

CITY OF RAYMORE, MISSOURI

FINANCIAL STATEMENTS

OCTOBER 31, 2008

# CITY OF RAYMORE, MISSOURI

## TABLE OF CONTENTS

	Page
LIST OF PRINCIPAL OFFICERS	1
INDEPENDENT AUDITORS' REPORT	2
MANAGEMENT'S DISCUSSION AND ANALYSIS	3 - 12
FINANCIAL SECTION	
Basic Financial Statements	
Government-Wide Financial Statements	
Statement of Net Assets	13
Statement of Activities	14 - 15
Fund Financial Statements	
Balance Sheet - Modified Accrual Basis - Governmental Funds	16
Reconciliation of the Balance Sheet - Modified Accrual Basis of Governmental Funds to the Statement of Net Assets	17
Statement of Revenues, Expenditures and Changes in Fund Balances - Modified Accrual Basis - Governmental Funds	18 - 19
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances - Modified Accrual Basis of Governmental Funds to the Statement of Activities	20
Statement of Net Assets - Proprietary Funds	21
Statement of Revenues, Expenses and Changes in Fund Balances - Proprietary Funds	22
Statement of Cash Flows - Proprietary Funds	23 - 24
Statement of Net Assets - Fiduciary Funds	25
NOTES TO FINANCIAL STATEMENTS	26 - 48
REQUIRED SUPPLEMENTARY INFORMATION	
Budgetary Comparison Schedule - General Fund	49 - 52
Budgetary Comparison Schedule - Major Special Revenue Funds	53
Budgetary Comparison Schedule - Major Debt Service Fund	54
Budgetary Comparison Schedule - Major Capital Improvement Fund	55
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION	56
OTHER SUPPLEMENTARY INFORMATION	
Nonmajor Governmental Funds - Combined Balance Sheet - Modified Accrual Basis	57
Nonmajor Governmental Funds - Combined Statement of Revenues, Expenditures and Changes in Fund Balances - Modified Accrual Basis	58

CITY OF RAYMORE, MISSOURI  
LIST OF PRINCIPAL OFFICERS  
OCTOBER 31, 2008

MAYOR

Juan I. Alonzo	Mayor
----------------	-------

CITY COUNCIL

John Seimears	Ward I
---------------	--------

Ivan Waite	Ward I
------------	--------

Mike Medsker	Ward II
--------------	---------

Jeffrey Cox	Ward II
-------------	---------

Libby Smith	Ward III
-------------	----------

Jeffrey Adams	Ward III
---------------	----------

Charlene Hubach	Ward IV
-----------------	---------

Peter Kerckhoff	Ward IV
-----------------	---------

CITY MANAGER

Eric Berlin	City Manager
-------------	--------------

MANAGEMENT TEAM

Jim Feuerborn	Assistant City Manager
---------------	------------------------

Jeanie Woerner	City Clerk
----------------	------------

Kris Turnbow	Chief of Police
--------------	-----------------

Cynthia Watson	Finance Director
----------------	------------------

Jim Cadoret	Community Development Director
-------------	--------------------------------

Janet Snook	Parks and Recreation Director
-------------	-------------------------------

Gene Thompson	Economic Development Director
---------------	-------------------------------

Mike Krass	Public Works Director/City Engineer
------------	-------------------------------------

DANA F. COLE & COMPANY, LLP  
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITORS' REPORT

The 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, 2008, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City'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 general-purpose 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, Missouri as of October 31, 2008, 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 on pages 3 through 12 and 49 through 56 are not required parts of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the method 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 an opinion on the financial statements that collectively comprise the City's basic financial statements. The other supplemental information on pages 57 through 58 is presented for purposes of additional analysis and is not required to be a part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statement and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Dana F Cole + Company, LLP

Overland Park, Kansas  
April 21, 2009

## CITY OF RAYMORE, MISSOURI MANAGEMENT'S DISCUSSION AND ANALYSIS

The financial department for the City of Raymore, Missouri offers readers of the City of Raymore, Missouri's financial statements this narrative overview and analysis of the financial activities of the City of Raymore, Missouri for the fiscal year ended October 31, 2008. 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 assets of the City of Raymore, Missouri exceeded its liabilities at the close of the most recent fiscal year by \$87,299,316. Of this amount, \$12,014,585 represents unrestricted net assets and may be used to fund ongoing obligations.

Total net assets increased by \$5,552,203. This increase is primarily attributable to operating efficiency, a reduction on long-term liability and an increase in capital assets.

As of the close of the 2008 fiscal year, the City of Raymore, Missouri's combined governmental fund balances totaled \$23,855,991. This is an increase from the previous fiscal year of \$1,619,539. This increase is primarily attributable to the receipt of bond proceeds on the refunding of the 1998 Special Obligation bond.

At the end of the current fiscal year, unreserved, undesignated fund balance for the General Fund was \$2,891,356, an increase over the previous fiscal year of \$812,664. This fund balance represented 40.01% of expenditures for the period.

Total debt for the City of Raymore, Missouri decreased during the current fiscal year. This decrease is primarily attributable to the refunding of the 1998 Special Obligation Bond during favorable market conditions.

### **OVERVIEW OF THE FINANCIAL STATEMENTS**

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

#### **Government-Wide Financial Statements**

The government-wide financial statements are designed to provide readers with a broad overview of the City of Raymore, Missouri'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, Missouri'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, Missouri is improving or deteriorating.

CITY OF RAYMORE, MISSOURI  
MANAGEMENT'S DISCUSSION AND ANALYSIS

**OVERVIEW OF THE FINANCIAL STATEMENTS (Continued)**

**Government-Wide Financial Statements (Continued)**

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

The government-wide financial statements distinguish functions of the City of Raymore, Missouri 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, Missouri 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, Missouri include water and sewer operations.

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

**Fund Financial Statements**

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City of Raymore, Missouri, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City of Raymore, Missouri can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

**Governmental Funds**

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

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

CITY OF RAYMORE, MISSOURI  
MANAGEMENT'S DISCUSSION AND ANALYSIS

**OVERVIEW OF THE FINANCIAL STATEMENTS (Continued)**

**Fund Financial Statements (Continued)**

Governmental Funds (Continued)

The City of Raymore, Missouri maintains 12 individual governmental funds in six categories. Information for the General Fund, Transportation Fund, Debt Service Fund and Capital Improvement Fund are presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances, while the other funds are categorized under the headings of Park and Recreation Fund and Nonmajor Governmental Funds. Specific data from the remaining funds is presented beginning on page 57 of the financial statements.

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

**City of Raymore, Missouri's  
Departmental Budget to Actual Expense Report**

<u>Department</u>	<u>Budget</u>	<u>Actual</u>
Administration	924,931	824,101
Information Technology	274,123	244,703
Economic Development	231,399	210,365
Community Development	656,851	606,053
Engineering	440,823	417,219
Streets and Roads	821,814	819,435
Buildings and Grounds	287,494	260,951
Stormwater	218,507	214,685
Municipal Court	132,812	130,424
Finance	502,580	463,315
Police	2,934,327	2,836,330
Emergency Preparedness	118,970	114,402
Parks and Recreation	815,636	787,935
Totals	<u>8,360,267</u>	<u>7,809,918</u>

Proprietary Funds

The City of Raymore, Missouri 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, Missouri uses the Enterprise Fund to account for its water and sewer operations.

CITY OF RAYMORE, MISSOURI  
MANAGEMENT'S DISCUSSION AND ANALYSIS

**OVERVIEW OF THE FINANCIAL STATEMENTS (Continued)**

**Fund Financial Statements (Continued)**

Proprietary Funds (Continued)

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 the government. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support the City of Raymore, Missouri'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 25 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 26 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, Missouri, assets exceeded liabilities by \$87,299,316 at the close of the fiscal year.

The largest portion of the City of Raymore, Missouri's net assets, 63.05%, 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, Missouri uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City of Raymore, Missouri'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 cannot be used to liquidate these liabilities.



CITY OF RAYMORE, MISSOURI  
MANAGEMENT'S DISCUSSION AND ANALYSIS

**GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)**

**City of Raymore, Missouri**  
**Statement of Net Assets**  
(in thousands of dollars)

	Governmental Activities		Business-Type Activities		Total	
	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>
<b>ASSETS</b>						
Current and other assets	25,531	29,253	10,239	11,407	35,770	40,660
Capital assets	<u>51,089</u>	<u>42,858</u>	<u>39,528</u>	<u>38,070</u>	<u>90,617</u>	<u>80,928</u>
Total assets	<u>76,620</u>	<u>72,111</u>	<u>49,767</u>	<u>49,477</u>	<u>126,387</u>	<u>121,588</u>
<b>LIABILITIES</b>						
Long-term liabilities outstanding	33,008	32,469	3,029	4,665	36,037	37,134
Other liabilities	<u>2,128</u>	<u>1,552</u>	<u>923</u>	<u>1,155</u>	<u>3,051</u>	<u>2,707</u>
Total liabilities	<u>35,136</u>	<u>34,021</u>	<u>3,952</u>	<u>5,820</u>	<u>39,088</u>	<u>39,841</u>
<b>NET ASSETS</b>						
Invested in capital assets, net of related debt	18,495	15,388	36,547	33,317	55,042	48,705
Restricted	18,293	17,231	1,949		20,242	17,231
Unrestricted	<u>4,696</u>	<u>5,471</u>	<u>7,319</u>	<u>10,340</u>	<u>12,015</u>	<u>15,811</u>
Total net assets	<u>41,484</u>	<u>38,090</u>	<u>45,815</u>	<u>43,657</u>	<u>87,299</u>	<u>81,747</u>

Additionally, a portion of the City of Raymore, Missouri's net assets (20% 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, Missouri 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

**GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)**

**Governmental Activities**

Governmental activities increased the City of Raymore, Missouri's net assets by \$2,299,554, thereby accounting for 63% of the total growth in the net assets of the City of Raymore, Missouri. Key elements of this increase are reflected in the chart below:

