds* combined) represents resources that are subject to restrictions. The remaining balance of unrestricted net assets may be used to meet the government's ongoing obligations to citizens and creditors. It should be noted that, in the operational funds General, Parks, and Enterprise Fund the City voluntarily "restricts" 20% of the budgeted operational expenditures to assure ongoing operations.

CITY OF RAYMORE, MISSOURI

MANAGEMENT'S DISCUSSION AND ANALYSIS Year Ended October 31, 2005

At the end of the current fiscal year, the City of Raymore is able to report positive balances in all three categories of net assets, both for the government as a whole, as well as for its separate governmental and business-type activities. The same situation held true for the prior fiscal year.

Governmental Activities. Governmental activities increased the City of Raymore's net assets by \$7,204,137, thereby accounting for 69% of the total growth in the net assets of the City of Raymore. Key elements of this increase are reflected in the chart below:

Statement of Changes in Net Assets

	Governmental Activities			Business-type Activities			Total		
	2005	2004	2003	2005	2004	2003	2005	2004	2003
Revenues:									
Program Revenues:									
Charges for services	755,073	1,682,640	1,137,034	5,958,816	4,820,622	5,004,159	6,713,889	6,503,262	6,141,193
Operating grants Contributions	340,111						340,011		
Capital grants and Contributions	5,578,615	197,821	306,945	2,260,861			7,839,476	197,821	306,945
General Revenues:									
Property Tax	2,980,840	2,149,557	1,893,871				2,980,840	2,149,557	1,893,871
Sales Taxes	3,853,012	3,971,026	3,527,556				3,853,012	3,971,026	3,527,556
Franchise Tax	1,187,256	1,014,448	919,940				1,187,256	1,014,448	919,940
Other Taxes	493,723	355,378	1,177,247				493,723	355,378	1,177,247
Other Revenue	1,738,029	396,652	579,637	401,885	265,879	306,573	2,139,914	662,531	886,210
Total revenues	15,831,475	9,767,522	9,542,230	2,662,746	5,086,501	5,310,732	18,494,221	14,854,023	14,852,962
Expenses:									
Administration	882,386	966,348	894,052				882,386	966,348	894,052
Information Tech	167,817	147,248	124,491				167,817	147,248	124,491
Economic Develop	159,211	157,856	115,212				159,211	157,856	115,212
Planning/Zoning	552,361	472,252	448,407				552,361	472,252	448,407
Engineering	401,041	438,206	475,175				401,041	438,206	475,175
Streets/Roads	655,043	665,163	1,398,120				655,043	665,163	1,398,120
Buildings/Grounds	369,953	103,683	143,343				369,953	103,683	143,343
Municipal Court	119,432	111,411	112,844				119,432	111,411	112,844
Finance	422,928	369,774	384,202				422,928	369,774	384,202
Police	2,307,951	2,268,626	2,162,313				2,307,951	2,268,626	2,162,313
Emergency Preparedness	94,643	84,591	96,113				94,643	84,591	96,113
Depreciation	1,823,592	1,708,407					1,823,592	1,708,407	
Park	600,333	614,248	548,427				600,333	614,248	548,427
Water/Sewer				5,286,961	4,611,998	4,425,987	5,286,961	4,611,998	4,425,987
Int/Long-Term Debt	1,087,456	1,240,046	1,013,673				1,087,456	1,240,046	1,013,673
Total expenses	9,644,147	9,347,899	7,916,372	5,286,961	4,611,998	4,425,987	14,931,108	13,959,897	12,342,359
Increase (Decrease) before transfers	7,282,512	419,623	1,625,858	3,334,601	474,503	884,745	10,617,113	894,126	2,510,603
Transfers	325,284	565,976	305,200	(325,284)	(565,976)	(305,200)	-		
Increase (Decrease) in net assets	7,607,796	985,599	1,931,058	3,009,317	(91,473)	579,545	10,617,113	894,126	2,510,603
Adjustments to prior years	(403,659)	1,556,092		234,186	1,125,509		(169,473)	2,681,601	
Net Assets, beginning year	15,965,011	13,423,320	11,492,262	35,524,074	34,490,038	33,910,493	51,489,997	47,913,358	45,402,755
Net Assets, end year	23,169,148	15,965,011	13,423,320	38,768,489	35,524,074	34,490,038	61,937,637	51,489,085	47,913,358

CITY OF RAYMORE, MISSOURI

MANAGEMENT'S DISCUSSION AND ANALYSIS

Year Ended October 31, 2005

- Revenues were up by more than \$300,000 for the second straight year, primarily due once again to increases in property and sales tax collected.
- As can be noted from the above, within the governmental departments, expenses increased by \$296,248 or 3.2% from the prior fiscal year. The prior fiscal years increase was 5.5% from fiscal 2004.

Business-type activities. Business-type activities increased the City of Raymore's net assets by \$3,244,415, accounting for 31% of the total growth in the net assets of the City of Raymore. The primary element associated with this increase is attributable to growth in residential housing and associated services provided.

Financial Analysis of the Government's Funds

As noted earlier, the City of Raymore uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds. The focus of the City of Raymore's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City of Raymore's financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of a fiscal year.

As of the end of the current fiscal year, the City of Raymore's governmental funds reported combined ending fund balances of \$18,454,609. As stated earlier in this document, the large increase associated with this amount over fiscal 2004 is due to a reinterpretation of funds to be included in the Governmental Fund Activities. Approximately \$1,853,781 (10%) of this amount constitutes unreserved or unrestricted fund balance, which is available for spending at the government's discretion. The remainder of fund balance is reserved or restricted to indicate that it is not available for new spending because it is either already committed or held for contingency.

The general fund is the chief operating fund of the City of Raymore. At the end of the current fiscal year, unreserved, undesignated fund balance of the general fund was \$1,853,781, which equaled the total General Fund balance. As a measure of the general fund's liquidity, it may be useful to compare the total fund balance to total fund expenditures. Total fund balance represents 29% of the total general fund expenditures (\$6,191,017).

The total fund balance in the City of Raymore's general fund decreased by \$229,455 during the current fiscal year. Key factors in this decrease are:

- Sales taxes, for this municipality and the State as a whole, were lower than expectations for the second straight year. This stagnation is expected to improve over the next fiscal year.

CITY OF RAYMORE, MISSOURI

MANAGEMENT'S DISCUSSION AND ANALYSIS

Year Ended October 31, 2005

- Expenditures in the departments increased to account for services due to growth increased by \$296,248.

The debt service fund has a total fund balance of \$599,568, all of which is reserved for the payment of debt service. The net increase in fund balance during the current fiscal year in the debt service fund was \$44,548. The government's debt service levy on property for the fiscal year was .7100.

Proprietary fund. The City of Raymore's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail. The City of Raymore utilizes five different proprietary funds. Of these, the primary operating fund is the Enterprise Fund.

Unrestricted net assets in this proprietary fund at the end of the year amounted to \$5,402,979, up from \$4,257,307 the previous year. Total growth in net assets for this fund was \$1,145,672. Other factors concerning the finances of this fund have already been addressed in the discussion of the City of Raymore's business-type activities.

Capital Asset and Debt Administration

Capital assets. The City of Raymore's investment in capital assets for its governmental and business-type activities as of the end of the fiscal year is \$63,055,288 (net of accumulated depreciation). This investment in capital assets includes land, buildings and system improvements, machinery and equipment, park facilities, roads, highways, and bridges. The investment total listed here represents an increase from the previous year of \$9,084,316.

This increase in the total net assets of the City represents acceptance of large amounts of infrastructure associated with the City's growth, better inventory and account management, and the institution of a new, on-line fixed asset system providing better tracking and review of these assets.

Long-term debt. At the end of the current fiscal year, the City of Raymore had total debt outstanding of \$36,764,093. This is an increase of \$15,663,072 from the previous year and represents debt issuance during the year of \$15,735,000 and debt retired during the year of \$1,228,692.

As stated earlier, there were three debt issuances during the year:

- A 2005 Issue TIF Development Bonds in the amount of \$10,360,000
- A \$750,000 Tax Anticipation Note
- A Bond Refunding of 4,625,000

CITY OF RAYMORE, MISSOURI

MANAGEMENT'S DISCUSSION AND ANALYSIS Year Ended October 31, 2005

City of Raymore Capital Assets

	Governmental Activities			Business-type Activities			Total		
	2005	2004	2003	2005	2004	2003	2005	2004	2003
Land and land rights	550,413		2,566,636	295,250	119,485	119,485	845,663	119,485	2,686,121
Buildings and improvements	9,398,115	8,501,302	5,064,602	353,741	53,741	56,241	9,751,856	8,555,043	5,120,843
Machinery	1,806,215	1,412,170	146,441	376,096	295,412	442,067	2,182,311	1,707,582	588,508
Infrastructure	35,819,916	28,623,900	30,436,768	53,607,424	50,338,081	53,685,343	89,427,340	78,961,981	84,122,111
Sub-Total	47,564,659	38,537,372	38,214,447	54,632,511	50,806,719	54,303,136	102,197,170	89,344,091	92,517,583
Less accumulated depreciation	17,275,561	15,466,652	15,176,664	21,866,321	19,906,467	22,439,735	39,161,882	35,373,119	37,616,399
Capital assets net of depreciation	30,289,098	23,070,720	23,037,783	32,766,190	30,900,252	31,863,401	63,035,288	53,970,972	54,901,184

City of Raymore Outstanding Debt

	Governmental Activities			Business-type Activities			Total		
	2005	2004	2003	2005	2004	2003	2005	2004	2003
General obligation bonds	12,743,594	8,441,322	8,670,833	1,340,000	2,895,000	2,975,000	14,083,594	11,336,322	11,645,833
Revenue bonds	11,721,499			4,070,000	2,605,000	3,885,000	15,791,499	2,605,000	3,885,000
Special obligation bonds	4,450,000	4,575,000	4,695,000				4,450,000	4,575,000	4,695,000
Leasehold bonds		2,580,000	2,705,000	2,450,000			2,450,000	2,580,000	2,705,000
Capital leases		15,699	145,528					15,699	145,528
Total	28,915,093	15,612,021	16,216,361	7,860,000	5,500,000	6,860,000	36,775,093	21,112,021	23,076,361

The City of Raymore maintains an A- rating from Moody's Investors Services for its general obligation debt.

Requests for Information

This financial report is designed to provide a general overview of the City of Raymore's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Office of the Finance Director, 100 Municipal Circle, Raymore, Missouri, 64083.

CITY OF RAYMORE, MISSOURI

STATEMENT OF NET ASSETS

October 31, 2005

	Primary Government		
	Governmental	Business-Type	
	Activities	Activities	Totals
<u>ASSETS</u>			
Cash and cash equivalents	\$ 1,570,226	\$ 848,975	\$ 2,419,201
Investments	7,000,953	9,077,990	16,078,943
Receivables, net	964,305	608,056	1,572,361
Prepaid expenses	113,322	21,353	134,675
Cash and investments-restricted	15,622,769	1,538,716	17,161,485
Capital assets, net of accumulated depreciation	10,035,688	772,523	10,808,211
Infrastructure, net of accumulated depreciation	20,253,410	31,993,667	52,247,077
Bond Issuance Cost-net amortization	<u>215,803</u>	<u>114,616</u>	<u>330,419</u>
Total Assets	<u>\$55,776,476</u>	<u>\$44,975,896</u>	<u>\$100,752,372</u>
<u>LIABILITIES</u>			
Accounts payable	\$ 479,430	\$ 661,072	\$ 1,140,502
Accrued expenses	692,052	136,335	828,387
Deferred revenues	81,754	0	81,754
Long-term liabilities:			
Due within one year	1,538,635	355,000	1,893,635
Due in more than one year	<u>29,815,457</u>	<u>5,055,000</u>	<u>34,870,457</u>
Total Liabilities	<u>\$32,607,328</u>	<u>\$ 6,207,407</u>	<u>\$ 38,814,735</u>
<u>NET ASSETS</u>			
Invested in capital assets, net of related debt	\$ 8,425,422	\$27,356,190	\$ 35,781,612
Capital contributions	5,578,614	0	5,578,614
Restricted for:			
Debt service	549,326	0	549,326
Infrastructure/capital projects	5,054,454	0	5,054,454
Unrestricted	<u>3,561,332</u>	<u>11,412,299</u>	<u>14,973,631</u>
Total Net Assets	<u>\$23,169,148</u>	<u>\$38,768,489</u>	<u>\$ 61,937,637</u>

See accompanying Notes to Financial Statements.

