

A photograph of the City of Raymore, Missouri, building. The building is a two-story structure with a prominent red brick facade and a curved, light-colored upper section. A large American flag flies on a tall pole in front of the building. The entrance features a set of stairs leading to a glass door with the number '100' above it. A concrete overhang above the entrance is inscribed with 'CITY OF RAYMORE'. The foreground shows a paved walkway and some landscaping with red flowers and green shrubs.

City of Raymore, Missouri

Comprehensive Annual

Financial Report

Fiscal Year Ended October 31, 2013

CITY OF RAYMORE

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City of Raymore, Missouri

Comprehensive Annual Financial Report

**For Fiscal Year
Ended October 31, 2013**

**Prepared by
Cynthia Watson, Finance Director**

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CITY OF RAYMORE, MISSOURI
 COMPREHENSIVE ANNUAL FINANCIAL REPORT
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Introductory Section

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City of Raymore

2012-2013

Principal Officials and Department Heads

Mayor and City Council

Peter Kerckhoff, Mayor

Jeffrey Stevens	Ward I
Kevin Kellogg (Mayor Pro Tem)	Ward I
Ryan Wescoat	Ward II
Derek Moorhead	Ward II
Robert Piepho	Ward III
Jason Bohner	Ward III
Sonja Abdelgawad	Ward IV
Charlene Hubach	Ward IV

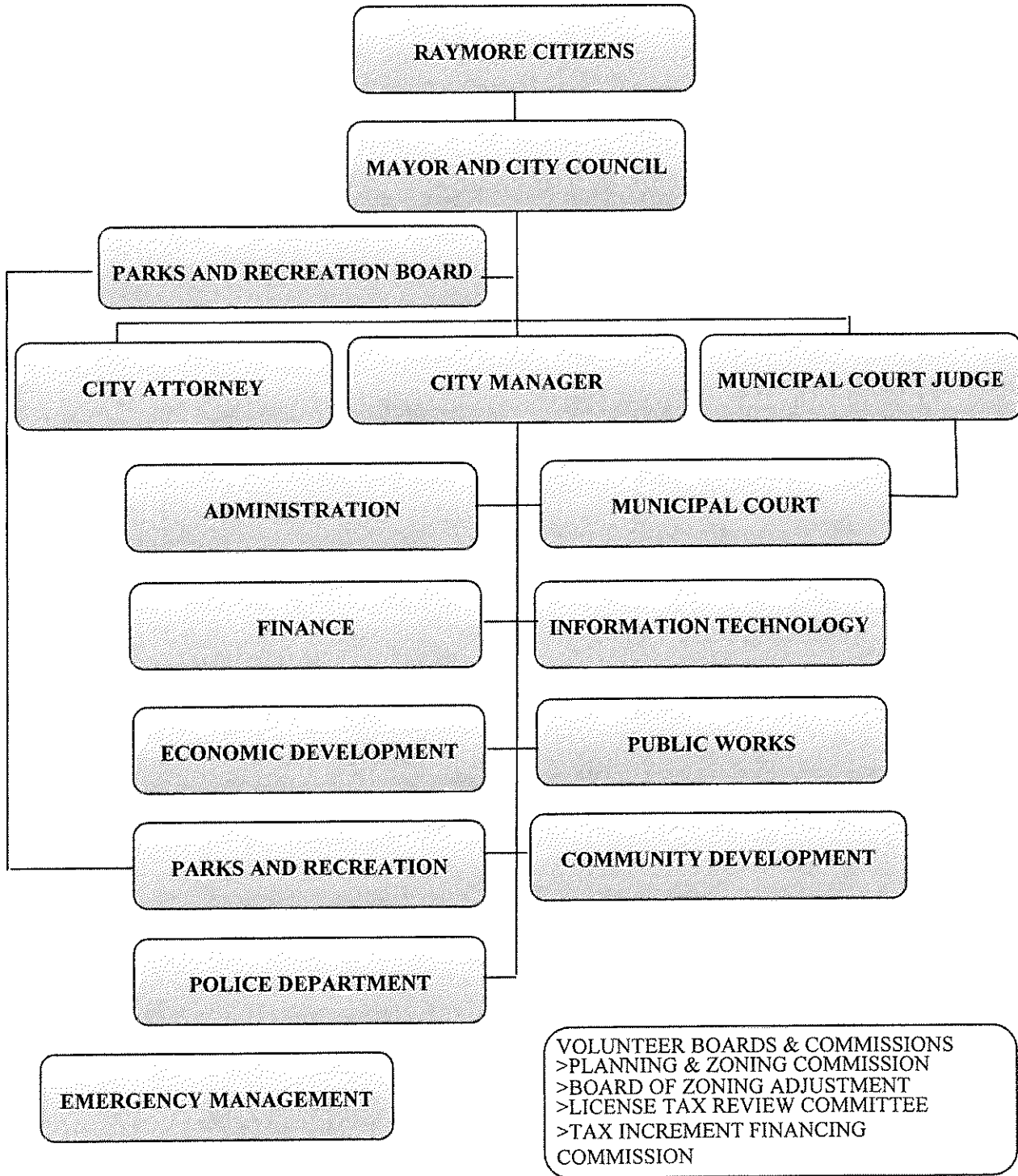
City Manager and Management Team

Eric Berlin, City Manager

Jim Feuerborn	Assistant City Manager
Jeanie Woerner	City Clerk
Jan Zimmerman	Chief of Police
Cynthia Watson	Finance Director
Jim Cadoret	Community Development Director
John Kennedy	Parks and Recreation Director
Gene Thompson	Economic Development Director
Mike Krass	Public Works Director/City Engineer

CITY OF RAYMORE, MISSOURI

ORGANIZATIONAL CHART





City of Raymore

100 Municipal Circle
Raymore, Missouri 64083
(816) 331-0488 • Fax (816) 331-8724

January 25, 2014

To the Honorable Mayor, Members of the Governing Council, and Citizens of the City of Raymore.

State law requires that every general-purpose local government publish within six months of the close of each fiscal year a complete set of audited financial statements. This report is published to fulfill that requirement for the fiscal year ended October 31, 2013.

Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal control that it has established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

Dana F. Cole & Company, LLP, Certified Public Accountants, have issued an unmodified ("clean") opinion on the City of Raymore's financial statements for the year ended October 31, 2013. The independent auditors' report is located at the front of the financial section of this report.

Management's discussion and analysis (MD&A) immediately follows the independent auditors' report and provides a narrative introduction, overview, and analysis of the basic financial statements. This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it.

Profile of the Government

Raymore was initially platted in 1874, incorporated on March 20, 1877, and became a Fourth Class City on March 5, 1988. The City is almost 20 square miles in area and is located approximately 23 miles south of Downtown Kansas City in the west central part of the state. The present estimated population of the City is 19,550. Located in northwestern Cass County along Interstate I-49, Raymore's recent history is dominated by rapid growth. Raymore is one of the fastest growing communities in the area, consistently placing among the top communities in monthly statistics of new residential construction in the Kansas City Metropolitan area. It is also empowered by state statute to extend its corporate limits by annexation, which it has done from time to time.

The City of Raymore is a council/manager form of government. The City adopted its Charter in November 1997. The City Council consists of eight members with two members elected from each of the four wards. The Council members serve two-year, staggered terms. The Mayor is elected at large and serves a three-year term and presides over meetings of the City Council. The City Manager is appointed by the Mayor with the advice and consent of the City Council as the chief administrative officer of the City.

The Council members set the policy for the City, and the City Manager is responsible for administering this policy in the day-to-day activities of City operations. Department Heads for municipal operations report to the City Manager.

The City of Raymore provides a wide range of services, including police, building and code enforcement; the construction and maintenance of highways, street, and other infrastructure; and parks and recreational activities. The City of Raymore owns and operates its own water and sewer system, which functions, in essence, as a department of the City of Raymore and, therefore, has been included as an integral part of the City of Raymore's financial statements.

The council is required to adopt a final budget by no later than the close of the fiscal year. This annual budget serves as the foundation for the City of Raymore's financial planning and control. The budget is prepared by fund and department (e.g., police). Departmental transfers not changing fund balance may be made with approval of the City Manager and Finance Director. Transfers between departments, however, need special approval from the governing council.

Factors affecting Financial Condition

Local Economy. The City of Raymore is mostly residential with a large variety of housing. The City has been one of the fastest growing communities in Missouri over the past ten years. The City of Raymore is served by two state highways (58 and J) and Interstate I-49 providing convenient commuter access to the various cultural, educational, social, industrial and marketing institutions of the region.

The major retailers in the City of Raymore are Wal-Mart, Price Chopper, and Lowe's. Many major infrastructure projects are completed or near completion. The new I-49 interchange in the southwestern part of Raymore opened in 2010. The project has provided the groundwork for significant industrial, commercial, and residential development in that corridor. This has also stimulated interest in other developments throughout the City. Sam's Club in the Galleria Shopping Center opened in late October 2013.

Long-Term Financial Planning. Fiscal year 2013 has been a year of slow recovery. The City believes its revenue base with the General Fund is showing positive stabilization. However, in the absence of solid growth revenue patterns, the City again focused on conservative revenue projections, as well as cost containment efforts put in place in 2009 in order to meet fiscal year priorities and service requirements to its residents and prepare the City for long-term financial health and stability.

These efforts continued through the fiscal year 2014 budget process to ensure sound financial position. The General Fund expenditures were budgeted at a decrease of 5.6% over the previous year's budget. This decrease is primarily due to less fund transfers from fund balance to support ongoing capital projects. The City is still addressing the Mayor and Council priorities and maintaining or expanding current service levels.

The City of Raymore's policy is to maintain a contingency fund balance in the three operating funds equal to 20 percent of annual operating expenditures. The fund balances in the General Fund, Parks Fund, and Enterprise Fund all fall within the policy guidelines set by Council for budgetary and planning purposes.

The City of Raymore prepares a five-year Capital Improvement Plan (CIP) for constructing, maintaining, and replacing the City's infrastructure. In preparing the budget, the City assesses needs, prioritizes public improvements, and projects costs. This budget is reviewed annually and projects are reprioritized and the financial condition of the City is evaluated.

Major Initiatives. The City of Raymore continues to be an active and growing community. Ninety-eight building permits were issued during fiscal year 2013. Overall, development activity is increasing in the City. Two new subdivision phases were completed in fiscal year 2013 that added 66 lots to the inventory of buildable lots. In Fiscal Year 2014, one new subdivision phase with 23 lots has already been approved, with several more phases currently under review. Commercial activity has increased the past two years and is poised for additional activity in 2014 with the addition of newly platted commercial lots ready for development.

The City's population has grown from 587 in 1970, 3,154 in 1980, 5,592 in 1990, 11,146 in 2000, 19,206 in 2010, and to an estimated population of 19,550 in 2013.

As a growing community, the City recognizes the importance of maintaining to maintain the ability to provide services to all citizens. The Public Works staff is continuing to work with consultants to meet our needs for the future. During 2010, the water master plan was updated. In 2012, staff secured an agreement with KCMO Water Services to increase water supply to meet demands for the foreseeable future.

Capital projects of approximately three million dollars were constructed during the year using proceeds of General Obligation Bonds, transportation, excise, capital improvement, enterprise capital maintenance, park sales taxes, and storm water taxes for buildings, street, storm sewer, sanitary sewer, and water improvements.

In July 2013, the City Council and management team participated in a strategic goal-setting session. Staff continued to work with the consultant to create a new set of goals. Staff then created objectives and action steps to guide the City for the next several years. These were approved by resolution on February 10, 2014. Staff will report on the status of the goals on a quarterly basis.

Financial Information. Management of the City is responsible for establishing and maintaining internal control designed to ensure that assets of the government are protected from loss, theft, or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with accounting principles generally accepted in the United States of America (GAAP). The internal controls are designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that (1) the cost of control should not exceed the benefits likely to be derived and (2) the valuation of costs and benefits require estimates and judgments by management.

The accounts of the City are organized on the basis of funds and account groups, each of which is considered to be a separate entity. The operations of each fund are accounted for by providing a separate set of self-balancing accounts, which comprise assets, liabilities, equities, revenues, and expenditures.

Budgetary control is maintained to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the City Council. Activities of the General Fund, Capital Projects Funds, Special Revenue Funds, Debt Service Fund, Internal Service Funds, and Enterprise Funds are included in the annual appropriated budget. The level of budget control is established at the department level with Finance closely monitoring weekly activity.

Awards and Acknowledgements

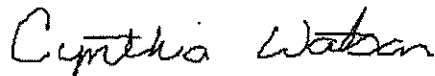
The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Raymore, Missouri, for its Comprehensive Annual Financial Report (CAFR) for the fiscal year ended October 31, 2012. This was the third year that the City achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized Comprehensive Annual Financial Report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe our current Comprehensive Annual Financial Report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

In addition, the City also received for the ninth consecutive year the GFOA's Distinguished Budget Presentation Award for its annual budget document dated October 31, 2012. In order to qualify for the Distinguished Budget Presentation Award, the government's budget document had to be judged proficient as a policy document, a financial plan, an operations guide, and a communications device.

The preparation of this report was accomplished through the efforts of the Finance Department in cooperation with the City's auditors, Dana F. Cole & Company, LLP. I wish to express my appreciation to all members of the department who assisted and contributed to the preparation of this report. I am also deeply grateful to all departments that help us to provide the statistical information. Credit must also be given to the Mayor and the Governing Council for their unfailing support for maintaining the highest standards of professionalism in the management of the City of Raymore's finances.

Respectfully submitted,



Cynthia Watson
Finance Director



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**City of Raymore
Missouri**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

October 31, 2012

Executive Director/CEO

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Financial Section

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INDEPENDENT AUDITORS' REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Raymore, Missouri, as of and for the year ended October 31, 2013, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinions

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

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 11 - 20 and 61 - 64 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Raymore, Missouri's basic financial statements. The introductory section, other supplementary information, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The other supplementary information on pages 65 to 69 is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the other supplementary information on pages 65 to 69 is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated January 25, 2014, on our consideration of the City of Raymore, Missouri's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Raymore, Missouri's internal control over financial reporting and compliance.

Dana J Cole + Company, LLP

Overland Park, Kansas
January 25, 2014

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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, 2013. 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 \$86,910,039. Of this amount, \$14,353,557 represents unrestricted net assets and may be used to fund ongoing obligations.

Total net assets decreased by \$1,855,062. This decrease is primarily attributable to depreciation on capital assets.

As of the close of the 2013 fiscal year, the City of Raymore, Missouri's combined governmental fund balances totaled \$25,192,592. This is an increase from the previous fiscal year of \$11,261,520, primarily due to the issuance of debt for a crossover refunding. Revenues for the year and unassigned balances from prior years of the City were sufficient to pay current debt obligations, capital outlay, and current operating expenses.

Total long-term debt for the City of Raymore, Missouri, increased during the current fiscal year by \$13,680,142, again, primarily due to the issuance of debt for a crossover refunding. The City serviced all long-term obligations as planned.

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 comprises three components: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the financial statements. This report also contains required supplemental information and 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 position presents information on all of the City of Raymore, Missouri's assets and liabilities, with the difference between the two reported as net position. Over time and in consideration of other factors from the notes to the financial statements, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City of Raymore, Missouri, is improving or deteriorating.

The statement of activities presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event

CITY OF RAYMORE, MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS

OVERVIEW OF THE FINANCIAL STATEMENTS (Continued)

Government-Wide Financial Statements (Continued)

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 21 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.

The City of Raymore, Missouri, maintains 20 individual governmental funds in six categories. Information for the General Fund, Parks and Recreation Fund, Transportation Fund, Debt Service Fund, Capital Improvement Fund, and Storm Water Sales Tax 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 Nonmajor Governmental Funds. Specific data from the remaining funds is presented beginning on page 65 of the financial statements.

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, 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 position 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**

Department	Final Budget	Actual
Administrative	979,580	807,793
Information Technology	360,443	358,782
Economic Development	220,756	204,580
Community Development	553,754	547,844
Engineering	434,203	395,440
Streets	934,423	901,444
Building and Grounds	342,657	273,766
Stormwater	217,991	210,240
Court	155,477	146,627
Finance	494,424	493,419
Police	3,265,088	3,258,364
Emergency Preparedness	<u>193,974</u>	<u>118,766</u>
 Totals	 <u>8,152,770</u>	 <u>7,717,065</u>

Proprietary Funds

The City of Raymore, Missouri, maintains five proprietary departments. Of these departments, 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 combined water, sewer, and trash operations.

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

The basic proprietary fund financial statements can be found beginning on page 31 of this report.