**City of Raymore, Missouri's  
Statement of Changes in Net Assets  
(in thousands of dollars)**

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>
<b>REVENUES</b>						
Program revenues						
Charges for services	1,510	1,252	5,286	5,605	6,796	6,857
Operating grants and contributions	77	271			77	271
Capital grants and contributions	2,703	1,388	1,111	848	3,814	2,236
General revenues						
Property tax	3,139	2,738			3,139	2,738
Sales tax	4,678	4,542			4,678	4,542
Franchise tax	2,605	1,490			2,605	1,490
Other taxes	532	2,188			532	2,188
Other revenue	1,027	1,914	428	668	1,455	2,582
Total revenues	<u>16,271</u>	<u>15,783</u>	<u>6,825</u>	<u>7,121</u>	<u>23,096</u>	<u>22,904</u>
<b>EXPENSES</b>						
Administration	1,071	1,349			1,071	1,349
Information technology	246	197			246	197
Economic development	212	192			212	192
Planning/zoning	611	607			611	607
Engineering	420	409			420	409
Streets	785	942			785	942
Buildings and grounds	262	271			262	271
Stormwater	179				179	
Municipal Court	132	122			132	122
Finance	467	482			467	482
Police	2,859	2,669			2,859	2,669
Emergency Management	115	93			115	93
Depreciation	3,036	2,369			3,036	2,369
Parks and Recreation	782	238			782	238
Water and Sewer			6,146	5,395	6,146	5,395
Interest on long-term debt	2,142	1,798			2,142	1,798
Total expenses	<u>13,319</u>	<u>11,738</u>	<u>6,146</u>	<u>5,395</u>	<u>19,465</u>	<u>17,133</u>

CITY OF RAYMORE, MISSOURI  
MANAGEMENT'S DISCUSSION AND ANALYSIS

**GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)**

**Governmental Activities** (Continued)

**City of Raymore, Missouri's  
Statement of Changes in Net Assets (Continued)**  
(in thousands of dollars)

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>
INCREASE BEFORE TRANSFERS	2,952	4,045	679	1,726	3,631	5,771
TRANSFERS	<u>(653)</u>	<u>696</u>	<u>653</u>	<u>(696)</u>	<u>      </u>	<u>      </u>
INCREASE IN NET ASSETS	2,299	4,741	1,332	1,030	3,631	5,771
NET ASSETS, beginning of year	38,090	33,348	43,658	42,628	81,748	75,976
TOTAL RESTATEMENTS	<u>1,095</u>	<u>      </u>	<u>825</u>	<u>      </u>	<u>1,920</u>	<u>      </u>
NET ASSETS, end of year	<u>41,484</u>	<u>38,089</u>	<u>45,815</u>	<u>43,658</u>	<u>87,299</u>	<u>81,747</u>

Revenues were up in the governmental activities funds, primarily due to increases in franchise fees associated with the wireless telecommunications settlements received. Sales taxes and Property taxes collected were also up from the previous fiscal year. Charges for services show a decrease due to the slow-down in the economy.

Expenses in the governmental funds were up by a total of \$1,582,049. Of this amount, \$967,744, or 61%, of the increase is attributable to payment of interest on bonds, depreciation and transfers to other funds. The remaining 39%, or \$614,305, is associated with increased departmental spending in the governmental activities funds.

**Business-Type Activities**

Business-type activities increased the City of Raymore, Missouri's net assets by \$1,332,508, accounting for 37% of the total growth in the net assets of the City of Raymore, Missouri. The primary elements associated with this increase are attributable to contributed capital and transfers.

CITY OF RAYMORE, MISSOURI  
MANAGEMENT'S DISCUSSION AND ANALYSIS

**FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS**

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

**Governmental Funds**

The focus of the City of Raymore, Missouri'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, Missouri's financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of a fiscal year.

As of the end of the current fiscal year, the City of Raymore, Missouri's governmental funds reported combined ending balances of \$23,855,991. As stated earlier, the increase is primarily attributable to the refunding of the 1998 Special Obligation bond. Approximately \$5,396,092 (23%) of the total fund balances represents unreserved or unrestricted fund balance, which is available for spending at the government's discretion. This is an increase of \$3,317,400 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, Missouri. At the end of the current fiscal year, unreserved, undesignated fund balance of the General Fund represented 95% the entire \$3,053,282 General Fund balance. As a measure of the General Fund's liquidity, it may be useful to compare the total fund balance to total fund expenditures. Total fund balance represents 41% of the total General Fund expenditures (\$7,439,356).

The total fund balance in the City of Raymore, Missouri's General Fund increased by \$974,590 over the previous fiscal year. The key factors associated with this increase were the accounting for net receivable and a reduction of liabilities.

The Debt Service Fund has a total fund balance of \$4,886,390, of which the entire balance 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 \$191,100. The government's debt service levy on property for the fiscal year was 0.7170.

**Proprietary Fund**

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

CITY OF RAYMORE, MISSOURI  
MANAGEMENT'S DISCUSSION AND ANALYSIS

**FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS (Continued)**

**Proprietary Fund** (Continued)

Unrestricted net assets in this Proprietary Fund at the end of the year amounted to \$7,318,612. This is down from the previous year's amount of \$10,340,696. Total net assets in this fund grew by \$2,157,655. Other factors concerning the finances of this fund have already been addressed in the discussion of the City of Raymore, Missouri's business-type activities.

**CAPITAL ASSET AND DEBT ADMINISTRATION**

**Capital Assets**

The City of Raymore, Missouri's investment in capital assets for its governmental and business-type activities as of the end of the fiscal year is \$90,616,254 (net of accumulated depreciation). This investment in capital assets includes land, buildings and system improvements, machinery and equipment, park facilities, roads, highways, and bridges. The investment total listed here represents an increase from the previous year of \$7,797,838. This increase is primarily attributable to the increase of \$6,892,322 in additional infrastructure associated with General Obligation Bond improvements and several new developments being completed and associated infrastructure being accepted by the City. The remaining increase is primarily associated with buildings and improvements.

**Long-Term Debt**

At the end of the current fiscal year, the City of Raymore, Missouri had total debt outstanding of \$35,573,592. As stated previously, this is a decrease in total debt of \$1,590,963, all of which was retired debt on still existing issues while no new debt was undertaken.

**City of Raymore, Missouri**  
**Capital Assets**  
(in thousands of dollars)

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>
Land and land rights	3,375	1,166	896	337	4,271	1,503
Buildings and improvements	11,366	10,525	354	354	11,720	10,879
Machinery	2,368	2,141	1,302	1,231	3,670	3,372
Infrastructure	<u>59,362</u>	<u>52,727</u>	<u>69,825</u>	<u>67,113</u>	<u>129,187</u>	<u>119,840</u>
	76,471	66,559	72,377	69,035	148,848	135,594
Less accumulated depreciation	<u>25,383</u>	<u>22,429</u>	<u>32,850</u>	<u>30,349</u>	<u>58,233</u>	<u>52,778</u>
Capital assets, net of depreciation	<u>51,088</u>	<u>44,130</u>	<u>39,527</u>	<u>38,686</u>	<u>90,615</u>	<u>82,816</u>

CITY OF RAYMORE, MISSOURI  
MANAGEMENT'S DISCUSSION AND ANALYSIS

**CAPITAL ASSET AND DEBT ADMINISTRATION (Continued)**

**City of Raymore, Missouri  
Outstanding Debt**

	Governmental Activities		Business-Type Activities		Total	
	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>
General obligation bonds	26,107	25,382		1,300	26,107	26,682
Revenue bonds	471	757	2,980	3,365	3,451	4,122
Special obligation bonds	3,995	4,160			3,995	4,160
Leasehold bonds	<u>2,020</u>	<u>2,170</u>			<u>2,020</u>	<u>2,170</u>
Total	<u>32,593</u>	<u>32,469</u>	<u>2,980</u>	<u>4,665</u>	<u>35,573</u>	<u>37,134</u>

**REQUESTS FOR INFORMATION**

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

CITY OF RAYMORE, MISSOURI  
STATEMENT OF NET ASSETS  
OCTOBER 31, 2008

	Primary Government		
	Governmental	Business-Type	Total
	Activities	Activities	
ASSETS			
Cash and cash equivalents	164,914	259,521	424,435
Investments	8,151,203	6,965,607	15,116,810
Taxes receivable	934,319		934,319
Accounts receivable, net	139,105	919,136	1,058,241
Interest receivable	149,868	54,304	204,172
Prepaid expenses	137,982	15,853	153,835
Restricted cash	2,072,941	135,219	2,208,160
Restricted investments	13,435,640	1,813,492	15,249,132
Bond issuance cost - net of amortization	345,373	75,712	421,085
Capital assets			
Land	1,423,566	337,399	1,760,965
Construction in progress	1,951,692	558,811	2,510,503
Other capital assets, net of accumulated depreciation	47,713,306	38,631,480	86,344,786
TOTAL ASSETS	76,619,909	49,766,534	126,386,443
LIABILITIES			
Accounts payable	1,244,687	522,849	1,767,536
Accrued expenses	85,294	9,269	94,563
Meter deposits		329,422	329,422
Accrued bond interest	797,290	60,510	857,800
Long-term liabilities			
Due within one year	1,528,143	449,115	1,977,258
Due in more than one year	31,480,192	2,580,356	34,060,548
TOTAL LIABILITIES	35,135,606	3,951,521	39,087,127
NET ASSETS			
Invested in capital assets, net of related debt	18,494,972	36,547,690	55,042,662
Restricted for:			
Debt service	5,203,183	1,138,516	6,341,699
Infrastructure/capital projects	13,090,175	810,195	13,900,370
Unrestricted	4,695,973	7,318,612	12,014,585
TOTAL NET ASSETS	41,484,303	45,815,013	87,299,316

See accompanying notes to financial statements.

CITY OF RAYMORE, MISSOURI  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED OCTOBER 31, 2008

Functions/programs	Program Revenues			Net (Expense) Revenue and Changes in Net Assets		
	Expenses	Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Primary government						
Governmental activities						
Administration	1,070,747	407,310		(663,437)		(663,437)
Information Technology	245,950			(245,950)		(245,950)
Economic Development	211,867			(211,867)		(211,867)
Community Development	611,198	532,817		(78,381)		(78,381)
Engineering	420,366			(420,366)		(420,366)
Streets and Roads	785,289			(785,289)		(785,289)
Building and Grounds	261,829			(261,829)		(261,829)
Stormwater	179,479			(179,479)		(179,479)
Municipal Court	131,526			(131,526)		(131,526)
Finance	466,763			(466,763)		(466,763)
Police	2,859,080	299,015	7,234	(2,552,831)		(2,552,831)
Emergency preparedness	115,126		70,032	(45,094)		(45,094)
Parks and Recreation	782,351	270,419		(511,932)		(511,932)
Interest on long-term debt	2,141,700			(2,141,700)		(2,141,700)
Depreciation	3,036,210			(3,036,210)		(3,036,210)
Total governmental activities	13,319,481	1,509,561	77,266	(11,732,654)		(11,732,654)
Business-type activities						
Water and Sewer	6,145,864	5,286,038			(859,826)	(859,826)
Total primary government	19,465,345	6,795,599	77,266	(11,732,654)	(859,826)	(12,592,480)



CITY OF RAYMORE, MISSOURI  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED OCTOBER 31, 2008

	Program Revenues		Net (Expense) Revenue and	
	Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-Type Activities
Expenses				Total
General revenues				
Taxes				
Property tax			3,139,336	3,139,336
Sales taxes			4,678,101	4,678,101
Other			532,404	532,404
Franchise fees			2,604,620	2,604,620
Investment income			873,841	428,361
Miscellaneous revenue			154,012	154,012
Contributed capital			2,702,637	1,111,230
Transfers			(652,743)	652,743
Total general revenues			14,032,208	2,192,334
				<u>16,224,542</u>
CHANGE IN NET ASSETS			2,299,554	1,332,508
NET ASSETS, beginning of year			38,089,755	43,657,358
Restatement of net assets			1,094,994	825,147
NET ASSETS, beginning of year, as restated			39,184,749	44,482,505
NET ASSETS, end of year			<u>41,484,303</u>	<u>45,815,013</u>
				<u>87,299,316</u>

See accompanying notes to financial statements.

