

**CITY OF RAYMORE, MISSOURI**  
**ANNUAL FINANCIAL STATEMENTS**  
**AND ACCOMPANYING**  
**INDEPENDENT AUDITORS' REPORT**

**For the Fiscal Year Ended**  
**October 31, 2007**

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# **CITY OF RAYMORE, MISSOURI**

## **LIST OF PRINCIPAL OFFICERS**

October 31, 2007

### **MAYOR**

Juan I. Alonzo

### **CITY COUNCIL**

John Seimears	Ward I
Ivan Waite	Ward I
Dale Jacobson	Ward II
Nathan Hughes	Ward II
Libby Smith	Ward III
Jeffrey Adams	Ward III
Charlene Hubach	Ward IV
Peter Kerckhoff	Ward IV

### **CITY ADMINISTRATOR**

Eric Berlin

### **MANAGEMENT TEAM**

Jim Feuerborn	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
Mike Krass	Public Works Director/City Engineer



# Marr and Company, P.C.

CERTIFIED PUBLIC ACCOUNTANTS

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## 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, 2007, which collectively comprise the City's basic 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. 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 opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of Raymore as of October 31, 2007, 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.

The management's discussion and analysis and budgetary comparison information are not a required part of the basic financial statements but is 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 and, in our opinion, is fairly stated in all material respects in relation to the basis 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*

Marr and Company, P.C.  
Certified Public Accountants

Kansas City, Missouri  
May 22, 2008

## **CITY OF RAYMORE, MISSOURI**

### **MANAGEMENT'S DISCUSSION AND ANALYSIS**

**Year Ended October 31, 2007**

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, 2007. 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 is in the third year of a three-year contract with Marr & Company to perform the annual independent audit of the City.
- The assets of the City of Raymore exceeded liabilities by \$81,747,113. Of this amount, \$15,811,296 represents unrestricted net assets and may be used to fund ongoing obligations.
- Total net assets increased by \$5,771,238. This increase is primarily attributable to operating efficiency and contributed capital.
- At the close of the 2007 fiscal year, the City's combined governmental fund balances totaled \$22,236,452. This is an increase from the previous fiscal year of \$11,198,070. This increase is primarily attributable to receipt of bond proceeds on the 2007 General Obligation Bond issue.
- At the end of the current fiscal year, unreserved, undesignated fund balance for the general fund was \$2,078,692, a decrease over the previous fiscal year of \$270,969. This fund balance represented 34.04% of expenditures for the period.
- Total debt for the City of Raymore increased during the fiscal year 2007, as General Obligation Bonds were issued in the amount of \$14,400,000, and the TIF bonds stated in the previous year in the amount of 10,405,000 were removed from consideration from the City's Financial Statements due to the nature of the bonds.

#### **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, such as actual to budget comparisons, in addition to the basic financial statements themselves.

## CITY OF RAYMORE, MISSOURI

### MANAGEMENT'S DISCUSSION AND ANALYSIS

Year Ended October 31, 2007

**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.

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 the 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, and 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 14 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 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 the 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.



## CITY OF RAYMORE, MISSOURI

### MANAGEMENT'S DISCUSSION AND ANALYSIS

Year Ended October 31, 2007

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 Project funds is presented beginning on page 54 of the financial statements.

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 the 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	879,226	1,349,517
Information Technology	235,538	197,490
Economic Development	209,230	191,897
Community Development	678,204	606,757
Engineering	532,019	408,950
Streets and Roads	1,019,505	942,079
Buildings and Grounds	267,122	270,625
Municipal Court	129,759	121,877
Finance	515,665	482,218
Police	2,914,904	2,668,910
Emergency Management	121,479	92,844
Parks and Recreation	775,945	237,843
Water and Sewer	5,786,553	3,138,012
Totals	14,065,149	10,709,019

**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 its water and sewer operations.

## CITY OF RAYMORE, MISSOURI

### MANAGEMENT'S DISCUSSION AND ANALYSIS

Year Ended October 31, 2007

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 page 21 of this report.

**Fiduciary funds.** Fiduciary funds are used to account for resources held for the benefit of parties outside of the governmental entity. 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 24 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 25 of this report.

#### **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 \$81,747,113 at the close of the fiscal year.

The largest portion of the City of Raymore's net assets, 27%, reflects its investment in capital assets (land, buildings, machinery, equipment, infrastructure), 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 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 can not be used to liquidate these liabilities.

**CITY OF RAYMORE, MISSOURI**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**Year Ended October 31, 2007**

**Statement of Net Assets**

	Government Activities					Business-Type Activities					Total			
	2007	2006	2005	2004	2007	2006	2005	2004	2007	2006	2005	2004	2005	2004
<b>Assets:</b>														
Current and other assets	29,253,273	17,467,607	25,271,575	9,953,160	11,406,984	11,862,532	12,095,090	10,919,906	40,660,257	29,330,139	37,366,665	20,873,066		
Capital assets	42,857,892	47,404,223	30,504,901	23,070,720	38,070,342	36,739,433	32,880,806	30,900,252	80,928,234	84,143,656	63,385,707	53,970,972		
<b>Total Assets</b>	<b>72,111,165</b>	<b>64,871,830</b>	<b>55,776,476</b>	<b>33,023,880</b>	<b>49,477,326</b>	<b>48,601,965</b>	<b>44,975,896</b>	<b>41,820,158</b>	<b>121,588,491</b>	<b>113,473,795</b>	<b>100,752,372</b>	<b>74,844,038</b>		
<b>Liabilities:</b>														
Long-term liabilities														
Outstanding	32,469,555	30,505,372	31,354,092	16,533,484	4,665,000	5,055,000	5,410,000	5,740,000	37,134,555	35,560,372	36,764,092	22,273,484		
Other liabilities	1,551,855	1,018,426	1,253,236	525,385	1,154,968	919,122	797,407	556,084	2,706,823	1,937,548	2,050,643	1,081,469		
<b>Total Liabilities</b>	<b>34,021,410</b>	<b>31,523,798</b>	<b>32,607,328</b>	<b>17,058,869</b>	<b>5,819,968</b>	<b>5,974,122</b>	<b>6,207,407</b>	<b>6,296,084</b>	<b>39,841,378</b>	<b>37,497,920</b>	<b>38,814,735</b>	<b>23,354,953</b>		
<b>Net Assets:</b>														
Invested in capital assets net of related debt	15,388,520	24,641,575	14,044,036	7,015,699	33,316,662	31,572,834	27,356,190	25,160,252	48,705,182	56,214,409	41,360,226	32,175,951		
Restricted	17,230,635	5,274,404	5,603,780	7,033,416	0	0	0	6,106,515	17,230,635	5,274,404	5,603,780	13,139,931		
Unrestricted	5,470,600	3,432,053	3,561,332	1,915,896	10,340,696	11,055,009	11,412,299	4,257,307	15,811,296	14,487,062	14,973,631	6,173,203		
<b>Total Net Assets</b>	<b>38,089,755</b>	<b>33,348,032</b>	<b>23,169,148</b>	<b>15,965,011</b>	<b>43,657,358</b>	<b>42,627,843</b>	<b>38,768,489</b>	<b>35,524,074</b>	<b>81,747,113</b>	<b>75,975,875</b>	<b>61,937,637</b>	<b>51,489,085</b>		

Additionally, a portion of the City of Raymore's net assets (21.1% 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, Park, and Enterprise the City voluntarily "restricts" 20% of the budgeted operational expenditures to assure ongoing operations.

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.

# CITY OF RAYMORE, MISSOURI

## MANAGEMENT'S DISCUSSION AND ANALYSIS

Year Ended October 31, 2007

**Government Activities.** Governmental activities increased the City of Raymore's net assets by \$4,741,723, accounting for 82.2% of the total growth in the net assets of the City of Raymore. Key elements of this increase are reflected in the chart below:

	Government Activities					Business-Type Activities					Total			
	2007	2006	2005	2004		2007	2006	2005	2004		2007	2006	2005	2004
<b>Revenues</b>														
Program Revenues														
Charges for Services	1,252,085	1,065,310	755,073	1,682,640		5,605,051	6,022,702	5,958,816	4,820,622		6,857,136	7,088,032	6,713,889	6,503,262
Operating grants & contributions	270,572	170,073		340,111							270,572	170,073	340,011	
Capital grants and contributions	1,387,636	8,536,490	5,578,615	197,821		848,069	2,918,943	2,260,861			2,235,705	2,918,943	7,839,476	197,821
General Revenues												8,536,490		
Property Tax	2,718,283	2,531,592	2,980,840	2,149,557							2,718,283	2,531,592	2,980,840	2,149,557
Sales Tax	4,542,021	3,899,016	3,583,012	3,971,026							4,542,021	3,899,016	3,583,012	3,971,026
Franchise Tax	1,489,994	1,320,823	1,187,256	1,014,448							1,489,994	1,320,823	1,187,256	1,014,448
Other Taxes	2,187,891	2,794,299	493,723	355,378							2,187,891	2,794,299	493,723	355,378
Other Revenue	1,914,188	582,743	1,738,029	396,652		668,011	671,717	401,885	265,879		2,382,199	1,254,460	2,139,914	662,531
Total Revenues	15,782,670	20,900,366	16,701,659	9,767,522		7,121,131	9,613,362	8,621,562	5,086,501		22,903,801	30,513,728	18,494,221	14,854,023
<b>Expenses</b>														
Administration	1,349,517	941,347	882,386	966,348							1,349,517	941,347	882,386	966,348
Information Technology	197,490	180,038	167,817	147,248							197,490	180,038	167,817	147,248
Economic Development	191,897	184,831	159,211	157,856							191,897	184,831	159,211	157,856
Planning/Zoning	606,757	704,186	552,361	472,252							606,757	704,186	552,361	472,252
Engineering	408,950	411,938	401,041	438,206							408,950	411,938	401,041	438,206
Streets	942,079	905,048	655,043	665,163							942,079	905,048	655,043	665,163
Buildings/Grounds	270,625	241,071	369,953	103,683							270,625	241,071	369,953	103,683
Municipal Court	121,877	124,608	119,432	111,411							121,877	124,608	119,432	111,411
Finance	482,218	458,292	422,928	369,774							482,218	458,292	422,928	369,774
Police	2,668,910	2,531,672	2,307,951	2,268,626							2,668,910	2,531,672	2,307,951	2,268,626
Emergency Mgmt	92,844	100,921	94,643	84,591							92,844	100,921	94,643	84,591
Depreciation	2,368,793	2,061,799	1,823,592	1,708,407							2,368,793	2,061,799	1,823,592	1,708,407
Park/Recreation	237,843	653,364	600,333	614,248							237,843	653,364	600,333	614,248
Water/Sewer						5,395,132	5,254,766	5,286,961	4,611,998		5,395,132	5,254,766	5,286,961	4,611,998
Int'l/Long-Term Debt	1,797,632	1,721,608	1,087,456	1,240,046							1,797,632	1,721,608	1,087,456	1,240,046
Total Expenses	11,737,432	11,220,723	9,644,147	9,347,899		5,395,132	5,254,766	5,286,961	4,611,998		17,132,564	16,475,489	14,931,108	13,959,897
Increase (Decrease) before transfers	4,045,238	9,679,643	7,282,512	419,623		1,725,999	4,358,596	3,334,601	474,503		5,771,237	14,038,239	10,617,113	894,126
Transfers	696,484	499,242	325,284	565,976		(696,484)	(499,242)	(325,284)	(565,976)		0	0	0	0
Increase (Decrease) in Net Assets	4,741,722	10,178,885	7,607,796	985,599		1,029,515	3,859,354	3,009,317	(91,473)		5,771,237	14,038,239	10,617,113	894,126
Adjustments to Prior Years	0	0	(403,659)	1,356,092							0	0	(169,473)	2,681,601
Net Assets - Beginning Year	33,348,033	23,169,148	15,965,011	13,423,320		42,627,843	38,768,489	35,524,074	34,490,038		75,975,876	61,937,637	51,489,997	47,913,358
Net Assets - End Year	38,089,755	33,348,033	23,169,148	15,965,011		43,657,358	42,627,843	38,768,489	35,524,074		81,747,113	75,975,876	61,937,637	51,489,085

- Revenues were down in the government activities funds, primarily due to increases in capital contributions associated with acceptance of infrastructure from development. Sales taxes and franchise taxes collected were also up from the previous fiscal year. Property tax collected shows a decrease due to an accounting adjustment at year end, but remained stable for the two-year period.
- Expenses in the governmental funds were up by a total of \$516,709. Of this amount, \$1,046,317 or 66% of the increase is attributable to payment of interest on bonds, depreciation, and transfers to other funds. The remaining 34%, or \$133,691 is associated with increased departmental spending in the governmental activities funds.

## CITY OF RAYMORE, MISSOURI

### MANAGEMENT'S DISCUSSION AND ANALYSIS

Year Ended October 31, 2007

**Business-type activities.** Business type activities increased the City of Raymore's net assets by \$1,029,515. This accounted for 17.8% of the total growth in the net assets of the City. Like last year, the primary element associated with this increase is attributable to the growth in residential housing and associated services provided.

#### **Financial Analysis of the Government's 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 the fiscal year.

As of the end of the current fiscal year, the City of Raymore's governmental funds reported combined ending balances of \$22,236,452. As stated earlier, the increase is primarily attributable to the issuance of the 2007 General Obligation Bond in the amount of \$14,400,000. Approximately \$2,078,692 (9.4%) of the total fund balances represents unreserved or unrestricted fund balance, which is available for spending at the government's discretion. This is a decrease of \$270,969 over the previous fiscal year. The remaining 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 represented the entire \$2,078,692 listed above, and also represented the entire general fund balance. As a measure of the general funds liquidity, it may be useful to compare the total fund balance to the total fund expenditures. Total fund balance represents 34.4% of the total general fund expenditures of \$6,048,350.

The total fund balance in the City of Raymore's general fund decreased by \$270,969 over the previous fiscal year. The key factor associated with this decrease was the accounting for Capital Projects and infrastructure.

The debt service fund has a total fund balance of \$452,490, all of which is reserved for the payment of debt service. The net decrease in fund balance during the current fiscal year in the debt service fund was \$410,371. The government's debt service levy on all property for the fiscal year was .7170. The City of Raymore maintains an A- rating from Moody's Investors Services for its general obligation debt.

**Proprietary fund.** The City of Raymore's proprietary funds provide the same type of information found the government-wide financial statements, but in more detail. The City of Raymore utilizes five different propriety 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 \$10,340,696. This is down slightly from the previous year's amount of \$11,055,009. Total net assets in this fund grew by \$1,029,515. Other factors concerning the finances of this fund have already been addressed in the discussion of the City of Raymore's business-type activities.

## **CITY OF RAYMORE, MISSOURI**

### **MANAGEMENT'S DISCUSSION AND ANALYSIS**

**Year Ended October 31, 2007**

#### **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 \$80,839,471 (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 decrease from the previous year of \$3,003,679. This decrease is represented by the accounting for an adjustment to the previous year's balance for infrastructure associated with the contributed assets with the TIF project, several new developments being completed and associated infrastructure being accepted by the City, and a more complete accounting and inventory of existing infrastructure inventories.

**Long-term debt.** At the end of the current fiscal year, the City of Raymore had total debt outstanding of \$37,164,555. As stated previously, this is an increase in total debt of \$1,675,002, all of which was retired debt on still existing issues while no new debt was undertaken.

# CITY OF RAYMORE, MISSOURI

## MANAGEMENT'S DISCUSSION AND ANALYSIS

Year Ended October 31, 2007

### Capital Assets

	Governmental Activities				Business Type Activities				Total			
	2007	2006	2005	2004	2007	2006	2005	2004	2007	2006	2005	2004
Land and Land Rights	663,790	550,413	550,413		337,399	295,250	295,250	119,485	971,189	845,663	845,663	119,485
Buildings and Improvements	9,913,106	9,750,590	9,398,115	8,501,302	353,741	353,741	353,741	53,741	10,266,847	10,104,331	9,751,856	8,555,043
Machinery	2,397,921	2,037,897	1,806,215	1,412,170	502,403	461,778	376,096	295,412	2,900,324	2,499,675	2,182,311	1,707,582
Infrastructure	51,600,719	54,199,104	35,819,916	28,623,900	62,743,255	59,350,724	53,607,424	50,338,081	114,343,974	113,549,828	89,427,340	78,961,981
Sub-Total	64,545,536	66,538,004	47,564,659	38,537,372	63,936,798	60,461,493	54,632,511	50,806,719	128,482,334	126,999,497	102,197,170	89,344,091
Less Accumulated Depreciation	21,687,645	19,322,688	17,275,561	15,466,652	25,955,218	23,833,659	21,866,321	19,906,467	47,642,863	43,156,347	39,161,882	35,373,119
Capital Assets Net of Depreciation	42,857,891	47,215,316	30,289,098	23,070,720	37,981,580	36,627,834	32,766,190	30,900,252	80,839,471	83,843,150	63,035,288	53,970,972

### Outstanding Debt

	Governmental Activities				Business Type Activities				Total			
	2007	2006	2005	2004	2007	2006	2005	2004	2007	2006	2005	2004
General Obligation Bonds	25,382,373	12,427,458	12,743,594	8,441,322	1,330,000	1,330,000	1,340,000	2,895,000	26,712,373	13,757,458	14,083,594	11,336,322
Revenue Bond	757,182	11,372,075	11,721,499		3,365,000	3,725,000	4,070,000	2,605,000	4,122,182	15,097,075	15,791,499	2,605,000
Special Obligation Bonds	4,160,000	4,320,000	4,450,000	4,575,000					4,160,000	4,320,000	4,450,000	4,575,000
Leasehold Bonds	2,170,000	2,315,000		2,580,000			2,450,000		2,170,000	2,315,000	2,450,000	2,580,000
Capital Leases				15,699								15,699
Total	32,469,555	30,434,533	28,915,093	15,612,021	4,695,000	5,055,000	7,860,000	5,500,000	37,164,555	35,489,533	36,775,093	21,112,021