CITY OF RAYMORE, MISSOURI

STATEMENT OF ACTIVITIES

For the Year Ended October 31, 2005

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Assets		
	Expenses	Charges for Services	Operating Grants & Contributions	Capital Grants & Contributions	Primary Government		Totals
					Governmental Activities	Business- Type Activities	
GOVERNMENTAL ACTIVITIES:							
Administration	\$ 882,386	\$ 0	\$ 0	0	\$ (882,386)	\$ 0	\$ (882,386)
Information Technology	167,817	0	0	0	(167,817)	0	(167,817)
Economic Development	159,211	0	0	0	(159,211)	0	(159,211)
Community Development	552,361	131,112	0	0	(421,249)	0	(421,249)
Engineering	401,041	0	0	0	(401,041)	0	(401,041)
Streets/Roads	655,043	32,977	232,745	0	(389,321)	0	(389,321)
Buildings/Grounds	369,953	0	0	0	(369,953)	0	(369,953)
Court	119,432	0	0	0	(119,432)	0	(119,432)
Finance	422,928	0	0	0	(422,928)	0	(422,928)
Law Enforcement	2,307,951	363,015	33,722	0	(1,911,214)	0	(1,911,214)
Emergency Preparedness	94,643	0	0	0	(94,643)	0	(94,643)
Parks and Recreation	600,333	227,969	73,644	0	(298,720)	0	(298,720)
Interest on Long-Term Debt	1,087,456	0	0	0	(1,087,456)	0	(1,087,456)
Depreciation	<u>1,823,592</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(1,823,592)</u>	<u>0</u>	<u>(1,823,592)</u>
Total Governmental Activities	9,644,147	755,073	340,111	0	(8,548,963)	0	(8,548,963)
Business-Type Activities:							
Water & Sewer	<u>5,286,961</u>	<u>5,958,816</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>671,855</u>	<u>671,855</u>
Total Business-Type Activities	<u>5,286,961</u>	<u>5,958,816</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>671,855</u>	<u>671,855</u>
TOTALS (To Next Page)	14,931,108	6,713,889	340,111	0	(8,548,963)	671,855	(7,877,108)

See accompanying Notes to Financial Statements.

CITY OF RAYMORE, MISSOURI

STATEMENT OF ACTIVITIES
For the Year Ended October 31, 2005

	Governmental Activities	Business-type Activities	Totals
Net (Expense)/Revenue (from previous page)	\$(8,548,963)	\$ 671,855	\$(7,877,108)
General Revenues:			
Taxes:			
Property tax	2,980,840	0	2,980,840
Sales tax	3,853,012	0	3,853,012
Gasoline tax/Motor vehicle	493,723	0	493,723
Fees and permits	1,264,438	0	1,264,438
Franchise fees	1,187,256	0	1,187,256
Investment income	334,464	401,885	736,349
Income from properties	14,584	0	14,584
Contributed capital	5,578,615	2,260,861	7,839,476
Miscellaneous revenue	124,543	0	124,543
Transfers	<u>325,284</u>	<u>(325,284)</u>	<u>0</u>
Total General Revenues	<u>16,156,759</u>	<u>2,337,462</u>	<u>18,494,221</u>
Changes in Net Assets	7,607,796	3,009,317	10,617,113
NET ASSETS - OCTOBER 31, 2004	15,965,011	35,524,986	51,489,997
Adjustment to Prior Years	<u>(403,659)</u>	<u>234,186</u>	<u>(169,473)</u>
NET ASSETS - OCTOBER 31, 2005	<u>\$23,169,148</u>	<u>\$38,768,489</u>	<u>\$61,937,637</u>

See Accompanying Notes to Financial Statements.

CITY OF RAYMORE, MISSOURI

BALANCE SHEET - MODIFIED ACCRUAL BASIS
GOVERNMENTAL FUNDS
October 31, 2005

	General Fund	Special Revenue Funds	Debt Service Funds	Capital Project Funds	Totals Governmental Funds
ASSETS					
Cash and Cash Equivalents	\$ 689,793	\$ 457,508	\$ 5,986	\$ 416,933	\$ 1,570,220
Investments	2,054,519	2,153,144	601,968	2,157,648	6,967,279
Receivables, net of allowance	309,560	86,014	4,712	258,969	659,255
Prepaid Expenses	104,808	8,514	0	0	113,322
Restricted Cash and Investment	11,037	390,251	4,611,902	10,606,805	15,619,995
TOTAL ASSETS	\$3,169,717	\$3,095,431	\$5,224,568	\$13,440,355	\$24,930,071
LIABILITIES AND FUND BALANCES					
Liabilities:					
Notes/Bonds Payable	\$ 750,000	\$ 0	\$4,625,000	\$ 177,499	\$ 5,552,499
Accounts Payable	162,695	67,816	0	248,919	479,430
Accrued Expenses	403,241	40,292	0	0	443,533
Total Liabilities	1,315,936	108,108	4,625,000	426,418	6,475,462
Fund Balance:					
Reserved for:					
Parks	0	787,375	0	0	787,375
Debt Services	0	0	599,568	0	599,568
T.I.F. Projects	0	0	0	9,986,968	9,986,968
Capital Projects/Infra-structure	0	2,199,948	0	3,026,969	5,226,917
Unreserved	1,853,781	0	0	0	1,853,781
Total Fund Balances	1,853,781	2,987,323	599,568	13,013,937	18,454,609
TOTAL LIABILITIES & FUND BALANCES	\$3,169,717	\$3,095,431	\$5,224,568	\$13,440,355	\$24,930,071

See Accompanying Notes to Financial Statements.

CITY OF RAYMORE, MISSOURI

BALANCE SHEET - MODIFIED ACCRUAL BASIS

GOVERNMENTAL FUNDS

October 31, 2005

RECONCILIATION OF FUND BALANCE TO STATEMENT OF NET ASSETS

FUND BALANCE	\$ 18,454,609
Amounts reported for governmental activities in the Statement of Net Assets are different because:	
Record investments at fair market value in governmental activities	36,454
To record sales tax collected by merchants in October and remitted to City in December in governmental activities	305,050
Capital assets and infrastructure used in governmental activities of \$47,564,660 are not financial resources and therefore are not reported in the funds, net of accumulated depreciation of \$17,275,662	30,289,098
Bond issuance cost of \$347,201 less amortized amount of \$131,399 was expenses in the year of issue for governmental purposes	215,803
Bond interest expense was accrued for governmental activities and expensed for fund balance	(248,519)
Bond premium was recognized as income for fund balance and amortized for governmental activities	(81,754)
Non-crossover bond balances were recorded in governmental activities and not in fund balance	<u>(25,801,593)</u>
NET ASSETS OF GOVERNMENTAL ACTIVITIES	<u>\$ 23,169,148</u>

See Accompanying Notes to Financial Statements.

CITY OF RAYMORE, MISSOURI

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - MODIFIED ACCRUAL BASIS
GOVERNMENTAL FUNDS

For the Year Ended October 31, 2005

	General Funds	Special Revenue Funds	Debt Service Funds	Capital Project Funds	Totals Governmental Funds
REVENUES					
Taxes	\$3,645,358	\$ 948,934	\$1,153,905	\$ 1,274,327	\$ 7,022,524
Franchise Fees	1,187,256	0	0	0	1,187,256
Licenses & Permits	1,395,550	0	0	0	1,395,550
Intergovernmental	33,722	303,979	0	0	337,701
Charges for Services	171,657	174,095	0	0	345,752
Fines and Forfeitures	191,358	0	0	0	191,358
Investment Income	42,340	58,926	215,884	63,789	380,939
Property Income	8,039	6,545	0	0	14,584
Bond Proceeds	0	0	0	10,086,668	10,086,668
Miscellaneous	<u>111,391</u>	<u>36,080</u>	<u>10,790</u>	<u>0</u>	<u>158,261</u>
Total Revenues	6,786,671	1,528,559	1,380,579	11,424,784	21,120,593
EXPENDITURES					
Administrative	805,741	0	0	0	805,741
Information Technology	276,106	0	0	0	276,106
Finance	422,928	0	0	0	422,928
Law/Court	119,432	0	0	0	119,432
Community Development	552,361	0	0	0	552,361
Parks and Recreation	0	610,949	0	0	610,949
Economic Development	159,211	0	0	0	159,211
Police	2,325,983	0	0	0	2,325,983
Emergency Management	94,643	0	0	0	94,643
Public Works	1,293,600	148,115	0	24,518	1,466,233
Infrastructure	0	1,325,322	0	0	1,325,322
Capital Assets	123,295	119,480	0	2,123,624	2,366,399
Debt Service	<u>17,717</u>	<u>285,816</u>	<u>986,315</u>	<u>476,523</u>	<u>1,766,371</u>
Total Expenditures	6,191,017	2,489,682	986,315	2,624,665	12,291,679
Transfers In/(Out)	<u>(711,682)</u>	<u>354,682</u>	<u>(349,716)</u>	<u>1,032,000</u>	<u>325,284</u>
Net Changes in Fund Balance	(116,028)	(606,441)	44,548	9,832,119	9,154,198
FUND BALANCE-OCTOBER 31, 2004	2,083,235	3,593,764	555,020	2,703,355	8,935,374
Prior Year Adjustment	<u>(113,427)</u>	<u>0</u>	<u>0</u>	<u>478,463</u>	<u>365,036</u>
FUND BALANCE-OCTOBER 31, 2005	<u>\$1,853,780</u>	<u>\$2,987,323</u>	<u>\$ 599,568</u>	<u>\$13,013,937</u>	<u>\$18,454,608</u>

See Accompanying Notes to Financial Statements.

CITY OF RAYMORE, MISSOURI

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE
STATEMENT OF ACTIVITIES

For the Year Ended October 31, 2005

<u>NET CHANGE IN FUND BALANCES -</u>	
<u>TOTAL GOVERNMENTAL FUNDS</u>	\$ 9,154,198

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

Prior Year Adjustments Required	365,036
Sales taxes collected by merchants in October 2005 and received by the City in December 2005 are netted with taxes received in December 2004 in the Statement of Activities	(305,050)
Fixed assets and infrastructure added in the current year are considered expenditures in the governmental funds but capitalized in the Statement of Activities	3,606,579
Depreciation expense for the current year is considered an expense in the Statement of Activities	(1,823,942)
Bond proceeds are considered revenues in funds but recorded as a liability in activities	(10,086,668)
Record investments at fair market value in governmental activities	(45,300)
Bond premium recognized in funds and amortization activities	81,754
Capital contributed for fixed assets is recognized as a revenue in activities	5,578,615
Current year bond principal payments are considered expenses in governmental funds but reduction of liabilities in Statement of Net Assets	<u>678,915</u>
CHANGE IN NET ASSETS OF GOVERNMENTAL ACTIVITIES	\$ <u><u>7,204,137</u></u>

See Accompanying Notes to Financial Statements.