CITY OF RAYMORE, MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS

OVERVIEW OF THE FINANCIAL STATEMENTS (Continued)

Fund Financial Statements (Continued)

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 funds financial statement can be found on page 35 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 36 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of City's financial position. In the case of the City of Raymore, Missouri, assets exceeded liabilities by \$86,910,039 at the close of the fiscal year. The largest portion of the City of Raymore, Missouri's net position, 82.8%, 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
Statement of Net Position
(in thousands of dollars)**

	Governmental Activities		Business-Type Activities		Total	
	2013	2012	2013	2012	2013	2012
ASSETS						
Current and other assets	26,378	12,457	6,284	6,463	32,662	18,920
Capital assets	<u>61,924</u>	<u>62,625</u>	<u>33,123</u>	<u>34,828</u>	<u>95,047</u>	<u>97,453</u>
Total assets	<u>88,302</u>	<u>75,082</u>	<u>39,407</u>	<u>41,291</u>	<u>127,709</u>	<u>116,373</u>

CITY OF RAYMORE, MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS

GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)

City of Raymore, Missouri
Statement of Net Position (Continued)
(in thousands of dollars)

	Governmental Activities		Business-Type Activities		Total	
	2013	2012	2013	2012	2013	2012
DEFERRED OUTFLOW OF RESOURCES	<u>29</u>				<u>29</u>	
TOTAL ASSETS AND DEFERRED OUTFLOW OF RESOURCES	<u>88,331</u>	<u>75,082</u>	<u>39,407</u>	<u>41,291</u>	<u>127,738</u>	<u>116,373</u>
LIABILITIES						
Other liabilities	1,649	1,328	673	714	2,322	2,042
Long-term debt	<u>37,698</u>	<u>24,018</u>	<u>786</u>	<u>1,258</u>	<u>38,484</u>	<u>25,276</u>
Total liabilities	<u>39,347</u>	<u>25,346</u>	<u>1,459</u>	<u>1,972</u>	<u>40,806</u>	<u>27,318</u>
DEFERRED INFLOW OF RESOURCES	<u>22</u>				<u>22</u>	
TOTAL LIABILITIES AND DEFERRED INFLOW OF RESOURCES	<u>39,369</u>	<u>25,346</u>	<u>1,459</u>	<u>1,972</u>	<u>40,828</u>	<u>27,318</u>
NET POSITION						
Invested in capital assets, net of related debt	39,567	39,053	32,351	33,581	71,918	72,634
Restricted	554	1,800	85	247	639	2,047
Unrestricted	<u>8,841</u>	<u>8,883</u>	<u>5,512</u>	<u>5,491</u>	<u>14,353</u>	<u>14,374</u>
Total net position	<u>48,962</u>	<u>49,736</u>	<u>37,948</u>	<u>39,319</u>	<u>86,910</u>	<u>89,055</u>

Additionally, a portion of the City of Raymore, Missouri's net position (0.7% in all funds combined) represents resources that are subject to restrictions. The remaining balance of unrestricted net position may be used to meet the government's ongoing obligations to citizens and creditors. It should be noted that, in the operational funds General, Parks, and Enterprise, the City voluntarily "restricts" by policy 20% of the budgeted operational expenditures to ensure 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 position, 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)

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

	Governmental Activities		Business-Type Activities		Total	
	2013	2012	2013	2012	2013	2012
REVENUES						
Program revenues						
Charges for services	1,415	1,309	6,880	6,744	8,295	8,053
Operating grants and contributions	82	255			82	255
Capital grants and contributions		22				22
General revenues						
Property taxes	3,978	3,905			3,978	3,905
Sales taxes	4,556	4,454			4,556	4,454
Franchise taxes	2,277	2,252			2,277	2,252
Other taxes	1,286	899			1,286	899
Other revenue	261	159	110	92	371	251
Total revenues	<u>13,855</u>	<u>13,255</u>	<u>6,990</u>	<u>6,836</u>	<u>20,845</u>	<u>20,091</u>
EXPENSES						
Administration	941	898			941	898
Information technology	367	293			367	293
Economic development	205	199			205	199
Community development	566	573			566	573
Engineering	570	571			570	571
Streets and roads	4,084	4,097			4,084	4,097
Buildings and grounds	477	526			477	526
Stormwater	267	244			267	244
Municipal Court	147	142			147	142
Finance	495	483			495	483
Police	3,449	3,264			3,449	3,264
Emergency Management	128	99			128	99
Parks and Recreation	1,267	1,228			1,267	1,228
Water and Sewer			7,876	7,914	7,876	7,914
Interest/fiscal/bond issue costs	1,861	1,520			1,861	1,520
Total expenses	<u>14,824</u>	<u>14,137</u>	<u>7,876</u>	<u>7,914</u>	<u>22,700</u>	<u>22,051</u>
DECREASE BEFORE TRANSFERS	(969)	(882)	(886)	(1,078)	(1,855)	(1,960)
TRANSFERS	<u>460</u>	<u>594</u>	<u>(460)</u>	<u>(594)</u>	<u> </u>	<u> </u>

CITY OF RAYMORE, MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS

GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)

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

	Governmental Activities		Business-Type Activities		Total	
	2013	2012	2013	2012	2013	2012
CHANGE IN NET POSITION	(509)	(288)	(1,346)	(1,672)	(1,855)	(1,960)
NET POSITION, BEGINNING	49,471	50,024	39,294	40,990	88,765	91,014
GASB 65 RESTATEMENT	_____	(265)	_____	(24)	_____	(289)
NET POSITION, ENDING	<u>48,962</u>	<u>49,471</u>	<u>37,948</u>	<u>39,294</u>	<u>86,910</u>	<u>88,765</u>

Governmental Activities

Governmental activities decreased the City of Raymore, Missouri's net position by \$508,986 in addition to a decrease in business-type activities of \$1,346,076, therefore leading to a current-year decrease of \$1,855,062 in total net position.

Revenues increased in the governmental activities funds, primarily due to increases in charges for services, fuel tax distributed from the state department, and permit excise taxes for new construction. Property, sales, and franchise tax revenues remained fairly steady.

Expenses in the governmental activities were up by a total of approximately \$687,000.

Business-Type Activities

Business-type activities decreased the City of Raymore, Missouri's net assets by \$1,346,079 as costs associated with providing the services exceeded related revenues.

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.

CITY OF RAYMORE, MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS (Continued)

Governmental Funds

The General Fund is the chief operating fund of the City of Raymore, Missouri. At the end of the current fiscal year, unassigned fund balance of the General Fund represented 93.1% of the entire \$3,610,777 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 46.3% of the total General Fund expenditures of \$7,794,534.

The total fund balance in the City of Raymore, Missouri's General Fund decreased \$1,233,093 compared to the previous fiscal year. The key factor associated with this decrease was the transfers to the newly established B.E.R.P fund in the amount of \$1,099,044.

The Debt Service Fund has a total fund balance of \$15,805,877. The increase in fund balance during the current fiscal year in the Debt Service Fund was primarily due to the issuance of debt in connection with a crossover refunding. Of the total fund balance in the Debt Service Fund, \$14,861,875 is restricted for the purpose of servicing the debt from proceeds that have been placed in escrow for these purposes. The government's debt service levy on property for the fiscal year was 0.7170.

The Parks and Recreation Fund has a total fund balance of \$979,884. The net increase of \$187,048 was primarily due to transfers from the General Fund in the amount of \$198,700.

The Transportation Fund has a total fund balance of \$1,069,767. The net decrease of \$759,491 was primarily due to the current year's capital outlay expenditures which were budgeted for and approved by City Council.

The Capital Improvement Fund has a total fund balance of \$1,312,283. The net decrease of \$287,977 is primarily due to a continued revenue stream and less budgeted capital expenditures to the interest payment for a component unit in the amount of \$396,600.

The Storm Water Sales Tax Fund has a total fund balance of \$194,310. The net decrease of \$57,836 was primarily associated with a capital project authorized using available fund balance.

The other nonmajor funds have a combined fund balance of \$2,219,694. The net increase of \$1,112,242 was primarily associated with the transfers from others funds for future capital outlay needs.

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 departments. With these, the primary operating fund is the Enterprise Fund.

Unrestricted net position in this proprietary fund at the end of the year amounted to \$5,512,505. This is up from the previous year's amount of \$5,490,510. Total net assets in this fund decreased by \$1,346,076. 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.

CITY OF RAYMORE, MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS

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 was \$97,454,396 (net of accumulated depreciation). This investment in capital assets includes land, construction in progress, buildings and system improvements, machinery and equipment, park facilities, roads, highways, and bridges.

The investment total listed below represents a decrease of \$2,406,308 from the previous year. This decrease is primarily attributable to depreciation expense that exceeded the amount of assets capitalized during the year.

Additional information on the City's capital assets can be found in the Note 3 on pages 48 to 49 of this report.

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

	Governmental Activities		Business-Type Activities		Total	
	2013	2012	2013	2012	2013	2012
Land and construction in progress	5,036	4,217	431	1,884	5,467	6,101
Buildings, improvements, and related office equipment	14,544	13,835	354	354	14,898	14,189
Machinery, equipment, and vehicles	2,781	2,735	3,801	3,745	6,582	6,480
Infrastructure	<u>83,346</u>	<u>81,639</u>	<u>74,213</u>	<u>71,913</u>	<u>157,559</u>	<u>153,552</u>
	105,707	102,426	78,799	77,896	184,506	180,322
Less accumulated depreciation	<u>(43,783)</u>	<u>(39,801)</u>	<u>(45,675)</u>	<u>(43,067)</u>	<u>(89,458)</u>	<u>(82,868)</u>
Capital assets, net of depreciation	<u>61,924</u>	<u>62,625</u>	<u>33,124</u>	<u>34,829</u>	<u>95,048</u>	<u>97,454</u>

Long-Term Debt

At the end of the current fiscal year, the City of Raymore, Missouri, had total long-term debt outstanding of \$37,180,373.

Additional information on the City's long-term debt can be found in Note 4 on pages 50 to 56 of this report.

CITY OF RAYMORE, MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS

CAPITAL ASSET AND DEBT ADMINISTRATION (Continued)

Long-Term Debt (Continued)

City of Raymore, Missouri
Outstanding Debt
(in thousands of dollars)

	Governmental		Business-Type		Total	
	Activities		Activities			
	2013	2012	2013	2012	2013	2012
General obligation bonds	32,005	18,695			32,005	18,695
Revenue bonds			765	1,240	765	1,240
Notes payable	203	222			203	222
Special obligation bonds	3,035	3,245			3,035	3,245
Capital appreciation bonds	302	302			302	302
Certificates of participation	870	1,070			870	1,070
Total	<u>36,415</u>	<u>23,534</u>	<u>765</u>	<u>1,240</u>	<u>37,180</u>	<u>24,774</u>

ECONOMIC FACTORS, NEXT YEAR'S BUDGET, AND RATES

General Fund revenues for fiscal year 2014 are projected to total \$8,776,854. This represents an overall conservative growth of 5.7% over the prior year budget. Franchise taxes and sales taxes are projected to be slightly higher this fiscal year. The City now benefits from the growth of franchise revenue since the litigation involving several wireless communications companies was concluded in 2010 in favor of the cities involved and recognized the last of protested revenue during fiscal year 2011.

General Fund budgeted expenditures are projected to total \$9,776,854 compared to \$10,357,167 in 2013. This represents a 5.6% decrease from the prior year budget. Of the 2013 amount, \$2,051,813 was inter-fund transfers directed by the Council utilizing unassigned fund balance.

Major capital projects will be funded from the various capital funds sales taxes.

In the business-type activities, the rates are set as follows: water \$5.99; sewer \$5.80 (volume) and \$6.25 (winter average). The rates are set on a break-even method to be reviewed and adjusted as needed due to the reliance on Kansas City, Missouri; Little Blue Valley Sewer District; and Middle Big Creek to provide water and sewer service respectively. On May 13, 2013, the Council approved a \$0.47 increase to the water rate and a \$0.85 decrease to the sewer rate effective November 1, 2013.

The City will continue to monitor and respond to the ongoing changes in the economy.

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 POSITION
OCTOBER 31, 2013

	Primary Government			Component Units
	Governmental Activities	Business-Type Activities	Total	
ASSETS				
Cash and cash equivalents	1,672,404	196,092	1,868,496	66
Investments	7,570,697	4,307,592	11,878,289	
Taxes receivable	1,291,023		1,291,023	386,021
Accounts receivable, net	336,741	1,223,187	1,559,928	
Interest receivable	4,414	1,554	5,968	
Prepaid expenses	86,827	15,395	102,222	
Inventory	54,460	38,817	93,277	
Restricted cash	102,567	47,457	150,024	1,154,096
Restricted investments	15,258,379	453,491	15,711,870	
Capital assets				
Land	3,030,479	337,399	3,367,878	
Construction in progress	2,006,312	94,096	2,100,408	
Other capital assets, net of accumulated depreciation	<u>56,887,839</u>	<u>32,691,963</u>	<u>89,579,802</u>	
TOTAL ASSETS	<u>88,302,142</u>	<u>39,407,043</u>	<u>127,709,185</u>	<u>1,540,183</u>
DEFERRED OUTFLOWS OF RESOURCES	<u>28,624</u>		<u>28,624</u>	
TOTAL ASSETS AND DEFERRED OUTFLOW OF RESOURCES	<u>88,330,766</u>	<u>39,407,043</u>	<u>127,737,809</u>	<u>1,540,183</u>
LIABILITIES				
Accounts payable	931,372	222,278	1,153,650	67,321
Accrued expenses	186,182	19,133	205,315	148,376
Meter deposits		416,310	416,310	
Accrued bond interest	531,554	14,157	545,711	
Long-term liabilities				
Due within one year	1,788,691	125,457	1,914,148	310,018
Due in more than one year	<u>35,909,251</u>	<u>661,249</u>	<u>36,570,500</u>	<u>14,802,741</u>
TOTAL LIABILITIES	<u>39,347,050</u>	<u>1,458,584</u>	<u>40,805,634</u>	<u>15,328,456</u>
DEFERRED INFLOW OF RESOURCES	<u>22,136</u>		<u>22,136</u>	

CITY OF RAYMORE, MISSOURI
STATEMENT OF NET POSITION
OCTOBER 31, 2013

	Primary Government			Component Units
	Governmental Activities	Business-Type Activities	Total	
TOTAL LIABILITIES AND DEFERRED INFLOW OF RESOURCES	<u>39,369,186</u>	<u>1,458,584</u>	<u>40,827,770</u>	<u>15,328,456</u>
NET POSITION (DEFICIT)				
Invested in capital assets, net of related debt	39,567,457	32,351,316	71,918,773	
Restricted for:				
Debt service	5,682	84,638	90,320	
Capital projects	449,037		449,037	
911 distribution	88,370		88,370	
Other purposes	9,982		9,982	
Unrestricted (deficit)	<u>8,841,052</u>	<u>5,512,505</u>	<u>14,353,557</u>	<u>(13,788,273)</u>
TOTAL NET POSITION (DEFICIT)	<u>48,961,580</u>	<u>37,948,459</u>	<u>86,910,039</u>	<u>(13,788,273)</u>

See accompanying notes to financial statements.

CITY OF RAYMORE, MISSOURI
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED OCTOBER 31, 2013

	Program Revenues		Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Primary Government		Component Units
			Governmental Activities	Business-Type Activities	
Functions/programs					
Primary government					
Governmental activities					
Administration	940,524	193,489	(747,035)		(747,035)
Information Technology	367,112		(367,112)		(367,112)
Economic Development	205,320		(205,320)		(205,320)
Community Development	565,653	406,368	(159,285)		(159,285)
Engineering	569,829		(569,829)		(569,829)
Streets and Roads	4,084,265		(4,084,265)		(4,084,265)
Building and Grounds	477,257		(477,257)		(477,257)
Stormwater	267,251		(267,251)		(267,251)
Municipal Court	147,390		(147,390)		(147,390)
Finance	494,589		(494,589)		(494,589)
Police	3,448,854	504,898	(2,861,596)		(2,861,596)
Emergency Preparedness	127,550	82,360	(127,550)		(127,550)
Parks and Recreation	1,266,707	309,869	(956,838)		(956,838)
Bond issue costs	289,046		(289,046)		(289,046)
Interest on long-term debt	1,572,983		(1,572,983)		(1,572,983)
Total governmental activities	14,824,330	1,414,624	(13,327,346)		(13,327,346)
Business-type activities					
Water and Sewer	7,875,853	6,880,197		(995,656)	(995,656)
Total primary government	22,700,183	8,294,821	(13,327,346)	(995,656)	(14,323,002)
Component Units					
Galleria TIF Component Unit	527,196				(527,196)
Hubach Hill TDD Component Unit	406,571	396,600			(9,971)
Total component units	933,767	396,600			(537,167)

CITY OF RAYMORE, MISSOURI
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED OCTOBER 31, 2013

	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
	Charges for Services	Operating Grants and Contributions		Primary Government		Component Units
		Expenses	Governmental Activities	Business-Type Activities	Total	
General revenues						
Taxes						
Property tax		3,978,416			3,978,416	317,707
Sales taxes		4,555,844			4,555,844	530,135
Other		1,286,313			1,286,313	
Franchise fees		2,276,711			2,276,711	
Investment income		49,156	88,231		137,387	119
Refunds and reimbursements		99,085			99,085	
Miscellaneous revenue		112,684	21,500		134,184	
Total general revenues		<u>12,358,209</u>	<u>109,731</u>		<u>12,467,940</u>	<u>847,961</u>
Transfers		460,151		(460,151)		
		(508,986)		(1,346,076)	(1,855,062)	310,794
CHANGE IN NET POSITION						
NET POSITION (DEFICIT), beginning of year		49,470,566	39,294,535		88,765,101	(14,099,067)
NET POSITION (DEFICIT), end of year (as restated)		<u>48,961,580</u>	<u>37,948,459</u>		<u>86,910,039</u>	<u>(13,788,273)</u>

See accompanying notes to financial statements.