CITY OF RAYMORE, MISSOURI  
BALANCE SHEET - MODIFIED ACCRUAL BASIS  
GOVERNMENTAL FUNDS  
OCTOBER 31, 2008

	General Fund	Park and Recreation Fund	Trans- portation Fund	Debt Service Fund	Capital Improvement Fund	Nonmajor Governmental Funds	Total Governmental Funds
<b>ASSETS</b>							
Cash and cash equivalents	23,602	47,197	7,034	40	1,161	85,880	164,914
Investments	2,596,537	2,187,725	531,948	1,132,608	93,268	1,609,117	8,151,203
Taxes receivable	511,311	84,361	139,445	3,979	139,455	55,768	934,319
Interest receivable	18,134	25,801	83,478	7,898	3,319	11,238	149,868
Other receivables	63,564		61,219			14,322	139,105
Prepaid items	136,953	1,029					137,982
Restricted cash	24,973	32,331	2,008,425	7,212			2,072,941
Restricted investments		1,047,457	7,952,543	3,734,653	384,194	316,793	13,435,640
<b>TOTAL ASSETS</b>	<b>3,375,074</b>	<b>3,425,901</b>	<b>10,784,092</b>	<b>4,886,390</b>	<b>621,397</b>	<b>2,093,118</b>	<b>25,185,972</b>
<b>LIABILITIES AND FUND BALANCES</b>							
<b>LIABILITIES</b>							
Accounts payable	243,230	23,395	411,198		209,720	357,144	1,244,687
Accrued expenses	78,562	6,732					85,294
Total liabilities	321,792	30,127	411,198		209,720	357,144	1,329,981
<b>FUND BALANCES</b>							
Reserved for:							
Prepaid items	136,953	1,029					137,982
Debt service				4,886,390		316,793	5,203,183
Capital projects		1,076,202	10,372,894		411,677	1,229,402	13,090,175
Other purposes	24,973	3,586					28,559
Unreserved	2,891,356	2,314,957					5,206,313
Unreserved, reported in nonmajor							
Special revenue funds						189,779	189,779
Total fund balances	3,053,282	3,395,774	10,372,894	4,886,390	411,677	1,735,974	23,855,991
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>3,375,074</b>	<b>3,425,901</b>	<b>10,784,092</b>	<b>4,886,390</b>	<b>621,397</b>	<b>2,093,118</b>	<b>25,185,972</b>

See accompanying notes to financial statements.

CITY OF RAYMORE, MISSOURI  
RECONCILIATION OF THE BALANCE SHEET - MODIFIED ACCRUAL BASIS  
OF GOVERNMENTAL FUNDS TO THE STATEMENT OF NET ASSETS  
OCTOBER 31, 2008

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

Fund balance - total governmental funds	23,855,991
---	------------

Capital assets used in governmental activities  
are not financial resources and, therefore,  
are not reported in the governmental funds.

Governmental capital assets	76,472,020	
Less accumulated depreciation	<u>(25,383,456)</u>	
		51,088,564

Bond interest expense was accrued for governmental activities.	(797,290)
---	-----------

Governmental funds report the effect of issuance  
costs, premiums, and discounts when the debt  
is first issued, whereas these amounts are  
deferred and amortized in the government-  
wide statements.

Bond discount	39,629	
Bond premiums	(117,758)	
Bond cost, net of amortization	<u>345,373</u>	
		267,244

Long-term liabilities are not due and payable in  
the current period and, therefore, are not  
reported in the funds.

Notes payable	(471,027)	
Capital appreciation bonds	(512,565)	
General obligation bonds	(25,595,000)	
Special obligation bonds	(3,995,000)	
Leasehold revenue bonds	<u>(2,020,000)</u>	
		(32,593,592)

Compensated absences are not due and payable in the current period and, therefore, are not reported in the funds.	<u>(336,614)</u>
---	------------------

NET ASSETS OF GOVERNMENTAL ACTIVITIES	<u>41,484,303</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  
YEAR ENDED OCTOBER 31, 2008

	General Fund	Park and Recreation Fund	Trans- portation Fund	Debt Service Fund	Capital Improvement Fund	Other Nonmajor Funds	Total Governmental Funds
<b>REVENUES</b>							
Taxes							
Property	1,071,153	288,732	139,385	1,640,066			3,139,336
Sales	1,998,933	535,879	893,019		893,018	357,252	4,678,101
Franchise	2,604,620						2,604,620
Other	372,582					159,822	532,404
Charges for services	296,126	270,419			28,608	68,225	663,378
Fines and forfeitures	299,015			14,351			313,366
Licenses, fees, and permits	532,817						532,817
Intergovernmental	77,266						77,266
Interest	96,813	81,853	439,707	173,373	31,689	50,406	873,841
Miscellaneous	81,801	10,891	61,320				154,012
Total revenues	<u>7,431,126</u>	<u>1,187,774</u>	<u>1,533,431</u>	<u>1,827,790</u>	<u>953,315</u>	<u>635,705</u>	<u>13,569,141</u>
<b>EXPENDITURES</b>							
Current							
Administration	824,101		24,797		83,180	133,615	1,065,693
Information Technology	244,703						244,703
Economic Development	210,365						210,365
Community Development	606,053						606,053
Engineering	417,219						417,219
Streets	782,957						782,957
Building and grounds	260,951						260,951
Stormwater	178,207						178,207
Court	130,424						130,424
Finance	463,315						463,315
Police	2,836,330						2,836,330
Emergency Management	114,402						114,402
Parks and Recreation		787,935					787,935
Capital outlay	151,460	1,036,356	2,616,666		416,078	2,153,064	6,373,624
Debt service							
Principal	197,156	37,500		1,789,893	165,000	201,500	2,391,049
Interest and fiscal fees	21,713	14,459		1,367,364	176,481	102,120	1,682,137
Total expenditures	<u>7,439,356</u>	<u>1,876,250</u>	<u>2,641,463</u>	<u>3,157,257</u>	<u>840,739</u>	<u>2,590,299</u>	<u>18,545,364</u>

CITY OF RAYMORE, MISSOURI  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCES - MODIFIED ACCRUAL BASIS - GOVERNMENTAL FUNDS  
YEAR ENDED OCTOBER 31, 2008

	General Fund	Park and Recreation Fund	Trans- portation Fund	Debt Service Fund	Capital Improvement Fund	Other Nonmajor Funds	Total Governmental Funds
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(8,230)</u>	<u>(688,476)</u>	<u>(1,108,032)</u>	<u>(1,329,467)</u>	<u>112,576</u>	<u>(1,954,594)</u>	<u>(4,976,223)</u>
OTHER FINANCING SOURCES (USES)							
Proceeds from sale of assets	9,023					9,100	18,123
Bond proceeds				2,515,000			2,515,000
Bond premium				62,642			62,642
Bond issuance costs				(40,901)			(40,901)
Operating transfers in	1,197,210	918,529	698,859			380,079	3,194,677
Operating transfers out	<u>(1,079,556)</u>	<u>(29,002)</u>	<u>(500,000)</u>	<u>(1,398,374)</u>	<u>(698,859)</u>	<u>(141,629)</u>	<u>(3,847,420)</u>
Total other financing sources (uses)	<u>126,677</u>	<u>889,527</u>	<u>198,859</u>	<u>1,138,367</u>	<u>(698,859)</u>	<u>247,550</u>	<u>1,902,121</u>
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	118,447	201,051	(909,173)	(191,100)	(586,283)	(1,707,044)	(3,074,102)
FUND BALANCE, beginning of year,	2,078,692	3,100,625	11,181,320	452,490	897,213	4,526,112	22,236,452
Restatement of fund balance	<u>856,143</u>	<u>94,098</u>	<u>100,747</u>	<u>4,625,000</u>	<u>100,747</u>	<u>(1,083,094)</u>	<u>4,693,641</u>
FUND BALANCE, beginning of year, as restated	<u>2,934,835</u>	<u>3,194,723</u>	<u>11,282,067</u>	<u>5,077,490</u>	<u>997,960</u>	<u>3,443,018</u>	<u>26,930,093</u>
FUND BALANCE, end of year	<u>3,053,282</u>	<u>3,395,774</u>	<u>10,372,894</u>	<u>4,886,390</u>	<u>411,677</u>	<u>1,735,974</u>	<u>23,855,991</u>

See accompanying notes to financial statements.

CITY OF RAYMORE, MISSOURI  
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES - MODIFIED ACCRUAL BASIS  
OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED OCTOBER 31, 2008

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

Net change in fund balances - total governmental funds	(3,074,102)
--	-------------

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation exceeded capital outlay in the current period.

Capital outlay	6,373,624
Contributed capital	2,702,637
Depreciation	<u>(3,054,333)</u>
	6,021,928

The issuance of long-term debt (e.g., bonds, loan, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. In the statement of activities, interest is accrued on outstanding bonds, whereas in the governmental funds, an interest expenditure is reported when due. The following is the detail of the net effect of these differences in the treatment of long-term debt and related items:

Bond principal payments	2,391,049
Proceeds from issuance of debt	(2,515,000)
Bond issuance costs	40,901
Bond premium	(62,642)
Increase in accrued bond interest expense	(438,549)
Amortization of premiums, discounts, and bond costs	<u>(21,014)</u>
	(605,255)

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

Compensated absences	<u>(43,017)</u>
----------------------	-----------------

CHANGE IN NET ASSETS OF GOVERNMENTAL ACTIVITIES	<u>2,299,554</u>
---	------------------

See accompanying notes to financial statements.