CITY OF RAYMORE, MISSOURI

STATEMENT OF NET ASSETS

PROPRIETARY FUNDS

October 31, 2005

	<u>Enterprise Fund</u>
<u>ASSETS</u>	
Current Assets:	
Cash and Cash Equivalents	\$ 848,975
Investments	9,077,990
Receivables, net	608,056
Prepaid Expenses	<u>21,353</u>
Total Current Assets	10,556,374
Non-Current Assets:	
Cash and Investments - restricted	1,538,716
Infrastructure, net of accumulated depreciation	31,993,667
Capital Assets, net of accumulated depreciation	772,523
Bond Issuance Cost - net amortization	114,616
Total Non-Current Assets	<u>34,419,522</u>
TOTAL ASSETS	<u>\$44,975,896</u>
<u>LIABILITIES</u>	
Current Liabilities:	
Accounts Payable	\$ 661,072
Accrued Expenses	136,335
Bonds Payable - current	<u>355,000</u>
Total Current Liabilities	1,152,407
Non-Current Liabilities:	
Bonds Payable - long term	<u>5,055,000</u>
Total Non-Current Liabilities	<u>5,055,000</u>
TOTAL LIABILITIES	<u>\$ 6,207,407</u>
<u>NET ASSETS</u>	
Invested in Capital Assets	\$27,356,190
Unrestricted	<u>11,412,299</u>
TOTAL ASSETS	<u>\$38,768,489</u>

See Accompanying Notes to Financial Statements.

CITY OF RAYMORE, MISSOURI

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND BALANCES

PROPRIETARY FUNDS

For the Year Ended October 31, 2005

	<u>Sanitary Sewer Fund</u>
OPERATING REVENUES:	
Charges for Service	\$ 5,849,886
Penalties	101,533
Miscellaneous	<u>7,397</u>
Total Operating Revenues	5,958,816
DIRECT EXPENSE:	
Changes	<u>1,834,747</u>
Gross Income	4,124,069
OPERATING EXPENSES:	
Personal Services	629,955
Contractual Services	339,808
Commodities	50,553
Utilities	54,397
Repairs and Maintenance	127,264
Bad Debt Expense	345
Bond Interest and Fees	<u>340,701</u>
Total Operating Expenses	<u>1,543,023</u>
Operating Income(Loss)	2,581,046
NON-OPERATING REVENUES (EXPENSES)	
Contributed Capital	2,260,861
Investment Income	401,885
Depreciation	(1,893,083)
Amortization	<u>(16,108)</u>
Total Non-Operating Revenues (Expenses)	<u>753,555</u>
Income (Loss) Before Transfers	3,334,601
Transfers - net	(325,284)
NET ASSETS - OCTOBER 31, 2004	35,524,986
Prior Year Adjustment	<u>234,186</u>
NET ASSETS - OCTOBER 31, 2005	<u>\$38,768,489</u>

See Accompanying Notes to Financial Statements.

CITY OF RAYMORE, MISSOURI

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
 For the Year Ended October 31, 2005

CASH FLOWS FROM OPERATING ACTIVITIES:

Receipts from Customers	\$ 5,868,413
Payments to Sewer Districts & Water Purchased	(1,914,806)
Payments to Suppliers	(629,758)
Payments to Employees	(299,719)
Other Receipts (Claims)	<u>(341,046)</u>
Net Cash Provided by Operating Activities	2,683,084

CASH FLOWS FROM NON-OPERATING ACTIVITIES:

Transfers from/(to) Other Funds	(325,284)
Prior Year Adjustments	270,360
Contributed Capital	<u>2,260,861</u>
Net Cash Provided by Non-Operating Activities	2,205,937

CASH FLOWS FROM CAPITAL & RELATED FINANCING ACTIVITIES:

Purchases of Capital Assets	(3,140,866)
Long-Term Debt Additions/(Payments)	<u>(330,000)</u>
Net Cash Used from Capital	(3,470,866)

CASH FLOWS FROM INVESTING ACTIVITIES:

Interest and Dividends	401,885
(Increase)/Decrease in Investments	<u>(1,073,433)</u>
Net Cash Used by Investing	<u>(671,548)</u>

Net (Decrease) in Cash and Cash Equivalents	746,607
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CASH BALANCE - OCTOBER 31, 2004	<u>102,368</u>
CASH BALANCE - OCTOBER 31, 2005	<u><u>\$ 848,975</u></u>

Reconciliation of Operating Income(Loss) to Net Cash Provided (Used) by
 Operating Activities:

Operating Income(Loss)	\$2,581,046
Adjustments to Reconcile Operating Income to Net Cash Provided (Used) by operating activities:	
Depreciation Expense and Amortization	
Change in Current Assets and Liabilities:	
Receivables, net	(121,847)
Prepaid Expenses	(17,438)
Accounts Payable	127,812
Accrued Expenses	<u>113,511</u>

Net Cash Provided by Operating Activities	<u><u>\$2,683,084</u></u>
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See Accompanying Notes to Financial Statements.

CITY OF RAYMORE, MISSOURI

STATEMENT OF FIDUCIARY NET ASSETS

FIDUCIARY FUNDS

October 31, 2005

	<u>Agency Funds</u>
<u>ASSETS:</u>	
Cash and Cash Equivalents	\$ 56,370
Investments at Fair Value	<u>583,198</u>
Total Assets	<u>\$639,568</u>
 <u>LIABILITIES AND NET ASSETS:</u>	
Due to Escrow Agents	<u>\$639,635</u>
Total Liabilities and Net Assets	<u>\$639,635</u>

See Accompanying Notes to Financial Statements.

CITY OF RAYMORE, MISSOURI

NOTES TO BASIC FINANCIAL STATEMENTS

INDEX

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

- A. The Entity
- B. Principles Used to Determine Scope of Entity
- C. Basis of Presentation
- D. Basis of Presentation - GASB Statement 34
- E. Measurement Focus
- F. Basis of Accounting
- G. Assets, Liabilities and Equity
- H. Revenues, Expenditures and Expenses
- I. Internal and Inter-fund Balances and Activities
- J. Use of Estimates

NOTE 2: COMPLIANCE AND ACCOUNTABILITY

- A. Compliance with Laws
- B. Fund Accounting Requirements
- C. Uninsured and Uncollateralized Deposits
- D. Property Tax Requirements
- E. Net Asset/Fund Equity Restriction
- F. Budgetary Compliance

NOTE 3: DETAIL NOTES - SPECIFIED ASSETS AND LIABILITIES

- A. Custodial Credit Risk - Deposits and Investments
- B. Receivables, net of uncollectible allowances
- C. Prepaid Expenses
- D. Capital Assets
- E. Long-term Debt
- F. Accrued Expenses as per Category/Fund
- G. Inter-fund Transactions
- H. Tax Receivables and Revenues

NOTE 4: OTHER

- A. Pension Plan
- B. Deferred Compensation Plan
- C. Risk Management
- D. T.I.F. Bond Issue
- E. Litigation
- F. Prior Year Adjustment
- G. Contributed Capital

CITY OF RAYMORE, MISSOURI

NOTES TO FINANCIAL STATEMENTS

For the Year Ended October 31, 2005

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. The Entity

The City of Raymore, Missouri (the City) was incorporated in 1877 and covers an area of approximately twenty square miles in Cass County, Missouri. Raymore is a city of the fourth class and operates under the Council/Mayor form of government. The City Administrator is the chief administrative officer of the City. The City provides services to its approximately 15,500 residents in many areas, including law enforcement, water and 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 Raymore-Peculiar 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. The following represent the more significant accounting and reporting policies and practices of the City.

B. Principles Used to Determine Scope of Entity

In determining the financial reporting entity, the City complies with the provisions of Governmental Accounting Standards Board Statement No. 14, "*The Financial Reporting Entity*," and includes all component units of which the City appointed a voting majority of the units' board and the City is either able to impose its will on the unit or a financial benefit or burden relationship exists.

The City has developed criteria to determine whether outside agencies with activities which benefit the citizens of the City, including joint agreements, should be included within its financial reporting entity. The criteria include, but are not limited to, whether the City exercises oversight responsibility, which includes financial interdependency, selection of governing authority, designation of management, ability to significantly influence operations, and accountability for fiscal matters, scope of public service and special financing relationships.

City management has determined that one entity, outside of the primary government, be considered a component unit and has blended the unit into the City's financial statements.

Raymore Municipal Assistance Corporation

The Raymore Municipal Assistance Corporation (MAC) was created to lessen the burden of the government of the City of Raymore, Missouri by financing, acquiring, leasing or subleasing property to the City. The City of Raymore, Missouri is the sole member of the MAC and the Board of Directors are appointed by the Raymore City Council. The financial activity of the MAC consists of leasehold revenue bonds issued, and a lease agreement with the City of Raymore, Missouri to fund repayment of the bonds. Although it is legally separate from the City, the MAC is reported as if it were part of the primary government (blended) because its sole purpose is to serve the primary government exclusively.

CITY OF RAYMORE, MISSOURI

NOTES TO FINANCIAL STATEMENTS

For the Year Ended October 31, 2005

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

C. Basis of Presentation

Government-Wide Financial Statements

The Statement of Net Assets and Statement of Activities display information about the reporting government as a whole. They include all funds of the reporting entity except for fiduciary funds. The statements distinguish between governmental and business-type activities.

Governmental activities generally are financed through taxes, intergovernmental revenues and other non-exchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services.

Fund-Financial Statements

Fund financial statements of the reporting entity are organized into funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts which constitute its assets, liabilities, fund equity, revenues and expenditures/expenses. Funds are organized into three major categories: governmental, proprietary and fiduciary. The governmental group is further categorized into the general, special revenue, debt service and capital projects fund groups. For purposes of major fund determination, each fund group will be considered a major fund. Detailed information supporting each fund group will be provided in the other supplementary information section.

The funds of the financial reporting entity are described below.

Governmental Fund Types

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 measurement focus is upon determination of changes in financial position. The following are the City's Governmental Fund Types:

The ***General Fund*** is the principal operating fund of the City and accounts for all financial transactions not accounted for in other funds. 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.

The ***Special Revenue Funds*** are used to account for revenues derived from specific taxes, governmental grants or other revenue sources which are restricted to finance particular functions or activities of the City.

Park & Recreation Fund - Accounts for revenues received and expenditures paid for recreational services provided by the Park and Recreation Board.

CITY OF RAYMORE, MISSOURI

NOTES TO FINANCIAL STATEMENTS

For the Year Ended October 31, 2005

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

C. Basis of Presentation (continued)

Equipment Replacement Fund - Established to account for revenues from disposition of property. Expenditures purchase new property.

Transportation Fund - Established to account for intergovernmental road tax for construction and maintenance of City roads.

Storm Water Sales Tax - Established by vote of constituents to account for sales taxes received and expenditures for storm water control.

The ***Debt Service Fund*** accounts for the accumulation of resources for, and payment of, principal, interest and fiscal changes on long-term general obligation debt. The fund includes assets and the corresponding liability of the crossover funding issue of 2004.

The ***Capital Projects Funds*** are used to account for financial resources segregated for the acquisition or construction of major capital facilities other than those financed by Enterprise Funds.

Capital Improvement Fund - Established to be used to construct or purchase capital assets.

Public Works Facility - Established to construct and furnish new public works building.

Lucy Webb Fund - Established to complete and upgrade City Hall and account for tax anticipation note regarding property near City Hall.

Excise Tax Fund - Established to use excise tax to construct or purchase capital assets.

SAF SB TIF Fund - Established to account for Series 2005 Bond Issue for TIF program construction.

Proprietary Fund Type

Proprietary funds are used to account for the City's ongoing organizations and activities which are similar to those often found in the private sector. The measurement focus is based upon determination of net income.