**CITY OF RAYMORE, MISSOURI**

**MANAGEMENT'S DISCUSSION AND ANALYSIS**

Year Ended October 31, 2007

**Request 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 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, 2007

	Primary Government		
	Governmental	Business-Type	
	Activities	Activities	Totals
<b><u>ASSETS</u></b>			
Cash and cash equivalents	\$20,919,571	\$ 6,724,052	\$ 27,643,623
Investments	1,276,191	2,400,000	3,676,191
Receivables, net	834,511	756,365	1,590,876
Prepaid expenses	343,834	20,491	364,325
Cash and investments-restricted	5,623,017	1,506,076	7,129,093
Capital assets, net of accumulated depreciation	10,155,265	860,813	11,016,078
Infrastructure, net of accumulated depreciation	32,702,627	37,120,849	69,823,476
Bond issuance cost-net amortization	<u>256,149</u>	<u>88,680</u>	<u>344,829</u>
Total Assets	<u>\$72,111,165</u>	<u>\$49,477,326</u>	<u>\$121,588,491</u>
<b><u>LIABILITIES</u></b>			
Accounts payable	\$ 552,443	\$ 1,019,449	\$ 1,571,892
Accrued expenses	932,595	116,950	1,049,545
Deferred revenues	66,817	18,569	85,386
Long-term liabilities:			
Due within one year	1,267,932	425,000	1,692,932
Due in more than one year	<u>31,201,623</u>	<u>4,240,000</u>	<u>35,441,623</u>
Total Liabilities	<u>\$34,021,410</u>	<u>\$ 5,819,968</u>	<u>\$ 39,841,378</u>
<b><u>NET ASSETS</u></b>			
Invested in capital assets, net of related debt	\$15,388,520	\$33,316,662	\$ 48,705,182
Restricted for:			
Debt service	2,069,310	0	2,069,310
Infrastructure/capital projects	15,161,325	0	15,161,325
Unrestricted	<u>5,470,600</u>	<u>10,340,696</u>	<u>15,811,296</u>
Total Net Assets	<u>\$38,089,755</u>	<u>\$43,657,358</u>	<u>\$ 81,747,113</u>

See accompanying Notes to Financial Statements.

## CITY OF RAYMORE, MISSOURI

## STATEMENT OF ACTIVITIES

For the Year Ended October 31, 2007

Functions/Programs	Expenses	Charges for Services	Program Revenues		Net (Expense)/Revenue and Changes in Net Assets	
			Operating Grants & Contributions	Capital Grants & Contributions	Primary Government	
					Governmental Activities	Business- Type Activities
GOVERNMENTAL ACTIVITIES:						
Administration	\$ 1,349,517	\$ 53,585	\$ 0	0	\$(1,295,932)	\$ (1,295,932)
Information Technology	197,490	0	0	0	(197,490)	(197,490)
Economic Development	191,897	0	0	0	(191,897)	(191,897)
Community Development	606,757	568,599	0	0	(38,158)	(38,158)
Engineering	408,950	0	0	0	(408,950)	(408,950)
Streets/Roads	942,079	0	124,745	0	(817,334)	(817,334)
Buildings/Grounds	270,625	0	0	0	(270,625)	(270,625)
Court	121,877	0	0	0	(121,877)	(121,877)
Finance	482,218	136,627	0	0	(345,591)	(345,591)
Law Enforcement	2,668,910	304,363	145,827	0	(2,218,720)	(2,218,720)
Emergency Preparedness	92,844	0	0	0	(92,844)	(92,844)
Parks and Recreation	237,843	188,911	0	0	(48,932)	(48,932)
Total Governmental Activities	7,571,007	1,252,085	270,572	0	(6,048,350)	(6,048,350)
Business-Type Activities:						
Water & Sewer	3,138,012	5,605,051	0	0	0	2,467,039
Total Business-Type Activities	3,138,012	5,605,051	0	0	0	2,467,039
TOTALS (To Next Page)	\$10,709,019	\$6,857,136	\$270,572	0	(6,048,350)	2,467,039
						(3,581,311)

See accompanying Notes to Financial Statements.

## CITY OF RAYMORE, MISSOURI

STATEMENT OF ACTIVITIES  
For the Year Ended October 31, 2007

	Governmental Activities	Business-type Activities	Totals
Net (Expense)/Revenue (from previous page)	\$(6,048,350)	\$2,467,039	\$(3,581,311)
General Revenues:			
Taxes:			
Property tax	2,738,283	0	2,738,283
Sales taxes	4,542,021	0	4,542,021
Gasoline tax/motor vehicle	529,678	0	529,678
Excise tax	628,926	0	628,926
In lieu of taxes	56,695	0	56,695
Franchise fees	1,489,994	0	1,489,994
Investment income	968,713	660,406	1,629,119
Miscellaneous revenue	3,879	7,605	11,484
Transfers	696,484	(696,484)	0
Total General Revenues	11,654,673	(28,473)	11,626,200
Other Revenues:			
Contributed capital	1,387,636	848,069	2,235,705
Income from properties	150,065	0	150,065
TIF Project - net	1,764,123	0	1,764,123
Interest expense	(1,797,632)	(122,593)	(1,920,225)
Depreciation	(2,357,442)	(2,121,559)	(4,479,001)
Amortization	(11,351)	(12,968)	(24,319)
Total Other Revenues	(864,601)	(1,409,051)	(2,273,652)
Changes in Net Assets	4,741,722	1,029,515	5,771,237
NET ASSETS - OCTOBER 31, 2006	33,348,033	42,627,843	75,975,876
NET ASSETS - OCTOBER 31, 2007	<u>\$38,089,755</u>	<u>\$43,657,358</u>	<u>\$81,747,113</u>

See Accompanying Notes to Financial Statements.

## CITY OF RAYMORE, MISSOURI

BALANCE SHEET - MODIFIED ACCRUAL BASIS  
GOVERNMENTAL FUNDS  
October 31, 2007

	General Fund	Special Revenue Funds	Debt Service Funds	Capital Project Funds	Total Governmental Funds
<b>ASSETS</b>					
Cash and Cash Equivalents	\$1,769,481	\$15,236,925	\$1,325,831	\$2,341,231	\$20,673,468
Investments	851,742	0	0	400,000	1,251,742
Receivables, net of allowance	300,131	205,445	7,938	85,617	599,131
Prepaid Expenses	128,947	11,703	0	0	140,650
Restricted Cash and Investment	0	394,234	3,743,721	1,467,739	5,605,694
<b>TOTAL ASSETS</b>	<u>\$3,050,301</u>	<u>\$15,848,307</u>	<u>\$5,077,490</u>	<u>\$4,294,587</u>	<u>\$28,270,685</u>
<b>LIABILITIES AND FUND BALANCES</b>					
<b>Liabilities:</b>					
Notes/Bonds Payable	\$ 372,182	\$ 0	\$4,625,000	\$ 0	\$4,997,182
Accounts Payable	165,787	364,687	0	25,604	556,078
Accrued Expenses	433,640	47,333	0	0	480,973
<b>Total Liabilities</b>	<u>971,609</u>	<u>412,020</u>	<u>4,625,000</u>	<u>25,604</u>	<u>6,034,233</u>
<b>Fund Balances:</b>					
Reserved for:					
Parks	0	3,100,625	0	0	3,100,625
Debt Services	0	394,234	452,490	1,354,256	2,200,980
TIF Projects	0	0	0	125,177	125,177
Capital Projects/Infrastructure	0	11,941,428	0	2,789,550	14,730,978
Unreserved	2,078,692	0	0	0	2,078,692
<b>Total Fund Balances</b>	<u>2,078,692</u>	<u>15,436,287</u>	<u>452,490</u>	<u>4,268,983</u>	<u>22,236,452</u>
<b>TOTAL LIABILITIES &amp; FUND BALANCES</b>	<u>\$3,050,301</u>	<u>\$15,848,307</u>	<u>\$5,077,490</u>	<u>\$4,294,587</u>	<u>\$28,270,685</u>

See Accompanying Notes to Financial Statements.