CITY OF RAYMORE, MISSOURI
BALANCE SHEET
GOVERNMENTAL FUNDS
OCTOBER 31, 2013

	General Fund	Park and Recreation Fund	Trans- portation Fund	Debt Service Fund	Capital Improvement Fund	Storm Water Sales Tax Fund	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS								
Cash (claim on cash) and cash equivalents	730,685	50,673	(285,373)	25,784	5,181	2,326	1,143,128	1,672,404
Investments	2,784,249	867,067	1,173,861	914,762	724,107	54,122	1,052,529	7,570,697
Taxes receivable	676,002	91,206	181,270	3,274	181,270	90,635	330	1,223,657
Interest receivable	2,743	428	296	182	407	28	176,785	4,414
Other receivables	20,903							197,688
Due from fiduciary funds	139,053							139,053
Prepaid items	78,204	8,623						86,827
Inventory	54,460			9,450	43,083			54,460
Restricted cash	40,766	9,268		14,852,425	358,235	47,719		102,567
Restricted investments								15,258,379
TOTAL ASSETS	<u>4,527,065</u>	<u>1,027,265</u>	<u>1,070,054</u>	<u>15,805,877</u>	<u>1,312,283</u>	<u>194,830</u>	<u>2,372,772</u>	<u>26,310,146</u>
LIABILITIES AND FUND BALANCES								
LIABILITIES								
Accounts payable	749,712	27,775	287			520	153,078	931,372
Accrued expenses	166,576	19,606						186,182
Total liabilities	<u>916,288</u>	<u>47,381</u>	<u>287</u>			<u>520</u>	<u>153,078</u>	<u>1,117,554</u>
FUND BALANCES								
Nonspendable	132,664	8,623						141,287
Restricted for debt service		5,682		14,861,875				14,867,557
Restricted for capital projects					401,318	47,719		449,037
Restricted for 911 distribution	88,370							88,370
Restricted for other purposes	6,396							9,982
Committed	20,000							20,000
Assigned		961,993	1,069,767	944,002	910,965	146,591	2,219,694	6,253,012
Unassigned	3,363,347	979,884	1,069,767	15,805,877	1,312,283	194,310	2,219,694	3,363,347
Total fund balances	<u>3,610,777</u>	<u>979,884</u>	<u>1,069,767</u>	<u>15,805,877</u>	<u>1,312,283</u>	<u>194,310</u>	<u>2,219,694</u>	<u>25,192,592</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>4,527,065</u>	<u>1,027,265</u>	<u>1,070,054</u>	<u>15,805,877</u>	<u>1,312,283</u>	<u>194,830</u>	<u>2,372,772</u>	<u>26,310,146</u>

See accompanying notes to financial statements.

CITY OF RAYMORE, MISSOURI
RECONCILIATION OF THE BALANCE SHEET
OF GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION
OCTOBER 31, 2013

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

Fund balance - total governmental funds		25,192,592
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.		
Governmental capital assets	101,725,483	
Less accumulated depreciation	<u>(39,800,853)</u>	
		61,924,630
Property taxes receivable not collected within 60 days of the end of the fiscal year are deferred in the funds as they are not available to pay current-period expenditures.		67,366
Bond interest was accrued for governmental activities.		(531,554)
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	28,624	
Bond premiums	<u>(825,811)</u>	
		(797,187)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.		
Notes payable	(203,000)	
Capital appreciation bonds	(302,373)	
General obligation bonds	(32,005,000)	
Special obligation bonds	(3,035,000)	
Certificates of participation	<u>(870,000)</u>	
		(36,415,373)
Compensated absences are not due and payable in the current period and, therefore, are not reported in the funds.		<u>(478,894)</u>
NET POSITION OF GOVERNMENTAL ACTIVITIES		<u>48,961,580</u>

See accompanying notes to financial statements.

CITY OF RAYMORE, MISSOURI
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES - GOVERNMENTAL FUNDS
YEAR ENDED OCTOBER 31, 2013

	General Fund	Park and Recreation Fund	Trans- portation Fund	Debt Service Fund	Capital Improvement Fund	Storm Water Sales Tax Fund	Other Nonmajor Funds	Total Governmental Funds
REVENUES								
Taxes								
Property	1,243,642	337,883		1,918,866		469,419		3,969,810
Sales	2,208,386	469,419	938,839		939,200			4,555,844
Franchise	2,276,711						437,606	2,276,711
Other	488,301		360,406					1,286,313
Charges for services	175,802	309,869		17,687				485,671
Fines and forfeitures	504,898							522,585
Licenses, fees, and permits	406,368							406,368
Intergovernmental	82,360							82,360
Interest	13,436	4,268	2,444	24,895	2,456	317	1,340	49,156
Refunds and reimbursements	71,742				26,943	278	122	99,085
Miscellaneous	43,809	45,992						89,801
Total revenues	<u>7,515,455</u>	<u>1,167,431</u>	<u>1,301,689</u>	<u>1,961,448</u>	<u>968,599</u>	<u>470,014</u>	<u>439,068</u>	<u>13,823,704</u>
EXPENDITURES								
Current								
Administration	807,793						15,905	823,698
Information Technology	358,782							358,782
Economic Development	204,580							204,580
Community Development	547,844							547,844
Engineering	395,440							395,440
Streets	901,444							901,444
Building and grounds	273,766							273,766
Stormwater	210,240					7,933		218,173
Court	146,627							146,627
Finance	493,419							493,419
Police	3,258,364				28,453			3,286,817
Emergency Preparedness	118,766							118,766
Parks and Recreation		981,952						981,952
Capital outlay	77,469	115,469	2,003,258		483,734	109,074	664,997	3,454,001
Debt service								
Principal		40,000		3,175,000	210,000	179,000		3,604,000
Interest and fiscal fees		6,920		986,654	534,389	29,407		1,557,370
Total expenditures	<u>7,794,534</u>	<u>1,144,341</u>	<u>2,003,258</u>	<u>4,161,654</u>	<u>1,256,576</u>	<u>325,414</u>	<u>680,902</u>	<u>17,366,679</u>

CITY OF RAYMORE, MISSOURI
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES - GOVERNMENTAL FUNDS
YEAR ENDED OCTOBER 31, 2013

	General Fund	Park and Recreation Fund	Trans- portation Fund	Debt Service Fund	Capital Improvement Fund	Storm Water Sales Tax Fund	Other Nonmajor Funds	Total Governmental Funds
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(279,079)</u>	<u>23,090</u>	<u>(701,569)</u>	<u>(2,200,206)</u>	<u>(287,977)</u>	<u>144,600</u>	<u>(241,834)</u>	<u>(3,542,975)</u>
OTHER FINANCING SOURCES (USES)								
Proceeds from long-term debt				16,485,000				16,485,000
Premium from issuance of long-term debt				817,942				817,942
Debt issuance costs				(289,046)				(289,046)
Transfers in	1,181,113	198,700	903,113	550,000			1,518,742	4,351,668
Transfers out	<u>(2,414,206)</u>	<u>(34,742)</u>	<u>(961,035)</u>	<u>(114,432)</u>		<u>(202,436)</u>	<u>(164,666)</u>	<u>(3,891,517)</u>
Total other financing sources (uses)	<u>(1,233,093)</u>	<u>163,958</u>	<u>(57,922)</u>	<u>17,449,464</u>		<u>(202,436)</u>	<u>1,354,076</u>	<u>17,474,047</u>
NET CHANGE IN FUND BALANCES	<u>(1,512,172)</u>	<u>187,048</u>	<u>(759,491)</u>	<u>15,249,258</u>	<u>(287,977)</u>	<u>(57,836)</u>	<u>1,112,242</u>	<u>13,931,072</u>
FUND BALANCE, beginning of year	<u>5,122,949</u>	<u>792,836</u>	<u>1,829,258</u>	<u>556,619</u>	<u>1,600,260</u>	<u>252,146</u>	<u>1,107,452</u>	<u>11,261,520</u>
FUND BALANCE, end of year	<u>3,610,777</u>	<u>979,884</u>	<u>1,069,767</u>	<u>15,805,877</u>	<u>1,312,283</u>	<u>194,310</u>	<u>2,219,694</u>	<u>25,192,592</u>

See accompanying notes to financial statements.

CITY OF RAYMORE, MISSOURI
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED OCTOBER 31, 2013

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

Net change in fund balances - total governmental funds		13,931,072
--	--	------------

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 was less than capital outlay in the current period.

Capital outlay capitalized	3,454,001	
Trade-in value differences	36,800	
Depreciation	<u>(4,177,685)</u>	(686,884)

Governmental funds report the proceeds from the disposal of assets as revenues. However, in the statement of activities, the revenues are reported less the amount of nondepreciated cost. This is the amount by which the cost exceeded any proceeds.

Cost	(209,682)	
Accumulated depreciation	<u>195,765</u>	(13,917)

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 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 debt, 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:

Debt principal payments	3,604,000	
Proceeds from issuance of debt	(17,302,942)	
Increase in accrued bond interest expense	(74,209)	
Amortization of premiums and discounts	<u>58,596</u>	(13,714,555)

CITY OF RAYMORE, MISSOURI
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED OCTOBER 31, 2013

Property tax revenue that does not provide current financial resources are not reported as revenues in the funds.	8,606
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>(33,308)</u>
CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES	<u>(508,986)</u>

See accompanying notes to financial statements.

CITY OF RAYMORE, MISSOURI
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
OCTOBER 31, 2013

	Enterprise Fund
ASSETS	
Current Assets	
Cash and cash equivalents	196,092
Investments	4,307,592
Accounts receivable, net	1,223,187
Interest receivable	1,554
Inventory	38,817
Prepaid expenses	<u>15,395</u>
Total current assets	<u>5,782,637</u>
Noncurrent Assets	
Restricted cash	47,457
Restricted investments	453,491
Capital assets	
Land	337,399
Construction in progress	94,096
Other capital assets, net of accumulated depreciation	<u>32,691,963</u>
Total noncurrent assets	<u>33,624,406</u>
TOTAL ASSETS	<u>39,407,043</u>
LIABILITIES	
Current Liabilities	
Accounts payable	222,278
Accrued expenses	19,133
Accrued bond interest	14,157
Meter deposits	416,310
Current portion of long-term obligations	<u>125,457</u>
Total current liabilities	<u>797,335</u>
Noncurrent Liabilities	
Noncurrent portion of long-term obligations	<u>661,249</u>
TOTAL LIABILITIES	<u>1,458,584</u>
NET POSITION	
Invested in capital assets, net of related debt	32,351,316
Restricted for:	
Debt service	84,638
Unrestricted	<u>5,512,505</u>
TOTAL NET POSITION	<u>37,948,459</u>

See accompanying notes to financial statements.

CITY OF RAYMORE, MISSOURI
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
YEAR ENDED OCTOBER 31, 2013

	Enterprise Fund
OPERATING REVENUES	
Charges for service	6,722,816
Penalties	140,980
Miscellaneous	<u>16,401</u>
Total operating revenues	<u>6,880,197</u>
OPERATING EXPENSES	
Personnel services	762,558
Contractual services	1,519,616
Commodities	1,624,696
Utilities/maintenance	1,159,618
Depreciation	<u>2,739,546</u>
Total operating expenses	<u>7,806,034</u>
OPERATING LOSS	<u>(925,837)</u>
NONOPERATING REVENUES (EXPENSES)	
Investment income	88,231
Gain on disposal of assets	21,500
Bond interest and fees	<u>(69,819)</u>
Total nonoperating revenues (expenses)	<u>39,912</u>
LOSS BEFORE TRANSFERS	<u>(885,925)</u>
TRANSFERS	
Transfers in	279,097
Transfers out	<u>(739,248)</u>
Net transfers	<u>(460,151)</u>
CHANGE IN NET POSITION	(1,346,076)
NET POSITION, beginning of year (as restated)	<u>39,294,535</u>
NET POSITION, end of year	<u>37,948,459</u>

See accompanying notes to financial statements.

CITY OF RAYMORE, MISSOURI
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
YEAR ENDED OCTOBER 31, 2013

CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from customers	6,940,668
Payments to suppliers	(4,297,499)
Payments to employees	(756,511)
Other receipts (claims)	<u>16,401</u>
Net cash provided by operating activities	<u>1,903,059</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Transfers from other funds	279,097
Transfers to other funds	<u>(739,248)</u>
Net cash used in noncapital financing activities	<u>(460,151)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Purchases of capital assets	(1,034,342)
Cash received from the sale of assets	21,500
Cash paid from claim on cash	(71,807)
Long-term debt payments	(475,000)
Interest and fiscal fees paid on long-term debt	<u>(80,564)</u>
Net cash used in capital and related financing activities	<u>(1,640,213)</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest and dividends	87,768
Decrease in investments	<u>353,086</u>
Net cash provided by investing activities	<u>440,854</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	243,549
CASH AND CASH EQUIVALENTS, beginning of year	<u> </u>
CASH AND CASH EQUIVALENTS, end of year	<u><u>243,549</u></u>
ALLOCATION OF CASH	
Unrestricted	196,092
Restricted	<u>47,457</u>
Total	<u><u>243,549</u></u>

CITY OF RAYMORE, MISSOURI
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
YEAR ENDED OCTOBER 31, 2013

Reconciliation of Operating Loss to Net Cash
Provided by Operating Activities

Operating loss	<u>(925,837)</u>
Adjustments to reconcile operating loss to net cash provided by operating activities:	
Depreciation	2,739,546
(Increase) decrease in:	
Receivables	33,427
Inventory	14,162
Prepaid expenses	(2,122)
Increase (decrease) in:	
Accounts payable	(5,609)
Accrued expenses	2,036
Compensated absences	4,011
Meter deposits	43,445
Total adjustments	<u>2,828,896</u>
Net cash provided by operating activities	<u>1,903,059</u>

See accompanying notes to financial statements.

CITY OF RAYMORE, MISSOURI
STATEMENT OF NET POSITION
FIDUCIARY FUNDS
OCTOBER 31, 2013

	Agency Fund
ASSETS	
Cash and cash equivalents	40,783
Interest receivable	47
Investments at fair value	<u>482,024</u>
 TOTAL ASSETS	 <u>522,854</u>
 LIABILITIES	
Due to General Fund	139,053
Due to escrow agents	<u>383,801</u>
 TOTAL LIABILITIES	 <u>522,854</u>
 NET POSITION	 <u>- 0 -</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 accounting principles generally accepted in the United States of America (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. The City is a constitutionally approved charter city operating under the mayor/city manager/council form of government. The City Manager is the chief administrative officer of the City. The City provides services to its approximately 19,550 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. Component units are reported in the City's financial statements as follows:

Blended Component Units

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 members of the Board of Directors are appointed by the Raymore City Council.

CITY OF RAYMORE, MISSOURI
NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

A. REPORTING ENTITY (Continued)

Blended Component Units (Continued)

Raymore Municipal Assistance Corporation (Continued)

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.

Discretely Presented Component Unit

Galleria TIF District

This reporting unit has separate corporate powers and accounts for the material transactions related to proceeds of the TIF notes issued to pay for the Galleria TIF District along with the tax proceeds and uses generated by the District. This District creates the potential for financial benefit and/or burden for the City. The Raymore City Council appoints all six members of the TIF Commission's Board of Directors.

Hubach Hill and North Cass Parkway Transportation Development District

This reporting unit has separate corporate powers and accounts for the material transactions related to debt service of revenue bonds issued in 2009. The District currently has no revenue generated to service such debt, and the City transfers needed funds to the District as determined necessary. The District creates the potential for financial benefit and/or burden for the City. The Raymore City Council appoints a voting majority of the District's Board of Directors.

Agency Fund

The City is voluntarily acting in a fiduciary capacity to account for the transactions of the Escrow Accounts. The Community Improvement Districts are to account for the collections and disbursements of incremental ad valorem taxes and corresponding bond payments related to projects under redevelopment contracts. The City is not financially responsible for the debt of the Districts and is reported in the financial statements as an Agency Fund. The Escrow Accounts are to account for certain revenues received by the City that are not considered an asset of the City. Since the collections of money are not to be spent for City use, the Escrow Accounts are reported in the financial statements as an Agency Fund.

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 position 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 interfund 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

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

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

Stormwater Sales Tax - Established by vote of constituents to account for sales taxes received and expenditures for stormwater control.

Nonmajor Special Revenue Fund

Development Projects Fund - Established to account for cash payments related to development districts which are expected to be repaid to the City by such districts.

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 Funds

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.

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 vehicles and equipment with transfers from other funds.

B.E.R.P. Fund - Established to purchase buildings and building improvements with transfers 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 which 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 funds are custodial in nature and do not present results of operations or have a measurement focus. Agency funds are accounted for using the accrual basis of accounting. These funds are used to account for assets that the City holds for others in an agency capacity.

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

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.

In fiscal year 2013, the city adopted two new accounting standards as follows:

GASB Statement No. 63, Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position, establishes a new statement of net position format that reports separately all assets, deferred outflows of resources, liabilities, deferred inflows of resources, and net position (which is the net residual amount of the other elements). The Statement requires deferred outflows of resources and deferred inflows of resources to be reported separately from assets and liabilities. The financial reporting impact resulting from the implementation of GASB 63 in the city's financial statements was the renaming of "Net Assets" to "Net Position," including changing the name of the financial statement from "Statement of Net Assets" to "Statement of Net Position."

GASB Statement No. 65, Items Previously Reported as Assets and Liabilities, amends or supersedes the accounting and financial reporting guidance for certain items previously required to be reported as assets or liabilities. The objective is to either properly clarify certain items that were previously reported as assets and liabilities as deferred outflows of resources or deferred inflows of resources or recognize certain items that were previously reported as assets and liabilities as outflows of resources (expenses) or inflows of resources (revenues). The implementation of GASB 65 resulted in the write-off of bond issuance costs, and the effect of adoption of GASB 65 is the reduction of beginning net position by \$265,447 in the governmental activities, \$23,840 in the business-type activities, and \$206,844 in the discretely presented component units.