CITY OF RAYMORE, MISSOURI

NOTES TO FINANCIAL STATEMENTS

For the Year Ended October 31, 2005

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

C. Basis of Presentation (continued)

The *Water and Sanitary Sewer Funds* account for operations that are financed and operated in a manner similar to private business enterprises where the intent of the governing body is that the costs (expenses including depreciation) of providing water and sewer services on a continuing basis be financed or recovered primarily through user charges on where the periodic determination of net income or loss is deemed appropriate.

Fiduciary Fund Types

Fiduciary funds are used to account for assets by the City in a trustee capacity or as an agent for individuals, other governmental units and/or other funds.

The *Agency Fund* is custodial in nature and does not present results of operations or have a measurement focus. Agency funds are accounted for using the modified accrual basis of accounting. This fund is used to account for assets that the City holds for others in an agency capacity.

D. Basis of Presentation - GASB Statement 34

The City complies with accounting principles generally accepted in the United States of America (GAAP). Generally accepted accounting principles (GAAP) include all relevant Governmental Accounting Standards Board (GASB) pronouncements.

In the government-wide financial statements and the fund financial statements for the proprietary funds and fiduciary funds, Financial Accounting Standard Board (FASB) pronouncements and Accounting Principles Board (APB) opinion have been applied unless those pronouncements conflict with or contradict GASB pronouncements, in which case, GASB prevails.

The accounting and reporting framework and the more significant accounting policies are discussed in this or subsequent footnotes.

With the fiscal year ended October 31, 2002, the City implemented the new financial reporting requirements of GASB Statement No. 33, *Accounting and Financial Reporting for Non-Exchange Transaction*. With the fiscal year ended October 31, 2003, the City implemented the new financial reporting requirements of GASB Statement No. 34, *Basic Financial Statement and Management Discussion and Analysis* for state and local governments and GASB Statement No. 37, an Omnibus Amendment to GASB Statements 21 and 34. The financial statement content and format, as prescribed by GASB Statement No. 34, is the format used in these financial statements.

E. Measurement Focus

Measurement focus is a term used to described "which" transactions are recorded within the various financial statements. In the government-wide statement of net assets and the statement of activities, both governmental and business-like activities are presented using the economic resources measurement focus as defined in Item b below.

CITY OF RAYMORE, MISSOURI

NOTES TO FINANCIAL STATEMENTS For the Year Ended October 31, 2005

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

E. Measurement Focus (continued)

In the fund financial statements, the “current financial resources” measurement focus or the “economic resources” measurement focus is used as appropriate.

- a. All governmental funds utilize a “current financial resources” measurement focus. Only current financial assets and liabilities are generally included on their balance sheets. Their operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period.
- b. The proprietary fund utilizes an “economic resources” measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net assets (or cost recovery), financial position and cash flows. All assets and liabilities (whether current or noncurrent, financial or nonfinancial) associated with their activities are reported. Proprietary fund equity is classified as net assets.

F. Basis of Accounting

The government-wide statement of net assets and statement of activities are presented using the accrual basis of accounting. In the fund financial statements, the proprietary and fiduciary funds are presented using the accrual basis of accounting while the government funds are presented using the modified accrual basis of accounting.

Modified Accrual Basis

Revenues would be recognized when “measurable and available”. Measurable means knowing or being able to reasonably estimate the amount. Available means collectible within the current period or soon enough thereafter to pay current liabilities. Expenditures (including capital outlay) would be recorded when the related fund liability is incurred, except for general obligation bond principal and interest which are reportable when due.

Accrual Basis

Revenues would be recognized when earned. Expenses (including depreciation and amortization) would be recorded when the liability was incurred or economic asset used. Revenues, expenses, gains, losses, assets and liabilities resulting from exchange and exchange-like transactions would be recognized when the exchange took place.

G. Assets, Liabilities and Equity

Cash and Cash Equivalents

For the purpose of financial reporting, cash and cash equivalents includes all demand money market and savings accounts and certificates of deposit or short-term investments with an original maturity of three months or less.

CITY OF RAYMORE, MISSOURI

NOTES TO FINANCIAL STATEMENTS For the Year Ended October 31, 2005

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

G. Assets, Liabilities and Equity (continued)

Investments

Investments in the financial statements include federal securities. Investments are carried at market value.

Accounts Receivable

Accounts receivable are stated net of allowances. Receivables in the fund statements include receivables to be used within 60 days after year end.

Inventories

Inventories are present but not material compared to total assets. Inventories are stated at first in-first out.

Restricted Cash and Investments

Cash and investments that have been obtained through debt issuance are being held either in reserve or for construction.

Capital Assets

Capital assets are expensed when purchased for fund statement presentation in governmental funds. Capital assets purchased in the proprietary fund for fund statement presentation and in all government-wide financial statements are reported as an asset and depreciated.

As the City did not include fixed asset accounting prior to October 31, 2003, a list of capital assets purchased prior to October 31, 2002, was prepared using various sources. Capital assets are valued at historical cost, or estimated historical cost if actual is unavailable, except for donated capital assets which are recorded at their estimated fair value at the date of donation.

Accumulated depreciation as of October 31, 2002, was established on capital assets purchased prior to October 31, 2002. Depreciation of all exhaustible capital assets is recorded as an allocated expense in the statement of activities with accumulated depreciation reflected in the statement of net assets. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. A capitalization threshold of \$5000 is used to report capital assets. The range of estimated useful lives by type of asset is as follows.

Building and building improvements	25-50 years
Land improvements	10-20 years
Office equipment and furniture	7-10 years
Computer equipment, hard & soft	3-5 years
Machinery and equipment	7-15 years
Vehicles	5-10 years
Infrastructure	30-40 years

CITY OF RAYMORE, MISSOURI

NOTES TO FINANCIAL STATEMENTS

For the Year Ended October 31, 2005

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

G. Assets, Liabilities and Equity (continued)

Long-Term Debt

All long-term debt is recorded in the governmental funds as either a note payable or bonds payable in the government-wide financial statements.

In the fund statements, bond issuance proceeds are recorded as revenues and principal payments on debt service are recorded as expenditures of the period. The fund statements do not include long-term debt in the liability section except for tax anticipation notes and crossover bonds.

The proprietary fund includes long-term debt in the liability section and payments of principal decrease the liability while interest is included in expenses.

Compensated Absences

Under terms of the City's personal 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 up to a maximum accumulation of 320 hours and is paid for one out of every four days of sick leave and unused prior to date of termination. Accumulated vacation and sick leave were included as accrued expenses at October 31, 2005, in the various funds as follows:

General Fund	\$ 250,269
Parks & Recreation	28,246
Sanitary Sewer Fund	<u>23,724</u>
	<u>\$ 302,239</u>

Equity Classification

Government-Wide Statements - Equity is classified as net assets and displayed in three components as follows:

1. Invested in capital assets, net of related debt, consist of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction or improvements of those assets.
2. Restricted net assets consists of net assets with constraints placed on the use either by 1) external groups such as creditors, grantors, contributors or laws and regulations of other governments; or 2) law through constitutional provisions or enabling legislation.
3. Unrestricted net assets are all other net assets that do not meet the definition of "restricted" or "invested in capital assets, net of related".

CITY OF RAYMORE, MISSOURI

NOTES TO FINANCIAL STATEMENTS

For the Year Ended October 31, 2005

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

G. Assets, Liabilities and Equity (continued)

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

Fund Financial Statements - Governmental fund equity is classified as fund balance. Proprietary fund equity is classified the same as in the government-wide statements.

H. Revenues, Expenditures and Expenses

Sales Tax

The City levies a sales tax upon taxable sales within the City. City sales tax has been approved by a vote of the citizens. Sales tax revenue supports the general, parks and recreation fund, transportation, capital project sales tax and storm water funds. Sales taxes are charged by City merchants and remitted to the State of Missouri. The State remits the City's portion back to the City with approximately a two month time lag.

Property Tax

Each budget year, the City approves a tax rate for the upcoming fiscal year. The general fund, debt service fund, and parks and recreation fund receives property tax. The county collects property taxes and remits to the City, the city's share.

Gasoline/Vehicle Tax

The City receives a share of the state gasoline and vehicle tax charged and collected by the State. These taxes support the general fund.

Franchise Fees

Franchise fees are collected by the City from utility companies for the use of city right of way. This revenue supports the general fund.

Licenses and Permits

The City requires various businesses to be licensed or obtain permits in order to conduct business within the City. This revenue supports the general fund.

Charges for Services

The City provides several services for which they charge which are collected and support the general fund.

Operating Revenue and Expenses

Operating revenues and expenses for proprietary funds are those that result from providing services and producing and delivering goods and/or services. It also includes all revenues and expenses not related to capital and related financing, noncapital financing or investing activities.

CITY OF RAYMORE, MISSOURI

NOTES TO FINANCIAL STATEMENTS For the Year Ended October 31, 2005

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

H. Revenues, Expenditures and Expenses (continued)

Expenditures/Expenses

In the government-wide financial statements, expenses are reported on the accrual basis and are classified by function for both governmental and business-type activities.

In the fund financial statements, expenditures are classified as follows:

Governmental Funds - by character: Current (further classified by activity)
 Capital outlay
 Debt service

Proprietary Fund - by operating and non-operating

In the fund financial statements, governmental funds report expenditures of financial resources. Proprietary funds report expenses relating to use of economic resources.

I. Internal and Inter-fund Balances and Activities

In the process of aggregating the financial information for the government-wide statement of net assets and statement of activities, some amounts reported as inter-fund activity and balances in the fund financial statements have been eliminated or reclassified.

Fund Financial Statements - Inter-fund activity, if any, within and among the governmental and proprietary fund categories is reported as follows in the fund financial statements:

Inter-fund reimbursements - repayments from funds responsible for certain expenditure/ expenses to fund that initially paid for them are not reported as adjustments to expenditures or revenues but as transfers.

Government-Wide Financial Statements - Inter-fund activity and balances, if any, are eliminated or reclassified in the government-wide financial statements

J. 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. Actual results could differ from those estimates.

CITY OF RAYMORE, MISSOURI

NOTES TO FINANCIAL STATEMENTS For the Year Ended October 31, 2005

NOTE 2: COMPLIANCE AND ACCOUNTABILITY

A. Compliance with Law

By its nature as a local government, the City is subject to various federal, state and local laws and regulations. An analysis of the City's compliance with significant laws, regulations, grants and contracts over District resources is as follows.

B. Fund Accounting Requirements

The City complies in all material respects with state and local laws and regulations requiring the use of separate funds. The legally required funds used by the City include the following:

<u>Fund</u>	<u>Required by</u>
Transportation - sales tax	State Law
Capital assets - sales tax	State Law
Debt service	State law
Storm water sales tax	State law
Excise tax	State law
SAF 58 TIF	Bond ordinance
Capital Improvement Fund	Resolution
Park Fund	Resolution

C. Uninsured and Uncollateralized Deposits

In accordance with state law, all uninsured deposits of municipal funds in financial institutions must be secured with acceptable collateral. Acceptable collateral includes certain U.S. government, governmental agency securities and certain state or political subdivision debt obligations. At October 31, 2005, all of the City's deposits were collateralized.

D. Property Tax Requirements

The City's property tax is levied each November on the assessed value as of the prior January 1 for all property located in the City. Assessed valuations are established by the Cass County Assessor. The county collects the property tax and remits it to the City on a monthly basis.