CITY OF RAYMORE, MISSOURI  
STATEMENT OF NET ASSETS  
PROPRIETARY FUNDS  
OCTOBER 31, 2008

	<u>Enterprise Fund</u>
ASSETS	
Current Assets	
Cash and cash equivalents	259,521
Investments	6,965,607
Accounts receivable, net	919,136
Interest receivable	54,304
Prepaid expenses	<u>15,853</u>
Total current assets	<u>8,214,421</u>
Noncurrent Assets	
Restricted cash	135,219
Restricted investments	1,813,492
Bond issuance cost - net of amortization	75,712
Capital assets	
Land	337,399
Construction in progress	558,811
Other capital assets, net of accumulated depreciation	<u>38,631,480</u>
Total noncurrent assets	<u>41,552,113</u>
TOTAL ASSETS	<u>49,766,534</u>
LIABILITIES	
Current Liabilities	
Accounts payable	522,849
Accrued expenses	9,269
Accrued bond interest	60,510
Meter deposits	329,422
Current portion of long-term obligations	<u>449,115</u>
Total current liabilities	<u>1,371,165</u>
Noncurrent Liabilities	
Noncurrent portion of long-term obligations	<u>2,580,356</u>
TOTAL LIABILITIES	<u>3,951,521</u>
NET ASSETS	
Invested in capital assets, net of related debt	36,547,690
Restricted for:	
Debt service	1,138,516
Capital improvements	810,195
Unrestricted	<u>7,318,612</u>
TOTAL NET ASSETS	<u>45,815,013</u>

See accompanying notes to financial statements.

CITY OF RAYMORE, MISSOURI  
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND BALANCES  
PROPRIETARY FUNDS  
YEAR ENDED OCTOBER 31, 2008

	Enterprise Fund
OPERATING REVENUES	
Charges for service	5,145,077
Penalties	128,229
Miscellaneous	12,732
Total operating revenues	<u>5,286,038</u>
OPERATING EXPENSES	
Personal services	697,487
Contractual services	1,283,977
Commodities	1,230,884
Utilities/maintenance	195,466
Depreciation	2,462,455
Amortization	51,597
Total operating expenses	<u>5,921,866</u>
OPERATING LOSS	<u>(635,828)</u>
NONOPERATING REVENUES (EXPENSES)	
Investment income	428,361
Bond interest and fees	(223,998)
Contributed capital	1,111,230
Total other income (expense)	<u>1,315,593</u>
INCOME BEFORE TRANSFERS	<u>679,765</u>
TRANSFERS	
Transfers in	1,398,374
Transfers out	(745,631)
Net transfers	<u>652,743</u>
CHANGE IN NET ASSETS	1,332,508
NET ASSETS, beginning of year	43,657,358
Restatement of net assets	<u>825,147</u>
NET ASSETS, beginning of year, as restated	<u>44,482,505</u>
NET ASSETS, end of year	<u>45,815,013</u>

See accompanying notes to financial statements.



CITY OF RAYMORE, MISSOURI  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
YEAR ENDED OCTOBER 31, 2008

CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from customers	5,243,260
Payments to suppliers	(2,886,938)
Payments to employees	(715,644)
Other receipts (claims)	<u>6,481</u>
Net cash provided by operating activities	<u>1,647,159</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Transfers from other funds	1,398,374
Transfers to other funds	<u>(745,631)</u>
Net cash provided by noncapital financing activities	<u>652,743</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Purchases of capital assets	(2,230,101)
Long-term debt payments	(1,685,000)
Interest paid on long-term debt	<u>(215,148)</u>
Net cash used in capital and related financing activities	<u>(4,130,249)</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest and dividends	374,057
(Increase) decrease in investments	<u>1,169,202</u>
Net cash provided by investing activities	<u>1,543,259</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	(287,088)
CASH AND CASH EQUIVALENTS, beginning of year	<u>681,828</u>
CASH AND CASH EQUIVALENTS, end of year	<u><u>394,740</u></u>
ALLOCATION OF CASH	
Unrestricted	259,521
Restricted	<u>135,219</u>
	<u><u>394,740</u></u>

CITY OF RAYMORE, MISSOURI  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
YEAR ENDED OCTOBER 31, 2008

Reconciliation of Operating Loss to Net Cash  
Provided by Operating Activities

Operating loss	<u>(635,828)</u>
Adjustments to reconcile operating loss to net cash provided by operating activities:	
Depreciation and amortization	2,507,801
(Increase) decrease in:	
Receivables	(43,406)
Prepaid expenses	4,638
Increase (decrease) in:	
Accounts payable	(181,249)
Accrued expenses	(30,207)
Compensated absences	12,050
Meter deposits	<u>13,360</u>
Total adjustments	<u>2,282,987</u>
Net cash provided by operating activities	<u><u>1,647,159</u></u>

NONCASH CAPITAL AND RELATED FINANCING  
ACTIVITIES

Capital asset additions	(3,341,331)
Capital contributions	<u>1,111,230</u>
Cash paid for capital assets	<u><u>(2,230,101)</u></u>

See accompanying notes to financial statements.

CITY OF RAYMORE, MISSOURI  
STATEMENT OF NET ASSETS  
FIDUCIARY FUNDS  
OCTOBER 31, 2008

	<u>Escrow Fund</u>
ASSETS	
Cash and cash equivalents	105,947
Accounts receivable	12,133
Investments at fair value	<u>674,468</u>
 TOTAL ASSETS	 <u>792,548</u>
 LIABILITIES	
Due to escrow agents	<u>792,548</u>
 NET ASSETS	 <u><u>- 0 -</u></u>

See accompanying notes to financial statements.

CITY OF RAYMORE, MISSOURI  
NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the City of Raymore, Missouri (the City), have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government units. The Governmental Accounting Standards Board is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the City's accounting policies are described below.

A. REPORTING 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.

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

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. BASIS OF PRESENTATION

Government-Wide Statements

The statement of net assets and statement of activities report information on the City as a whole. They include all funds of the City except for fiduciary funds. The effects of inter-fund activity have been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental receipts, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

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

Fund Financial Statements

The accounts of the City are organized on the basis of funds, each of which is considered to be a separate accounting entity. The operations of each fund are accounted for by a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues or receipts, and expenditures or expenses, as appropriate. Government resources are allocated to, and accounted for, in individual funds based on the purpose for which they are to be spent and the means by which spending activities are controlled.

The emphasis in fund financial statements is on the major funds in either the governmental or business-type activities categories. GASB Statement No. 34 sets forth minimum criteria for the determination of major funds, which should have a specific community focus.

The funds of the City 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:

General Fund - 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.

CITY OF RAYMORE, MISSOURI  
NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. BASIS OF PRESENTATION (Continued)

Fund Financial Statements (Continued)

Governmental Fund Types (Continued)

Special Revenue Funds - 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.

Major Special Revenue Funds

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

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

Nonmajor Special Revenue Fund

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 used for the payment of principal, interest and fiscal charges on long-term general obligation debt.

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.

Major Capital Improvement Fund

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

Nonmajor Capital Improvement Funds

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.

CITY OF RAYMORE, MISSOURI  
NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. BASIS OF PRESENTATION (Continued)

Fund Financial Statements (Continued)

Governmental Fund Types (Continued)

Nonmajor Capital Improvement Funds (Continued)

Capital Projects Fund - Established to use excise tax to construct or purchase capital assets.

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.

The Water and Sanitary Sewer Fund accounts 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.

C. MEASUREMENT FOCUS, BASIS OF ACCOUNTING AND BASIS OF PRESENTATION

The government-wide financial statements are reported using the economic resources management focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

CITY OF RAYMORE, MISSOURI  
NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. MEASUREMENT FOCUS, BASIS OF ACCOUNTING AND BASIS OF PRESENTATION (Continued)

Governmental fund financial statements are reported using current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible with the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property tax, sales taxes, franchise taxes, licenses, and interest associated with the current period are all considered to be susceptible to accrual and so have been recognized as revenues of the current period. All other revenue items are considered to be measurable and available only when cash is received by the City.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with the fund's principal ongoing operations.

When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, and then unrestricted resources as they are needed.

The City applies all applicable pronouncements of the Financial Accounting Standards Board (FASB) in accounting and reporting for proprietary activities issued on or before November 30, 1989, unless the pronouncements conflict with applicable Governmental Accounting Standards Board (GASB) guidance as prescribed by GASB Statement No. 20. No pronouncements of the FASB issued after November 30, 1989 have been adopted.

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

D. BUDGETS

Budgets for the City are prepared and adopted on the modified cash basis of accounting for all governmental funds. The City Administrator may make transfers of appropriations within a department. Transfers of appropriations between departments require the approval of the governing council. The City Council approved amendments to the budget during the



CITY OF RAYMORE, MISSOURI  
NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. BUDGETS (Continued)

year. The actual results of operations are presented in comparison to the budgets on the combined statement of revenues, expenditures and changes in fund balances - budget and actual - all governmental fund types. All governmental funds have a legally adopted annual budget. Appropriations lapse at year end, but may be reappropriated in the following year.

E. CASH AND INVESTMENTS

The City's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less.

The City's investment policies are structured to conform to Missouri Statute 30.270. The City is authorized to invest in U.S. Treasury Obligations, U.S. Government Agency Securities and instruments of Government Sponsored Corporations, Certificates of Deposit at Commercial Banks and S & L Associations, and Repurchase Agreements. Investments are reported at fair value.

F. RESTRICTED CASH AND INVESTMENTS

Certain cash and investment accounts are restricted for construction projects, debt service, and compliance with bond covenants.

G. PREPAIDS

Prepaid balances are for payments made by the City in the current year to provide services occurring in the subsequent fiscal year, and the reserve for prepaid items has been recognized to signify that a portion of fund balance is not available for other subsequent expenditures.

H. ACCOUNTS RECEIVABLE

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

I. 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.

CITY OF RAYMORE, MISSOURI  
NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

I. CAPITAL ASSETS (Continued)

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 \$5,000 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, hardware and software	3 - 5 years
Machinery and equipment	7 - 15 years
Vehicles	5 - 10 years
Infrastructure	30 - 40 years

J. LONG-TERM DEBT

In the government-wide and proprietary fund financial statements, outstanding debt is reported as liabilities. Bond issuance costs and bond discounts or premiums are capitalized and amortized over the terms of the respective bonds using a method that approximates the effective interest method.

The governmental fund financial statements recognize the proceeds of debt and premiums as other financing sources of the current period. Issuance costs are reported as expenditures.

K. 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.

CITY OF RAYMORE, MISSOURI  
NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

L. EQUITY CLASSIFICATION

Government-Wide Statements

Net assets are displayed in three components:

Invested in capital assets, net of related debt consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

Restricted net assets consists of net assets with constraints placed on the use either by external groups, such as creditors, grantors, contributors or laws and regulations of other governments; or through constitutional provision or enabling legislation.

Unrestricted net assets do not meet the definition of "restricted."