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.

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)

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.

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 accrual basis of accounting for all governmental funds. The City Manager and Finance Director 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 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 with the exception of the Development Projects and the Public Works Funds have legally adopted annual budgets. 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. Certain cash and investment accounts are restricted for construction projects, debt service, and compliance with bond covenants.

The City's investment policies are structured to conform to Missouri Statute 30.270. The City is authorized to invest in Federal Agency discount notes, Federal Agency debt, Treasury Bills, Treasury Notes and Bonds, and Certificates of Deposit at Commercial Banks and S & L Associations, and Repurchase Agreements. Investments are reported at fair value.

CITY OF RAYMORE, MISSOURI
NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. PREPAIDS AND INVENTORIES

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. Prepaid expenses are accounted for using the consumption method.

Inventories, consisting of materials and supplies, are valued at lower of cost or market with use of the purchases method. Cost is determined using first-in, first-out (FIFO) basis.

G. 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.

H. CAPITAL ASSETS

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

As the City did not include fixed asset accounting prior to October 31, 2003, a list of capital assets purchased prior to October 31, 2002, was prepared using various sources. Capital assets were valued at historical cost or estimated historical cost if actual was unavailable. Capital assets since October 31, 2003, are recorded at cost except for donated capital assets which are recorded at their estimated fair value at the date of donation. In addition, certain capitalized projects that were conducted by the City's departments include administration and inspection fees, up to 6% of the construction costs.

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 position. 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

CITY OF RAYMORE, MISSOURI
NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

I. LONG-TERM DEBT

In the government-wide and proprietary fund financial statements, outstanding debt is reported as liabilities. 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 as other financing sources of the current period. Issuance costs are reported as expenditures.

J. 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 unused prior to date of termination.

K. EQUITY CLASSIFICATION

Government-Wide Statements

Net Position is 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 position 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 position consists of net assets that do not meet the definition of restricted.

Fund Financial Statements

Governmental fund equity is classified as fund balance.

Fund Balance Classification

The governmental fund financial statements present fund balances based on classifications that comprise a hierarchy that is based primarily on the extent to which the City

CITY OF RAYMORE, MISSOURI
NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

K. EQUITY CLASSIFICATION (Continued)

Fund Financial Statements (Continued)

Fund Balance Classification (Continued)

is bound to honor constraints on the specific purposes for which amounts in the respective governmental funds can be spent. The classifications used in the governmental fund financial statements are as follows:

Nonspendable

This classification includes amounts that cannot be spent because they either (a) are not in spendable form or (b) are legally or contractually required to be maintained intact.

Restricted

This classification includes amounts for which constraints have been placed on the use of the resources either (a) externally imposed by creditors (such as through a debt covenant), grantors, contributors, or laws or regulations of other governments or (b) imposed by law through constitutional provisions or enabling legislation.

Committed

This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by formal action of the City Council by means of an ordinance. These amounts cannot be used for any other purpose unless the Board removes or changes the specified use by taking the same type of action that was employed when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements.

Assigned

This classification includes amounts that are constrained by the City's intent to be used for a specific purpose but are neither restricted nor committed. This intent can be expressed by the City Council.

Unassigned

This classification includes the residual fund balance for the General Fund.

The City would typically use restricted fund balances first, followed by committed resources, and then assigned resources, as appropriate opportunities arise, but reserves the right to selectively spend unassigned resources first to defer the use of these other classified funds.

CITY OF RAYMORE, MISSOURI
NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

L. 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.

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 requires deposits to be 100 percent secured by collateral valued at market less the amount covered by the FDIC.

As of October 31, 2013, 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 Federal Agency discount notes, Federal Agency debt, Treasury Bills, Treasury Notes and Bonds, and Certificates of Deposit at Commercial Banks and S & L Associations, and Repurchase 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.

CITY OF RAYMORE, MISSOURI
NOTES TO FINANCIAL STATEMENTS

NOTE 2. CASH AND INVESTMENTS (Continued)

Investments (Continued)

As of October 31, 2013, the City had the following investments.

Investment Type	Maturity Date	Yield %	Rating	Fair Value
MOSIP Pool	N/A	Various	AAAm	2,000,945
FHLMC	09/25/15	0.50	AA+	2,000,000
Certificate of Deposit	11/19/13	0.16		2,000,000
Certificate of Deposit	01/30/14	0.14		2,500,000
Certificate of Deposit	06/05/14	0.15		358,235
Certificate of Deposit	06/27/14	0.15		662,645
Certificate of Deposit	05/12/14	0.14		2,000,000
Certificate of Deposit	09/29/14	0.31		1,500,000
Investments held in escrow	Various	Various		14,852,425
Investments held in trust	Various	Various		<u>197,934</u>
Total investments				28,072,184
Less: Investments allocated to Fiduciary Funds				<u>(482,025)</u>
Total investments allocated to City Funds				<u>27,590,159</u>
Investment		Unrestricted	Restricted	Total
Governmental Activities		7,570,697	4,307,592	11,878,289
Business-Type Activities		<u>15,258,379</u>	<u>453,491</u>	<u>15,711,870</u>
		<u>22,829,076</u>	<u>4,761,083</u>	<u>27,590,159</u>

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 accordance with state law.

CITY OF RAYMORE, MISSOURI
NOTES TO FINANCIAL STATEMENTS

NOTE 3. CAPITAL ASSETS

Capital asset activity for the year ended October 31, 2013 was as follows:

	Balance October 31, 2012	Additions	Deletions	Balance October 31, 2013
<u>Governmental Activities</u>				
Capital assets, not being depreciated				
Land	3,030,479			3,030,479
Construction in progress	<u>1,186,870</u>	<u>3,215,274</u>	<u>(2,395,832)</u>	<u>2,006,312</u>
Total capital assets not being depreciated	<u>4,217,349</u>	<u>3,215,274</u>	<u>(2,395,832)</u>	<u>5,036,791</u>
Capital assets, being depreciated				
Intangible property	155,887			155,887
Buildings and improvements	13,395,334	585,609		13,980,943
Office equipment and furniture	41,520	142,187	(17,445)	166,262
Computer equipment and software	241,316			241,316
Machinery and equipment	1,208,342	57,803	(112,304)	1,153,841
Vehicles	1,527,383	179,064	(79,933)	1,626,514
Infrastructure	<u>81,639,153</u>	<u>1,706,696</u>		<u>83,345,849</u>
Total capital assets being depreciated	<u>98,208,935</u>	<u>2,671,359</u>	<u>(209,682)</u>	<u>100,670,612</u>
Less accumulated depreciation for:				
Intangible property	50,217	8,113		58,330
Buildings and improvements	3,217,358	458,956		3,676,314
Office equipment and furniture	36,697	14,011	(17,445)	33,263
Computer equipment and software	182,342	14,190		196,532
Machinery and equipment	769,401	96,535	(102,787)	763,149
Vehicles	782,436	193,106	(75,533)	900,009
Infrastructure	<u>34,762,402</u>	<u>3,392,774</u>		<u>38,155,176</u>
Total accumulated depreciation	<u>39,800,853</u>	<u>4,177,685</u>	<u>(195,765)</u>	<u>43,782,773</u>
Total capital assets, being depreciated	<u>58,408,082</u>	<u>(1,506,326)</u>	<u>(13,917)</u>	<u>56,887,839</u>
Governmental activities capital assets, net	<u>62,625,431</u>	<u>1,708,948</u>	<u>(2,409,749)</u>	<u>61,924,630</u>

CITY OF RAYMORE, MISSOURI
NOTES TO FINANCIAL STATEMENTS

NOTE 3. CAPITAL ASSETS (Continued)

	Balance October 31, 2012	Additions	Deletions	Balance October 31, 2013
<u>Business-Type Activities</u>				
Capital assets, not being depreciated				
Land	337,399			337,399
Construction in progress	<u>1,546,128</u>	<u>847,876</u>	<u>(2,299,908)</u>	<u>94,096</u>
Total capital assets not being depreciated	<u>1,883,527</u>	<u>847,876</u>	<u>(2,299,908)</u>	<u>431,495</u>
Capital assets, being depreciated				
Buildings and improvements	353,741			353,741
Vehicles and equipment	589,478	186,166	(131,079)	644,565
Intangible property	3,155,820			3,155,820
Infrastructure	<u>71,913,245</u>	<u>2,299,908</u>		<u>74,213,153</u>
Total capital assets not being depreciated	<u>76,012,284</u>	<u>2,486,074</u>	<u>(131,079)</u>	<u>78,367,279</u>
Less accumulated depreciation for:				
Intangible property	437,780	133,959		571,739
Buildings and improvements	82,423	8,754		91,177
Vehicles and equipment	306,578	47,626	(131,079)	223,125
Infrastructure	<u>42,240,068</u>	<u>2,549,207</u>		<u>44,789,275</u>
Total accumulated depreciation	<u>43,066,849</u>	<u>2,739,546</u>	<u>(131,079)</u>	<u>45,675,316</u>
Total capital assets, being depreciated	<u>32,945,435</u>	<u>(253,472)</u>		<u>32,691,963</u>
Business-type activities capital assets, net	<u>34,828,962</u>	<u>594,404</u>	<u>(2,299,908)</u>	<u>33,123,458</u>

The following table summarizes the depreciation by function for the year ended October 31, 2013:

	Governmental Activities	Business-Type Activities
Administration	113,777	
Information Technology	7,926	
Community Development	16,191	
Engineering	172,506	
Streets and Roads	3,179,021	
Building and Grounds	203,451	
Stormwater	49,078	
Police Department	152,846	
Emergency Management	8,784	
Parks	274,105	
Water and Sewer		<u>2,739,546</u>
	<u>4,177,685</u>	<u>2,739,546</u>

CITY OF RAYMORE, MISSOURI
NOTES TO FINANCIAL STATEMENTS

NOTE 4. LONG-TERM DEBT

Governmental Activities

Changes in the debt for the year ended October 31, 2013, consisted of the following:

	Balance November 1, 2012	Addi- tions	Retire- ments	Balance October 31, 2013	Due in One Year
General Obligation Bonds	18,695,000	16,485,000	(3,175,000)	32,005,000	810,000
Special Obligation Refunding Bonds	3,245,000		(210,000)	3,035,000	215,000
Capital Appreciation Bonds	302,373			302,373	
Note payable	222,000		(19,000)	203,000	19,000
Certificates of Partici- pation	1,070,000		(200,000)	870,000	205,000
Compensated absences	445,586	478,894	(445,586)	478,894	478,894
Bond premium	68,666	817,942	(82,933)	803,675	60,797
Bond discount	<u>(30,825)</u>		<u>30,825</u>		
Total governmental long-term liabilities	<u>24,017,800</u>	<u>17,781,836</u>	<u>(4,101,694)</u>	<u>37,697,942</u>	<u>1,788,691</u>

General Obligation Bonds

\$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

* \$9,335,000 General Obligation Bonds, Series 2012, dated December 28, 2012; due in annual installments varying from year to year until maturity in March 2027; interest at 2.0% to 2.5%.

9,335,000

* \$7,150,000 General Obligation Bonds, Series 2013, dated February 28, 2013; due in annual installments varying from year to year until maturity in March 2024; interest at 0.5% to 2.15%.

7,150,000

* = The issuance of these bonds was for the purpose of refunding the 2004 and 2007 Series General Obligation Bonds. The 2007 Series

CITY OF RAYMORE, MISSOURI
NOTES TO FINANCIAL STATEMENTS

NOTE 4. LONG-TERM DEBT (Continued)

General Obligation Bonds (Continued)

Bonds (as shown above) will be refunded in fiscal year 2015, which is the earliest call date. Since the new bonds will not be used to retire the old bonds until a future date, the refunding is referred to as a "crossover refunding." The net proceeds from the issuance of the 2012 and 2013 Series (less the payoff requirements for the 2004 Series) in the amount of \$14,852,425, were used to purchase government securities and those securities were placed with an escrow agent to provide debt service payments on the new bonds until the crossover date. The remaining balance in the escrow account will be used to retire the 2007 Series Bonds when they are callable. As a result of the refunding, the City reduced its total debt service requirements by \$1,570,882, which resulted in an economic gain (difference between the present value of the debt service payments on the old debt and the new debt) of \$2,077,120.

\$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>1,120,000</u>
Total general obligation bonds	<u>32,005,000</u>

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

Year Ending October 31,	Principal	Interest
2014	810,000	1,057,091
2015	14,615,000	719,197
2016	870,000	384,365
2017	935,000	368,605
2018	970,000	349,545
2019 - 2023	5,850,000	1,391,682
2024 - 2027	<u>7,955,000</u>	<u>470,000</u>
	<u>32,005,000</u>	<u>4,740,485</u>

CITY OF RAYMORE, MISSOURI
NOTES TO FINANCIAL STATEMENTS

NOTE 4. LONG-TERM DEBT (Continued)

Governmental Activities (Continued)

Certificates of Participation

\$1,640,000 Certificates of Participation; due in annual installments varying from year to year until maturity on April 1, 2017; interest from 1.85% to 3.70%. 870,000

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

Year Ending October 31,	Principal	Interest
2014	205,000	26,483
2015	215,000	19,758
2016	220,000	12,360
2017	<u>230,000</u>	<u>4,255</u>
	<u>870,000</u>	<u>65,856</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%. 3,035,000

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

Year Ending October 31,	Principal	Interest
2014	215,000	128,276
2015	230,000	118,986
2016	235,000	109,162
2017	245,000	98,900
2018	260,000	87,977
2019 - 2023	<u>1,850,000</u>	<u>245,087</u>
	<u>3,035,000</u>	<u>788,388</u>

CITY OF RAYMORE, MISSOURI
NOTES TO FINANCIAL STATEMENTS

NOTE 4. LONG-TERM DEBT (Continued)

Governmental Activities (Continued)

Capital Appreciation Bonds

\$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

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

Year Ending October 31,	Principal	Interest
2014	- 0 -	- 0 -
2015	<u>302,373</u>	<u>382,627</u>
	<u>302,373</u>	<u>382,627</u>

Notes Payable

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. 203,000

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

Year Ending October 31,	Principal	Interest
2014	19,000	3,096
2015	19,000	2,792
2016	19,000	2,488
2017	20,000	2,176
2018	20,000	1,856
2019 - 2023	<u>106,000</u>	<u>4,336</u>
	<u>203,000</u>	<u>16,744</u>

Compensated Absences

Compensated absences are payable upon separation from employment which could occur at any time and are, therefore, considered payable within one year and are liquidated by the governmental fund responsible for generating the liability. The liability is allocated to each fund as follows:

General	440,989
Parks	<u>37,905</u>
	<u>478,894</u>

CITY OF RAYMORE, MISSOURI
NOTES TO FINANCIAL STATEMENTS

NOTE 4. LONG-TERM DEBT (Continued)

Business-Type Activities

Changes in the debt for the year ended October 31, 2013, consisted of the following:

	Balance November 1, 2012	Addi- tions	Retire- ments	Balance October 31, 2013	Due in One Year
Water Pollution Control Revenue Bonds	370,000		(370,000)		
Water Revenue Bonds	870,000		(105,000)	765,000	110,000
Compensated absences	10,553	14,564	(10,553)	14,564	14,564
Bond premium	<u>8,035</u>	<u> </u>	<u>(893)</u>	<u>7,142</u>	<u>893</u>
 Total business-type activities long-term liabilities	 <u>1,258,588</u>	 <u>14,564</u>	 <u>(486,446)</u>	 <u>786,706</u>	 <u>125,457</u>

Revenue Bonds

<p>\$1,800,000 December 1, 1999, Water Pollution Control and Drinking Water Revenue Bonds (State Revolving Fund Program - Multiple Participant Series) Series 1999B; due in annual installments varying from year to year until maturity on July 1, 2019; interest at 4.125% to 5.75%.</p>	<u>765,000</u>
Total revenue bonds	<u>765,000</u>

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

Year Ending October 31,	Principal	Interest
2014	110,000	42,821
2015	115,000	36,882
2016	125,000	30,556
2017	130,000	23,562
2018	140,000	16,212
2019	<u>145,000</u>	<u>8,338</u>
	<u>765,000</u>	<u>158,371</u>

CITY OF RAYMORE, MISSOURI
NOTES TO FINANCIAL STATEMENTS

NOTE 4. LONG-TERM DEBT (Continued)

Business-Type Activities (Continued)

Compensated Absences

Compensated absences are payable upon separation from employment which could occur at any time and are, therefore, considered payable within one year and are liquidated by the governmental fund responsible for generating the liability. The liability is allocated to each fund as follows:

Water and Sanitary Sewer	<u>14,564</u>
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Discretely Presented Component Units

Galleria TIF District

Changes in the debt for the year ended October 31, 2010, consisted of the following:

	Balance November 1, 2012	Addi- tions	Retire- ments	Balance October 31, 2013	Due in One Year
Galleria TIF Bond					
Series 2005	9,505,000		(270,000)	9,235,000	300,000
Bond discount	<u>(247,205)</u>	_____	<u>14,982</u>	<u>(232,223)</u>	<u>(14,982)</u>
Total Galleria TIF District	<u>9,257,795</u>	_____	<u>(255,018)</u>	<u>9,002,777</u>	<u>285,018</u>

Revenue Bonds

\$10,405,000 October 15, 2005, Tax Increment Financing Revenue Bonds, due in annual installments varying from year to year until maturity on March 1, 2028; interest at 4.0% to 5.625%. 9,235,000

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

Year Ending October 31,	Principal	Interest
2013	300,000	501,156
2014	325,000	485,328
2015	355,000	467,903
2016	395,000	448,191
2017	400,000	426,826
2018 - 2022	2,595,000	1,752,991
2023 - 2027	3,800,000	860,906
2028	<u>1,065,000</u>	<u>29,953</u>
	<u>9,235,000</u>	<u>4,973,254</u>

CITY OF RAYMORE, MISSOURI
NOTES TO FINANCIAL STATEMENTS

NOTE 4. LONG-TERM DEBT (Continued)

Discretely Presented Component Units (Continued)

Hubach Hill and North Cass Parkway Transportation Development District

Changes in the debt for the year ended October 31, 2012, consisted of the following:

	Balance November 1, 2012	Addi- tions	Retire- ments	Balance October 31, 2013	Due in One Year
2009 Infrastructure Improvement Revenue Bonds	<u>6,395,000</u>	_____	_____	<u>6,395,000</u>	<u>- 0 -</u>

Revenue Bonds

\$7,695,000 January 15, 2009, Infrastructure Improvement Revenue Bonds, due in annual installments varying from year to year until maturity on September 1, 2032; interest at 4.0% to 6.5%. 6,395,000

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

Year Ending October 31,	Principal	Interest
2013	- 0 -	396,600
2014	- 0 -	396,600
2015	- 0 -	396,600
2016	- 0 -	396,600
2017	5,000	396,600
2018 - 2022	1,050,000	1,891,500
2023 - 2027	1,950,000	1,466,194
2028 - 2032	<u>3,390,000</u>	<u>738,613</u>
	<u>6,395,000</u>	<u>6,079,307</u>

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 monthly.