The assessed value for property located in the City as of January 1, 2004, on which the fiscal year 2005 levy was based is as follows:

Residential	\$ 138,641,600
Personal Property	<u>28,089,008</u>
	\$ <u>166,730,608</u>

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 payment of principal and interest on long-term debt, up to \$.20 for recreation and in unlimited amounts for the payment of principal and interest on long-term debt. The City's property tax levies for the year ended October 31, 2004, per \$100 assessed valuation, were as follows:

CITY OF RAYMORE, MISSOURI

NOTES TO FINANCIAL STATEMENTS

For the Year Ended October 31, 2005

NOTE 2: COMPLIANCE AND ACCOUNTABILITY (continued)

D. Property Tax Requirements (continued)

General	\$.4702
Debt Service	.7100
Special Revenue	<u>.1266</u>
	<u>\$1.3068</u>

The receipts of current and delinquent property taxes during the fiscal year ended October 31, 2005, aggregated approximately 96% of the current assessment computed on the basis of the levy as shown above.

E. Net Asset/Fund Equity Restriction

State law prohibits the creation of a deficit fund balance in any individual fund. For the year ended October 31, 2005, the City incurred no fund balance deficits in any individual fund on the modified accrual basis of accounting.

F. Budgetary Compliance

State law requires that expenditures not exceed final budgeted expenditures as approved by the Board of Aldermen. For the fiscal year ended October 31, 2005, no budgets had been exceeded using the modified accrual basis of accounting.

NOTE 3: DETAIL NOTES - SPECIFIED ASSETS AND LIABILITIES

A. Custodial Credit Risk - Deposits and Investments

The City maintains a cash and investment pool which is available for use by most funds. Each fund type's portion of this pool is displayed on the combined balance sheet as pooled cash and investments. Interest earned is allocated to the funds on the basis of month-end cash and investment balances in those funds. Cash and investments are separately held by some of the City's funds.

The funds of the City must be deposited and invested under the terms of a contract, contents of which are set out in the Depository Contract Law. The depository bank places approved pledged securities for safekeeping and trust with the City's agent bank in an amount sufficient to protect City funds on a day-to-day basis during the period of the contract. The pledge of approved securities is waived only to the extent of the depository bank's dollar amount of Federal Deposit Insurance Corporation (F.D.I.C.) insurance.

The following table is designed to disclose the level of custodial credit risk assumed by the City based upon how its deposits were insured or secured with collateral at October 31, 2005. The comparison relates to the primary government only. The categories of custodial risk are defined as follows:

CITY OF RAYMORE, MISSOURI

NOTES TO FINANCIAL STATEMENTS

For the Year Ended October 31, 2005

NOTE 3: DETAIL NOTES - SPECIFIED ASSETS AND LIABILITIES (continued)

A. Custodial Credit Risk - Deposits and Investments (continued)

Category 1 - Insured by Federal Deposit Insurance Corporation (FDIC) or collateralized with securities held by the District (or public trust) or by its agent in its name.

Category 2 - Uninsured but collateralized with securities held by the pledging financial institution's trust department or agent in the District's name.

Category 3 - Uninsured and uncollateralized or collateralized with securities held by the pledging financial institution or by its trust department or agent but not in the District's name; or properly collateralized with no written and approved collateral agreement.

<u>Type of Deposits</u>	<u>Total Bank Balance</u>	<u>Custody Credit Risk Category</u>		
		<u>1</u>	<u>2</u>	<u>3</u>
Insured deposits	\$ 100,000	\$100,000	--	--
Uninsured:				
Collateralized	5,721,085	--	\$5,721,085	--
Uncollateralized	--	--	--	--
Total	<u>\$5,821,085</u>	<u>\$100,000</u>	<u>\$5,721,085</u>	

The primary depository was Community Bank of Raymore which had pledged security in the City's name of \$5,761,472 in federal securities, all rated AAA.

Investments - At October 31, 2005, the City had investments in U.S. Treasury Obligations of \$17,814,379 (at market value) purchased through the City's counter party bank and held at the Federal Reserve Bank in the counter party bank's name.

Bond escrow accounts are held and invested by escrow trust agencies which are required to invest as stated in agreement in accordance with state law.

B. Receivables, net of uncollectible allowance

	<u>Fund Statements</u>			<u>Gov't-wide Statement Net</u>
	<u>Gross</u>	<u>Allowance</u>	<u>Net</u>	
Business-Type Activities:				
Customer	<u>\$658,464</u>	<u>\$50,408</u>	<u>\$608,056</u>	<u>\$608,056</u>
Government-Type Activities:				
Sales Tax	\$264,179	\$ 0	\$264,179	\$569,230
Property Tax	43,441	34,768	8,673	8,673
Franchise Tax	80,395	0	80,395	80,395
Motor Vehicle Tax	14,367	0	14,367	14,367
Gasoline Tax	51,892	0	51,892	51,892
RAYMAC	177,499	0	177,499	177,499
Patterson	29,273	0	29,273	29,273
Silverlake Project	32,977	0	32,977	32,977
	<u>\$694,023</u>	<u>\$34,768</u>	<u>\$659,255</u>	<u>\$964,306</u>

CITY OF RAYMORE, MISSOURI

NOTES TO FINANCIAL STATEMENTS For the Year Ended October 31, 2005

NOTE 3: DETAIL NOTES - SPECIFIED ASSETS AND LIABILITIES (continued)

C. Prepaid Expenses as Per Category

	<u>Fund Statement</u>	<u>Gov't-wide Statement</u>
Business-Type Activities:		
Insurance	<u>\$21,353</u>	<u>\$21,353</u>
Governmental-Type Activities:		
Insurance	\$ 72,146	\$ 72,146
Benefits	<u>41,176</u>	<u>41,176</u>
	<u>\$113,322</u>	<u>\$113,322</u>

D. Capital Assets

Capital asset activity resulting from accrual basis transactions for the fiscal year ended October 31, 2005, was as follows:

	<u>Balances at 10/31/2004</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balances at 10/31/2005</u>
Governmental Activities:				
Land	\$ 0	\$ 541,521	0	\$ 541,521
Land improvements	8,892	0	0	8,892
Buildings & improvements	8,501,302	896,813	0	9,398,115
Office equipment & furniture	55,263	15,284	0	70,547
Computer equipment & software	71,979	135,021	0	207,000
Machinery & equipment	550,412	103,971	0	654,383
Vehicles	734,516	129,769	0	864,285
Infrastructure	<u>28,615,008</u>	<u>7,204,908</u>	<u>0</u>	<u>35,819,916</u>
Totals at Historical Cost	38,537,372	9,027,287	0	47,564,659
Less accumulated depreciation:				
Land improvements	2,225	445	0	2,670
Buildings & improvements	617,597	231,145	0	848,742
Office equipment & furniture	31,921	6,238	0	38,159
Computer equipment & software	17,440	26,454	0	43,894
Machinery & equipment	189,672	55,374	0	245,046
Vehicles	417,307	113,238	0	530,545
Infrastructure	<u>14,190,490</u>	<u>1,376,015</u>	<u>0</u>	<u>15,566,505</u>
Total Accumulated Depreciation	<u>15,466,652</u>	<u>1,808,909</u>	<u>0</u>	<u>17,275,561</u>
Government-type activities capital assets, net	<u>\$23,070,720</u>	<u>\$7,218,378</u>	<u>0</u>	<u>\$30,289,098</u>
Business-type activities:				
Land	\$ 119,483	\$ 175,767	0	\$ 295,250
Buildings and improvements	53,741	300,000	0	353,741
Office equipment & furniture	0	9,074	0	9,074
Vehicle & equipment	295,412	71,610	0	367,022
Infrastructure	<u>50,338,083</u>	<u>3,269,341</u>	<u>0</u>	<u>53,607,424</u>
Total business-type activities	50,806,719	3,825,792	0	54,632,511

CITY OF RAYMORE, MISSOURI

NOTES TO FINANCIAL STATEMENTS For the Year Ended October 31, 2005

NOTE 3: DETAIL NOTES - SPECIFIED ASSETS AND LIABILITIES (continued)

D. Capital Assets (continued)

	<u>Balances at</u> <u>10/31/2004</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balances at</u> <u>3/31/2005</u>
Less accumulated depreciation:				
Building and improvements	23,639	5,510	0	29,149
Office equipment and furniture	0	227	0	227
Vehicle and equipment	203,530	19,658	0	223,188
Infrastructure	<u>19,679,298</u>	<u>1,934,459</u>	<u>0</u>	<u>21,613,757</u>
Total Accumulated Depreciation	<u>19,906,467</u>	<u>1,959,854</u>	<u>0</u>	<u>21,866,321</u>
Business-type activities capital assets,	<u>\$30,900,252</u>	<u>\$1,865,938</u>	<u>0</u>	<u>\$32,766,190</u>

E. Long-term Debt

Bonds and notes payable at October 31, 2005, consist of the following:

	<u>Governmental</u>	<u>Enterprise</u>
\$4,350,000 June 1, 1992, Water Pollution Control Revenue Bonds (State Revolving Fund Program - Multiple Participant Series) Series 1992A, due in annual installments varying from year to year until maturity on July 1, 2013; interest at 4.5% to 6.55%		\$2,385,000
General Obligation Highway Improvement Bonds in the original amount of \$2,499,511 dated September 22, 1994; due in annual installments varying from year to year until maturity on 3/1/2014; interest at 4.75% to 5.8%	\$ 101,136	
General Obligation Highway Improvement Bonds in the original amount of \$2,500,085 dated July 1, 1997; due in annual installments varying from year to year until maturity on March 1, 2014; interest at 5.5%	1,555,085	
\$5,215,000 March 1, 1998 Special Obligation Capital Improvement Bonds; due in annual installments varying from year to year until maturity on March 1, 2023; interest at 4% to 5.7%	4,450,000	
\$930,000 April 1, 1998 Combined Waterworks and Sewerage System Refunding Revenue Bonds; due in annual installments varying from year to year until maturity on June 1, 2011; interest at 4.5% to 5%		210,000

CITY OF RAYMORE, MISSOURI

NOTES TO FINANCIAL STATEMENTS

For the Year Ended October 31, 2005

NOTE 3: DETAIL NOTES - SPECIFIED ASSETS AND LIABILITIES (continued)

E. Long-term Debt (continued)

	<u>Governmental</u>	<u>Enterprise</u>
\$3,250,000 June 1, 1998 Leasehold Revenue Bonds; due in annual installments varying from year to year until maturity on April 1, 2018; interest at 4.5% to 6.875%		2,450,000
General Obligation Refunding Improvement Bonds in the original amount of \$1,575,000 dated April 1, 1999; due in annual installments varying from year to year until maturity on March 1, 2014; interest at 3.4% to 4.65%	1,565,000	
\$1,400,000 April 1, 1999 General Obligation Waterworks Improvement Bonds; due in annual installments; varying from year to year until maturity on March 1, 2019; interest at 3.4% to 4.875%		1,340,000
\$1,800,000 December 1, 1999 Water Pollution Control and Drinking Water Revenue Bonds (State Revolving Fund Program-Multiple Participant Series) Series 1999B; due in annual installments varying from year to year until maturity on July 1, 2019; interest at 4.125% to 5.75%		1,475,000
General Obligation Improvement Bonds in the original amount of \$4,897,373 dated September 1, 2000; due in annual installments varying from year to year until maturity on March 1, 2016; interest at 4.7% to 5.45%	4,897,373	
\$600,000 Tax Anticipation Note dated May 1, 2002; renewable annually; interest at 3.8%	188,499	
Note payable, Department of Natural Resources, dated December 1, 2002, with final payment due January 1, 2023; interest at 1.6%. Note secured by tax revenues.	423,000	
\$4,625,000 General Obligation Refunding Bonds, Series 2004, dated December 2004; due in annual installments varying from year to year until March 1, 2016; interest at 3.5% to 4%-	4,625,000	

CITY OF RAYMORE, MISSOURI

NOTES TO FINANCIAL STATEMENTS For the Year Ended October 31, 2005

NOTE 3: DETAIL NOTES - SPECIFIED ASSETS AND LIABILITIES (continued)

E. Long-term Debt (continued)

	<u>Governmental</u>	<u>Enterprise</u>
\$750,000 Tax Anticipation Note dated April 1, 2005; renewable annually; interest at 4.29%	750,000	
\$10,360,000 Tax Increment Revenue Bonds, Series 2005, dated October 2005; due in annual installments varying from year to year until maturity in March 2028; interest at 6%	10,360,000	
	<u>\$31,354,093</u>	<u>\$5,410,000</u>

The following is a summary of long-term debt transactions for the year ended October 31, 2005.

