

PRELIMINARY OFFICIAL STATEMENT DATED OCTOBER 16, 2019

**NEW ISSUE
BANK QUALIFIED
BOOK ENTRY ONLY**

**MOODY'S RATING: "Aa3"
See "Rating" herein.**

In the opinion of Gilmore & Bell, P.C., Bond Counsel, under existing law and assuming continued compliance with certain requirements of the Internal Revenue Code of 1986, as amended (the "Code"), (1) the interest on the Bonds (including any original issue discount properly allocable to an owner thereof) is excludable from gross income for federal income tax purposes, and is not an item of tax preference for purposes of the federal alternative minimum tax, (2) the interest on the Bonds is exempt from income taxation by the State of Missouri and (3) the Bonds have been designated as "qualified tax-exempt obligations" within the meaning of Section 265(b)(3) of the Code. See "TAX MATTERS" in this Official Statement.

OFFICIAL STATEMENT

\$5,750,000*

**CITY OF RAYMORE, MISSOURI
TAX EXEMPT SPECIAL OBLIGATION REFUNDING BONDS
SERIES 2019**

**Due: September 1, as shown on
the inside cover page**

Dated: Date of Delivery

The Bonds are issuable only as fully registered bonds, without coupons, and, when issued, will be registered in the name of Cede & Co., as registered owner and nominee for The Depository Trust Company ("DTC"), New York, New York. DTC will act as securities depository for the Bonds. Purchases of the Bonds will be made in book-entry form, in authorized denominations. Purchasers will not receive certificates representing their interests in Bonds purchased. So long as Cede & Co. is the registered owner of the bonds, as nominee of DTC, references herein to the Bondowners or registered owners shall mean Cede & Co., as aforesaid, and shall not mean the Beneficial Owners (herein defined) of the Bonds.

The Bonds will be issued in the denomination of \$5,000 or any integral multiple thereof. Semiannual interest will be payable on March 1 and September 1, beginning on March 1, 2020. Principal will be payable upon presentation and surrender of the Bonds by the registered owners thereof at the payment office of Security Bank of Kansas City, Kansas City, Kansas, Paying Agent. Interest will be payable by check or draft of the Paying Agent mailed (or by electronic transfer in certain circumstances as described herein) to the persons who are the registered owners of the Bonds as of the close of business on the fifteenth day of the month preceding the interest payment date. So long as DTC or its nominee, Cede & Co., is the Bondowner, such payments will be made directly to such Bondowner. DTC is expected, in turn, to remit such payments to the DTC Participants (herein defined) for subsequent disbursement to the Beneficial Owners.

The Bonds are subject to redemption prior to maturity as described herein.

The Bonds and the interest thereon will constitute special obligations of the City payable solely from amounts appropriated in each Fiscal Year (i) out of the income and revenues of the City provided for such Fiscal Year, plus (ii) any unencumbered balances from previous years. The City is not obligated to make any such annual appropriation. The Bonds do not constitute general obligations or indebtedness of the City within the meaning of any constitutional or statutory limitation or provision, and the City does not pledge its full faith and credit and is not obligated to levy taxes or resort to any other moneys or property of the City to pay the principal of and interest on the Bonds. The fiscal year of the City begins on each November 1 and ends on October 31 (the "Fiscal Year").

The Bonds are offered when, as and if issued by the City, subject to the approval of legality by Gilmore & Bell, P.C., Kansas City, Missouri, Bond Counsel. Certain legal matters related to the Official Statement will be passed upon by Gilmore & Bell, P.C., Kansas City, Missouri. It is expected that the Bonds will be available for delivery at The Depository Trust Company in New York, New York on or about November __, 2019.

Bids for the Bonds will only be received electronically through PARITY electronic bid submission system until 11:00 A.M., Central Time, on Monday, October 28, 2019.

The date of this Official Statement is October ____, 2019.

\$5,750,000*
CITY OF RAYMORE, MISSOURI
SPECIAL OBLIGATION BONDS
SERIES 2019

MATURITY SCHEDULE

Serial Bonds*

<u>Due</u> <u>September 1</u>	<u>Principal</u> <u>Amount*</u>	<u>Interest</u> <u>Rate</u>	<u>Price</u>	<u>Yield</u>
2020	\$190,000			
2021	240,000			
2022	250,000			
2023	260,000			
2024	270,000			
2025	285,000			
2026	295,000			
2027	305,000			
2028	320,000			
2029	330,000			
2030	335,000			
2031	350,000			
2032	360,000			
2033	370,000			
2034	380,000			
2035	390,000			
2036	405,000			
2037	415,000			

* Preliminary, subject to change.