## CITY OF RAYMORE, MISSOURI

## BALANCE SHEET - MODIFIED ACCRUAL BASIS

## GOVERNMENTAL FUNDS

October 31, 2007

RECONCILIATION OF FUND BALANCE TO STATEMENT OF NET ASSETS

FUND BALANCE	\$ 22,236,452
Amounts reported for governmental activities in the Statement of Net Assets are different because:	
To record sales tax collected by merchants in October and remitted to City in December in governmental activities	417,231
Capital assets and infrastructure used in governmental activities of \$64,545,536 are not financial resources and therefore are not reported in the funds, net of accumulated depreciation of \$21,687,645	42,857,891
Bond issuance cost of \$613,903 less amortized amount of \$196,400 was expensed in the year of issue for governmental purposes	417,503
Bond interest expense was accrued for governmental activities and expensed for fund balance	(451,622)
Bond premium was recognized as income for fund balance and amortized for governmental activities	84,673
Non-crossover bond balances were recorded in governmental activities and not in fund balance	<u>(27,472,373)</u>
NET ASSETS OF GOVERNMENTAL ACTIVITIES	<u>\$ 38,089,755</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, 2007

	General Fund	Special Revenue Funds	Debt Service Funds	Capital Project Funds	Total Governmental Funds
<b>REVENUES</b>					
Taxes	\$3,189,006	\$ 1,907,588	\$1,500,432	\$1,899,788	\$ 8,496,814
Franchise Fees	1,489,994	0	0	0	1,489,994
Licenses & Permits	568,599	0	0	0	568,599
Intergovernmental	113,827	124,745	0	0	238,572
Charges for Services	136,627	242,496	0	0	379,123
Fines and Forfeitures	304,363	0	0	0	304,363
Investment Income	173,794	346,765	219,041	255,405	995,005
Property Income	58,028	12,427	0	40,000	110,455
Bond Proceeds	0	14,224,416	175,584	4,318,627	18,718,627
Miscellaneous	<u>137,436</u>	<u>13,995</u>	<u>0</u>	<u>0</u>	<u>151,431</u>
Total Revenues	6,171,674	16,872,432	1,895,057	6,513,820	31,452,983
<b>EXPENDITURES</b>					
Administrative	755,791	0	178,353	0	934,144
Information Technology	207,541	0	0	0	207,541
Finance	494,212	0	0	0	494,212
Law/Court	121,877	0	0	0	121,877
Community Development	606,757	0	0	0	606,757
Parks and Recreation	0	674,528	0	0	674,528
Economic Development	191,897	0	0	0	191,897
Police	2,698,338	0	0	0	2,698,338
Emergency Management	111,844	0	0	0	111,844
Public Works	1,533,114	119,283	0	97,772	1,750,169
Capital Assets/Infrastructure	140,700	3,211,197	0	2,028,677	5,380,574
Debt Service	<u>29,975</u>	<u>332,678</u>	<u>2,032,357</u>	<u>5,424,109</u>	<u>7,819,119</u>
Total Expenditures	6,892,046	4,337,686	2,210,710	7,550,558	20,991,000
Transfers In(Out)	<u>449,403</u>	<u>11,530</u>	<u>(94,718)</u>	<u>369,878</u>	<u>736,093</u>
Net Changes in Fund Balance	(270,969)	12,546,276	(410,371)	(666,860)	11,198,076
FUND BALANCE - OCTOBER 31, 2006	<u>2,349,661</u>	<u>2,890,011</u>	<u>862,861</u>	<u>4,935,843</u>	<u>11,038,376</u>
FUND BALANCE - OCTOBER 31, 2007	<u>\$2,078,692</u>	<u>\$15,436,287</u>	<u>\$ 452,490</u>	<u>\$4,268,983</u>	<u>\$22,236,452</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, 2007

<u>NET CHANGE IN FUND BALANCES -</u>	
<u>TOTAL GOVERNMENTAL FUNDS</u>	\$11,198,076

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

Sales taxes collected by merchants in October 2007 and received by the City in December 2007 are netted with taxes received in December 2006 in the Statement of Activities	(79,058)
---	----------

Fixed assets and infrastructure added in the current year are considered expenditures in the governmental funds but capitalized in the Statement of Activities	5,669,977
--	-----------

Depreciation expense for the current year is considered an expense in the Statement of Activities	(2,357,442)
--	-------------

Decrease in accrued bond interest expense	25,536
---	--------

Bond premium recognized in funds and amortization activities	3,565
--	-------

Capital contributed for fixed assets is recognized as a revenue in the statement of activities	1,419,636
---	-----------

Current year bonds issued are considered revenues in governmental funds but an addition of liabilities in the statement of net assets	(18,745,000)
--	--------------

Net adjustment for TIF Funds that were expended for non-city assets	1,764,123
---	-----------

Increase in bond issuance cost expensed in governmental funds net of current year amortization	(239,946)
---	-----------

Current year bond principal payments are considered expenses in governmental funds but reduction of liabilities in Statement of Net Assets	<u>6,079,835</u>
--	------------------

CHANGE IN NET ASSETS OF GOVERNMENTAL ACTIVITIES	<u>\$4,741,722</u>
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*See Accompanying Notes to Financial Statements.*

## CITY OF RAYMORE, MISSOURI

STATEMENT OF NET ASSETS  
PROPRIETARY FUNDS  
October 31, 2007

	<u>Enterprise Fund</u>
<u>ASSETS</u>	
Current Assets:	
Cash and Cash Equivalents	\$ 6,724,052
Investments	2,400,000
Receivables, net	756,365
Prepaid Expenses	<u>20,491</u>
Total Current Assets	9,900,908
Non-Current Assets:	
Cash and Investments - restricted	1,506,076
Infrastructure, net of accumulated depreciation	37,120,849
Capital Assets, net of accumulated depreciation	860,813
Bond Issuance Cost - net amortization	<u>88,680</u>
Total Non-Current Assets	39,576,418
TOTAL ASSETS	<u>\$49,477,326</u>
<u>LIABILITIES</u>	
Current Liabilities:	
Accounts Payable	\$ 1,019,449
Accrued Expenses	116,950
Deferred Revenue	18,569
Bonds Payable - current	<u>425,000</u>
Total Current Liabilities	1,579,968
Non-Current Liabilities:	
Bonds Payable - long term	<u>4,240,000</u>
Total Non-Current Liabilities	4,240,000
TOTAL LIABILITIES	<u>\$ 5,819,968</u>
<u>NET ASSETS</u>	
Invested in Capital Assets, net of related debt	\$33,316,662
Unrestricted	<u>10,340,696</u>
TOTAL NET ASSETS	<u>\$43,657,358</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, 2007

	<u>Enterprise Fund</u>
OPERATING REVENUES:	
Charges for Service	\$ 5,478,576
Penalties	126,475
Miscellaneous	<u>7,605</u>
Total Operating Revenues	5,612,656
DIRECT EXPENSE:	
Changes - water/sewer purchases	<u>1,988,665</u>
Gross Income	3,623,991
OPERATING EXPENSES:	
Personal Services	658,834
Contractual Services	62,672
Commodities	195,945
Utilities/Maintenance	216,712
Bond Interest and Fees	<u>137,780</u>
Total Operating Expenses	<u>1,271,943</u>
Operating Income(Loss)	2,352,048
NON-OPERATING REVENUES (EXPENSES)	
Contributed Capital	848,069
Investment Income	660,409
Depreciation	(2,121,559)
Amortization	<u>(12,968)</u>
Total Non-Operating Revenues (Expenses)	<u>(626,049)</u>
Income (Loss) Before Transfers	1,725,999
Transfers - net	<u>(696,484)</u>
Net Income/(Loss)	1,029,515
NET ASSETS - OCTOBER 31, 2006	<u>42,627,843</u>
NET ASSETS - OCTOBER 31, 2007	<u>\$43,657,358</u>

*See Accompanying Notes to Financial Statements.*

## CITY OF RAYMORE, MISSOURI

STATEMENT OF CASH FLOWS  
*PROPRIETARY FUNDS*  
 For the Year Ended October 31, 2007

CASH FLOWS FROM OPERATING ACTIVITIES:	
Receipts from Customers	\$ 4,857,112
Payments to Sewer Districts & Water Purchased	(1,973,665)
Payments to Suppliers	(941,997)
Payments to Employees	(659,886)
Other Receipts (Claims)	<u>1,233,201</u>
Net Cash Provided by Operating Activities	2,514,765
CASH FLOWS FROM NON-OPERATING ACTIVITIES:	
Transfers from/(to) Other Funds	(696,484)
Contributed Capital	<u>848,069</u>
Net Cash Provided by Non-Operating Activities	151,585
CASH FLOWS FROM CAPITAL & RELATED FINANCING ACTIVITIES:	
Purchases of Capital Assets	(3,488,355)
Long-Term Debt Additions/(Payments)	(390,000)
Bond Issuance Cost	<u>22,919</u>
Net Cash Used from Capital	(3,855,436)
CASH FLOWS FROM INVESTING ACTIVITIES:	
Interest and Dividends	660,409
Cash & Investment - restricted	(499,821)
(Increase)/Decrease in Investments	<u>7,149,238</u>
Net Cash Used by Investing	<u>7,309,826</u>
Net (Decrease) in Cash and Cash Equivalents	6,120,739
CASH BALANCE - OCTOBER 31, 2006	<u>603,313</u>
CASH BALANCE - OCTOBER 31, 2007	<u>\$ 6,724,052</u>

Reconciliation of Operating Income(Loss) to Net Cash Provided (Used) by Operating Activities:	
Operating Income(Loss)	\$2,352,048
Change in Current Assets and Liabilities:	
Receivables, net	(71,066)
Prepaid Expenses	(2,064)
Accounts Payable	300,660
Accrued Expenses	(83,383)
Deferred Revenues	<u>18,569</u>
Net Cash Provided by Operating Activities	<u>\$2,514,764</u>

See Accompanying Notes to Financial Statements.