The assessed value for property located in the City as of January 1, 2012, on which the fiscal year 2013 levy was based is as follows:

Real estate	227,830,346
Personal property	<u>41,561,528</u>
	<u>269,391,874</u>

CITY OF RAYMORE, MISSOURI
NOTES TO FINANCIAL STATEMENTS

NOTE 5. PROPERTY TAXES (Continued)

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, 2013, 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					Enterprise	Total
	General	Parks and Recre- ation	Transpor- tation	Debt Service Fund	Non- major Funds		
<u>Transfers Out:</u>							
General Fund		198,700	903,113		1,312,393		2,414,206
Parks and Recreation					34,742		34,742
Transportation	320,000			550,000	91,035		961,035
Debt Service						114,431	114,431
Storm Water Sales Tax	202,436						202,436
Nonmajor funds						164,666	164,666
Enterprise	<u>658,676</u>				<u>80,572</u>		<u>739,248</u>
Total	<u>1,181,112</u>	<u>198,700</u>	<u>903,113</u>	<u>550,000</u>	<u>1,518,742</u>	<u>279,097</u>	<u>4,630,764</u>

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. In addition, the Capital Improvement Fund transferred \$396,600 to the Hubach Hill and North Cass Parkway Transportation Development District (a discretely presented component unit of the City) to assist in the payment of scheduled debt service as recorded in the fund statements and the statement of activities.

The General Fund is due \$139,053 from fiduciary funds as the City's General Fund was used to pay operating expenditures on behalf of those fiduciary funds until available resources are available to pay back to the City.

CITY OF RAYMORE, MISSOURI
NOTES TO FINANCIAL STATEMENTS

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 401(a) 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

Full-time employees of the City of Raymore, Missouri, do not contribute to the pension plan. The June 30th statutorily required contribution rates are 11.6% (general) and 13.0% (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 2013, the political subdivision's annual pension cost was \$591,789. Actual contributions were \$591,861 and the net pension obligation (NPO) was \$15,875. The annual required contribution (ARC) was determined as part of the February 28, 2010, and February 28, 2011, annual actuarial valuations using the entry age actuarial cost method. The actuarial assumptions as of February 28, 2013, included: (a) a rate of return on the investment of present and future assets of 7.25% per year, compounded annually, (b) projected salary increases of 3.5% per year, compounded annually, attributable to inflation, (c) additional projected salary increases ranging from 0.0% to 6.0% per year depending on age and division, attributable to seniority/merit, (d) preretirement mortality based on 75% of the RP-2000 Combined Healthy Table set back 0 years for men and 0 years for women and (e) postretirement mortality based on 105% of the 1994 Group Annuity Mortality table set back 0 years for men and 0 years for women. The actuarial value of assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a five-year period. The unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on a closed basis. The amortization period as of February 28, 2010, was 21 years for the General division and 21 years for the Police division. The amortization period as of February 28, 2011, was 18 years for the General division and 19 years for the Police division.

CITY OF RAYMORE, MISSOURI
NOTES TO FINANCIAL STATEMENTS

NOTE 7. PENSION PLAN (Continued)

Trend Information

Fiscal Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
6/30/11	478,193	97.8	10,520
6/30/12	545,619	99.0	15,947
6/30/13	591,789	100.0	15,875

Schedule of Funding Progress

Actuarial Valuation Date	(a) Actuarial Value of Assets	(b)		(a/b) Funded Ratio	(c) Annual Covered Payroll	[(b-a)/c] UAL as a Percentage of Covered Payroll
		Entry Age Actuarial Liability	(b-a) Unfunded Accrued Liability (UAL)			
2/28/11	5,901,634	7,728,124	1,826,490	76%	4,495,674	41%
2/29/12	6,322,065	8,072,876	1,750,811	78%	4,639,243	38%
2/28/13	7,647,253	9,345,860	1,698,607	82%	5,153,601	33%

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 changed in conjunction with the February 28, 2011, annual actuarial valuations. For a complete description of the actuarial assumptions used in the annual valuations, please contact the LAGERS office in Jefferson City.

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. COMPLIANCE WITH MISSOURI STATUTES

The percentage of revenue that the City derived from traffic violations was less than 30 percent of its total revenue as shown on the basic financial statements and is in compliance with HB103.

NOTE 11. LITIGATION

As of January 25, 2014, the City had unsettled claims and agreements in principal. The unsettled claims are at various stages, and at this time, outcomes cannot be predicted. The City is vigorously defending each unsettled claim.

NOTE 12. COMMITMENTS

As of October 31, 2013, the City had outstanding commitments totaling \$3,221,665 for various contracts and/or purchase orders.

NOTE 13. SUBSEQUENT EVENTS

In preparing the financial statements, the City has evaluated events and transactions for potential recognition or disclosure through January 25, 2014, the date the financial statements were available to be issued.

CITY OF RAYMORE, MISSOURI
REQUIRED SUPPLEMENTARY INFORMATION

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CITY OF RAYMORE, MISSOURI
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
YEAR ENDED OCTOBER 31, 2013

	General Fund			Variance Positive (Negative)
	Original Budget	Final Budget	Actual	
REVENUES				
Taxes				
Property taxes	1,206,819	1,206,819	1,243,642	36,823
Sales taxes	2,145,393	2,145,393	2,208,386	62,993
Franchise fees	2,338,270	2,338,270	2,276,711	(61,559)
Other taxes	463,810	463,810	488,301	24,491
Charges for services	164,487	164,487	175,802	11,315
Fines and forfeitures	389,501	389,501	504,898	115,397
Licenses, fees, and permits	210,872	210,872	406,368	195,496
Intergovernmental	91,310	91,310	82,360	(8,950)
Interest	30,506	30,506	13,436	(17,070)
Refunds and reimbursements	62,440	62,440	71,742	9,302
Miscellaneous	40,260	40,260	43,809	3,549
Total revenues	<u>7,143,668</u>	<u>7,143,668</u>	<u>7,515,455</u>	<u>371,787</u>
EXPENDITURES				
General Government				
Administrative	979,580	979,580	807,793	171,787
Information Technology	343,718	361,143	358,782	2,361
Economic Development	220,756	220,756	204,580	16,176
Community Development	539,250	553,754	547,844	5,910
Engineering	434,203	434,203	395,440	38,763
Streets	934,423	934,423	901,444	32,979
Building and Grounds	341,494	342,657	273,766	68,891
Stormwater	217,991	217,991	210,240	7,751
Court	155,477	155,477	146,627	8,850
Finance	494,424	494,424	493,419	1,005
Police	3,265,088	3,265,088	3,258,364	6,724
Emergency Preparedness	193,974	193,974	118,766	75,208
Capital outlay	79,236	79,236	77,469	1,767
Total expenditures	<u>8,199,614</u>	<u>8,232,706</u>	<u>7,794,534</u>	<u>438,172</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(1,055,946)</u>	<u>(1,089,038)</u>	<u>(279,079)</u>	<u>809,959</u>

CITY OF RAYMORE, MISSOURI
 REQUIRED SUPPLEMENTARY INFORMATION
 BUDGETARY COMPARISON SCHEDULE
 GENERAL FUND
 YEAR ENDED OCTOBER 31, 2013

	General Fund			Variance Positive (Negative)
	Original Budget	Final Budget	Actual	
OTHER FINANCING SOURCES (USES)				
Transfer in	1,181,113	1,181,113	1,181,113	
Transfers out	<u>(2,424,206)</u>	<u>(2,424,206)</u>	<u>(2,414,206)</u>	<u>10,000</u>
Total other financing sources (uses)	<u>(1,243,093)</u>	<u>(1,243,093)</u>	<u>(1,233,093)</u>	<u>10,000</u>
NET CHANGE IN FUND BALANCE	<u>(2,299,039)</u>	<u>(2,332,131)</u>	(1,512,172)	<u>819,959</u>
FUND BALANCE, beginning of year			<u>5,122,949</u>	
FUND BALANCE, end of year			<u>3,610,777</u>	

CITY OF RAYMORE, MISSOURI
 REQUIRED SUPPLEMENTARY INFORMATION
 BUDGETARY COMPARISON SCHEDULE
 MAJOR SPECIAL REVENUE FUNDS
 YEAR ENDED OCTOBER 31, 2013

	Park and Recreation Fund			Transportation Fund			Storm Water Sales Tax 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)
REVENUES												
Taxes												
Property	324,882	324,882	337,883	13,001								
Road					320,584	320,584	360,406	39,822	489,819	489,819	469,419	(20,400)
Sales	489,819	489,819	469,419	(20,400)	979,639	979,639	938,839	(40,800)	1,469,458	1,469,458	1,408,258	(61,200)
Charges for services	326,603	326,603	309,869	(16,734)					326,603	326,603	309,869	(16,734)
Interest	5,180	5,180	4,268	(912)	1,797	1,797	2,444	647	7,150	7,150	7,029	(121)
Refunds and reimbursements												
Miscellaneous	58,100	58,100	45,992	(12,108)					58,100	58,100	45,992	(12,108)
Total revenues	<u>1,204,584</u>	<u>1,204,584</u>	<u>1,167,431</u>	<u>(37,153)</u>	<u>1,302,020</u>	<u>1,302,020</u>	<u>1,301,689</u>	<u>(331)</u>	<u>2,996,596</u>	<u>2,996,596</u>	<u>2,939,134</u>	<u>(57,462)</u>
EXPENDITURES												
Parks and Recreation	1,031,139	1,036,979	981,952	55,027					1,031,139	1,036,979	981,952	55,027
Storm Water												
Capital outlay	338,550	344,550	115,469	229,081	2,251,598	2,254,058	2,003,258	250,800	80,000	96,575	109,074	(7,933)
Debt service												
Principal	46,502	46,502	40,000	6,502					254,910	254,910	219,000	35,910
Interest and fiscal fees			6,920	(6,920)							29,407	(29,407)
Total expenditures	<u>1,416,191</u>	<u>1,428,031</u>	<u>1,144,341</u>	<u>283,690</u>	<u>2,251,598</u>	<u>2,254,058</u>	<u>2,003,258</u>	<u>250,800</u>	<u>3,956,197</u>	<u>3,987,072</u>	<u>3,473,013</u>	<u>514,059</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(211,607)</u>	<u>(223,447)</u>	<u>23,090</u>	<u>246,537</u>	<u>(949,578)</u>	<u>(952,038)</u>	<u>(701,569)</u>	<u>250,469</u>	<u>(959,601)</u>	<u>(990,476)</u>	<u>(533,879)</u>	<u>456,597</u>
OTHER FINANCING SOURCES (USES)												
Transfers in	198,700	198,700	198,700		903,113	903,113	903,113		1,101,813	1,101,813	1,101,813	
Transfers out	(34,742)	(34,742)	(34,742)		(411,035)	(411,035)	(961,035)	(550,000)	(642,609)	(642,609)	(1,198,213)	(555,604)
Total other financing sources (uses)	<u>163,958</u>	<u>163,958</u>	<u>163,958</u>		<u>492,078</u>	<u>492,078</u>	<u>(57,922)</u>	<u>(550,000)</u>	<u>459,204</u>	<u>459,204</u>	<u>(96,400)</u>	<u>(555,604)</u>
NET CHANGE IN FUND BALANCE	<u>(47,649)</u>	<u>(59,489)</u>	<u>187,048</u>	<u>246,537</u>	<u>(457,500)</u>	<u>(459,960)</u>	<u>(759,491)</u>	<u>(299,531)</u>	<u>(500,397)</u>	<u>(531,272)</u>	<u>(630,279)</u>	<u>(99,007)</u>
FUND BALANCE, beginning of year			<u>792,836</u>				<u>1,829,258</u>				<u>2,874,240</u>	
FUND BALANCE, end of year			<u>979,884</u>				<u>1,069,767</u>				<u>2,243,961</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 Manager.

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

Actual expenditures may not legally exceed the budgeted fund.

Expenditures (transfers out) in the Transportation Fund exceeded budgeted transfers out due to the transfer to the Debt Service Fund to assist in the payoff of the Series 2004 General Obligation Bonds which was approved by City Council at its December 12, 2012, council meeting.

Expenditures in the Storm Water Sales Tax Fund exceeded budgeted expenditures as the City spent funds on capital outlay for projects approved and budgeted in prior fiscal years.

CITY OF RAYMORE, MISSOURI
OTHER SUPPLEMENTARY INFORMATION

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CITY OF RAYMORE, MISSOURI
NONMAJOR GOVERNMENTAL FUNDS
COMBINED BALANCE SHEET
OCTOBER 31, 2013

	Special Revenue Fund	Capital Improvement Funds				Total	
	Development Projects Fund	Public Works Fund	Capital Projects Fund	V.E.R.P. Fund	B.E.R.P Fund	Total Capital Improvement Funds	Nonmajor Governmental Funds
ASSETS							
ASSETS							
Cash and cash equivalents		382	44,397	5,285	1,093,064	1,143,128	1,143,128
Investments		1,216	624,872	426,441		1,052,529	1,052,529
Receivables, net	176,785					330	176,785
Interest receivable		13	317			330	330
TOTAL ASSETS	<u>176,785</u>	<u>1,611</u>	<u>669,586</u>	<u>431,726</u>	<u>1,093,064</u>	<u>2,195,987</u>	<u>2,372,772</u>
LIABILITIES AND FUND BALANCES							
LIABILITIES							
Accounts payable	152,599		479			479	153,078
FUND BALANCES	<u>24,186</u>	<u>1,611</u>	<u>669,107</u>	<u>431,726</u>	<u>1,093,064</u>	<u>2,195,508</u>	<u>2,219,694</u>
Assigned							
TOTAL LIABILITIES AND FUND BALANCES	<u>176,785</u>	<u>1,611</u>	<u>669,586</u>	<u>431,726</u>	<u>1,093,064</u>	<u>2,195,987</u>	<u>2,372,772</u>

CITY OF RAYMORE, MISSOURI
NONMAJOR GOVERNMENTAL FUNDS
COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES
YEAR ENDED OCTOBER 31, 2013

	Special Revenue						Total
	Fund	Capital Improvement Funds			Nonmajor Governmental Funds		
	Development Projects Fund	Public Works Fund	Capital Projects Fund	V.E.R.P. Fund	B.E.R.P. Fund	Total	Total
REVENUES							
Taxes			437,606			437,606	437,606
Other	122					122	122
Refunds and reimbursements		190	1,150			1,340	1,340
Investment income	122	190	438,756			438,946	439,068
Total revenues							
EXPENDITURES							
Other expense				15,051	854	15,905	15,905
Capital outlay		12,000	447,804	200,067	5,126	664,997	664,997
Total expenditures		12,000	447,804	215,118	5,980	680,902	680,902
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	122	(11,810)	(9,048)	(215,118)	(5,980)	(241,956)	(241,834)
OTHER FINANCING SOURCES (USES)							
Transfers in			91,035	328,663	1,099,044	1,518,742	1,518,742
Transfers out				(164,666)		(164,666)	(164,666)
Total other financing sources (uses)			91,035	163,997	1,099,044	1,354,076	1,354,076
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	122	(11,810)	81,987	(51,121)	1,093,064	1,112,120	1,112,242
FUND BALANCE, beginning of year	24,064	13,421	587,120	482,847		1,083,388	1,107,452
FUND BALANCE, end of year	24,186	1,611	669,107	431,726	1,093,064	2,195,508	2,219,694

CITY OF RAYMORE, MISSOURI
OTHER SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
MAJOR DEBT SERVICE FUND
YEAR ENDED OCTOBER 31, 2013

	Debt Service Fund			Variance Positive (Negative)
	Original Budget	Final Budget	Actual	
REVENUES				
Taxes				
Property	1,816,285	1,816,285	1,918,866	102,581
Fines and forfeitures	9,081	9,081	17,687	8,606
Interest	2,575	2,575	24,895	22,320
Total revenues	1,827,941	1,827,941	1,961,448	133,507
EXPENDITURES				
Principal	1,948,328	1,948,328	3,175,000	(1,226,672)
Interest and fiscal fees	1,400	1,400	986,654	(985,254)
Total expenditures	1,949,728	1,949,728	4,161,654	(2,211,926)
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(121,787)	(121,787)	(2,200,206)	(2,078,419)
OTHER FINANCING SOURCES (USES)				
Proceeds from long term debt			16,485,000	16,485,000
Premium from issuance of long-term debt			817,942	
Debt issuance costs			(289,046)	
Transfers in			550,000	
Transfers out	144,042	144,042	(114,432)	(258,474)
Total other financing sources (uses)	144,042	144,042	17,449,464	16,226,526
NET CHANGE IN FUND BALANCE	22,255	22,255	15,249,258	14,148,107
FUND BALANCE, beginning of year			556,619	
FUND BALANCE, end of year			15,805,877	

An amended budget was not officially approved for the early payoff and defeasance of debt. However, the City Council specifically approved of the transactions during the December 12, 2012, and February 11, 2013, Council meetings.