Fund Statements

Governmental fund equity is classified as fund balance. If applicable, fund balance is further classified as reserved and unreserved, with unreserved further split between designated and undesignated.

M. USE OF ESTIMATES

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

NOTE 2. CASH 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 (FDIC) insurance.

CITY OF RAYMORE, MISSOURI  
NOTES TO FINANCIAL STATEMENTS

NOTE 2. CASH AND INVESTMENTS (Continued)

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, 2008, none of the City's bank balances with financial institutions 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.

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, 2008, the City had the following investments.

<u>Investment Type</u>	<u>Maturity Date</u>	<u>Yield %</u>	<u>Rating</u>	<u>Fair Value</u>
FHLMC Discount Note	04/27/09	2.76	AAA	2,465,500
FNMA Discount Note	05/01/09	2.30	AAA	1,481,370
FHLB Discount Note	04/15/10	2.80	AAA	1,992,020
FHLB Discount Note	04/21/11	3.05	AAA	1,978,340
FHLB Discount Note	05/19/10	3.05	AAA	1,497,720
Certificate of Deposit	12/05/08	2.33		4,000,000
Certificate of Deposit	12/18/08	2.07		1,000,000
Certificate of Deposit	12/29/08	2.19		3,000,000
Certificate of Deposit	2/22/09	2.91		436,333
Certificate of Deposit	6/25/09	2.40		634,384
Certificate of Deposit	4/27/09	2.40		7,500,000
Investments held in trust	Various	Various		<u>5,054,743</u>
Total investments				31,040,410
Less: Investments allocated to Fiduciary Funds				<u>(674,468)</u>
Total investments allocated to City Funds				<u>30,365,942</u>

<u>Investment</u>	<u>Unrestricted</u>	<u>Restricted</u>	<u>Total</u>
Governmental Activities	8,151,203	13,435,640	21,586,843
Business-Type Activities	<u>6,965,607</u>	<u>1,813,492</u>	<u>8,779,099</u>
	<u>15,116,810</u>	<u>15,249,132</u>	<u>30,365,942</u>

CITY OF RAYMORE, MISSOURI  
NOTES TO FINANCIAL STATEMENTS

NOTE 2. CASH AND INVESTMENTS (Continued)

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.

NOTE 3. CAPITAL ASSETS

Capital asset activity for the year ended October 31, 2008 was as follows:

	Restated Balances at October 31, <u>2007</u>	<u>Additions</u>	<u>Retire- ments</u>	Balance December 31, <u>2008</u>
<u>Governmental Activities</u>				
Capital assets, not being depreciated				
Land	1,166,131	257,435		1,423,566
Construction-in-progress		<u>1,951,692</u>		<u>1,951,692</u>
Total capital assets not being depreciated	<u>1,166,131</u>	<u>2,209,127</u>		<u>3,375,258</u>
Capital assets, being depreciated				
Intangible property	46,000	19,898		65,898
Buildings and improvements	10,479,363	821,717		11,301,080
Office equipment and furniture	55,165			55,165
Computer equipment and software	192,974		(11,290)	181,684
Machinery and equipment	825,993	112,666		938,659
Vehicles	1,066,988	213,382	(88,236)	1,192,134
Infrastructure	<u>52,727,007</u>	<u>6,635,135</u>		<u>59,362,142</u>
Total capital assets being depreciated	<u>65,393,490</u>	<u>7,802,798</u>	<u>(99,526)</u>	<u>73,096,762</u>

CITY OF RAYMORE, MISSOURI  
NOTES TO FINANCIAL STATEMENTS

NOTE 3. CAPITAL ASSETS (Continued)

	Restated Balances at October 31, <u>2007</u>	<u>Additions</u>	Retire- ments	Balance December 31, <u>2008</u>
<u>Governmental Activities (Continued)</u>				
Less accumulated depreciation for:				
Intangible property	2,429	5,338		7,767
Buildings and improvements	1,297,451	278,424		1,575,875
Office equipment and furniture	35,100	4,082		39,182
Computer equipment and software	103,005	24,087	(6,774)	120,318
Machinery and equipment	428,999	59,230		488,229
Vehicles	711,710	122,327	(78,108)	755,929
Infrastructure	19,849,955	2,546,201		22,396,156
Total accumulated depreciation	<u>22,428,649</u>	<u>3,039,689</u>	<u>(84,882)</u>	<u>25,383,456</u>
Total capital assets, being depreciated, net	<u>42,964,841</u>	<u>4,763,109</u>	<u>(14,644)</u>	<u>47,713,306</u>
Governmental activities capital assets, net	<u>44,130,972</u>	<u>6,972,236</u>	<u>(14,644)</u>	<u>51,088,564</u>
<u>Business-Type Activities</u>				
Capital assets, not being depreciated				
Land	337,399			337,399
Construction-in-progress		558,811		558,811
Total capital assets not being depreciated	<u>337,399</u>	<u>558,811</u>		<u>896,210</u>
Capital assets, being depreciated				
Buildings and improvements	353,741			353,741
Vehicle and equipment	459,192	70,876		530,068
Intangible property	772,590			772,590
Infrastructure	67,113,397	2,711,644		69,825,041
Total capital assets being depreciated	<u>68,698,920</u>	<u>2,782,520</u>		<u>71,481,440</u>

CITY OF RAYMORE, MISSOURI  
NOTES TO FINANCIAL STATEMENTS

NOTE 3. CAPITAL ASSETS (Continued)

	Restated Balances at October 31, <u>2007</u>	<u>Additions</u>	Retire- ments	Balance December 31, <u>2008</u>
<u>Business-Type Activities (Continued)</u>				
Less accumulated depreciation				
Intangible property	53,974	38,630		92,604
Building and improvements	38,652	8,754		47,406
Vehicle and equipment	327,227	34,942		362,169
Infrastructure	<u>29,929,022</u>	<u>2,418,759</u>		<u>32,347,781</u>
Total accumulated depreciation	<u>30,348,875</u>	<u>2,501,085</u>		<u>32,849,960</u>
Total capital assets, being depreciated, net	<u>38,350,045</u>	<u>281,435</u>		<u>38,631,480</u>
Business-type activities - Capital assets, net	<u>38,687,444</u>	<u>840,246</u>		<u>39,527,690</u>

NOTE 4. LONG-TERM DEBT

Governmental Activities

Changes in the debt for the year ended October 31, 2008, consisted of the following:

	Balance November 1, <u>2007</u>	<u>Additions</u>	<u>Retirements</u>	Balance October 31, <u>2008</u>	Due in One Year
General Obligation					
Bonds	24,785,000	2,515,000	(1,705,000)	25,595,000	575,000
Leasehold Revenue					
Bonds	2,170,000		(150,000)	2,020,000	160,000
Special Obligation					
Refunding Bonds	4,160,000		(165,000)	3,995,000	175,000
Capital Appreciation					
Bonds	597,373		(84,808)	512,565	77,002
Notes payable	757,182		(286,155)	471,027	195,027
Compensated absences	293,597	336,614	(293,597)	336,614	336,614
Bond premium	66,817	62,642	(11,701)	117,758	11,701
Bond discount	<u>(41,830)</u>		<u>2,201</u>	<u>(39,629)</u>	<u>(2,201)</u>
Total governmental long-term liabilities	<u>32,788,139</u>	<u>2,914,256</u>	<u>(2,694,060)</u>	<u>33,008,335</u>	<u>1,528,143</u>

CITY OF RAYMORE, MISSOURI  
NOTES TO FINANCIAL STATEMENTS

NOTE 4. LONG-TERM DEBT (Continued)

Governmental Activities (Continued)

General Obligation Bonds

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%.	4,055,000
\$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
\$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
\$2,515,000 General Obligation Bonds, Series 2008 (Refunding 1999), dated March 25, 2008, due in annual installments varying from year to year until maturity in March 2019, interest at 3.3 % to 4%.	<u>2,515,000</u>
Total general obligation bonds	<u>25,595,000</u>

Aggregate annual principal and interest payments applicable to the general obligation bonds are:

<u>Year Ending October 31,</u>	<u>Principal</u>	<u>Interest</u>
2009	575,000	1,115,434
2010	1,095,000	1,082,672
2011	1,255,000	1,037,400
2012	1,660,000	978,755
2013	1,900,000	905,135
2014 - 2018	5,610,000	3,497,375
2019 - 2023	5,375,000	2,500,432
2024 - 2027	<u>8,125,000</u>	<u>788,739</u>
	<u>25,595,000</u>	<u>11,905,942</u>



CITY OF RAYMORE, MISSOURI  
NOTES TO FINANCIAL STATEMENTS

NOTE 4. LONG-TERM DEBT (Continued)

Governmental Activities (Continued)

Leasehold Revenue Bonds

\$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%. 2,020,000

Aggregate annual principal and interest payments applicable to the leasehold revenue bonds are:

<u>Year Ending</u> <u>October 31,</u>	<u>Principal</u>	<u>Interest</u>
2009	160,000	105,333
2010	165,000	97,493
2011	175,000	89,243
2012	185,000	80,405
2013	195,000	70,971
2014 - 2018	<u>1,140,000</u>	<u>191,274</u>
	<u>2,020,000</u>	<u>634,719</u>

Special Obligation Refunding Bonds

\$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%. 3,995,000

Aggregate annual principal and interest payments applicable to the special obligation refunding bonds are:

<u>Year Ending</u> <u>October 31,</u>	<u>Principal</u>	<u>Interest</u>
2009	175,000	169,257
2010	175,000	161,819
2011	200,000	153,850
2012	200,000	145,500
2013	210,000	137,069
2014 - 2018	1,185,000	543,302
2019 - 2023	<u>1,850,000</u>	<u>245,087</u>
	<u>3,995,000</u>	<u>1,555,884</u>

CITY OF RAYMORE, MISSOURI  
NOTES TO FINANCIAL STATEMENTS

NOTE 4. LONG-TERM DEBT (Continued)

Governmental Activities (Continued)

Capital Appreciation Bonds

\$295,085 Capital Appreciation Bonds, Series 1997,  
dated July 7, 1997; due in annual installments  
varying from year to year until maturity in March  
2011; interest at 5.1% to 5.35%. 210,192

\$302,373 Capital Appreciation Bonds, Series 2000,  
dated September 1, 2000; due in annual installments  
varying from year to year until maturity in March  
2015; interest at 5.75%. 302,373

Total capital appreciation bonds 512,565

Aggregate annual principal and interest payments applicable to the capital appreciation bonds are:

<u>Year Ending</u> <u>October 31,</u>	<u>Principal</u>	<u>Interest</u>
2009	77,002	162,998
2010	69,842	170,158
2011	63,348	176,652
2012	- 0 -	- 0 -
2013	- 0 -	- 0 -
2014 - 2018	<u>302,373</u>	<u>382,627</u>
	<u>512,565</u>	<u>892,435</u>