## CITY OF RAYMORE, MISSOURI

STATEMENT OF FIDUCIARY NET ASSETS  
*FIDUCIARY FUNDS*  
October 31, 2007

	<u>Agency Funds</u>
<u>ASSETS:</u>	
Cash and Cash Equivalents	\$ 21,758
Investments at Fair Value	<u>926,274</u>
TOTAL ASSETS	<u>\$948,032</u>
 <u>LIABILITIES:</u>	
Due to Escrow Agents	<u>\$948,032</u>
TOTAL LIABILITIES	<u>\$948,032</u>

*See Accompanying Notes to Financial Statements.*

# CITY OF RAYMORE, MISSOURI

## NOTES TO BASIC FINANCIAL STATEMENTS

### INDEX

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- E. Measurement Focus
- F. Basis of Accounting
- G. Assets, Liabilities and Equity
- H. Revenues, Expenditures and Expenses
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## CITY OF RAYMORE, MISSOURI

### NOTES TO FINANCIAL STATEMENTS For the Year Ended October 31, 2007

#### **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 constitutionally approved charter city operating under the mayor/city administrator/council form of government. The City Administrator is the chief administrative officer of the City. The City provides services to its approximately 16,500 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, 2007

#### 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, 2007

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

***C. Basis of Presentation (continued)***

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.

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

Capital Projects 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.

V.E.R.P. Fund - Established to purchase capital assets with transfer from other funds.

**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, 2007

### 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) opinions 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.

#### **E. Measurement Focus**

Measurement focus is a term used to describe “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.

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

1. 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.



# CITY OF RAYMORE, MISSOURI

## NOTES TO FINANCIAL STATEMENTS For the Year Ended October 31, 2007

### NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### ***E. Measurement Focus (continued)***

2. 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, certificates of deposit and short-term investments with an original maturity of two months or less.

##### Investments

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

##### Accounts Receivable

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

**CITY OF RAYMORE, MISSOURI**

**NOTES TO FINANCIAL STATEMENTS**  
For the Year Ended October 31, 2007

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

***G. Assets, Liabilities and Equity (continued)***

**Inventories**

Inventories are inconsequential and therefore client has elected to expense inventory items when purchased.

**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 were valued at historical cost, or estimated historical cost if actual was unavailable. Capital assets since October 31, 2003, are recorded at cost 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 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

**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.

# CITY OF RAYMORE, MISSOURI

## NOTES TO FINANCIAL STATEMENTS

For the Year Ended October 31, 2007

### NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### ***G. Assets, Liabilities and Equity (continued)***

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, 2007, in the various funds as follows:

General Fund	\$ 260,612
Parks & Recreation	33,650
Enterprise Fund	<u>25,814</u>
	\$ <u>320,076</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 consist 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". 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.

## CITY OF RAYMORE, MISSOURI

### NOTES TO FINANCIAL STATEMENTS

For the Year Ended October 31, 2007

#### **NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

##### ***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.

###### 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.

## CITY OF RAYMORE, MISSOURI

### NOTES TO FINANCIAL STATEMENTS

For the Year Ended October 31, 2007

#### NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

##### ***H. Revenues, Expenditures and Expenses (continued)***

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.

#### NOTE 2: COMPLIANCE AND ACCOUNTABILITY

##### ***A. Compliance with Laws***

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.

**CITY OF RAYMORE, MISSOURI**

**NOTES TO FINANCIAL STATEMENTS**

For the Year Ended October 31, 2007

**NOTE 2: COMPLIANCE AND ACCOUNTABILITY (continued)**

***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
Capital projects tax	State law
SAF 58 TIF	Bond ordinance
Capital Improvement Fund	Resolution
Park Fund	Resolution
V.E.R.P. 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, 2007, 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, 2006, on which the fiscal year 2007 levy was based is as follows:

Residential	\$ 174,066,652
Personal Property	<u>31,557,617</u>
	\$ <u>205,624,269</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, 2006, per \$100 assessed valuation, were as follows:

General	\$ .4647
Debt Service	.7170
Special Revenue	<u>.1251</u>
	\$ <u>1.3068</u>

## **CITY OF RAYMORE, MISSOURI**

### **NOTES TO FINANCIAL STATEMENTS**

For the Year Ended October 31, 2007

#### **NOTE 2: COMPLIANCE AND ACCOUNTABILITY (continued)**

##### ***D. Property Tax Requirements (continued)***

The receipts of current and delinquent property taxes during the fiscal year ended October 31, 2007, aggregated approximately 100% 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, 2007, 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, 2007, 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.

Custodial credit risk for deposits is the risk that in the event of a failure of a depository financial institution, the City's deposits may not be returned or the City will not be able to recover collateral securities in the possession of any outside party. The City's policy required deposits to be 100 percent secured by collateral valued at market less the amount covered by the FDIC. As of October 31, 2007, none of the City's bank balances with financial institutions of \$31,886,759 was exposed to custodial credit risk.

##### **Investments**

*Authorized Investments:* The City is authorized to invest in U.S. obligation, U.S. governmental agency securities and instrumentalities of government-sponsored corporations and time-open agreements.

# CITY OF RAYMORE, MISSOURI

## NOTES TO FINANCIAL STATEMENTS

For the Year Ended October 31, 2007

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

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

*Interest Rate Risk:* Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. As a means of limiting its exposure to fair value losses arising from rising interest rates, the City's investment policy requires operating funds to be invested to coincide with projected cash flow needs.

As of October 31, 2007, the City had the following investments.

<u>Investment Type</u>	<u>Cost</u>	<u>Fair Value</u>	<u>Investment Maturities</u>	
			<u>&lt; 1 year</u>	<u>1-5 years</u>
FHLMC discount notes	\$ 197,475	\$ 199,881	\$ 199,881	-
FHLB discount notes	2,461,767	2,466,191	2,466,191	-

#### Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. All investments are securities of government-sponsored agencies.

*Concentration of Credit Risk:* The City's investment policy is to apply the prudent-person rule: Investments will be made with judgment and care, under the circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation but for investment, considering probable safety of their capital as well as the probable income to be derived.

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>\$826,229</u>	<u>\$69,864</u>	<u>\$756,365</u>	<u>\$756,365</u>
Government-Type Activities:				
Sales Tax	\$ 90,983	-	\$ 90,983	\$513,491
Property Tax	23,039	-	23,039	23,039
Franchise Tax	123,164	-	123,164	123,164
Motor Vehicle/Gasoline Tax	68,503	-	68,503	68,503
Other	77,041	-	77,041	77,041
Patterson	29,273	-	29,273	29,273
Interest Receivable	<u>187,128</u>	-	<u>187,128</u>	<u>0</u>
	<u>\$599,131</u>		<u>\$599,131</u>	<u>\$834,511</u>



# CITY OF RAYMORE, MISSOURI

## NOTES TO FINANCIAL STATEMENTS For the Year Ended October 31, 2007

### 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>20,491</u>	\$ <u>20,491</u>
Governmental-Type Activities:		
Insurance	\$140,650	\$140,650
Interest	<u>0</u>	<u>41,830</u>
	<u>\$140,650</u>	<u>\$182,480</u>

#### *D. Capital Assets*

Capital asset activity resulting from accrual basis transactions for the fiscal year ended October 31, 2007, was as follows:

	<u>Balances at 10/31/2006</u>	<u>Additions</u>	<u>Deduction</u>	<u>Balances at 10/31/2007</u>
<b>GOVERNMENTAL ACTIVITIES:</b>				
Land	\$ 541,521	0	-	\$ 541,521
Land improvements	8,892	83,377	-	92,269
Buildings & improvements	9,750,590	162,516	-	9,913,106
Office equipment & furniture	76,039	8,248	-	84,287
Computer equipment & software	257,092	1,804	-	258,896
Machinery & equipment	704,281	143,390	-	847,671
Vehicles	1,000,485	206,582	-	1,207,067
Infrastructure	<u>46,536,659</u>	<u>5,064,060</u>	-	<u>51,600,719</u>
Totals at Historical Cost	58,875,559	5,669,977		64,545,536
Less accumulated depreciation:				
Land improvements	3,115	2,760	-	5,875
Buildings & improvements	1,110,122	275,599	-	1,385,721
Office equipment & furniture	45,432	8,213	-	53,645
Computer equipment & software	83,801	43,770	-	127,571
Machinery & equipment	400,340	73,698	-	378,040
Vehicles	640,519	111,787	-	752,306
Infrastructure	<u>17,135,357</u>	<u>1,849,130</u>	-	<u>18,984,487</u>
Total Accumulated	<u>19,322,688</u>	<u>2,364,957</u>		<u>21,687,645</u>
Government-type activities capital assets, Net	<u>\$39,552,871</u>	<u>\$3,305,020</u>	-	<u>\$42,857,891</u>