CITY OF RAYMORE, MISSOURI
OTHER SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
MAJOR CAPITAL IMPROVEMENT FUND
YEAR ENDED OCTOBER 31, 2013

	Capital Improvement Fund			Variance Positive (Negative)
	Original Budget	Final Budget	Actual	
REVENUES				
Taxes				
Sales	979,639	979,639	939,200	(40,439)
Charges for services	2,658	2,658		(2,658)
Refunds and reimbursements	13,500	13,500	26,943	13,443
Interest	1,509	1,509	2,456	947
Total revenues	<u>997,306</u>	<u>997,306</u>	<u>968,599</u>	<u>(28,707)</u>
EXPENDITURES				
Police			28,453	(28,453)
Capital outlay	465,000	465,000	483,734	(18,734)
Debt service				
Principal	744,169	744,169	210,000	534,169
Interest and fiscal fees			534,389	(534,389)
Total expenditures	<u>1,209,169</u>	<u>1,209,169</u>	<u>1,256,576</u>	<u>(18,954)</u>
NET CHANGE IN FUND BALANCE	<u>(211,863)</u>	<u>(211,863)</u>	(287,977)	<u>(76,114)</u>
FUND BALANCE, beginning of year			<u>1,600,260</u>	
FUND BALANCE, end of year			<u>1,312,283</u>	

Expenditures exceeded budgeted expenditures as the City spent funds on capital outlay and other non-capitalized expenditures for projects approved and budgeted for in prior fiscal years.

CITY OF RAYMORE, MISSOURI
 OTHER SUPPLEMENTARY INFORMATION
 BUDGETARY COMPARISON SCHEDULE
 NONMAJOR CAPITAL IMPROVEMENT FUNDS
 YEAR ENDED OCTOBER 31, 2013

	Capital Projects Fund			V.E.R.P. Fund			Total Nonmajor Capital Improvement 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)
REVENUES												
Taxes												
Other	67,480	67,480	142,604	75,124					67,480	67,480	142,604	75,124
Donations							21,593	21,593			21,593	21,593
Interest	817	817	827	10			1,389	1,389	817	817	2,216	1,399
Total revenues	68,297	68,297	143,431	75,134			22,982	22,982	68,297	68,297	166,413	98,116
EXPENDITURES												
Capital outlay					463,717	463,717	409,845	53,872	463,717	463,717	409,845	53,872
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	68,297	68,297	143,431	75,134	(463,717)	(463,717)	(386,863)	76,854	(395,420)	(395,420)	(243,432)	151,988
OTHER FINANCING SOURCES (USES)												
Transfers in	91,035	91,035	91,035		342,257	342,257	352,257	10,000	433,292	433,292	443,292	10,000
NET CHANGE IN FUND BALANCE	159,332	159,332	234,466	75,134	(121,460)	(121,460)	(34,606)	86,854	37,872	37,872	199,860	161,988
FUND BALANCE, beginning of year			352,654				517,453				870,107	
FUND BALANCE, end of year			587,120				482,847				1,069,967	

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Statistical Section

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CITY OF RAYMORE, MISSOURI
STATISTICAL SECTION
(Unaudited)

This part of the City of Raymore's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City's overall financial health.

Contents	Page
Financial Trends These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	70 - 74
Revenue Trends These schedules contain information to help the reader assess the City's most significant own-source revenue, the property tax.	75 - 80
Debt Capacity These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.	81 - 85
Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.	86 - 87
Operating Information These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.	88 - 90

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year. The City implemented GASB 34 in fiscal year 2004; schedules presenting government-wide information include information beginning in that year. The City implemented GASB 54 in fiscal year 2011; schedules that include governmental fund balance classifications for fiscal years prior to 2011 are presented on pre-GASB 54 format; schedules that refer to net assets for fiscal years prior to 2013 are presented on pre-GASB 63 format; and schedules that include capitalized bond issue and related costs for fiscal years prior to 2013 are presented on pre-GASB 65 format.

Note: Information presented in this section is required by GASB 44 to include current year plus nine years of subsequent data. In some cases, the City has not presented nine years of subsequent data as it is not readily available or has not been tracked by the City in the past.

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CITY OF RAYMORE, MISSOURI
NET ASSETS/POSITION BY COMPONENT
LAST TEN FISCAL YEARS

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Governmental activities										
Invested in capital assets, net of related debt	7,015,699	14,004,036	24,641,575	15,388,520	18,494,972	30,259,016	40,539,968	39,153,934	39,053,218	39,567,457
Restricted	7,033,416	5,603,780	5,274,454	17,230,635	18,293,358	8,542,671	4,113,386	2,315,880	1,799,602	553,071
Unrestricted	1,512,237	3,561,332	3,432,053	5,470,600	4,834,098	4,825,302	4,958,949	8,554,216	8,883,193	8,841,052
Total governmental activities	<u>15,561,352</u>	<u>23,169,148</u>	<u>33,348,082</u>	<u>38,089,755</u>	<u>41,622,428</u>	<u>43,626,989</u>	<u>49,612,303</u>	<u>50,024,030</u>	<u>49,736,013</u>	<u>48,961,580</u>
Business-type activities										
Invested in capital assets, net of related debt	25,160,252	27,356,190	31,572,834	33,316,662	36,547,690	37,204,862	35,413,946	34,507,565	33,580,927	32,351,316
Restricted	6,106,515	1,538,716	1,006,255	1,506,076	1,948,711	1,089,846	1,562,478	1,166,923	246,938	84,638
Unrestricted	4,492,405	9,873,583	10,048,754	8,834,620	7,018,411	5,282,292	4,883,880	5,315,378	5,490,510	5,512,505
Total business-type activities	<u>35,759,172</u>	<u>38,768,489</u>	<u>42,627,843</u>	<u>43,657,358</u>	<u>45,514,812</u>	<u>43,577,000</u>	<u>41,860,304</u>	<u>40,989,866</u>	<u>39,318,375</u>	<u>37,948,459</u>
Primary government										
Invested in capital assets, net of related debt	32,175,951	41,360,226	56,214,409	48,705,182	55,042,662	67,463,878	75,953,914	73,661,499	72,634,145	71,918,773
Restricted	13,139,931	7,142,496	6,280,709	18,736,711	20,242,069	9,632,517	5,675,864	3,482,803	2,046,540	637,709
Unrestricted	6,004,642	13,434,915	13,480,807	14,305,220	11,852,509	10,107,594	9,842,829	13,869,594	14,373,703	14,353,557
Total primary government net assets/position	<u>51,320,524</u>	<u>61,937,637</u>	<u>75,975,925</u>	<u>81,747,113</u>	<u>87,137,240</u>	<u>87,203,989</u>	<u>91,472,607</u>	<u>91,013,896</u>	<u>89,054,388</u>	<u>86,910,039</u>

CITY OF RAYMORE, MISSOURI
CHANGES IN NET ASSETS/POSITION
LAST TEN FISCAL YEARS

	Fiscal Year									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
EXPENSES										
Governmental activities										
Administration	1,483,370	1,473,131	1,579,677	2,029,225	1,783,460	1,383,349	1,643,846	1,801,232	1,673,233	1,802,225
Development	630,108	711,572	889,017	798,654	823,065	769,986	726,471	739,675	772,445	770,973
Parks and property	717,971	970,286	894,435	508,468	1,044,180	1,183,045	1,501,150	1,670,554	1,753,973	1,743,964
Public works	1,103,369	1,056,084	1,316,986	1,351,029	1,385,134	1,274,025	4,866,429	4,362,832	4,912,478	4,921,345
Public safety	2,348,342	2,522,026	2,757,201	2,883,631	3,105,732	3,037,085	2,896,797	3,298,657	3,505,101	3,773,794
Interest and fiscal charges	1,240,046	1,087,456	1,721,608	1,797,632	2,141,700	1,325,298	1,219,667	1,039,036	1,520,146	1,862,029
Depreciation and amortization	2,112,066	1,823,592	2,061,799	2,368,793	3,036,210	3,421,006				
Total governmental activities expenses	<u>9,635,272</u>	<u>9,644,147</u>	<u>11,220,723</u>	<u>11,737,432</u>	<u>13,319,481</u>	<u>12,393,794</u>	<u>12,854,360</u>	<u>12,911,986</u>	<u>14,137,376</u>	<u>14,824,330</u>
Business-type activities										
Water and sewer	4,377,812	5,286,961	5,254,766	5,395,132	6,145,864	6,145,487	7,266,387	7,393,722	7,913,766	7,875,853
Total primary government expenses	<u>14,013,084</u>	<u>14,931,108</u>	<u>16,475,489</u>	<u>17,132,564</u>	<u>19,465,345</u>	<u>18,539,281</u>	<u>20,120,747</u>	<u>20,305,708</u>	<u>22,051,142</u>	<u>22,700,183</u>
PROGRAM REVENUES										
Governmental activities										
Charges for services										
General government	1,535,162	164,089	413,010	758,811	940,127	790,456	498,181	451,868	549,896	599,857
Parks and recreation	147,478	227,969	232,037	188,911	270,419	269,069	316,810	327,006	375,369	309,869
Other activities	220,075	1,627,453	1,026,619	304,363	299,015	390,434	329,892	360,157	383,597	504,898
Operating grants and contributions	1,410	340,111	170,073	270,572	77,266	91,701	590,145	211,951	255,394	82,360
Capital grants and contributions	196,411	5,578,615	8,536,490	1,387,636	3,797,631	303,372	5,127,759		21,593	
Total governmental activities program revenues	<u>2,100,536</u>	<u>7,938,237</u>	<u>10,378,229</u>	<u>2,910,293</u>	<u>5,384,438</u>	<u>1,845,032</u>	<u>6,862,787</u>	<u>1,350,982</u>	<u>1,585,849</u>	<u>1,496,984</u>
Business-type activities										
Charges for services:										
Water and sewer	4,821,534	5,958,816	6,022,702	5,605,051	5,286,038	4,846,651	5,902,537	6,207,730	6,744,467	6,880,197
Capital grants and contributions		2,260,861	2,918,943	848,069	1,636,176			500,992		
Total business-type activities program revenues	<u>4,821,534</u>	<u>8,219,677</u>	<u>8,941,645</u>	<u>6,453,120</u>	<u>6,922,214</u>	<u>4,846,651</u>	<u>5,902,537</u>	<u>6,708,722</u>	<u>6,744,467</u>	<u>6,880,197</u>
Total primary government program revenues	<u>6,922,070</u>	<u>16,157,914</u>	<u>19,319,874</u>	<u>9,363,413</u>	<u>12,306,672</u>	<u>6,691,683</u>	<u>12,765,324</u>	<u>8,059,704</u>	<u>8,330,316</u>	<u>8,377,181</u>

CITY OF RAYMORE, MISSOURI
CHANGES IN NET ASSETS/POSITION
LAST TEN FISCAL YEARS

	Fiscal Year									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
NET (EXPENSE) REVENUE										
Governmental activities	(7,534,736)	(1,705,910)	(842,494)	(8,827,139)	(7,935,023)	(10,548,762)	(5,991,573)	(11,561,004)	(12,551,527)	(13,327,346)
Business-type activities	443,722	2,932,716	3,686,879	1,057,988	776,350	(1,298,836)	(1,363,850)	(685,000)	(1,169,299)	(995,656)
Total primary government net expense	<u>(7,091,014)</u>	<u>1,226,806</u>	<u>2,844,385</u>	<u>(7,769,151)</u>	<u>(7,158,673)</u>	<u>(11,847,598)</u>	<u>(7,355,423)</u>	<u>(12,246,004)</u>	<u>(13,720,826)</u>	<u>(14,323,002)</u>
GENERAL REVENUES AND OTHER										
CHANGES IN NET ASSETS/POSITION										
Governmental activities										
Taxes										
Property taxes	2,691,327	2,980,840	2,531,592	2,738,283	3,139,336	3,358,679	3,863,969	3,955,594	3,904,537	3,978,416
Sales taxes	1,123,647	3,853,012	3,899,016	4,542,021	4,678,101	4,669,535	4,219,216	4,380,399	4,453,669	4,555,844
Franchise taxes	3,675,435	1,187,256	1,320,823	1,489,994	2,604,620	2,259,873	2,479,055	2,634,537	2,251,800	2,276,711
Other taxes		493,723	1,380,087	1,215,299	532,404	498,876	534,372	491,126	899,442	1,286,313
Investment earnings	96,755	334,464	745,868	968,713	873,841	323,373	56,963	69,938	22,103	49,156
Miscellaneous	79,822	139,127	644,800	1,918,018	292,137	595,530	323,977	220,403	138,423	211,769
Transfers	565,976	325,284	499,242	696,484	(652,743)	847,457	499,335	220,734	593,536	460,151
Total governmental activities	<u>8,232,962</u>	<u>9,313,706</u>	<u>11,021,428</u>	<u>13,568,812</u>	<u>11,467,696</u>	<u>12,533,323</u>	<u>11,976,887</u>	<u>11,972,731</u>	<u>12,263,510</u>	<u>12,818,360</u>
Business-type activities										
Investment earnings	265,879	401,885	642,045	660,406	428,361	208,481	146,489	114,550	91,344	88,231
Miscellaneous			29,672	7,605				20,078	21,500	21,500
Transfers	(565,976)	(325,284)	(499,242)	(696,484)	652,743	(847,457)	(499,335)	(320,066)	(593,536)	(460,151)
Total business-type activities	<u>(300,097)</u>	<u>76,601</u>	<u>172,475</u>	<u>(28,473)</u>	<u>1,081,104</u>	<u>(638,976)</u>	<u>(352,846)</u>	<u>(185,438)</u>	<u>(480,692)</u>	<u>(350,420)</u>
Total primary government	<u>7,932,865</u>	<u>9,390,307</u>	<u>11,193,903</u>	<u>13,540,339</u>	<u>12,548,800</u>	<u>11,914,347</u>	<u>11,624,041</u>	<u>11,787,293</u>	<u>11,782,818</u>	<u>12,467,940</u>
CHANGE IN NET ASSETS/POSITION										
Governmental activities	698,226	7,607,796	10,178,934	4,741,673	3,532,673	2,004,561	5,985,314	411,727	(288,017)	(508,986)
Business-type activities	143,625	3,009,317	3,859,354	1,029,515	1,857,454	(1,937,812)	(1,716,696)	(870,438)	(1,649,991)	(1,346,076)
Total primary government	<u>841,851</u>	<u>10,617,113</u>	<u>14,038,288</u>	<u>5,771,188</u>	<u>5,390,127</u>	<u>66,749</u>	<u>4,268,618</u>	<u>(458,711)</u>	<u>(1,938,008)</u>	<u>(1,855,062)</u>

CITY OF RAYMORE, MISSOURI
FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
GENERAL FUND										
Nonspendable								118,115	148,543	132,664
Restricted								145,066	145,066	94,766
Committed								114,666	20,000	20,000
Assigned								99,044	99,044	
Unassigned								4,445,004	4,710,296	3,363,347
Reserved	184,501	104,808	119,722	128,947	161,926	97,655	82,583			
Unreserved	<u>1,888,163</u>	<u>2,124,155</u>	<u>2,605,121</u>	<u>2,805,888</u>	<u>2,866,224</u>	<u>3,852,162</u>	<u>4,425,631</u>			
Total General Fund	<u>2,072,664</u>	<u>2,228,963</u>	<u>2,724,843</u>	<u>2,934,835</u>	<u>3,028,150</u>	<u>3,949,817</u>	<u>4,508,214</u>	<u>4,921,895</u>	<u>5,122,949</u>	<u>3,610,777</u>
ALL OTHER GOVERNMENTAL FUNDS										
Nonspendable								6,606	7,235	8,623
Restricted								2,170,814	1,654,536	15,320,180
Assigned								4,266,305	4,476,800	6,253,012
Reserved	6,935,451	19,323,574	11,222,926	20,906,336	18,236,754	8,554,270	6,538,157			
Unreserved, reported in:										
Special revenue funds	<u>292,296</u>	<u>778,861</u>	<u>967,402</u>	<u>3,088,922</u>	<u>2,504,736</u>	<u>1,612,675</u>	<u>23,511</u>			
Total all other governmental funds	<u>7,227,747</u>	<u>20,102,435</u>	<u>12,190,328</u>	<u>23,995,258</u>	<u>20,741,490</u>	<u>10,166,945</u>	<u>6,561,668</u>	<u>6,443,725</u>	<u>6,138,571</u>	<u>21,581,815</u>
TOTAL ALL GOVERNMENTAL FUNDS	<u>9,300,411</u>	<u>22,331,398</u>	<u>14,915,171</u>	<u>26,930,093</u>	<u>23,769,640</u>	<u>14,116,762</u>	<u>11,069,882</u>	<u>11,365,620</u>	<u>11,261,520</u>	<u>25,192,592</u>