Notes Payable

\$750,000 Tax Anticipation Note dated April 1,  
2005; renewable annually; interest at 4.29%. 178,027

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. 293,000

Total notes payable 471,027

CITY OF RAYMORE, MISSOURI  
NOTES TO FINANCIAL STATEMENTS

NOTE 4. LONG-TERM DEBT (Continued)

Governmental Activities (Continued)

Notes Payable (Continued)

Aggregate annual principal and interest payments applicable to notes payable are:

<u>Year Ending</u> <u>October 31,</u>	<u>Principal</u>	<u>Interest</u>
2009	195,027	14,246
2010	18,000	4,272
2011	18,000	3,984
2012	18,000	3,696
2013	19,000	3,400
2014 - 2018	97,000	12,408
2019 - 2023	<u>106,000</u>	<u>4,336</u>
	<u>471,027</u>	<u>46,342</u>

Compensated Absences

Compensated absences are liquidated by the governmental fund responsible for generating the liability. The liability is allocated to each fund as follows:

General	308,548
Park	<u>28,066</u>
	<u>336,614</u>

Business-Type Activities

Changes in the debt for the year ended October 31, 2008, consisted of the following:

	<u>Balance</u> <u>November 1,</u> <u>2007</u>	<u>Addi-</u> <u>tions</u>	<u>Retire-</u> <u>ments</u>	<u>Balance</u> <u>October 31,</u> <u>2008</u>	<u>Due in</u> <u>One</u> <u>Year</u>
Water Pollution Control Revenue Bonds	1,900,000		(270,000)	1,630,000	285,000
Combined Revenue and Refunding Bonds	145,000		(35,000)	110,000	35,000
General Obligation Improvement Bonds	1,300,000		(1,300,000)		
Water Revenue Bonds	1,320,000		(80,000)	1,240,000	85,000
Compensated absences	25,814	37,864	(25,814)	37,864	37,864
Bond Premium	<u>17,858</u>		<u>(6,251)</u>	<u>11,607</u>	<u>6,251</u>
Total governmental long-term liabilities	<u>4,708,672</u>	<u>37,864</u>	<u>(1,717,065)</u>	<u>3,029,471</u>	<u>449,115</u>

CITY OF RAYMORE, MISSOURI  
NOTES TO FINANCIAL STATEMENTS

NOTE 4. LONG-TERM DEBT (Continued)

Business-Type Activities (Continued)

Revenue Bonds

\$4,350,000 June 1, 1992, Water Pollution Control Revenue Bonds (State Revolving Fund Program - Multiple Participant Series) Series 1 992A, due in annual installments varying from year to year until maturity on July 1, 2013; interest at 4.5% to 6.55%.	1,630,000
\$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%.	110,000
\$1,800,000 December 1, 1999 Water Pollution Control and Drinking Water Revenue Bonds (State Revolving Fund Program - Multiple Participant Series) Series 1 999B; due in annual installments varying from year to year until maturity on July 1, 2019; interest at 4.125% to 5.75%.	<u>1,240,000</u>
Total revenue bonds	<u>2,980,000</u>

Aggregate annual principal and interest payments applicable to the revenue bonds are:

<u>Year Ending October 31,</u>	<u>Principal</u>	<u>Interest</u>
2009	405,000	180,167
2010	430,000	154,684
2011	460,000	128,456
2012	445,000	100,420
2013	475,000	72,622
2014 - 2018	620,000	149,998
2019 - 2023	<u>145,000</u>	<u>8,338</u>
	<u>2,980,000</u>	<u>794,685</u>

CITY OF RAYMORE, MISSOURI  
NOTES TO FINANCIAL STATEMENTS

NOTE 5. PROPERTY TAXES

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 assess value for property located in the City as of January 1, 2007, on which the fiscal year 2008 levy was based is as follows:

Real estate	197,737,618
Personal property	<u>34,042,877</u>
	<u>231,780,495</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, 2008, per \$100 assessed valuation, were as follows:

General operating	0.4647
Parks and Recreation	0.1251
Debt service	<u>0.7170</u>
	<u>1.3068</u>

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

NOTE 6. INTERFUND TRANSACTIONS

	Transfers In					Total
	General	Parks and Recreation	Transportation	Nonmajor Funds	Enterprise	
<u>Transfers Out:</u>						
General Fund		918,529		161,027		1,079,556
Parks and Recreation				29,002		29,002
Transportation	350,000			150,000		500,000
Debt Service					1,398,374	1,398,374
Capital Projects			698,859			698,859
Nonmajor Funds	141,629					141,629
Enterprise	<u>705,581</u>			<u>40,050</u>		<u>745,631</u>
Total	<u>1,197,210</u>	<u>918,529</u>	<u>698,859</u>	<u>380,079</u>	<u>1,398,374</u>	<u>4,593,051</u>

CITY OF RAYMORE, MISSOURI  
NOTES TO FINANCIAL STATEMENTS

NOTE 6. INTERFUND TRANSACTIONS (Continued)

Transfers are used to move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them and to use unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

NOTE 7. PENSION PLAN

Plan Description

The City of Raymore, Missouri 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, Missouri 65102 or by calling 1-800-447-4334.

Funding Status

The City of Raymore, Missouri'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 10.0% (general), 10.9% (police) of annual covered payroll. The contribution requirements of plan members are determined by the governing body of the political subdivision. The contribution provisions of the political subdivision are established by state statute.

For 2008, the political subdivision's annual pension cost of \$449,073 was equal to the required and actual contributions. The required contribution was determined as part of the February 28, 2006 and/or February 28, 2007, annual actuarial valuation using the entry age actuarial cost method. The actuarial assumptions as of February 28, 2008, 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, 2008 was 22 years.

CITY OF RAYMORE, MISSOURI  
NOTES TO FINANCIAL STATEMENTS

NOTE 7. PENSION PLAN (Continued)

Trend Information

<u>Fiscal Year Ending</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
6/30/06	416,733	100	- 0 -
6/30/07	442,609	100	- 0 -
6/30/08	449,073	100	- 0 -

Schedule of Funding Progress

<u>Actuarial Valuation Date</u>	<u>(a) Actuarial Value of Assets</u>	<u>(b) Entry Age Actuarial Accrued Liability</u>	<u>(b-a) Unfunded Accrued Liability (UAL)</u>	<u>(a/b) Funded Ratio</u>	<u>(c) Annual Covered Payroll</u>	<u>[(b-a)/c] UAL as a Percentage of Covered Payroll</u>
2/28/06	4,114,132	4,803,182	689,050	86%	3,931,294	18%
2/28/07	4,780,239	5,381,756	601,517	89%	4,066,660	15%
2/28/08	5,800,529	6,117,241	316,712	95%	4,257,093	7%

Note: The above assets and actuarial accrued liability do not include the assets and present value of benefits associated with the Benefit Reserve Fund and the Casualty Reserve Fund. The actuarial assumptions were changes in conjunction with the February 28, 2006 annual actuarial valuations. For a complete description of the actuarial assumptions used in the annual variations, please contact the LAGERS office in Jefferson City.

NOTE 8. 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

NOTE 9. 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 coverage types.

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.

NOTE 10. LITIGATION

As of October 31, 2008, 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 provision for possible loss included in these financial statements.

NOTE 11. 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.

NOTE 12. RESTATEMENT OF NET ASSETS

	Governmental <u>Activities</u>	Business-Type <u>Activities</u>
Net capital assets	2,208,744	705,782
SAF 58 TIF	(1,113,750)	
Unbilled revenue		<u>119,365</u>
Total restatement of net assets	<u>1,094,994</u>	<u>825,147</u>
<u>Net Capital Assets</u>		

The beginning balance of net capital assets has been restated to reflect the addition of certain infrastructure assets that were not included with the City's prior audit.



CITY OF RAYMORE, MISSOURI  
NOTES TO FINANCIAL STATEMENTS

NOTE 12. RESTATEMENT OF NET ASSETS (Continued)

SAF 58 TIF

The net assets associated with the SAF 58 TIF Fund have been removed from the City's financial statements as they are neither an asset nor liability of the City.

Unbilled Revenue

The beginning balance of unbilled revenue was restated to record certain unbilled accounts in the Water and Sewer Fund as of October 31, 2007.

NOTE 13. RESTATEMENT OF FUND BALANCE

	Restatement of Fund Balance						<u>Total</u>
	<u>General</u>	<u>Parks and Recreation</u>	<u>Capital Transpor- tation</u>	<u>Improve- ment</u>	<u>Debt Service</u>	<u>Nonmajor Funds</u>	
<u>Restatement</u>							
Sales taxes receivable	221,014	60,448	100,747	100,747		40,299	523,255
Long-term debt	375,182				4,625,000		5,000,182
SAF 58 TIF						(1,123,393)	(1,123,393)
Accrued absences	<u>259,947</u>	<u>33,650</u>					<u>293,597</u>
Total	<u>856,143</u>	<u>94,098</u>	<u>100,747</u>	<u>100,747</u>	<u>4,625,000</u>	<u>(1,083,094)</u>	<u>4,693,641</u>

Sales Taxes Receivable

A portion of the sales taxes paid to the City from the State of Missouri during the months of November and December 2007 were attributable to sales taxes collected by City merchants during the fiscal year ended October 31, 2007.

Long-Term Debt

Long-term debt was reported in the fund basis financial statements for period ended October 31, 2007. Consistent with the modified accrual basis of accounting long-term debt is not reported in the fund basis financial statements.

SAF 58 TIF

The fund balance associated with the SAF 58 TIF Fund has been removed from the City's financial statements as they are neither an asset nor liability of the City.

CITY OF RAYMORE, MISSOURI  
NOTES TO FINANCIAL STATEMENTS

NOTE 13. RESTATEMENT OF FUND BALANCE (Continued)

Accrued Absences

Accrued absences were reported in the fund basis financial statements for period ended October 31, 2007. Consistent with the modified accrual basis of accounting accrued absences are not reported in the fund basis financial statements.

NOTE 14. COMMITMENTS

As of October 31, 2008, the City had outstanding commitments totaling \$2,761,238 for various contracts.

NOTE 15. SUBSEQUENT EVENTS

In November 2008, the City entered into an agreement to purchase park land for \$1,600,000.

On February 9, 2009, the City Council passed Ordinance 29020 authorizing the City of Raymore, Missouri, to enter into a lease agreement with the Raymore Municipal Assistance Corporation to lease certain land and facilities of the City, approving the delivery of \$1,640,000 principal amount of refunding certificates of participation for the purpose of providing funds to refinance the costs of projects for the City.