# CITY OF RAYMORE, MISSOURI

## NOTES TO FINANCIAL STATEMENTS

For the Year Ended October 31, 2007

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

#### *D. Capital Assets (continued)*

	Balances at <u>10/31/2006</u>	<u>Additions</u>	<u>Deduction</u>	Balances at <u>10/31/2007</u>
<b>BUSINESS-TYPE ACTIVITIES:</b>				
Land	\$ 295,250	\$ 42,149	-	\$ 337,399
Buildings and improvements	353,741	0	-	353,741
Office equipment & furniture	9,074	0	-	9,074
Vehicle & equipment	452,704	40,625	-	493,329
Infrastructure	<u>59,350,724</u>	<u>3,392,531</u>	-	<u>62,743,255</u>
Total business-type activities	60,461,493	3,475,305		63,936,798
 Less accumulated depreciation:				
Building and improvements	40,493	11,343	-	51,836
Office equipment and furniture	1,134	908	-	2,042
Vehicle and equipment	248,789	30,145	-	278,934
Infrastructure	<u>23,543,243</u>	<u>2,079,163</u>	-	<u>25,622,406</u>
Total Accumulated	<u>23,833,659</u>	<u>2,121,559</u>		<u>25,955,218</u>
 Business-type activities capital assets, Net	 <u>\$36,627,834</u>	 <u>\$1,353,746</u>		 <u>\$37,981,580</u>

#### *E. Long-term Debt*

Bonds and notes payable at October 31, 2007, 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%		\$1,900,000
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%	\$295,000	
\$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%		145,000
\$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%	2,170,000	

**CITY OF RAYMORE, MISSOURI**

**NOTES TO FINANCIAL STATEMENTS**

For the Year Ended October 31, 2007

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

***E. Long-term Debt (continued)***

	<u>Governmental</u>	<u>Enterprise</u>
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%	\$1,415,000	
\$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%		1,330,000
\$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%		1,320,000
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%	4,647,373	
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.	382,000	
\$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	
\$750,000 Tax Anticipation Note dated April 1, 2005; renewable annually; interest at 4.29%	375,182	
\$4,345,000 Special Obligation Refunding Bonds, Series 2006, dated December 1, 2006; due in annual installments varying from year to year until maturity in March 2023; interest at 4.1% to 4.5%	4,160,000	

# CITY OF RAYMORE, MISSOURI

## NOTES TO FINANCIAL STATEMENTS For the Year Ended October 31, 2007

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

#### *E. Long-term Debt (continued)*

	<u>Governmental</u>	<u>Enterprise</u>
\$14,400,000 General Obligation Bonds, Series 2007, dated August 6, 2007; due in annual installments varying from year to year until maturity in March 2027; interest at 4.25% to 6.5%	14,400,000 <u>\$32,469,555</u>	<u>\$4,665,000</u>

The following is a summary of long-term debt transactions for the year ended October 31, 2007.

	<u>Totals</u>	<u>Governmental</u>	<u>Enterprise</u>
Payable November 1, 2006	\$25,084,533	\$20,029,533	\$5,055,000
Issued	18,745,000	18,745,000	0
Retired	<u>6,694,978</u>	<u>6,304,978</u>	<u>390,000</u>
Payable October 31, 2007	<u>\$37,134,555</u>	<u>\$32,469,555</u>	<u>\$4,665,000</u>

Debt service requirements to maturity are as follows:

<u>Year Ended October 31,</u>	<u>Totals</u>	<u>Principal</u>	<u>Interest</u>
2007-2008	\$ 3,590,916	\$ 1,692,932	\$ 1,897,984
2008-2009	6,886,134	5,124,750	1,761,384
2009-2010	3,043,306	1,550,750	1,492,556
2010-2011	3,187,251	1,765,750	1,421,501
2011-2012	3,135,353	1,967,000	1,168,353
2012-2017	10,488,240	7,828,000	2,660,240
2017-2022	9,828,899	6,748,000	3,080,899
2022-2027	<u>11,604,760</u>	<u>10,457,373</u>	<u>1,147,387</u>
	<u>\$51,764,859</u>	<u>\$37,134,555</u>	<u>\$14,630,304</u>

#### *F. Accrued Expenses as Per Category/Fund*

##### Governmental-type activities:

	<u>Fund Statement</u>	<u>Government Fund Statement</u>
Accrued wages	\$186,711	\$186,711
Accrued vacation & sick leave	294,262	294,262
Accrued interest	0	<u>451,622</u>
	<u>\$480,973</u>	<u>\$932,595</u>

##### Business-type activities:

	<u>Fund Statement</u>	<u>Government Fund Statement</u>
Accrued wages	\$ 21,775	\$ 21,775
Accrued vacation & sick leave	25,814	25,814
Accrued interest	<u>69,361</u>	<u>69,361</u>
	<u>\$116,950</u>	<u>\$116,950</u>

# CITY OF RAYMORE, MISSOURI

## NOTES TO FINANCIAL STATEMENTS

For the Year Ended October 31, 2007

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

#### *G. Inter-fund Transactions*

Inter-fund transfers and payments for the fiscal year ended October 31, 2007, were as follows:

<u>Governmental Activities</u>	<u>Received</u>	<u>Paid</u>
General Fund	\$ 3,597,049	\$11,705,351
Municipal Complex	0	28,525
Parks Funds	1,930,181	29,870
Stormwater	0	479,262
Transportation Fund	9,775,170	150,000
Capital Projects Fund	150,000	414,097
Debt Service Fund	0	1,558,633
V.E.R.P.	64,700	0
Public Works Fund	0	25,930
Capital Improvement Fund	0	428,948
	<u>15,517,100</u>	<u>14,820,616</u>
<u>Business-Type Activities</u>		
Enterprise Fund	<u>94,718</u>	<u>791,202</u>
	<u>\$15,611,818</u>	<u>\$15,611,818</u>

#### *H. Tax Receivables and Revenues*

Property Tax - Revenue by fund for the year ended October 31, 2007, is as follows:

	<u>General</u>
General	\$ 976,008
Special Revenue	261,843
Debt Service	1,500,432

Delinquent taxes receivable at October 31, 2007, was estimated to be \$69,000 of which it was estimated that \$19,927 would be available for use within the next 60-day period.

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, 2007, is as follows:

	<u>Receivables</u>		<u>Revenues</u>	
	<u>Government Wide</u>	<u>Fund Statement</u>	<u>Government Wide</u>	<u>Fund Statement</u>
General Fund	\$267,588	\$ 46,574	\$1,685,615	\$1,683,321
Parks & Recreation Fund	73,771	13,323	476,075	476,716
Transportation - sales tax	122,951	22,205	793,304	794,521
Storm Water - sales tax	49,181	8,882	317,383	317,811
Capital Improvement	<u>122,951</u>	<u>22,205</u>	<u>793,303</u>	<u>794,520</u>
	<u>\$636,442</u>	<u>\$113,189</u>	<u>\$4,065,680</u>	<u>\$4,066,889</u>

## CITY OF RAYMORE, MISSOURI

### NOTES TO FINANCIAL STATEMENTS For the Year Ended October 31, 2007

#### **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), 11% (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 2006, the political subdivision's annual pension cost of \$416,733 was equal to the required and actual contributions. The required contribution was determined as part of the February 29, 2004 and/or February 28, 2005, annual actuarial valuation using the entry age actuarial cost method.

The actuarial assumptions as of February 28, 2006, 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 6.0% per year depending on age and division, attributable to seniority/merit, (d) pre-retirement mortality based on the RP-2000 Combined Healthy Table set back 0 years for men and 0 years for women 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, 2006 was 24 years.

**CITY OF RAYMORE, MISSOURI**

**NOTES TO FINANCIAL STATEMENTS**  
For the Year Ended October 31, 2007

**NOTE 4: OTHER (continued)**

**A. *Pension Plan* (continued)**

<u>THREE-YEAR TREND INFORMATION</u>			
<u>Fiscal Year Ending</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
06/30/2004	\$344,802	100%	\$0
06/30/2005	\$397,208	100%	\$0
06/30/2006	\$416,733	100%	\$0

REQUIRED SUPPLEMENTARY INFORMATION

Schedule of Funding Progress

<u>Actuarial Valuation Date</u>	(a) <u>Actuarial Value of Assets</u>	(b) <u>Entry Age Actuarial Liability</u>	(b-a) <u>Unfunded Accrued Liability (UAL)</u>	(a/b) <u>Funded Ratio</u>	(c) <u>Annual Covered Payroll</u>	[(b-a)/c} <u>UAL as a Percentage of Covered Payroll</u>
02/28/2004	\$2,895,407	\$3,602,760	\$707,353	80%	\$3,112,925	23%
02/29/2005	3,478,860	4,277,601	798,741	81%	3,708,237	22%
02/28/2006	4,114,132	4,803,182	689,050	86%	3,931,294	18%

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, 2006, annual actuarial valuations. For a complete description of the actuarial assumptions used in the annual valuations, please contact the LAGERS office 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.

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.

## CITY OF RAYMORE, MISSOURI

### NOTES TO FINANCIAL STATEMENTS

For the Year Ended October 31, 2007

#### NOTE 4: OTHER (continued)

##### ***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 of \$10,360,000 are a special limited obligation of the City. They are to be liquidated through tax revenues created by the development. These bonds will be fully liquidated in 2028.