CITY OF RAYMORE, MISSOURI
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
REVENUES										
Taxes										
Property	2,691,327	2,282,011	2,291,253	2,912,790	3,139,336	3,358,679	3,863,969	3,955,594	3,845,777	3,969,810
Franchise	1,123,647	1,187,256	1,320,823	1,489,994	2,604,620	2,259,873	2,479,055	2,634,537	2,251,800	2,276,711
Sales	3,145,329	4,014,053	4,426,184	5,508,137	4,678,101	4,669,535	4,219,216	4,380,399	4,453,669	4,555,844
Other	530,106	726,460	551,799	599,142	532,404	498,876	534,372	491,126	899,442	1,286,313
Fees and permits	1,682,640	1,741,302	1,387,127	947,723	1,196,195	1,041,586	798,432	762,800	909,980	892,039
Municipal court	220,075	191,358	284,539	304,363	313,366	408,373	346,451	376,231	398,882	522,585
Miscellaneous	549,157	891,485	1,956,411	1,495,457	1,018,768	1,313,976	959,885	502,292	437,513	320,402
Total revenues	<u>9,942,281</u>	<u>11,033,925</u>	<u>12,218,136</u>	<u>13,257,606</u>	<u>13,482,790</u>	<u>13,550,898</u>	<u>13,201,380</u>	<u>13,102,979</u>	<u>13,197,063</u>	<u>13,823,704</u>
EXPENDITURES										
General government	1,483,370	1,504,775	1,534,278	1,375,950	1,773,711	1,413,311	1,522,387	1,690,864	1,544,528	1,675,899
Public safety	2,348,342	2,540,058	2,769,945	2,932,059	3,081,156	3,037,085	2,848,533	3,138,478	3,361,929	3,552,210
Public works	981,985	1,293,600	1,412,159	1,533,114	1,378,383	1,274,025	1,506,969	1,425,662	1,443,554	1,515,057
Parks and property	717,971	610,949	683,449	640,878	1,048,886	1,180,864	1,219,764	1,247,237	1,329,439	1,255,718
Planning and development	630,108	711,572	894,509	798,654	816,418	769,985	720,680	731,660	754,188	752,424
Capital outlay and other charges	375,423	3,864,354	10,455,653	5,597,629	6,373,624	9,811,888	6,523,829	2,300,517	2,514,250	3,454,001
Debt service										
Principal	688,863	546,055	1,156,085	6,617,134	2,391,049	6,772,029	1,142,840	1,251,348	1,533,000	3,604,000
Interest	1,240,046	1,220,316	1,237,527	1,201,985	1,682,137	1,428,966	1,273,793	1,242,209	1,413,811	1,557,370
Total expenditures	<u>8,466,108</u>	<u>12,291,679</u>	<u>20,143,605</u>	<u>20,697,403</u>	<u>18,545,364</u>	<u>25,688,153</u>	<u>16,758,795</u>	<u>13,027,975</u>	<u>13,894,699</u>	<u>17,366,679</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>1,476,173</u>	<u>(1,257,754)</u>	<u>(7,925,469)</u>	<u>(7,439,797)</u>	<u>(5,062,574)</u>	<u>(12,137,255)</u>	<u>(3,557,415)</u>	<u>75,004</u>	<u>(697,636)</u>	<u>(3,542,975)</u>
OTHER FINANCING SOURCES (USES)										
Transfers in										
Transfers out	2,691,683	325,284	509,242	736,093	3,194,677	2,316,725	2,182,838	2,980,679	2,289,615	4,351,668
Bond proceeds	(2,125,707)	13,963,457		18,718,627	(3,847,420)	(1,469,268)	(1,683,503)	(2,759,945)	(1,696,079)	(3,891,517)
Bond issuance costs					(40,901)	1,640,000				16,485,000
Premium on bonds issued					62,642	(45,674)				(289,046)
Sale of capital assets	194,364				18,123	42,594	11,200			817,942
Total other financing sources (uses)	<u>760,340</u>	<u>14,288,741</u>	<u>509,242</u>	<u>19,454,720</u>	<u>1,902,121</u>	<u>2,484,377</u>	<u>510,535</u>	<u>220,734</u>	<u>593,536</u>	<u>17,474,047</u>
NET CHANGES IN FUND BALANCES	<u>2,236,513</u>	<u>13,030,987</u>	<u>(7,416,227)</u>	<u>12,014,923</u>	<u>(3,160,453)</u>	<u>(9,652,878)</u>	<u>(3,046,880)</u>	<u>295,738</u>	<u>(104,100)</u>	<u>13,931,072</u>
DEBT SERVICE AS A PERCENTAGE OF NONCAPITAL EXPENDITURES	23.84%	20.96%	24.71%	51.78%	33.46%	51.66%	23.61%	23.68%	25.92%	34.78%

CITY OF RAYMORE, MISSOURI
 GOVERNMENTAL ACTIVITIES TAX REVENUES BY SOURCE
 LAST TEN YEARS

Fiscal Year	Property Tax	Sales Tax	Franchise Tax	Motor Fuel Tax	Permits Excise Tax	Total
2004	2,691,327	3,145,329	1,123,647	530,106		7,490,409
2005	2,282,011	2,826,817	1,187,236	726,460		7,022,524
2006	2,291,253	3,105,401	1,320,823	551,799		7,269,276
2007	2,912,790	3,494,888	1,489,994	599,142		8,496,814
2008	3,139,336	4,678,101	2,604,620	532,404		10,954,461
2009	3,358,679	4,669,535	2,259,873	498,876		10,786,963
2010	3,863,969	4,219,216	2,479,055	534,372		11,096,612
2011	3,955,594	4,380,399	2,634,537	491,126		11,461,656
2012	3,845,777	4,453,669	2,251,800	756,838	142,604	11,450,688
2013	3,969,810	4,555,844	2,276,711	848,707	437,606	12,088,678

CITY OF RAYMORE, MISSOURI
DIRECT AND OVERLAPPING SALES TAX RATES
LAST TEN YEARS

Fiscal Year	City of Raymore Rates							Overlapping Rates				Total Direct and Overlapping Rates
	General Rate	Capital Improvement Rate	Parks and Stormwater Rate	Miscellaneous Rate	Total Rate	Missouri State Rate	Cass County Rate	South Metro Fire District Rate	Special Districts Rate			
2004	1.000	0.500	0.500	0.500	2.500	4.225	1.250	0.500		8.475		
2005	1.000	0.500	0.500	0.500	2.500	4.225	1.250	0.500		8.475		
2006	1.000	0.500	0.500	0.500	2.500	4.225	1.250	0.500		8.475		
2007	1.000	0.500	0.500	0.500	2.500	4.225	1.250	0.500	0.500	8.975		
2008	1.000	0.500	0.500	0.500	2.500	4.225	1.250	0.500	0.500	8.975		
2009	1.000	0.500	0.500	0.500	2.500	4.225	1.250	0.500	0.500	8.975		
2010	1.000	0.500	0.500	0.500	2.500	4.225	1.250	0.500	0.750	9.225		
2011	1.000	0.500	0.500	0.500	2.500	4.225	1.250	0.500	0.750	9.225		
2012	1.000	0.500	0.500	0.500	2.500	4.225	1.750	0.500	0.750	9.725		
2013	1.000	0.500	0.500	0.500	2.500	4.225	1.750	0.500	1.000	9.975		

Source: Missouri Department of Revenue

CITY OF RAYMORE, MISSOURI
 ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
 LAST TEN FISCAL YEARS

Fiscal Year Ended October 31	Real Property			Other Property		Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Market Value	Assessed Value as a Percentage of Actual Value
	Residential Property	Commercial Property	Agricultural Property	Personal Property	Railroads and Utilities				
2004	123,616,685	12,139,940	362,150	28,090,133	4,485	164,575,543	1.3068	776,704,992	21.19%
2005	147,655,603	12,248,940	357,440	28,536,527	1,815,422	190,971,372	1.3068	910,538,875	20.97%
2006	159,083,643	13,030,460	372,930	31,080,130	1,900,976	205,841,069	1.3068	981,233,031	20.98%
2007	177,899,820	14,917,070	325,977	33,716,535	2,012,289	229,197,668	1.3068	1,094,106,882	20.95%
2008	192,072,335	18,079,880	330,390	35,585,238	1,953,997	248,352,230	1.3068	1,184,100,196	20.97%
2009	197,967,160	19,590,740	329,320	37,907,071	1,955,799	258,079,410	1.3068	1,226,879,601	21.04%
2010	201,271,100	20,424,640	365,860	35,837,986	2,674,555	260,940,001	1.3068	1,243,155,354	20.99%
2011	202,361,370	20,537,420	365,740	34,454,575	3,728,143	261,812,988	1.3068	1,248,345,363	20.97%
2012	205,099,010	20,630,944	367,550	37,547,968	4,675,703	268,688,725	1.3068	1,275,396,383	21.07%
2013	200,947,260	20,821,980	359,135	40,933,507	6,329,992	269,751,009	1.3068	1,269,500,792	21.25%

Note: Assessed value is set at 19% residential property; 12% for agricultural property; and 32% for commercial property of the estimated fair market value.

Source: Cass County Collector's Office

CITY OF RAYMORE, MISSOURI
PROPERTY TAX RATES
DIRECT AND OVERLAPPING GOVERNMENTS
LAST TEN FISCAL YEARS

Fiscal Year	City of Raymore Rates										Overlapping Rates							Total Direct and Overlapping Rates
	Operating Millage	Debt Service Millage	Park Maintenance Millage	Total City Millage	Missouri State Millage	Hospital Millage	Library Millage	Sheltered Workshop Millage	Cass County Road and Bridge Millage	South Metro Fire District Millage	South Metro Ambulance District Millage	Raymore-School District Millage	Special Districts Millage					
2004	0.4702	0.7100	0.1266	1.3068	0.0300	0.1335	0.1525	0.0381	0.1847	0.7551	0.4356	5.0397		8.0760				
2005	0.4647	0.7170	0.1251	1.3068	0.0300	0.1335	0.1525	0.0381	0.1847	0.7407	0.4252	5.0397		8.0512				
2006	0.4647	0.7170	0.1251	1.3068	0.0300	0.1335	0.1525	0.0381	0.2480	0.6618	0.3681	5.0397		7.9785				
2007	0.4647	0.7170	0.1251	1.3068	0.0300	0.1335	0.1525	0.0381	0.2480	0.6636	0.3694	5.0397		7.9816				
2008	0.4647	0.7170	0.1251	1.3068	0.0300	0.1335	0.1500	0.0381	0.2480	0.6638	0.3696	5.0397	0.6000	7.9795				
2009	0.4647	0.7170	0.1251	1.3068	0.0300	0.1351	0.1500	0.0385	0.2509	0.6607	0.3673	5.0397	0.6000	7.9790				
2010	0.4647	0.7170	0.1251	1.3068	0.0300	0.1351	0.1500	0.0500	0.2520	0.6684	0.3729	5.0397	0.6000	8.0049				
2011	0.4647	0.7170	0.1251	1.3068	0.0300	0.1357	0.1500	0.0500	0.2520	0.6997	0.3766	5.0397	0.6000	8.0405				
2012	0.4647	0.7170	0.1251	1.3068	0.0300	0.1357	0.1500	0.0500	0.2520	0.6997	0.3766	5.0397	0.6000	8.0405				
2013	0.4647	0.7170	0.1251	1.3068	0.0300	0.1360	0.1500	0.0500	0.2300	0.7091	0.3834	5.0397	0.6000	8.0350				

1. Overlapping rates are those of local, county, and state governments that apply to property owners within the City of Raymore. Not all overlapping rates apply to all City of Raymore property owners, (e.g., the rates for special district apply only to the proportion of the government's property owners whose property is located within the geographic boundaries of the special district).

2. The City has other special districts that have not imposed levies or do not currently have any taxable property.

CITY OF RAYMORE, MISSOURI
 PRINCIPAL PROPERTY TAXPAYERS
 CURRENT YEAR AND TEN YEARS AGO

Taxpayer	2013			2004		
	Taxable Assessed Value	Rank	Percentages of Total Assessed Valuation	Taxable Assessed Value	Rank	Percentages of Total Assessed Valuation
Wal-Mart	3,312,710	1	1.47	3,866,165	1	2.02
Launch Raymore, LLC (Manor Homes Apts.)	2,991,270	2	1.32			
Raymore Group LLC (Raymore Mkt. Ctr.)	2,376,390	3	1.05			
Lowe's (Jemsite Development)	2,327,680	4	1.03			
Missouri Gas Energy	1,586,060	5	0.70	687,410	3	0.36
Foxwood Springs	1,291,330	6	0.57			
MBSR Raymore MO LLC (Walgreens)	736,010	7	0.33			
Willowind LLC	717,550	8	0.32	847,070	2	0.44
Creekmoor Property Owners Assoc. Inc.	706,290	9	0.31			
Rymr Health Care & Rehab Inc. (East Sunrise Property, LLC)	703,800	10	0.31	380,120	9	0.20
Ladd, Glenn W. Trust				542,120	4	0.28
Ryan's Steakhouse				501,000	5	0.26
Comcast of Missouri				494,408	6	0.26
Bauer Development				395,230	7	0.21
Community Bank of Raymore				382,990	8	0.20
Pizza Hut of America, Inc.				219,780	10	0.12
TOTALS	<u>16,749,090</u>		<u>7.41</u>	<u>8,316,293</u>		<u>4.35</u>
Total Commercial Real Property Assessed Value for Year	20,630,944			12,248,940		
Total Real, Personal, and Other Property Assessed Value for Year	226,097,504			190,971,372		

Source: Cass County Collector's Office

CITY OF RAYMORE, MISSOURI
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS

Fiscal Year Ended October 31	Total Tax Levy for Fiscal Year	Collected Within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2004	2,150,015	2,052,220	95.451%	97,795	2,150,015	100.0000%
2005	2,495,614	2,382,499	95.467%	113,114	2,495,613	100.0000%
2006	2,689,931	2,565,138	95.361%	124,793	2,689,931	100.0000%
2007	2,995,155	2,857,661	95.409%	137,494	2,995,155	100.0000%
2008	3,245,467	2,944,747	90.734%	300,720	3,245,467	100.0000%
2009	3,372,582	3,156,012	93.579%	216,570	3,372,582	100.0000%
2010	3,405,183	3,281,939	96.381%	123,244	3,405,183	100.0000%
2011	3,421,372	3,153,260	92.164%	52,864	3,206,124	93.709%
2012	3,511,224	3,357,699	95.628%	52,397	3,410,096	97.120%
2013	3,520,413	3,440,452	97.729%		3,440,452	97.729%

Source: Cass County Collector's Office

CITY OF RAYMORE, MISSOURI
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS

Fiscal Year	Governmental Activities				Business-Type Activities			Total Primary Government	Percentage of Personal Income	Per Capita
	G.O. Bonds	Special Assessment Bonds	Certificates of Participation	Revenue Bonds	General Obligation Bonds					
2004	8,441,322	4,575,000	2,580,000	4,390,000	1,350,000	21,336,322	7.23%	1,704.04		
2005	12,743,594	4,450,000	2,450,000	4,070,000	1,340,000	25,053,594	7.79%	1,909.86		
2006	12,427,458	4,320,000	2,315,000	3,725,000	1,330,000	24,117,458	7.02%	1,686.42		
2007	25,382,373	4,160,000	2,170,000	3,365,000	1,330,000	36,407,373	9.93%	2,384.24		
2008	26,107,565	3,995,000	2,020,000	2,980,000		35,102,565	9.08%	2,152.74		
2009	21,725,563	3,820,000	1,640,000	2,575,000		29,760,563	5.57%	1,732.48		
2010	20,960,723	3,645,000	1,455,000	2,145,000		28,205,723	5.49%	1,556.18		
2011	20,357,373	3,445,000	1,265,000	1,685,000		26,752,373	4.96%	1,392.92		
2012	19,219,373	3,245,000	1,070,000	1,240,000		24,774,373	4.29%	1,282.45		
2013	36,046,675	3,035,000	870,000	765,000		40,716,675	7.00%	2,082.69		

Note: The per capita ratios are calculated using personal income and population data see page 82.

CITY OF RAYMORE, MISSOURI
RATIOS OF GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS

Fiscal Year	General Obligation Bonds	Less Amounts Available in Debt Service Fund	Total	Percentage of Estimated Actual Taxable Value of Property	Per Capita
2004	9,791,322	(555,020)	9,236,302	1.19%	645.85
2005	14,083,594	(5,220,108)	8,863,486	0.97%	580.45
2006	13,757,458	(5,482,804)	8,274,654	0.84%	507.46
2007	26,712,373	(5,057,557)	21,654,816	1.98%	1,260.61
2008	26,107,565	(4,874,464)	21,233,101	1.79%	1,199.41
2009	21,725,563	(1,063,712)	20,661,851	1.69%	1,139.96
2010	20,357,373	(910,021)	19,447,352	1.56%	1,012.57
2011	19,815,000	(743,481)	19,851,519	1.56%	1,033.61
2012	18,695,000	(556,619)	19,258,381	1.51%	996.91
2013	32,005,000	(15,805,877)	16,199,123	1.28%	828.60

Notes: See page 77 for property value data
See page 86 for population data

CITY OF RAYMORE, MISSOURI
 DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
 AS OF OCTOBER 31, 2013

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable	Estimated Share of Overlapping Debt
Debt repaid with property taxes Raymore-Peculiar School District	58,022,595	0.8368	48,551,303
City of Raymore, Missouri, Direct Debt			<u>36,415,373</u>
Total direct and overlapping debt			<u>84,966,676</u>

Note: The School District is the only outstanding, overlapping debt paid by property taxes. The County and all other levying districts do not use property tax for outstanding debt or have no outstanding debt.