## REQUIRED SUPPLEMENTARY INFORMATION

CITY OF RAYMORE, MISSOURI  
REQUIRED SUPPLEMENTARY INFORMATION  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
YEAR ENDED OCTOBER 31, 2008

	General Fund			Variance Positive (Negative)
	Original Budget	Final Budget	Actual	
REVENUES				
Taxes				
Property taxes	1,077,084	1,077,084	1,071,153	(5,931)
Sales taxes	2,185,500	2,185,500	1,998,933	(186,567)
Franchise fees	1,324,300	1,324,300	2,604,620	1,280,320
Other taxes	378,440	378,440	372,582	(5,858)
Charges for services	431,672	431,672	296,126	(135,546)
Fines and forfeitures	305,565	305,565	299,015	(6,550)
Licenses, fees and permits	598,260	598,260	532,817	(65,443)
Intergovernmental	88,000	88,000	77,266	(10,734)
Interest	125,000	125,000	96,813	(28,187)
Miscellaneous	108,400	108,400	81,801	(26,599)
Total revenues	<u>6,622,221</u>	<u>6,622,221</u>	<u>7,431,126</u>	<u>808,905</u>
EXPENDITURES				
General Government				
Administrative				
Personnel services	522,565	522,565	505,662	16,903
Commodities	26,015	26,015	32,352	(6,337)
Maintenance and utilities	5,675	5,675	3,208	2,467
Contractual services	<u>370,676</u>	<u>370,676</u>	<u>282,879</u>	<u>87,797</u>
Total administrative	<u>924,931</u>	<u>924,931</u>	<u>824,101</u>	<u>100,830</u>
Information Technology				
Personnel services	122,747	122,747	126,913	(4,166)
Commodities	79,374	79,374	62,400	16,974
Utilities	5,487	5,487	3,354	2,133
Contractual services	<u>66,515</u>	<u>66,515</u>	<u>52,036</u>	<u>14,479</u>
Total information technology	<u>274,123</u>	<u>274,123</u>	<u>244,703</u>	<u>29,420</u>
Economic Development				
Personnel services	152,908	152,908	160,509	(7,601)
Commodities	2,900	2,900	3,939	(1,039)
Utilities	500	500	332	168
Contractual services	<u>66,091</u>	<u>75,091</u>	<u>45,585</u>	<u>29,506</u>
Total economic development	<u>222,399</u>	<u>231,399</u>	<u>210,365</u>	<u>21,034</u>

CITY OF RAYMORE, MISSOURI  
REQUIRED SUPPLEMENTARY INFORMATION  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
YEAR ENDED OCTOBER 31, 2008

	General Fund			Variance Positive (Negative)
	Original Budget	Final Budget	Actual	
EXPENDITURES (Continued)				
General Government (Continued)				
Community Development				
Personnel services	557,096	557,096	540,766	16,330
Commodities	21,295	21,295	19,111	2,184
Maintenance and utilities	3,500	3,500	3,756	(256)
Contractual services	74,960	74,960	42,420	32,540
Total community development	656,851	656,851	606,053	50,798
Engineering				
Personnel services	355,681	355,681	358,242	(2,561)
Commodities	21,535	21,535	18,064	3,471
Maintenance and utilities	9,500	9,500	2,717	6,783
Contractual services	54,107	54,107	38,196	15,911
Total engineering	440,823	440,823	417,219	23,604
Streets				
Personnel services	282,734	282,734	255,122	27,612
Commodities	101,695	101,695	114,020	(12,325)
Maintenance and utilities	63,500	63,500	55,464	8,036
Contractual services	337,407	337,407	358,351	(20,944)
Debt service - principal	36,478	36,478	36,478	
Total streets	821,814	821,814	819,435	2,379
Building and Grounds				
Personnel services	109,276	109,276	96,450	12,826
Commodities	2,045	2,045	726	1,319
Maintenance and utilities	141,990	141,990	129,145	12,845
Contractual services	34,183	34,183	34,630	(447)
Total building and grounds	287,494	287,494	260,951	26,543
Stormwater				
Personnel services	141,619	141,619	146,494	(4,875)
Commodities	4,330	4,330	4,844	(514)
Utilities	9,800	9,800	4,169	5,631
Contractual services	26,280	26,280	22,700	3,580
Debt service - principal	36,478	36,478	36,478	
Total stormwater	218,507	218,507	214,685	3,822

CITY OF RAYMORE, MISSOURI  
REQUIRED SUPPLEMENTARY INFORMATION  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
YEAR ENDED OCTOBER 31, 2008

	General Fund			Variance Positive (Negative)
	Original Budget	Final Budget	Actual	
EXPENDITURES (Continued)				
General Government (Continued)				
Court				
Personnel services	103,737	103,737	106,037	(2,300)
Commodities	2,860	2,860	2,081	779
Utilities	450	450	326	124
Contractual services	25,765	25,765	21,980	3,785
Total court	132,812	132,812	130,424	2,388
Finance				
Personnel services	407,345	395,675	366,870	28,805
Commodities	22,105	22,105	12,838	9,267
Contractual services	84,800	84,800	83,607	1,193
Total finance	514,250	502,580	463,315	39,265
Police				
Personnel services	2,591,203	2,591,203	2,524,578	66,625
Commodities	201,372	201,372	176,522	24,850
Maintenance and utilities	30,700	30,700	42,113	(11,413)
Contractual services	111,052	111,052	93,117	17,935
Total police	2,934,327	2,934,327	2,836,330	97,997
Emergency preparedness				
Personnel services	76,044	76,044	76,192	(148)
Commodities	27,812	27,812	25,818	1,994
Maintenance and utilities	10,344	10,344	7,507	2,837
Contractual services	4,770	4,770	4,885	(115)
Total emergency preparedness	118,970	118,970	114,402	4,568
Nondepartmental				
Capital outlay	200,000	320,000	151,460	168,540
Debt service - principal			124,200	(124,200)
Debt service - interest			21,713	(21,713)
Total nondepartmental	200,000	320,000	297,373	22,627
Total expenditures	7,747,301	7,864,631	7,439,356	425,275

CITY OF RAYMORE, MISSOURI  
REQUIRED SUPPLEMENTARY INFORMATION  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
YEAR ENDED OCTOBER 31, 2008

	General Fund			Variance
	Original Budget	Final Budget	Actual	Positive (Negative)
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(1,125,080)</u>	<u>(1,242,410)</u>	<u>(8,230)</u>	<u>1,234,180</u>
OTHER FINANCING SOURCES (USES)				
Proceeds from the sale of assets			9,023	9,023
Transfer in	1,125,507	1,113,837	1,197,210	83,373
Transfers out	<u>(700,427)</u>	<u>(450,427)</u>	<u>(1,079,556)</u>	<u>(629,129)</u>
Total other financing sources (uses)	<u>425,080</u>	<u>663,410</u>	<u>126,677</u>	<u>(536,733)</u>
NET CHANGE IN FUND BALANCE	<u>(700,000)</u>	<u>(579,000)</u>	118,447	<u>697,447</u>
FUND BALANCE, beginning of year			2,078,692	
Restatement of fund balance			<u>856,143</u>	
FUND BALANCE, beginning of year, restated			<u>2,934,835</u>	
FUND BALANCE, end of year			<u>3,053,282</u>	

CITY OF RAYMORE, MISSOURI  
REQUIRED SUPPLEMENTARY INFORMATION  
BUDGETARY COMPARISON SCHEDULE  
MAJOR SPECIAL REVENUE FUNDS  
YEAR ENDED OCTOBER 31, 2008

	Park and Recreation Fund				Transportation Fund				Total Major Special Revenue Funds			
	Original Budget	Final Budget	Actual	Variance Positive (Negative)	Original Budget	Final Budget	Actual	Variance Positive (Negative)	Original Budget	Final Budget	Actual	Variance Positive (Negative)
<b>REVENUES</b>												
Taxes												
Property	286,200	286,200	288,732	2,532	128,487	128,487	139,385	10,898	414,687	414,687	428,117	13,430
Sales	583,769	583,769	535,879	(47,890)	944,182	944,182	893,019	(51,163)	1,527,951	1,527,951	1,428,898	(99,053)
Other	41,739	41,739		(41,739)					41,739	41,739		(41,739)
Charges for services	211,421	211,421	270,419	58,998					211,421	211,421	270,419	58,998
Interest	33,201	33,201	81,853	48,652	32,108	32,108	439,707	407,599	65,309	65,309	521,560	456,251
Miscellaneous	11,020	11,020	10,891	(129)	70,312	70,312	61,320	(8,992)	81,332	81,332	72,211	(9,121)
Total revenues	<u>1,167,350</u>	<u>1,167,350</u>	<u>1,187,774</u>	<u>20,424</u>	<u>1,175,089</u>	<u>1,175,089</u>	<u>1,533,431</u>	<u>358,342</u>	<u>2,342,439</u>	<u>2,342,439</u>	<u>2,721,205</u>	<u>378,766</u>
<b>EXPENDITURES</b>												
Personnel services	507,743	507,743	477,635	30,108					507,743	507,743	477,635	30,108
Commodities	33,082	33,082	39,371	(6,289)					33,082	33,082	39,371	(6,289)
Maintenance and utilities	96,953	96,953	93,842	3,111			24,797	(24,797)	96,953	96,953	118,639	(21,686)
Contractual services	177,858	177,858	177,087	771					177,858	177,858	177,087	771
Capital outlay	360,000	360,000	1,036,356	(676,356)	1,075,000	1,093,648	2,616,666	(1,523,018)	1,435,000	1,453,648	3,653,022	(2,199,374)
Debt service												
Principal	37,500	37,500	37,500						37,500	37,500	37,500	
Interest and fiscal fees	14,287	14,287	14,459	(172)					14,287	14,287	14,459	(172)
Total expenditures	<u>1,227,423</u>	<u>1,227,423</u>	<u>1,876,250</u>	<u>(648,827)</u>	<u>1,075,000</u>	<u>1,093,648</u>	<u>2,641,463</u>	<u>(1,547,815)</u>	<u>2,302,423</u>	<u>2,321,071</u>	<u>4,517,713</u>	<u>(2,196,642)</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(60,073)</u>	<u>(60,073)</u>	<u>(688,476)</u>	<u>(628,403)</u>	<u>100,089</u>	<u>81,441</u>	<u>(1,108,032)</u>	<u>(1,189,473)</u>	<u>40,016</u>	<u>21,368</u>	<u>(1,796,508)</u>	<u>(1,817,876)</u>
<b>OTHER FINANCING SOURCES (USES)</b>												
Transfers in	291,400	341,400	918,529	577,129					291,400	341,400	1,617,388	1,275,988
Transfers out	(29,002)	(29,002)	(29,002)		(565,000)	(565,000)	(500,000)	65,000	(594,002)	(594,002)	(529,002)	65,000
Total other financing sources (uses)	<u>262,398</u>	<u>312,398</u>	<u>889,527</u>	<u>577,129</u>	<u>(565,000)</u>	<u>(565,000)</u>	<u>198,859</u>	<u>763,859</u>	<u>(302,602)</u>	<u>(252,602)</u>	<u>1,088,386</u>	<u>1,340,988</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>202,325</u>	<u>252,325</u>	<u>201,051</u>	<u>(51,274)</u>	<u>(464,911)</u>	<u>(483,559)</u>	<u>(909,173)</u>	<u>(425,614)</u>	<u>(262,586)</u>	<u>(231,234)</u>	<u>(708,122)</u>	<u>(476,888)</u>
<b>FUND BALANCE, beginning of year</b>			<u>3,100,625</u>				<u>11,181,320</u>				<u>14,281,945</u>	
Restatement of fund balance			<u>94,098</u>				<u>100,747</u>				<u>194,845</u>	
<b>FUND BALANCE, beginning of year, as restated</b>			<u>3,194,723</u>				<u>11,282,067</u>				<u>14,476,790</u>	
<b>FUND BALANCE, end of year</b>			<u>3,395,774</u>				<u>10,372,894</u>				<u>13,768,668</u>	