	<u>Totals</u>	<u>Governmental</u>	<u>Enterprise</u>
Payable November 1,	\$22,257,785	\$16,517,785	\$5,740,000
Issued	15,735,000	15,735,000	0
Retired	<u>1,228,692</u>	<u>898,692</u>	<u>330,000</u>
Payable October 31, 2005	<u>\$36,764,093</u>	<u>\$31,354,093</u>	<u>\$5,410,000</u>

Debt service requirements to maturity are as follows:

Year Ended October 31,	<u>Totals</u>	<u>Principal</u>	<u>Interest</u>
2006	\$ 3,653,983	\$ 1,893,635	\$ 1,760,348
2007	4,026,502	2,241,000	1,785,502
2008	3,293,421	1,409,771	1,883,650
2009	7,086,612	5,274,771	1,811,841
2010	3,268,176	1,735,711	1,532,465
2011-2015	18,167,234	12,185,144	5,982,090
2016-2020	8,905,622	5,623,000	3,282,622
2021-2025	4,874,852	3,561,061	1,313,791
2026-2030	<u>3,199,100</u>	<u>2,840,000</u>	<u>359,100</u>
	<u>\$56,475,502</u>	<u>\$36,764,093</u>	<u>\$19,711,409</u>

F. Accrued Expenses as Per Category/Fund

Governmental-type activities:

	<u>Fund Statement</u>	<u>Government Fund Statement</u>
Accrued wages	\$165,019	\$165,019
Accrued vacation & sick leave	278,514	278,514
Accrued Bond Interest	<u>0</u>	<u>248,519</u>
	<u>\$443,533</u>	<u>\$692,052</u>

CITY OF RAYMORE, MISSOURI

NOTES TO FINANCIAL STATEMENTS

For the Year Ended October 31, 2005

NOTE 3: DETAIL NOTES - SPECIFIED ASSETS AND LIABILITIES (continued)

F. Accrued Expenses as Per Category/Fund (continued)

Business-type activities:

	<u>Fund Statement</u>	<u>Government Fund Statement</u>
Accrued wages	\$ 18,241	\$ 18,241
Accrued vacation & sick leave	23,724	23,724
Accrued Bond Interest	<u>94,370</u>	<u>94,370</u>
	<u>\$136,335</u>	<u>\$136,335</u>

G. Inter-fund Transactions

Inter-fund transfers and payments for the fiscal year ended October 31, 2005, were as follows:

<u>Governmental Activities</u>	<u>Received</u>	<u>Paid</u>
General Fund	\$2,871,391	\$1,235,050
Equipment Replacement	0	23,368
Parks Funds	285,050	250,000
M-58 Highway Fund	0	93,132
Transportation Fund	343,000	0
Excise Tax Fund	150,000	292,870
Debt Service Fund	0	501,983
Lucy Webb Fund	93,132	57,284
Public Works Fund	925,000	1,668,800
Capital Improvement Fund	<u>100,000</u>	<u>319,802</u>
	4,767,573	4,442,289
<u>Business-Type Activities</u>		
Enterprise Fund	336,400	500,000
Water Tap Fund	<u>0</u>	<u>161,684</u>
	<u>336,400</u>	<u>661,684</u>
	<u>\$5,103,973</u>	<u>\$5,103,973</u>

H. Tax Receivables and Revenues

Property Tax - Revenue by fund for the year ended October 31, 2005, is as follows:

	<u>General</u>
General	\$ 819,591
Special Revenue	207,684
Debt Service	<u>1,153,905</u>
	<u>\$2,181,180</u>

Delinquent taxes receivable at October 31, 2005, was \$43,441 of which it was estimated that \$8,672 would be available for use within the next 60-day period. The amount of \$34,769 was reserved as uncollectable.

CITY OF RAYMORE, MISSOURI

NOTES TO FINANCIAL STATEMENTS
For the Year Ended October 31, 2005

NOTE 3: DETAIL NOTES - SPECIFIED ASSETS AND LIABILITIES (continued)

H. Tax Receivables and Revenues (continued)

Sales tax - GASB 33 directs that revenues for government-wide statements and fund statements use a different time of measurement for revenue determination. Sales taxes due to the timing of merchant collection and availability to the City, use a different twelve-month period for revenue determination. Revenue by fund for both types of statements for the year ended October 31, 2005, is as follows:

	<u>Receivables</u>		<u>Revenues</u>	
	<u>Government</u> <u>Wide</u>	<u>Fund</u> <u>Statement</u>	<u>Government</u> <u>Wide</u>	<u>Fund</u> <u>Statement</u>
General Fund	348,025	159,785	2,520,283	2,332,044
Parks & Recreation Fund	55,301	26,098	399,828	370,625
Capital Projects - sales tax	110,602	52,197	799,660	741,254
Storm Water - sales tax	55,301	26,098	399,828	370,625

NOTE 4: OTHER

A. Pension Plan

The City of Raymore 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 401a and it is tax exempt.

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

Funding Status

The City of Raymore's full-time employees do not contribute to the pension plan. The political subdivision is required to contribute at an actuarially determined rate. The current rate is 10.5% (general), 10.9% (police) of annual covered payroll. The contribution requirements of plan members are determined by the governing body of the political subdivision. The contribution provisions of the political subdivision are established by state statute.

For 2005, the political subdivision's annual pension cost of \$397,208 was equal to the required and actual contributions. The required contribution was determined as part of the February 28, 2003 and/or February 29, 2004, annual actuarial valuation using the entry age actuarial cost method.

CITY OF RAYMORE

NOTES TO FINANCIAL STATEMENTS For the Year Ended October 31, 2005

NOTE 4: OTHER (continued)

A. Pension Plan (continued)

The actuarial assumptions included (a) a rate of return on the investment of present and future assets of 7.5% per year, compounded annually, (b) projected salary increases of 4.0% per year, compounded annually, attributable to inflation, (c) additional projected salary increases ranging from 0.0% to 4.2% per year depending on age, attributable to seniority/merit, (d) pre-retirement mortality based on the 1983 Group Annuity Mortality table and (e) post-retirement mortality based on the 1971 Group Annuity Mortality table projected to 2000 set back one year for men and seven 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 at February 28, 2005 was 25 years.

<u>Fiscal Year Ending</u>	Three-Year Trend Information		
	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
06/30/2003	\$312,999	100%	\$0
06/30/2004	\$344,802	100%	\$0
06/30/2005	\$397,208	100%	\$0

REQUIRED SUPPLEMENTARY INFORMATION Schedule of Funding Progress

<u>Actuarial Valuation Date</u>	<u>(a) Actuarial Value of Assets</u>	<u>(b) Entry Age Actuarial Liability</u>	<u>(b-a) Unfunded Accrued Liability (UAL)</u>	<u>(a/b) Funded Ratio</u>	<u>(c) Annual Covered Payroll</u>	<u>[(b-a)/c] UAL as a Percentage of Covered Payroll</u>
02/28/2003	\$2,411,187	\$3,195,277	\$784,090	75%	\$2,795,361	28%
02/29/2004	\$2,895,407	\$3,602,760	\$707,353	80%	\$3,112,925	23%
02/28/2005	\$3,478,860	\$4,277,601	\$798,741	81%	\$3,708,237	22%

Note: The above assets and actuarial accrued liability do not include the assets and present value of benefits associated the Benefit Reserve Fund and the Casualty Reserve Fund. The actuarial assumptions were changed in conjunction with the February 28, 2001 annual actuarial valuations. For a complete description of the actuarial assumptions used in the annual valuations, please contact the LAGERS officer in Jefferson City.

B. Deferred Compensation Plan

The City offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, available to all City employees, permits them to defer a portion of their salary until future years. Participation in the plan is optional. The deferred compensation is not available to employees until termination, retirement, death or unforeseeable emergency.

CITY OF RAYMORE

NOTES TO FINANCIAL STATEMENTS

For the Year Ended October 31, 2005

NOTE 4: OTHER (continued)

B. Deferred Compensation Plan (continued)

All amounts of compensation deferred under the plan, all property and rights purchased with those amounts, and all income attributable to those amounts, property or rights are solely the property and rights of the participants. Investments are managed by the plan's trustee under several investment options. The choice of the investment option(s) is made by the participants.

C. Risk Management

The City is a member of the Mid-America Regional Council Insurance Trust (MARCIT), a not-for-profit corporation consisting of local governments and political subdivisions. MARCIT was formed as a public entity risk retention pool operating as a common risk management and insurance program to cover health and dental, workers' compensation and property and casualty claims for its members. MARCIT has been established as assessable pools and accounting records are maintained for each line of coverage on a policy-year basis. The City pays annual premiums to MARCIT for all coverages.

The agreement with MARCIT provides that MARCIT will be self-sustaining through member premiums. MARCIT has the authority to assess members for any deficiencies of revenues under expenses for any single plan year. Likewise, MARCIT has the authority to declare refunds to members for the excess of revenues over expenses relating to any single plan year. MARCIT has not had deficiencies in any of the past three fiscal years. The City has not incurred any claims which have exceeded its coverage in any of the past three fiscal years.

D. T.I.F. Bond Issue

In October 2005, the City received the proceeds from the Tax Increment Revenue Bonds (Series 2005) issued to finance a portion of the projected costs to include the design and construction of a retail shopping center and related public improvements. The bonds \$10,360,000 are the liability of the City. They are to be liquidated through tax revenues created by the development. These bonds will be fully liquidated in 2028.

E. Litigation

As of October 31, 2005, the City had unsettled claims. These claims are at various stages and at this time, outcomes cannot be predicted. The City is vigorously defending each claim. There has been no provisions for possible loss included in these financial statements.

F. Prior Year Adjustment

Several transactions that pertained to prior years was reclassified from or to an asset or liability account with the corresponding half of the entry recorded to prior year's adjustment.