Method of calculation: The estimated percentage applicable is the ratio of property valuation for the City compared to the total property valuation of the school district. This ratio is then multiplied by the school district's total debt outstanding to calculate the taxpayers share of the City of Raymore's debt.

CITY OF RAYMORE, MISSOURI
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Debt Limit	32,915,109	38,194,274	41,168,214	45,839,534	49,670,446	51,615,882	52,188,000	52,114,828	53,664,235	53,950,202
Total net debt applicable to limit	<u>10,532,548</u>	<u>11,068,401</u>	<u>10,587,458</u>	<u>24,273,458</u>	<u>23,622,565</u>	<u>20,220,324</u>	<u>20,050,702</u>	<u>19,851,519</u>	<u>19,071,519</u>	<u>35,471,371</u>
Legal debt margin	<u>22,382,561</u>	<u>27,125,873</u>	<u>30,580,756</u>	<u>21,566,076</u>	<u>26,047,881</u>	<u>31,395,558</u>	<u>32,137,298</u>	<u>18,478,831</u>	<u>34,592,716</u>	<u>18,478,831</u>
Total net debt applicable to the limit as a percentage of the debt limit	32.00%	28.98%	25.72%	52.95%	47.56%	39.17%	38.42%	38.09%	35.54%	65.75%

Legal Debt Margin Calculation for Fiscal Year 2013

Assessed value	269,751,009
Add back: exempt real property	- 0 -
Total assessed value	<u>269,751,009</u>
Debt limit (20% of total assessed value)	53,950,202
Debt applicable to limit:	
General obligation bonds	36,415,373
Less: Amount set aside for repayment of general obligation debt	(944,002)
Total net debt applicable to limit	<u>35,471,371</u>
Legal debt margin	<u>18,478,831</u>

Note: Article 6, Section 26(b) of the Missouri Constitution permits any county or city, by vote of four-sevenths of qualified electors thereon, to incur an indebtedness for city purposes not to exceed 5 percent of the value of the taxable tangible property therein.

Note: Article 6, Section 26(c) of the Missouri Constitution permits any county or city, by vote of four-sevenths of qualified electors thereon, to incur an indebtedness for city purposes not to exceed 5 percent of the value of the taxable tangible property therein.

Note: Article 6, Section 26(d & e) of the Missouri Constitution permits any city to become indebted not exceeding in the aggregate an additional 10 percent of the value of the taxable tangible property for the purpose of acquiring right-of-ways, construction of waterworks, electric plants, or other light plants provided the total general obligated indebtedness of the city does not exceed 20 percent of the assessed valuation.

CITY OF RAYMORE, MISSOURI
PLEDGED REVENUE COVERAGE
LAST TEN FISCAL YEARS

Fiscal Year	Water and Sewer Charges and Other	Less Operating Expenses	Net Available Revenue	Revenue Bonds			Sales Tax Revenues	Certificates of Participation and Special Obligation Bonds				
				Debt Service		Coverage		Debt Service		Principal	Interest	Coverage
				Principal	Interest			Principal	Interest			
2004	4,746,185	4,353,015	393,170	1,102,142	201,661	(910,633)	1,076,531	245,000	392,583	438,948		
2005	5,849,886	3,037,059	2,812,827	685,000	340,701	1,787,126	912,804	255,000	380,711	277,093		
2006	5,908,588	2,988,640	2,919,948	390,000	285,811	2,244,137	916,501	265,000	368,136	283,365		
2007	5,478,576	3,122,828	2,355,748	425,000	137,780	1,792,968	1,165,116	305,000	252,932	607,184		
2008	5,145,077	3,407,794	1,737,283	1,659,644	223,998	(146,359)	1,255,734	315,000	285,414	655,320		
2009	4,659,919	3,375,281	1,284,638	405,000	200,570	679,068	1,343,472	555,000	183,030	605,441		
2010	5,902,537	4,358,066	1,544,471	430,000	165,203	949,268	1,545,588	360,000	208,138	977,450		
2011	6,207,730	4,821,005	1,386,725	420,000	126,456	840,269	1,839,424	390,000	196,320	1,253,104		
2012	6,744,467	5,139,786	1,604,681	445,000	109,829	1,049,852	1,833,982	395,000	183,346	1,255,636		
2013	6,880,197	5,066,488	1,813,709	475,000	69,819	1,268,890	1,878,039	410,000	164,579	1,303,460		

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements.

CITY OF RAYMORE, MISSOURI
 DEMOGRAPHIC AND ECONOMIC STATISTICS
 LAST TEN FISCAL YEARS

Fiscal Year	(1) Population	(1) Personal Income	(1) Per Capita Personal Income	(1) Median Age	(4) Percentage of Population with Formal Education Beyond High School	(2) Public Primary School Enrollment		(3) Unemployment Rate
						Enrollment	Rate	
2004	14,301	62,135	22,496	35.6	57.3	4,885	4.6	
2005	15,270	62,135	22,496	35.6	57.3	5,169	4.6	
2006	16,306	62,135	22,496	35.6	57.3	5,368	3.7	
2007	17,178	62,135	22,496	35.6	57.3	5,640	4.0	
2008	17,703	62,135	22,496	35.6	57.3	5,798	4.9	
2009	18,125	73,825	29,474	37.2	57.3	5,875	7.8	
2010	19,206	70,334	28,242	37.0	59.6	5,910	8.2	
2011	19,206	78,778	28,060	36.5	68.9	5,907	7.2	
2012	19,318	74,512	29,890	36.1	68.4	6,009	5.7	
2013	19,550	73,864	29,753	36.1	66.9	5,975	5.7	

Data Sources:

- 1 U.S. Census Bureau - QuickFacts - Date Jan. 13
- 2 Raymore-Peculiar School District
- 3 Missouri Department of Economic Development
- 4 U.S. Census Bureau - American FactFinder - Dated Jan. 13

CITY OF RAYMORE, MISSOURI
 PRINCIPAL EMPLOYERS
 CURRENT YEAR AND TEN YEARS AGO

Employer	2013			2004		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Raymore-Peculiar School District **	348	1	3.76	187	2	2.32
Foxwood Springs	305	2	3.29	260	3	3.23
Wal-Mart	302	3	3.26	550	1	6.83
Rehabilitation Center of Raymore	150	4	1.62	100	4	1.24
Cosentino's Price Chopper	149	5	1.61			
Lowe's Home Improvement	120	6	1.29			
City of Raymore	101	7	1.09	92	5	1.14
Steak-N-Shake	65	8	0.70			
Pathways	50	9	0.54			
South Metro Fire District	48	10	0.52	33	9	0.41
Culver's of Raymore	48	10	0.52			
McDonald's				30	10	0.37
Ryan's Steakhouse				60	6	0.74
Community Bank of Raymore				38	7	0.47
Wendy's				34	8	0.42
Pizza Hut				30	10	0.37
Totals	<u>1,686</u>		<u>18.19</u>	<u>1,227</u>		<u>17.55</u>
Total estimated workforce over age of 16	<u>9,267</u>			<u>8,058</u>		

Source: Raymore's Department of Finance - contacted businesses for information
 **Raymore-Peculiar School District - Number of employees for the entire district is 809; the number of employees employed within the City of Raymore is 348 - contacted human resource department for the school district. 2004 number is restated based on same %.

CITY OF RAYMORE, MISSOURI
 FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES
 BY FUNCTIONS/PROGRAM
 LAST TEN FISCAL YEARS

Function	Fiscal Year									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
General Government										
Administration	4.75	4.75	5.75	6.00	5.50	5.50	6.00	6.00	6.00	6.00
Information Technology	1.50	1.50	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Economic Development	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Community Development	8.75	9.00	10.00	10.00	8.00	8.00	6.50	6.50	6.50	6.50
Buildings and Grounds	1.00	2.10	2.00	2.00	2.20	2.20	2.20	2.20	2.20	2.30
Municipal Court	1.40	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.65	1.60
Finance	6.00	5.00	5.00	6.38	6.00	6.00	5.00	5.00	5.00	5.00
Police										
Law Enforcement	32.75	35.25	36.25	39.25	39.50	39.50	39.50	39.50	42.50	43.50
Emergency Management	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Public Works										
Engineering	6.25	6.25	5.75	5.75	4.45	4.45	4.45	4.45	4.45	4.45
Streets	4.58	5.25	5.25	5.25	3.12	3.12	3.12	3.12	3.12	3.12
Stormwater					2.92	2.92	2.92	2.92	2.92	2.92
Water	4.58	5.25	5.50	5.48	5.75	5.75	5.75	5.75	5.75	5.75
Sewer	4.58	5.25	5.50	5.52	5.75	5.75	5.75	5.75	5.75	5.75
Parks and Recreation										
Parks	8.00	6.90	7.00	3.45	3.75	5.15	5.15	5.15	6.00	6.20
Recreation				3.55	4.05	2.65	2.65	2.65	2.80	3.00
Total	<u>87.14</u>	<u>91.00</u>	<u>94.50</u>	<u>99.13</u>	<u>97.49</u>	<u>97.49</u>	<u>95.49</u>	<u>95.49</u>	<u>99.64</u>	<u>101.09</u>

Source: Annual budget

CITY OF RAYMORE, MISSOURI
OPERATING INDICATORS BY FUNCTION
LAST TEN FISCAL YEARS

Function	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Development										
Building permits issued	2,024	2,365	1,290	870	652	675	678	678	1,284	889
Inspections completed	9,662	11,845	7,465	4,470	3,150	3,023	3,223	3,223	4,288	3,822
Code enforcement complaints	n/a	n/a	n/a	n/a	364	434	410	410	318	296
Code enforcement cases	n/a	n/a	104	307	352	435	425	425	372	302
Development plans reviewed	481	522	216	392	286	352	251	251	252	288
Police										
911 calls taken	n/a	8,100	7,984	8,127	8,137	8,454	8,114	8,114	8,350	9,133
Arrests made	658	719	980	870	832	1,014	925	925	996	1,211
Citations issued	1,563	1,257	1,932	1,749	2,467	1,956	2,508	2,508	3,062	4,770
Animal control cases	345	360	438	432	463	487	344	344	352	353
Streets and highways										
Street resurfacing (sq yds)	55,940	12,595	104,237	17,242	37,985	159,058	106,958	106,958	115,731	121,229
Street reconstruction (sq yds)			87,666	54,725	44,653	4,000	12,855	12,855	1,588	32,590
New roads (sq yds)	42,320	105,507	26,659	30,573	56,336	57,952	2,100	2,100	6,461	8,775
Potholes repaired (sq yds)						3,686	2,100	2,100	1,095	662
Property										
Buildings maintained (sq ft)	50,508	50,508	63,632	63,632	63,632	63,632	67,132	67,162	67,132	69,532
Land (acres)	152	152	178	256	285	285	285	285	285	285
Recreation										
Recreation programs offered	74	75	47	72	50	45	93	93	165	164
Recreation programs' participation	1,485	2,533	1,934	3,571	3,381	3,913	3,800	3,800	3,700	4,086
Special events	8	9	11	13	13	13	14	14	12	12
Shelter rentals	n/a	n/a	82	74	97	102	110	110	121	114
Park house rentals	n/a	n/a	84	115	110	116	116	116	205	237
Theme park tickets sold	2,725	3,460	2,293	175	102	111	92	92	169	123
Court										
Completed court cases	n/a	1,954	3,057	2,705	3,534	2,785	3,148	3,148	2,986	4,206
Water										
New connections	424	302	189	98	34	60	68	68	54	82
Line breaks repaired	6	7	11	9	7	6	7	7	10	6
Meters replaced	n/a	n/a	572	1,165	512	157	269	269	311	374
Sewer										
New residential connections	449	497	200	107	87	63	66	66	58	84
New commercial connections	10	18	13	29	32	n/a	2	2	5	4
Line breaks repaired	n/a	n/a	3	2	2	n/a	n/a	n/a	n/a	n/a

n/a - Information is not available.
Source: City Department Heads

CITY OF RAYMORE, MISSOURI
CAPITAL ASSET STATISTICS BY FUNCTION
LAST TEN YEARS

Function	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Public safety										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol units	7	9	9	9	9	9	9	9	10	10
Highways and streets										
Streets (miles)	102.5	109.7	117.5	119.3	121.4	121.4	123.1	123.1	123.6	124.2
Streetlights	928	1,076	1,166	1,233	1,253	1,262	1,288	1,293	1,364	1,364
Culture and recreation										
Parks acreage - developed	148.35	148.35	173.65	173.65	202.01	202.01	205.89	205.89	205.89	205.89
Parks acreage - undeveloped	4	4	4	4	83	83	79	79	79	79
Parks - developed	5	5	6	6	5	6	7	7	7	8
Parks - undeveloped	1	1	1	1	2	2	1	1	1	1
Multi-purpose trails (miles)	3.9	4.4	4.4	6.1	10.4	10.4	10.0	10.0	10.0	10.0
Tennis courts	6	6	6	6	6	6	6	6	6	6
Baseball fields	8	8	8	8	8	10	8	8	8	8
Picnic tables	34	48	48	48	48	48	48	48	48	49
Playgrounds	3	3	3	3	3	3	3	4	6	7
Volleyball courts	2	2	2	2	2	2	2	2	2	2
Basketball courts	3	3	3	3	3	3	3	3	3	3
Football/soccer fields	6	6	6	6	6	7	7	7	7	7
Shelter house	3	4	4	4	4	4	4	4	4	4
Skate parks		1	1	1	1	1	1	1	1	1
Primitive campgrounds	1	1	1	1	1	1	1	1	1	1
Water										
Water mains (miles)	86.1	91.9	99.4	100.1	103.5	103.5	103.9	103.9	104.4	105.6
Fire hydrants	720	811	883	902	910	921	921	921	930	942
Sewer										
Storm sewers (miles)	28.2	32.1	47.3	47.9	49.9	50.5	53.9	54.0	54.5	54.9
Sanitary sewers (miles)	84	91.1	95.9	98.1	100.9	101.9	102.2	102.2	102.5	102.5

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the City of Raymore, Missouri, which comprise the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information as of and for the year ended October 31, 2013, and have issued our report thereon dated January 25, 2014.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the City of Raymore, Missouri's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified. We identified a certain deficiency in internal control, described in the accompanying schedule of findings and responses, that we consider to be a significant deficiency as item 2013-001.

Compliance and Other Matters

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

City of Raymore, Missouri's Response to Findings

The City of Raymore, Missouri's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. We did not audit the City of Raymore, Missouri's response, and accordingly, we express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Dana F Cole + Company, LLP

Overland Park, Kansas
January 25, 2014

CITY OF RAYMORE, MISSOURI
SCHEDULE OF FINDINGS AND RESPONSES
YEAR ENDED OCTOBER 31, 2013

2013-001 CONTROL OVER THE FINANCIAL REPORTING PROCESS

Criteria

As described in our engagement letter, management is responsible for establishing and maintaining internal controls, including monitoring, and for the fair presentation of financial statements, including the notes to the financial statements, in conformity with accounting principles generally accepted in the United States of America.

Condition and Context

Management should possess the ability to prepare financial statements in accordance with accounting principles generally accepted in the United States of America. The preparation of financial statements under this basis of accounting requires that management possess the ability to prepare the financial statements and related disclosures without the assistance from the auditors. The auditors drafted the financial statements and related note disclosures from a trial balance and other documentation provided by City personnel.

Cause

City personnel do not obtain the expertise necessary to draft the year-end financial statements, supplementary information, and notes to the financial statements.

Potential Effect

The potential exists that a material misstatement of the financial statements could occur and not be prevented or detected by the City's internal control.

Recommendation

We recommend that the City review and approve the adequacy of financial statement disclosures prepared by the auditors and apply analytic procedures to the draft financial statements to ensure that all assets and liabilities of the City are recorded, among other procedures as considered necessary by management.

Views of Responsible Officials and Corrective Action Plan

The City relies on the auditor to prepare the financial statements including the related note disclosures. The City reviews such financial statements and approves all adjustments. The City also uses analytic procedures among other procedures necessary to complete the Management Discussion and Analysis.

CITY OF RAYMORE, MISSOURI
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
YEAR ENDED OCTOBER 31, 2013

2012-1 Management should possess the ability to prepare financial statements in accordance with accounting principles generally accepted in the United States of America. The preparation of financial statements under this basis of accounting requires that management possess the ability to properly record and classify transactions in a general ledger, reconcile all accounts, measure and record needed adjustments to the accounts, and prepare the financial statements and related disclosures without the assistance from the auditors. We recommended that the City review and approve the proposed auditor adjusting entries, the adequacy of financial statement disclosures prepared by the auditors, and apply analytic procedures to the draft financial statements to ensure that all assets and liabilities of the City are recorded, among other procedures as considered necessary by management. This is a continued finding as noted in the Schedule of Findings and Responses as item 2013-001 for the year ending October 31, 2013, as it relates to the preparation of the financial statements and related note disclosures. For the current year, account reconciliations and adjusted balances were properly identified by City staff.