As of October 31, 2007, all construction funds have been disbursed. The fund balance included reserves for debt service in the amount of \$1,079,006 from the original bond issue as was required. In the year ending October 31, 2007, the City collected PILOTS revenue of \$109,949 and EATS revenue of \$366,392. Debt service expense for the year was \$662,951. A fund balance of \$1,123,393 exists as of October 31, 2007.

The bond ordinance creating this T.I.F. project states that the City had no obligation to repay the bonds if the revenues were not sufficient.

##### ***E. Litigation***

As of October 31, 2006, 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. 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 Engineering Department estimates the cost of this contribution and finance department reviews the estimation and records the infrastructure, which is depreciated over a period of time.



**CITY OF RAYMORE, MISSOURI**

**NOTES TO FINANCIAL STATEMENTS**

**For the Year Ended October 31, 2007**

**NOTE 4: OTHER (continued)**

***G. Subsequent Events***

The City agreed to a settlement with Verizon Wireless for franchise fees in dispute being held as an agency fund by the City. The final agreement was reached in 2008 and therefore no receivable has been booked in these statements.

## **REQUIRED SUPPLEMENTARY INFORMATION**

## CITY OF RAYMORE, MISSOURI

## BUDGETARY COMPARISON SCHEDULE - MODIFIED ACCRUAL BASIS

## GENERAL FUND

For the Year Ended October 31, 2007

	Original Budget	Final Budget	Actual	Actual Over/(Under) Budget
BEGINNING BUDGETARY - FUND BALANCE	\$2,349,000	\$2,349,661	\$2,349,661	\$ 0
<u>Resources (In Flows)</u>				
Property Taxes	1,014,340	1,014,340	976,008	(38,332)
Franchise fees	1,352,310	1,352,310	1,489,994	137,684
Sales Taxes	2,148,500	2,148,500	1,683,321	(465,179)
Fees & Permits	899,350	899,350	414,908	(484,442)
Licenses	144,800	144,800	153,691	8,891
Municipal Court	246,900	246,900	304,363	57,463
Miscellaneous	426,065	426,065	1,147,389	721,324
Other Sources/Transfers	<u>1,221,458</u>	<u>1,221,458</u>	<u>797,980</u>	<u>(423,478)</u>
Total Resources	<u>7,453,723</u>	<u>7,453,723</u>	<u>6,967,654</u>	<u>(486,069)</u>
Amount Available for Appropriations	9,802,723	9,803,384	9,317,315	(486,069)
<u>Charges to Appropriations (Out Flows)</u>				
<i>General/Government:</i>				
Administrative				
Personnel/services	470,229	470,229	432,777	(37,452)
Commodities	29,560	29,560	25,755	(3,805)
Maintenance & Utilities	3,800	3,800	6,036	2,236
Contractual	367,346	367,346	288,823	(78,523)
Capital Projects	1,500	1,500	2,400	900
Transfers/Miscellaneous	<u>6,791</u>	<u>6,791</u>	<u>0</u>	<u>(6,791)</u>
Total Administrative	879,226	879,226	755,791	(123,435)
Information Technology				
Personnel/services	113,252	113,252	114,464	1,212
Commodities	53,552	53,552	39,308	(14,244)
Utilities	2,400	2,400	1,936	(464)
Contractual services	<u>66,334</u>	<u>66,334</u>	<u>51,833</u>	<u>(14,501)</u>
Total Information Technology	235,538	235,538	207,541	(27,997)
Economic Development				
Personnel/services	150,404	150,404	150,760	356
Commodities	2,300	2,300	2,447	147
Utilities	500	500	531	31
Contractual services	<u>56,026</u>	<u>56,026</u>	<u>38,159</u>	<u>(17,867)</u>
Total Economic Development	209,230	209,230	191,897	(17,333)

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## CITY OF RAYMORE, MISSOURI

## BUDGETARY COMPARISON SCHEDULE - MODIFIED ACCRUAL BASIS

## GENERAL FUND

For the Year Ended October 31, 2007

	Original Budget	Final Budget	Actual	Actual Over/(Under) Budget
Community Development				
Personnel/services	576,377	576,377	542,099	(34,278)
Commodities	15,450	15,450	14,755	(695)
Maintenance & Utilities	5,000	5,000	4,205	(795)
Contractual services	71,910	71,910	43,492	(28,418)
Capital Projects	0	0	2,206	2,206
Transfers/Miscellaneous	<u>9,467</u>	<u>9,467</u>	<u>0</u>	<u>(9,467)</u>
Total Community Development	678,204	678,204	606,757	(71,447)
Engineering				
Personnel/services	418,562	418,562	361,776	(56,786)
Commodities	23,155	23,155	12,488	(10,667)
Maintenance & Utilities	10,081	10,081	8,161	(1,920)
Contractual services	67,107	67,107	29,285	(37,822)
Transfers/Miscellaneous	<u>13,114</u>	<u>13,114</u>	<u>0</u>	<u>(13,114)</u>
Total Engineering	532,019	532,019	411,710	(120,309)
Streets				
Personnel/services	339,475	339,475	346,479	7,004
Commodities	122,410	122,410	132,054	9,644
Maintenance & Utilities	57,300	57,300	54,205	(3,095)
Contractual services	353,547	353,547	348,017	(5,530)
Capital Projects	15,000	15,000	92,292	77,292
Transfers/Miscellaneous	<u>58,817</u>	<u>58,817</u>	<u>0</u>	<u>(58,817)</u>
Total Streets	946,549	946,549	973,047	26,498
Buildings/Grounds				
Personnel/services	97,012	97,012	90,599	(6,413)
Commodities	1,345	1,345	659	(686)
Maintenance & Supplies	43,180	43,180	46,853	3,673
Utilities	89,220	89,220	103,929	14,709
Contractual services	<u>36,365</u>	<u>36,365</u>	<u>28,585</u>	<u>(7,780)</u>
Total Buildings/Ground	267,122	267,122	270,625	3,503
Court				
Personnel/services	104,948	104,948	99,732	(5,216)
Commodities	2,591	2,591	1,326	(1,265)
Utilities	450	450	479	29
Contractual services	<u>21,770</u>	<u>21,770</u>	<u>20,340</u>	<u>(1,430)</u>
Total Court	129,759	129,759	121,877	(7,882)

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## CITY OF RAYMORE, MISSOURI

## BUDGETARY COMPARISON SCHEDULE - MODIFIED ACCRUAL BASIS

## GENERAL FUND

For the Year Ended October 31, 2007

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Actual Over/(Under) Budget</u>
Finance				
Personnel/services	398,740	398,740	388,848	(9,892)
Commodities	12,125	12,125	13,140	1,015
Contractual services	90,282	90,282	79,893	(10,389)
Capital Projects	<u>0</u>	<u>0</u>	<u>12,331</u>	<u>12,331</u>
Total Finance	501,147	501,147	494,212	(6,935)
Police				
Personnel/services	2,508,886	2,508,886	2,349,447	(159,439)
Commodities	160,186	160,186	155,490	(4,696)
Maintenance & Utilities	29,350	29,350	34,832	5,482
Contractual Services	122,877	122,877	123,510	633
Capital Projects	29,200	29,200	35,058	5,858
Transfer & Misc.	<u>64,405</u>	<u>64,405</u>	<u>0</u>	<u>(64,405)</u>
Total Police	2,914,904	2,914,904	2,698,337	(216,567)
Emergency Preparedness				
Personnel/services	76,723	76,723	73,878	(2,845)
Commodities	26,500	26,500	22,255	(4,245)
Maintenance & Utilities	10,984	10,984	11,297	313
Contractual Services	4,690	4,690	4,414	(276)
Transfers/Miscellaneous	<u>2,582</u>	<u>2,582</u>	<u>0</u>	<u>(2,582)</u>
Total Preparedness	121,479	121,479	111,844	(9,635)
Non-Departmental				
Inter-fund Transfers	541,400	541,400	346,576	(194,824)
Debt Service	72,956	72,956	29,975	(42,981)
Miscellaneous	<u>0</u>	<u>0</u>	<u>18,433</u>	<u>18,433</u>
Total Non-Departmental	614,356	614,356	394,984	(219,372)
Total Charges to Appropriations	<u>8,029,533</u>	<u>8,029,533</u>	<u>7,238,623</u>	<u>(790,910)</u>
ENDING BUDGETARY FUND BALANCE	<u>\$1,773,190</u>	<u>\$1,773,851</u>	<u>\$2,078,692</u>	<u>\$ 304,841</u>