CITY OF RAYMORE

NOTES TO FINANCIAL STATEMENTS For the Year Ended October 31, 2005

NOTE 4: OTHER (continued)

G. Contributed Capital

When new housing divisions are developed, the developer pays for the cost of streets, sidewalks and storm drains, sewer and water lines. Upon completion of the division, the developer gives this infrastructure to the City to maintain in future years. The City estimates the cost of this contribution and records the infrastructure, which is depreciated over a period of time.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF RAYMORE, MISSOURI

BUDGETARY COMPARISON SCHEDULE - MODIFIED ACCRUAL BASIS

GENERAL FUND

For the Year Ended October 31, 2005

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Actual Over/(Under) Budget</u>
BEGINNING BUDGETARY - FUND BALANCE	\$2,068,208	\$2,083,235	\$1,969,808	\$(113,427)
<u>Resources (In Flows)</u>				
Taxes	3,565,115	3,565,115	3,645,358	80,243
Franchise fees	1,087,968	1,087,968	1,187,256	99,288
Licenses and permits	800,000	917,913	1,395,550	477,637
Intergovernmental	0	30,000	33,722	3,722
Charges for services	163,210	163,210	171,657	8,447
Fines and forfeitures	195,000	195,000	191,358	(3,642)
Investment income	0	40,000	42,340	2,340
Miscellaneous	337,913	150,000	119,430	(30,570)
Transfers from other funds	<u>500,000</u>	<u>700,000</u>	<u>523,368</u>	<u>(176,632)</u>
Total Resources	<u>6,649,206</u>	<u>6,849,206</u>	<u>7,310,039</u>	<u>460,833</u>
Amount Available for Appropriations	8,717,414	8,932,441	9,279,847	347,406
<u>Charges to Appropriations (Out Flows)</u>				
<i>General/Government:</i>				
Administrative				
Personnel/services	443,600	443,600	433,608	(9,992)
Commodities	35,470	35,470	30,261	(5,209)
Contractual services	<u>444,020</u>	<u>424,020</u>	<u>341,872</u>	<u>(82,148)</u>
Total Administrative	923,090	903,090	805,741	(97,349)
Information Technology				
Personnel/services	80,150	80,150	83,696	3,546
Commodities	132,687	156,055	154,099	(1,956)
Contractual services	<u>42,550</u>	<u>42,550</u>	<u>38,310</u>	<u>(4,240)</u>
Total Information Technology	255,387	278,755	276,105	(2,650)
Economic Development				
Personnel/services	144,200	144,200	137,107	(7,093)
Commodities	4,741	4,741	2,916	(1,825)
Contractual services	<u>61,285</u>	<u>61,285</u>	<u>19,188</u>	<u>(42,097)</u>
Total Economic Development	210,226	210,226	159,211	(51,015)
Community Development				
Personnel/services	490,000	490,000	481,391	(8,609)
Commodities	17,625	17,625	16,104	(1,521)
Contractual services	<u>52,625</u>	<u>52,625</u>	<u>54,866</u>	<u>2,241</u>
Total Community Development	560,250	560,250	552,361	(7,889)
Engineering				
Personnel/services	440,000	449,600	344,731	(95,869)
Commodities	28,100	28,100	20,689	(7,411)
Contractual services	86,700	86,700	38,973	(47,727)
Capital outlay	<u>0</u>	<u>0</u>	<u>27,335</u>	<u>27,335</u>
Total Engineering	555,400	555,400	431,728	(123,672)

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CITY OF RAYMORE, MISSOURI

BUDGETARY COMPARISON SCHEDULE - MODIFIED ACCRUAL BASIS

GENERAL FUND

For the Year Ended October 31, 2005

	Original Budget	Final Budget	Actual	Actual Over/(Under) Budget
Streets				
Personnel/services	302,000	302,000	273,229	(28,771)
Commodities	95,701	127,581	121,016	(6,565)
Contractual services	197,400	197,400	233,501	36,101
Capital outlay	<u>23,733</u>	<u>28,733</u>	<u>26,126</u>	<u>(2,607)</u>
Total Streets	618,834	655,714	653,872	(1,842)
Buildings/Grounds				
Personnel/services	92,050	92,050	94,725	2,675
Commodities	160,200	160,200	146,376	(13,824)
Contractual services	<u>27,300</u>	<u>27,300</u>	<u>20,359</u>	<u>(6,941)</u>
Total Buildings/Ground	279,550	279,550	261,460	(18,090)
Court				
Personnel/services	101,700	101,700	97,548	(4,152)
Commodities	2,763	2,763	1,833	(930)
Contractual services	<u>26,741</u>	<u>26,741</u>	<u>20,051</u>	<u>(6,690)</u>
Total Court	131,204	131,204	119,432	(11,772)
Finance				
Personnel/services	304,210	304,210	296,557	(7,653)
Commodities	7,000	15,000	10,163	(4,837)
Contractual services	<u>102,250</u>	<u>144,250</u>	<u>116,208</u>	<u>(28,042)</u>
Total Finance	413,460	463,460	422,928	(40,532)
Police				
Personnel/services	2,178,000	2,178,000	2,080,219	(97,781)
Commodities	164,207	164,207	159,886	(4,321)
Contractual services	91,100	91,100	85,878	(5,222)
Capital outlay	<u>78,518</u>	<u>78,518</u>	<u>69,834</u>	<u>(8,684)</u>
Total Police	2,511,825	2,511,825	2,395,817	(116,008)
Emergency Preparedness				
Personnel/services	70,450	70,450	69,467	(983)
Commodities	30,315	30,315	20,804	(9,511)
Contractual services	<u>4,215</u>	<u>4,215</u>	<u>4,372</u>	<u>157</u>
Total Preparedness	104,980	104,980	94,643	(10,337)
Debt Service:				
Interest	<u>55,000</u>	<u>20,000</u>	<u>17,717</u>	<u>(2,283)</u>
Total Debt Service	55,000	20,000	17,717	(2,283)
Transfers to Other Funds	580,000	943,233	1,235,050	291,817
Total Charges to Appropriations	<u>7,199,206</u>	<u>7,617,687</u>	<u>7,426,065</u>	<u>(191,622)</u>
ENDING BUDGETARY FUND BALANCE	<u>\$1,518,208</u>	<u>\$1,314,754</u>	<u>\$1,853,782</u>	<u>\$ 539,028</u>

CITY OF RAYMORE, MISSOURI

BUDGETARY COMPARISON SCHEDULE - MODIFIED ACCRUAL BASIS

SPECIAL REVENUE FUNDS

For the Year Ended October 31, 2005

	<u>Original</u>	<u>Final</u>	<u>Actual</u>	Actual Over (Under) <u>Budget</u>
BEGINNING BUDGETARY FUND BALANCE	\$3,593,764	\$3,593,764	\$3,593,764	\$ 0
<u>Resources (In Flows)</u>				
Taxes	1,000,000	1,000,000	948,934	(51,066)
Charges for services	150,000	150,000	174,095	24,095
Investment income	50,000	50,000	58,926	8,926
Use of property	5,000	5,000	6,545	1,545
Grants	300,000	300,000	303,979	3,979
Miscellaneous	50,000	50,000	36,080	(13,920)
Transfers from other funds	<u>500,000</u>	<u>500,000</u>	<u>378,050</u>	<u>(121,950)</u>
Total Resources	<u>2,055,000</u>	<u>2,055,000</u>	<u>1,906,609</u>	<u>(148,391)</u>
Amount Available for Appropriations	5,648,764	5,648,764	5,500,373	(148,391)
<u>Charges to Appropriations (Out Flows)</u>				
Parks and Recreation	636,600	636,600	610,949	(25,651)
Streets	150,000	150,000	148,115	(1,885)
Capital Projects	1,450,000	1,450,000	1,444,802	(5,198)
Debt Service	297,750	297,750	285,816	(11,934)
Transfers to Other Funds	<u>50,000</u>	<u>50,000</u>	<u>23,368</u>	<u>(26,632)</u>
Total Charges to Appropriations	<u>2,584,350</u>	<u>2,584,350</u>	<u>2,513,050</u>	<u>(71,300)</u>
ENDING BUDGETARY FUND BALANCE	<u>\$3,064,414</u>	<u>\$3,064,414</u>	<u>\$2,987,323</u>	<u>\$ (77,091)</u>

CITY OF RAYMORE, MISSOURI**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION****BUDGETARY COMPARISON****For the Year Ended October 31, 2005****BUDGETARY ACCOUNTING**

The reported budgetary data represents the final approved budget after amendments, as adopted by the City Council. The City follows these procedures in establishing the budgetary data reflected in the basic financial statements.

- 1) Prior to October 1, the budget officer submits to the City Council a proposed operating budget for the fiscal year commencing the following November 1. The operating budget includes proposed expenditures and the means of financing them.
- 2) A public hearing is conducted to obtain taxpayer comments. Prior to this hearing, the budget document is made available for public inspection.
- 3) Prior to November 1, the budget is legally enacted through passage of an ordinance.
- 4) Any transfer of budgeted amounts between object levels within any fund or any revisions that alter the total expenditures of any fund must be approved by the City Council. Overspending of budgeted object levels within a department must be approved by the Finance Director and/or City Administrator.
- 5) Budgets are prepared on the modified accrual basis of accounting which corresponds to the fund statements.
- 6) Actual expenditures may not legally exceed the budgeted expenditures in any budgeted fund. For the fiscal year ended October 31, 2005, no budgets had been exceeded using the modified accrual basis of accounting.

OTHER SUPPLEMENTARY INFORMATION

**REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER
FINANCIAL REPORTING BASED ON AN AUDIT OF
FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

The Honorable Mayor and Members
of the City Council
City of Raymore, Missouri

We have audited the basic financial statements of the City of Raymore, Missouri, as of and for the year ended October 31, 2005, and have issued our report thereon dated March 1, 2006. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States.

Compliance

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

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the City of Raymore's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the basic financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the basic financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

This report is intended solely for the information and use of the Board of Aldermen, audit committee, management and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Marr and Company PC

Marr and Company, P.C.
Certified Public Accountants

Kansas City, Missouri
March 1, 2006

CITY OF RAYMORE, MISSOURI

BALANCE SHEETS - MODIFIED ACCRUAL BASIS
SPECIAL REVENUE FUNDS COMBINED

October 31, 2005

	Parks and Recreation	T.I.F. Project	Transportation Fund	Storm Water Sales Tax	Equipment Replacement	Totals
<u>ASSETS</u>						
Cash and Cash Equivalents	\$379,071	0	\$ 13,759	\$ 63,881	\$ 797	\$ 457,508
Investments	457,421	0	737,279	925,736	32,708	2,153,144
Receivables, net	26,939	0	0	59,075	0	86,014
Prepaid Expenses	8,514	0	0	0	0	8,514
Restricted Cash and Investments	<u>0</u>	0	<u>0</u>	<u>390,251</u>	<u>0</u>	<u>390,251</u>
TOTAL ASSETS	\$871,945	0	\$751,038	\$1,438,943	\$33,505	\$3,095,431

LIABILITIES & FUND BALANCES

Liabilities:

Accounts Payable	\$ 44,278	0	\$ 23,538	\$ 0	\$ 0	67,816
Accrued Expenses	<u>40,292</u>	0	<u>0</u>	<u>0</u>	<u>0</u>	<u>40,292</u>
Total Liabilities	84,570	0	23,538	0	0	108,108

Fund Balance:

Reserved for:

Parks	787,375	0	0	0	0	787,375
Capital Projects	0	0	0	0	33,505	33,505
Infrastructure	<u>0</u>	0	<u>727,500</u>	<u>1,438,943</u>	<u>0</u>	<u>2,166,443</u>
Total Fund Balances	<u>787,375</u>	0	<u>727,500</u>	<u>1,438,943</u>	<u>33,505</u>	<u>2,987,323</u>

TOTAL LIABILITIES AND FUND BALANCES

	\$871,945	0	\$751,038	\$1,438,943	\$33,505	\$3,095,431
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CITY OF RAYMORE, MISSOURI

BALANCE SHEET - MODIFIED ACCRUAL BASIS
CAPITAL PROJECTS FUNDS COMBINED

October 31, 2005

	Capital Improvement Fund	Public Works Fund	Excise Tax Fund	Lucy Webb Fund	SAF 58 T.I.F.	M-58 Highway Project	Totals
<u>ASSETS</u>							
Cash and Cash Equivalents	\$ 95,824	\$ 16,371	\$ 281,457	\$ 23,281	\$ 0	\$ 0	\$ 416,933
Investments	391,530	245,611	1,520,501	0	0	6	2,157,648
Receivables, net	52,197	0	29,273	177,499	0	0	258,969
Prepaid Expenses	0	0	0	0	0	0	0
Restricted Cash and Investments	<u>619,837</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>9,986,968</u>	<u>0</u>	<u>10,606,805</u>
TOTAL ASSETS	<u>\$1,159,388</u>	<u>\$261,982</u>	<u>\$1,831,231</u>	<u>\$200,780</u>	<u>\$9,986,968</u>	<u>\$6</u>	<u>\$13,440,355</u>
<u>LIABILITIES AND FUND BALANCES</u>							
Liabilities:							
Accounts Payable	\$ 4,807	\$ 13,087	\$ 231,025	\$ 0	\$ 0	\$ 0	\$ 248,919
Accrued Expenses	0	0	0	0	0	0	0
Notes/Bonds Payable	<u>0</u>	<u>0</u>	<u>0</u>	<u>177,499</u>	<u>0</u>	<u>0</u>	<u>177,499</u>
Total Liabilities	<u>4,807</u>	<u>13,087</u>	<u>231,025</u>	<u>177,499</u>	<u>0</u>	<u>0</u>	<u>426,418</u>
Fund Balance:							
Reserved for:							
Capital Projects	1,154,581	248,895	1,600,206	23,281	0	6	3,026,969
T.I.F. Project	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>9,986,968</u>	<u>0</u>	<u>9,986,968</u>
Total Fund Balances	<u>1,154,581</u>	<u>248,895</u>	<u>1,600,206</u>	<u>23,281</u>	<u>9,986,968</u>	<u>6</u>	<u>13,013,937</u>
TOTAL LIABILITIES & FUND BALANCES	<u>\$1,159,388</u>	<u>\$261,982</u>	<u>\$1,831,231</u>	<u>\$200,780</u>	<u>\$9,986,968</u>	<u>\$6</u>	<u>\$13,440,355</u>