CITY OF RAYMORE, MISSOURI  
REQUIRED SUPPLEMENTARY INFORMATION  
BUDGETARY COMPARISON SCHEDULE  
MAJOR DEBT SERVICE FUND  
YEAR ENDED OCTOBER 31, 2008

	Debt Service Fund			Variance
	Original Budget	Final Budget	Actual	Positive (Negative)
REVENUES				
Taxes				
Property	1,641,010	1,641,010	1,640,066	(944)
Fines and forfeitures	8,205	8,205	14,351	6,146
Interest	41,222	41,222	173,373	132,151
Total revenues	<u>1,690,437</u>	<u>1,690,437</u>	<u>1,827,790</u>	<u>137,353</u>
EXPENDITURES				
Principal	630,768	630,768	1,789,893	(1,159,125)
Interest and fiscal fees	1,401,689	1,401,689	1,367,364	34,325
Total expenditures	<u>2,032,457</u>	<u>2,032,457</u>	<u>3,157,257</u>	<u>(1,124,800)</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(342,020)</u>	<u>(342,020)</u>	<u>(1,329,467)</u>	<u>(987,447)</u>
OTHER FINANCING SOURCES (USES)				
Bond proceeds			2,515,000	2,515,000
Bond premium			62,642	62,642
Bond issuance costs			(40,901)	(40,901)
Transfers out			<u>(1,398,374)</u>	<u>(1,398,374)</u>
Total other financing sources (uses)			<u>1,138,367</u>	<u>1,138,367</u>
NET CHANGE IN FUND BALANCE	<u>(342,020)</u>	<u>(342,020)</u>	<u>(191,100)</u>	<u>150,920</u>
FUND BALANCE, beginning of year			452,490	
Restatement of fund balance			4,625,000	
FUND BALANCE, beginning of year, as restated			<u>5,077,490</u>	
FUND BALANCE, end of year			<u>4,886,390</u>	

CITY OF RAYMORE, MISSOURI  
REQUIRED SUPPLEMENTARY INFORMATION  
BUDGETARY COMPARISON SCHEDULE  
MAJOR CAPITAL IMPROVEMENT FUND  
YEAR ENDED OCTOBER 31, 2008

	Capital Improvement Fund			
	Original Budget	Final Budget	Actual	Variance Positive (Negative)
REVENUES				
Taxes				
Sales	944,182	944,182	893,018	(51,164)
Charges for services			28,608	28,608
Interest	14,097	14,097	31,689	17,592
Total revenues	<u>958,279</u>	<u>958,279</u>	<u>953,315</u>	<u>(4,964)</u>
EXPENDITURES				
Contractual services			83,180	(83,180)
Capital outlay	755,000	755,653	416,078	339,575
Debt service				
Principal	145,000	145,000	165,000	(20,000)
Interest and fiscal fees	231,708	231,708	176,481	55,227
Total expenditures	<u>1,131,708</u>	<u>1,132,361</u>	<u>840,739</u>	<u>291,622</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(173,429)	(174,082)	112,576	286,658
OTHER FINANCING SOURCES (USES)				
Transfers out			(698,859)	(698,859)
NET CHANGE IN FUND BALANCE	<u>(173,429)</u>	<u>(174,082)</u>	<u>(586,283)</u>	<u>(412,201)</u>
FUND BALANCE, beginning of year			897,213	
Restatement of fund balance			100,747	
FUND BALANCE, beginning of year, as restated			<u>997,960</u>	
FUND BALANCE, end of year			<u>411,677</u>	

CITY OF RAYMORE, MISSOURI  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

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.

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.

A public hearing is conducted to obtain taxpayer comments. Prior to this hearing, the budget document is made available for public inspection.

Prior to November 1, the budget is legally enacted through passage of an ordinance.

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.

Budgets are prepared on the modified accrual basis of accounting which corresponds to the fund statements.

Actual expenditures may not legally exceed the budgeted expenditures in any budgeted fund. For the fiscal year ended October 31, 2008, no budgets had been exceeded using the modified accrual basis of accounting.

## OTHER SUPPLEMENTARY INFORMATION

CITY OF RAYMORE, MISSOURI  
NONMAJOR GOVERNMENTAL FUNDS  
COMBINED BALANCE SHEET - MODIFIED ACCRUAL BASIS  
OCTOBER 31, 2008

	Special Revenue Funds			Capital Improvement Funds				Total	
	Development Projects Fund	Storm Water Sales Tax Fund	Total Special Revenue Funds	Public Works Fund	Capital Projects Fund	Municipal Complex Fund	V.E.R.P. Fund	Total Capital Improvement Funds	Nonmajor Governmental Funds
<b>ASSETS</b>									
Cash and cash equivalents	34,452	29,170	63,622	12,226	8,996	342	694	22,258	85,880
Investments	94	410,256	410,350	85,642	862,616	54,885	195,624	1,198,767	1,609,117
Taxes receivable		55,768	55,768						55,768
Receivables, net	14,322	2,861	14,322	598	6,032	382	1,365	8,377	14,322
Interest receivable		316,793	316,793						11,238
Restricted investments									316,793
<b>TOTAL ASSETS</b>	<b>48,868</b>	<b>814,848</b>	<b>863,716</b>	<b>98,466</b>	<b>877,644</b>	<b>55,609</b>	<b>197,683</b>	<b>1,229,402</b>	<b>2,093,118</b>
<b>LIABILITIES AND FUND BALANCES</b>									
<b>LIABILITIES</b>									
Accounts payable	35,705	321,439	357,144						357,144
<b>FUND BALANCES</b>									
Reserved for:									
Capital projects		316,793	316,793	98,466	877,644	55,609	197,683	1,229,402	1,229,402
Debt service	13,163	176,616	189,779						316,793
Unreserved	13,163	493,409	506,572	98,466	877,644	55,609	197,683	1,229,402	189,779
Total fund balances									1,735,974
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>48,868</b>	<b>814,848</b>	<b>863,716</b>	<b>98,466</b>	<b>877,644</b>	<b>55,609</b>	<b>197,683</b>	<b>1,229,402</b>	<b>2,093,118</b>

CITY OF RAYMORE, MISSOURI  
NONMAJOR GOVERNMENTAL FUNDS  
COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCES - MODIFIED ACCRUAL BASIS  
YEAR ENDED OCTOBER 31, 2008

	Special Revenue Funds				Capital Improvement Funds				Total
	Development Projects Fund	Storm Water Sales Tax Fund	Total Special Revenue Funds	Public Works Fund	Capital Projects Fund	Municipal Complex Fund	V.E.R.P. Fund	SAF 58 T.I.F.	Nonmajor Governmental Funds
REVENUES									
Taxes		357,252	357,252						357,252
Sales					159,822				159,822
Other		27,533	27,494	2,894	11,833	2,681	5,504		50,406
Investment income	(39)		68,225						68,225
Charges for services	68,225								
Total revenues	<u>68,186</u>	<u>384,785</u>	<u>452,971</u>	<u>2,894</u>	<u>171,655</u>	<u>2,681</u>	<u>5,504</u>		<u>635,705</u>
EXPENDITURES									
Contractual	64,817	48,485	113,302			20,313			133,615
Debt service									
Principal		201,500	201,500						201,500
Interest		102,120	102,120						102,120
Capital outlay		582,489	582,489		1,262,865	25,955	281,755		2,153,064
Total expenditures	<u>64,817</u>	<u>934,594</u>	<u>999,411</u>		<u>1,262,865</u>	<u>46,268</u>	<u>281,755</u>		<u>2,590,299</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>3,369</u>	<u>(549,809)</u>	<u>(546,440)</u>	<u>2,894</u>	<u>(1,091,210)</u>	<u>(43,587)</u>	<u>(276,251)</u>		<u>(1,954,594)</u>
OTHER FINANCING SOURCES (USES)									
Proceeds from the sale of assets					150,000		9,100	9,100	9,100
Transfers in		(141,629)	(141,629)				230,079	380,079	380,079
Transfers out		(141,629)	(141,629)						(141,629)
Total other financing sources (uses)					<u>150,000</u>		<u>239,179</u>	<u>389,179</u>	<u>247,550</u>
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	<u>3,369</u>	<u>(691,438)</u>	<u>(688,069)</u>	<u>2,894</u>	<u>(941,210)</u>	<u>(43,587)</u>	<u>(37,072)</u>	<u>(1,018,975)</u>	<u>(1,707,044)</u>
FUND BALANCE, beginning of year	<u>9,794</u>	<u>1,144,548</u>	<u>1,154,342</u>	<u>95,572</u>	<u>1,818,854</u>	<u>99,196</u>	<u>234,755</u>	<u>1,123,393</u>	<u>4,526,112</u>
Restatement of fund balance		<u>40,299</u>	<u>40,299</u>					<u>(1,123,393)</u>	<u>(1,083,094)</u>
FUND BALANCE, beginning of year, as restated	<u>9,794</u>	<u>1,184,847</u>	<u>1,194,641</u>	<u>95,572</u>	<u>1,818,854</u>	<u>99,196</u>	<u>234,755</u>		<u>3,443,018</u>
FUND BALANCE, end of year	<u>13,163</u>	<u>493,409</u>	<u>506,572</u>	<u>98,466</u>	<u>877,644</u>	<u>55,609</u>	<u>197,683</u>		<u>1,735,974</u>