## CITY OF RAYMORE, MISSOURI

## BUDGETARY COMPARISON SCHEDULE - MODIFIED ACCRUAL BASIS

## SPECIAL REVENUE FUNDS

For the Year Ended October 31, 2007

	<u>Original</u>	<u>Final</u>	<u>Actual</u>	Actual Over (Under) Budget
BEGINNING BUDGETARY FUND BALANCE	\$2,890,000	\$ 2,890,011	\$ 2,890,011	\$ 0
<u>Resources (In Flows)</u>				
Taxes	2,050,636	2,050,636	1,907,588	(143,048)
Charges for services	228,451	228,451	242,496	14,045
Investment income	300,000	350,000	346,765	(3,235)
Use of property	15,000	15,000	12,429	(2,571)
Grants	114,285	114,285	124,745	10,460
Miscellaneous	50,000	50,000	13,995	(36,005)
Transfers from other funds	1,400,278	1,350,278	11,530	(1,338,748)
Bond Proceeds	<u>0</u>	<u>14,250,000</u>	<u>14,224,416</u>	<u>(25,584)</u>
Total Resources	<u>4,158,650</u>	<u>18,408,650</u>	<u>16,883,964</u>	<u>(1,524,686)</u>
Amount Available for Appropriations	7,048,650	21,298,661	19,773,975	(1,524,686)
<u>Charges to Appropriations (Out Flows)</u>				
Parks and Recreation	1,451,945	1,451,945	674,528	(777,417)
Streets	500,000	500,000	119,283	(380,717)
Capital Projects	3,931,000	3,931,000	3,211,199	(719,801)
Debt Service	<u>260,976</u>	<u>260,976</u>	<u>332,678</u>	<u>71,702</u>
Total Charges to Appropriations	<u>6,143,921</u>	<u>6,143,921</u>	<u>4,337,688</u>	<u>(1,806,233)</u>
ENDING BUDGETARY FUND BALANCE	<u>\$ 904,729</u>	<u>\$15,154,740</u>	<u>\$15,436,287</u>	<u>\$ 281,547</u>

**CITY OF RAYMORE, MISSOURI**

**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**

**BUDGETARY COMPARISON**

For the Year Ended October 31, 2007

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, 2007, no budgets had been exceeded using the modified accrual basis of accounting.

## **OTHER SUPPLEMENTARY INFORMATION**



## CITY OF RAYMORE, MISSOURI

BALANCE SHEETS - MODIFIED ACCRUAL BASIS  
SPECIAL REVENUE FUNDS COMBINED

October 31, 2007

ASSETS	Parks and Recreation	T.I.F. Project	Transportation Sales Tax	Storm Water Sales Tax	Totals
Cash and Cash Equivalents	\$3,110,145	\$15,554	\$11,328,358	\$ 782,868	\$15,236,925
Receivables, net	39,451	74	152,755	13,165	205,445
Prepaid Expenses	11,703	0	0	0	11,703
Restricted Cash and Investments	<u>0</u>	<u>0</u>	<u>0</u>	<u>394,234</u>	<u>394,234</u>
TOTAL ASSETS	<u>\$3,161,299</u>	<u>\$15,628</u>	<u>\$11,481,113</u>	<u>\$1,190,267</u>	<u>\$15,848,307</u>

LIABILITIES & FUND BALANCES

## Liabilities:

Accounts Payable	\$ 13,341	\$ 5,834	\$ 299,793	\$ 45,719	\$ 364,687
Accrued Expenses	<u>47,333</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>47,333</u>
Total Liabilities	60,674	5,834	299,793	45,719	412,020

## Fund Balances:

## Reserved for:

Parks	3,100,625	0	0	0	3,100,625
Capital Projects/Infrastructure	0	9,794	11,181,320	750,314	11,941,428
Debt Service	<u>0</u>	<u>0</u>	<u>0</u>	<u>394,234</u>	<u>394,234</u>
Total Fund Balances	<u>3,100,625</u>	<u>9,794</u>	<u>11,181,320</u>	<u>1,144,548</u>	<u>15,436,287</u>

## TOTAL LIABILITIES &amp; FUND BALANCES

	<u>\$3,161,299</u>	<u>\$15,628</u>	<u>\$11,481,113</u>	<u>\$1,190,267</u>	<u>\$15,848,307</u>
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## CITY OF RAYMORE, MISSOURI

BALANCE SHEET - MODIFIED ACCRUAL BASIS  
CAPITAL PROJECTS FUNDS COMBINED

October 31, 2007

ASSETS	Capital Improvement Fund	Public Works Fund	Capital Projects Fund	Municipal Complex Fund	SAF 58 T.I.F.	V.E.R.P. Fund	Totals
Cash and Cash Equivalents	\$397,139	\$95,116	\$1,481,030	\$98,600	\$ 13,194	\$256,152	\$2,341,231
Investments	100,000	0	300,000	0	0	0	400,000
Receivables, net	45,143	456	37,824	596	0	1,598	85,617
Restricted Cash and Investments	356,040	0	0	0	1,111,699	0	1,467,739
<b>TOTAL ASSETS</b>	<b>\$898,322</b>	<b>\$95,572</b>	<b>\$1,818,854</b>	<b>\$99,196</b>	<b>\$1,124,893</b>	<b>\$257,750</b>	<b>\$4,294,587</b>
<b>LIABILITIES AND FUND BALANCES</b>							
Liabilities:							
Accounts Payable	\$ 1,109	\$ 0	\$ 0	\$ 0	\$ 1,500	\$ 22,995	\$ 25,604
Total Liabilities	1,109	0	0	0	1,500	22,995	25,604
Fund Balances:							
Reserved for:							
Capital Projects	541,173	95,572	1,818,854	99,196	0	234,755	\$2,789,550
Debt Service	356,040	0	0	0	998,216	0	1,354,256
T.I.F. Project	0	0	0	0	125,177	0	125,177
Total Fund Balances	897,213	95,572	1,818,854	99,196	1,123,393	234,755	4,268,983
<b>TOTAL LIABILITIES &amp; FUND BALANCES</b>	<b>\$898,322</b>	<b>\$95,572</b>	<b>\$1,818,854</b>	<b>\$99,196</b>	<b>\$1,124,893</b>	<b>\$257,750</b>	<b>\$4,294,587</b>

## 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, 2007

	Parks and Recreation	T.I.F. Project	Transportation Sales Tax	Storm Water Sales Tax	Totals
<u>REVENUES</u>					
Property Taxes	\$ 318,539	\$ 0	\$ 0	\$ 0	\$ 318,539
Sales Taxes	476,716	0	794,522	317,811	1,589,049
Intergovernmental	0	0	124,745	0	124,745
Investment Earnings	91,228	431	198,071	57,035	346,765
Program/Service Fees	188,911	53,585	0	0	242,496
Use of Property	12,427	0	0	0	12,427
Bond Issuance Proceeds	1,902,560	0	12,321,856	0	14,224,416
Miscellaneous	3,308	0	0	10,687	13,995
Total Revenues	2,993,689	54,016	13,439,194	385,533	16,872,432
<u>EXPENDITURES</u>					
Personnel	407,984	0	0	0	407,984
Commodities	47,608	0	0	0	47,608
Contractual	140,614	69,827	3,270	46,186	259,897
Maintenance/Utilities	78,322	0	0	0	78,322
Capital Projects	143,106	0	2,696,687	371,404	3,211,197
Debt Service	65,636	0	44,030	223,012	332,678
Total Expenditures	883,270	69,827	2,743,987	640,602	4,337,686
Transfer In(Out)	11,530	0	0	0	11,530
Net Changes in Fund Balances	2,121,949	(15,811)	10,695,207	(255,069)	12,546,276
FUND BALANCES - OCTOBER 31, 2006	978,676	25,605	486,113	1,399,617	2,890,011
FUND BALANCES - OCTOBER 31, 2007	\$3,100,625	\$ 9,794	\$11,181,320	\$1,144,548	\$15,436,287

## CITY OF RAYMORE, MISSOURI

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

Year Ended October 31, 2007

	Capital Improvement Funds	Public Work Funds	Capital Projects Funds	Municipal Complex Fund	SAF 58 TIF	V.E.R.P. Fund	Totals
<b>REVENUES</b>							
Taxes	\$ 794,520	\$ 0	\$ 628,926	\$ 0	\$ 476,342	\$ 0	\$1,899,788
Investment Income	96,551	4,850	72,179	7,380	68,074	6,371	255,405
Sale of Property	40,000	0	0	0	0	0	40,000
Bond Proceeds	4,318,627	0	0	0	0	0	4,318,627
Total Revenues	5,249,698	4,850	701,105	7,380	544,416	6,371	6,513,820
<b>EXPENDITURES</b>							
Contractual	82,999	0	12,773	0	2,000	0	97,772
Debt Service	4,763,158	0	0	0	660,951	0	5,424,109
Capital Projects	460,221	25,930	417,089	57,025	942,374	126,038	2,028,677
Total Expenditures	5,306,378	25,930	429,862	57,025	1,605,325	126,038	7,550,558
Transfers In(Out)	0	0	150,000	0	0	219,878	369,878
Net Changes in Fund Balance	(56,680)	(21,080)	421,243	(49,645)	(1,060,909)	100,211	(666,860)
FUND BALANCE - OCTOBER 31, 2006	953,893	116,652	1,397,611	148,841	2,184,302	134,544	4,935,843
FUND BALANCE - OCTOBER 31, 2007	\$ 897,213	\$ 95,572	\$1,818,854	\$ 99,196	\$1,123,393	\$234,755	\$4,268,983