CITY OF RAYMORE, MISSOURI

STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - MODIFIED ACCRUAL BASIS
SPECIAL REVENUE FUNDS COMBINED

For the Year Ended October 31, 2005

	Parks and Recreation	T.I.F. Project	Transportation Fund	Storm Water Sales Tax	Equipment Replacement	Totals
REVENUES						
Property Taxes	\$207,684	\$ 0	\$ 0	\$ 0	\$ 0	\$ 207,684
Sales Taxes	370,625	0	0	370,625	0	741,250
Intergovernmental	71,219	0	232,760	0	0	303,979
Investment Earnings	11,774	19	18,698	27,562	873	58,926
Program Fees	174,095	0	0	0	0	174,095
Use of Property	6,545	0	0	0	0	6,545
Miscellaneous	3,103	0	0	32,977	0	36,080
Total Revenues	845,045	19	251,458	431,164	873	1,528,559
EXPENDITURES						
Personnel	336,576	0	0	0	0	336,576
Commodities	43,322	0	0	0	0	43,322
Contractual	154,621	43,397	99,010	5,708	0	302,736
Maintenance/Utilities	76,430	0	0	0	0	76,430
Capital Projects	119,480	0	1,218,153	107,169	0	1,444,802
Debt Service	64,177	0	0	221,639	0	285,816
Total Expenditures	794,606	43,397	1,317,163	334,516	0	2,489,682
Transfer In(Out)	35,050	0	343,000	0	(23,368)	354,682
Net Changes in Fund Balances	85,489	(43,378)	(722,705)	96,648	(22,495)	(606,441)
FUND BALANCES - OCTOBER 31, 2004	701,886	43,378	1,450,205	1,342,295	56,000	3,593,764
FUND BALANCES - OCTOBER 31, 2005	\$787,375	\$ 0	\$ 727,500	\$1,438,943	\$ 33,505	\$2,987,323

CITY OF RAYMORE, MISSOURI

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND BALANCE - MODIFIED ACCRUAL BASIS
CAPITAL PROJECTS FUNDS COMBINED

Year Ended October 31, 2005

	Capital Improvement Funds	Public Work Funds	Excise Tax Funds	Lucy Webb Fund	SAF 58 T.I.F.	M-58 Highway Project	Totals
REVENUES							
Taxes	\$ 741,254	\$ 0	\$ 533,073	\$ 0	\$ 0	\$ 0	\$ 1,274,327
Investment Income	18,700	16,863	27,617	43	0	566	63,789
Bond Proceeds	0	0	0	0	10,086,668	0	10,086,668
Total Revenues	759,954	16,863	560,690	43	10,086,668	566	11,424,784
EXPENDITURES							
Contractual	8,033	0	0	7,985	0	8,500	24,518
Debt Service	376,823	0	0	0	99,700	0	476,523
Capital Projects	89,874	1,672,408	292,871	61,909	0	6,562	2,123,624
Total Expenditures	474,730	1,672,408	292,871	69,894	99,700	15,062	2,624,665
Transfers In(Out)	(43,000)	925,000	150,000	93,132	0	(93,132)	1,032,000
Net Changes in Fund Balance	242,224	(730,545)	417,819	23,281	9,986,968	(107,628)	9,832,119
FUND BALANCE - OCTOBER 31, 2004							
Prior Year Adjustment	912,357	979,440	1,182,387	(478,463)	0	107,634	2,703,355
FUND BALANCE - OCTOBER 31, 2005	0	0	0	478,463	0	0	478,463
	\$1,154,581	\$ 248,895	\$1,600,206	\$ 23,281	\$ 9,986,968	\$ 6	\$13,013,937

CITY OF RAYMORE, MISSOURI

STATEMENT OF NET ASSETS
PROPRIETARY FUNDS COMBINED

October 31, 2005

	<u>ASSETS</u>					<u>Totals</u>		
	<u>Operating</u>	<u>Meter Deposit</u>	<u>Water Tap Fees</u>	<u>Sewer Connection</u>	<u>Equipment Replacement</u>			
Current Assets:								
Cash & Cash Equivalents	\$ 549,963	\$ 40,161	\$ 171,549	\$ 72,642	\$ 14,660	\$	\$	\$ 848,975
Investments	2,985,946	279,641	3,420,704	2,372,169	19,530			9,077,990
Receivables - net	608,056	0	0	0	0			608,056
Prepaid Expenses	21,353	0	0	0	0			21,353
Total Current Assets	4,165,318	319,802	3,592,253	2,444,811	34,190			10,556,374
Non-Current Assets:								
Cash & Investment-restricted	1,538,716	0	0	0	0			1,538,716
Bond Issuance Cost-net	114,616	0	0	0	0			114,616
Infrastructure-net	31,993,667	0	0	0	0			31,993,667
Capital Assets-net	772,523	0	0	0	0			772,523
Total Non-Current Assets	34,419,522	0	0	0	0			34,419,522
Total Assets	<u>\$38,584,840</u>	<u>\$319,802</u>	<u>\$3,592,253</u>	<u>\$2,444,811</u>	<u>\$34,190</u>			<u>\$44,975,896</u>
LIABILITIES								
Current Liabilities:								
Accounts Payable	\$ 372,310	\$268,005	\$ 0	\$ 20,757	\$ 0	\$	\$	\$ 661,072
Accrued Expense	136,335	0	0	0	0			136,335
Bonds Payable-current	355,000	0	0	0	0			355,000
	863,645	268,005	0	20,757	0			1,152,407
Non-Current Liabilities								
Bonds Payable-long term	5,055,000	0	0	0	0			5,055,000
Total Liabilities	<u>\$ 5,918,645</u>	<u>\$268,005</u>	<u>\$ 0</u>	<u>\$ 20,757</u>	<u>\$ 0</u>			<u>\$ 6,207,407</u>
NET ASSETS								
Invested in Capital Assets	\$27,356,190	\$ 0	\$ 0	0	0			27,356,190
Unrestricted	5,310,005	51,797	3,592,253	2,424,054	34,190			11,412,299
Total Net Assets	<u>\$32,666,195</u>	<u>\$ 51,797</u>	<u>\$3,592,253</u>	<u>\$2,424,054</u>	<u>\$34,190</u>			<u>\$38,768,489</u>

CITY OF RAYMORE, MISSOURI

STATEMENT OF REVENUES, EXPENSES & CHANGES IN FUND BALANCES
PROPRIETARY FUNDS COMBINED
 October 31, 2005

	Operating	Meter Deposit	Water Tax Fees	Sewer Connections	Equipment Replacement	Totals
<u>Operating Revenues</u>						
Charges for Service	\$4,215,670	\$ 0	\$ 875,611	\$ 758,605	\$ 0	\$ 5,849,886
Penalties	101,533	0	0	0	0	101,533
Miscellaneous	<u>7,397</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>7,397</u>
Total Operating Income	4,324,600	0	875,611	758,605	0	5,958,816
<u>Direct Expense</u>						
Charges & Purchases	<u>1,834,747</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1,834,747</u>
Gross Income	2,489,853	0	875,611	758,605	0	4,124,069
<u>Operating Expenses</u>						
Personnel Services	629,955	0	0	0	0	629,955
Contractual Services	210,797	0	62,763	66,248	0	339,808
Commodities	50,553	0	0	0	0	50,553
Utilities	54,397	0	0	0	0	54,397
Repairs & Maintenance	126,964	0	0	300	0	127,264
Bad Debt Expense	345	0	0	0	0	345
Bond Interest & Fees	<u>433,675</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>433,675</u>
Total Operating Expenses	<u>1,506,686</u>	<u>0</u>	<u>62,763</u>	<u>66,548</u>	<u>0</u>	<u>1,635,997</u>
Operating Income(Loss)	983,167	0	812,848	692,057	0	2,488,072
<u>Non-Operating Revenues (Expenses)</u>						
Contributed Capital	2,260,861	0	0	0	0	2,260,861
Investment Income	292,075	5,542	64,468	39,318	482	401,885
Depreciation	(1,893,083)	0	0	0	0	(1,893,083)
Amortization	<u>(16,108)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(16,108)</u>
Total Non-Operating Revenues	<u>643,745</u>	<u>5,542</u>	<u>64,468</u>	<u>39,318</u>	<u>482</u>	<u>753,555</u>
Income (Loss) Before Transfers	1,626,912	5,542	877,316	731,375	482	3,241,627
Net Transfers	<u>(163,600)</u>	<u>0</u>	<u>(161,684)</u>	<u>0</u>	<u>0</u>	<u>(325,284)</u>
Income (Loss)	1,463,312	5,542	715,632	731,375	482	2,916,343
NET ASSETS-OCTOBER 31, 2004	30,839,549	46,255	2,876,621	1,692,679	33,708	35,488,812
Prior Year Adjustments	<u>363,334</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>363,334</u>
NET ASSETS-OCTOBER 31, 2005	<u>\$32,666,195</u>	<u>\$51,797</u>	<u>\$3,592,253</u>	<u>\$2,424,054</u>	<u>\$34,190</u>	<u>\$38,768,489</u>

CITY OF RAYMORE, MISSOURI

STATEMENT OF REVENUES AND EXPENSES IN DETAIL

PROPRIETARY FUNDS

For the Year Ended October 31, 2005

	<u>Totals</u>	<u>Water</u>	<u>Sewer</u>
Charges for Services:			
Water Sales	\$1,988,130	\$1,988,130	\$ 0
Water Tax Fees	898,020	898,020	0
Sewer Use Fees	2,205,131	0	2,205,131
Sewer Connection Fees	<u>758,605</u>	<u>0</u>	<u>758,605</u>
	<u>\$5,849,886</u>	<u>\$2,886,150</u>	<u>\$2,963,736</u>
Direct Expense:			
Water Purchased	\$ 728,229	\$728,229	\$ 0
Tax Materials	89,403	89,403	0
LBVSD	599,010	0	599,010
Middle Big Creek	<u>418,105</u>	<u>0</u>	<u>418,105</u>
	<u>\$1,834,747</u>	<u>\$817,632</u>	<u>\$1,017,115</u>
Operating Expense:			
Personnel Services	\$ 629,955	\$317,715	\$312,240
Contractual Services	339,808	84,756	255,052
Commodities	50,553	26,217	24,336
Utilities	54,397	15,339	39,058
Repair and Maintenance	127,264	29,063	98,201
Non-Operating Revenues/(Expenses):			
Contributed Capital	\$ 2,260,861	\$ 884,139	\$ 1,376,722
Depreciation	(1,893,083)	(540,518)	(1,352,565)
Amortization	(16,108)	(16,108)	0