CITY OF RAYMORE, MISSOURI

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

CITY OFFICIALS

Mayor

Kristofer P. Turnbow

City Council

Reginald Townsend	Ward I
Dale Jacobson	Ward I
Thomas R. Circo	Ward II
Joseph Burke III	Ward II
Jay Holman	Ward III
Kevin Barber	Ward III
Sonja Abdelgawad	Ward IV
John P. Berendzen	Ward IV

Administrative Officials

Jim Feuerborn, City Manager
Lisa Williams, Finance Director
Jeanie Woerner, City Clerk

FINANCIAL ADVISOR

Piper Jaffray & Co.
Leawood, Kansas

CERTIFIED PUBLIC ACCOUNTANT

Dana F. Cole & Company, LLP
Overland Park, Kansas

BOND COUNSEL

Gilmore & Bell, P.C.
Kansas City, Missouri

REGARDING USE OF THIS OFFICIAL STATEMENT

No dealer, broker, salesperson or other person has been authorized by the City or the Underwriter to give any information or to make any representations with respect to the Bonds other than those contained in this Official Statement, and, if given or made, such other information or representations must not be relied upon as having been authorized by any of the foregoing. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of the Bonds by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale. The information set forth herein has been furnished by the City and other sources believed to be reliable, but such information is not guaranteed as to accuracy or completeness, and is not to be construed as a representation, by the Underwriter. The information and expressions of opinion herein are subject to change without notice and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the City or others since the date hereof.

The Underwriter has reviewed the information in this Official Statement in accordance with, and as part of, its responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriter does not guarantee the accuracy or completeness of that information.

IN CONNECTION WITH THIS OFFERING, THE UNDERWRITER MAY OVER ALLOT OR EFFECT TRANSACTIONS THAT STABILIZE OR MAINTAIN THE MARKET PRICE OF THE BONDS AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

THE BONDS HAVE NOT BEEN REGISTERED WITH THE SECURITIES AND EXCHANGE COMMISSION UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR UNDER ANY STATE SECURITIES OR “BLUE SKY” LAWS. THE BONDS ARE OFFERED PURSUANT TO AN EXEMPTION FROM REGISTRATION WITH THE SECURITIES AND EXCHANGE COMMISSION.

IN MAKING AN INVESTMENT DECISION, INVESTORS MUST RELY ON THEIR OWN EXAMINATION OF THE TERMS OF THIS OFFERING, INCLUDING THE MERITS AND RISKS INVOLVED. THESE SECURITIES HAVE NOT BEEN RECOMMENDED BY ANY FEDERAL OR STATE SECURITIES COMMISSION OR REGULATORY AUTHORITY. FURTHERMORE, THE FOREGOING AUTHORITIES HAVE NOT CONFIRMED THE ACCURACY OR DETERMINED THE ADEQUACY OF THIS DOCUMENT. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

CAUTIONARY STATEMENTS REGARDING FORWARD- LOOKING STATEMENTS IN THIS OFFICIAL STATEMENT

Certain statements included or incorporated by reference in this Official Statement constitute “forward-looking statements” within the meaning of the United States Private Securities Litigation Reform Act of 1995, Section 21E of the United States Securities Exchange Act of 1934, as amended, and Section 27A of the United States Securities Act of 1933, as amended. Such statements are generally identifiable by the terminology used such as “plan,” “expect,” “estimate,” “anticipate,” “projected,” “budget” or other similar words.

THE ACHIEVEMENT OF CERTAIN RESULTS OR OTHER EXPECTATIONS CONTAINED IN SUCH FORWARD-LOOKING STATEMENTS INVOLVE KNOWN AND UNKNOWN RISKS, UNCERTAINTIES AND OTHER FACTORS THAT MAY CAUSE ACTUAL RESULTS, PERFORMANCE OR ACHIEVEMENTS DESCRIBED TO BE MATERIALLY DIFFERENT FROM ANY FUTURE RESULTS, PERFORMANCE OR ACHIEVEMENTS EXPRESSED OR IMPLIED BY SUCH FORWARD-LOOKING STATEMENTS. NEITHER THE CITY NOR ANY OTHER PARTY PLANS TO ISSUE ANY UPDATES OR REVISIONS TO THOSE FORWARD-LOOKING STATEMENTS IF OR WHEN THEIR EXPECTATIONS, OR EVENTS, CONDITIONS OR CIRCUMSTANCES UPON WHICH SUCH STATEMENTS ARE BASED OCCUR.

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OFFICIAL STATEMENT
\$5,750,000*
CITY OF RAYMORE, MISSOURI
SPECIAL OBLIGATION BONDS
SERIES 2019

INTRODUCTION

This introduction is only a brief description and summary of certain information contained in this Official Statement and is qualified in its entirety by reference to more complete and detailed information contained in the entire Official Statement, including the cover page and appendices hereto, and the documents summarized or described herein. A full review should be made of the entire Official Statement.

Purpose of the Official Statement

The purpose of this Official Statement is to furnish information relating to (1) the City of Raymore, Missouri (the “City”) and (2) the City’s Tax Exempt Special Obligation Refunding Bonds, Series 2019 (the “Bonds”), to be issued in the principal amount of \$5,750,000* to refund the Hubach Hill Road and North Cass Parkway Transportation Development District (Raymore, Missouri, Hubach Hill Road and North Cass Parkway Project), Revenue Bonds, Series 2009 (the “Refunded Bonds”).

The City

The City is a constitutionally chartered city and political subdivision organized and existing under the laws of the State of Missouri. See the caption “**THE CITY**” herein.

The Bonds

The Bonds are being issued pursuant to an ordinance (the “Bond Ordinance”) adopted by the governing body of the City for the purpose of refunding the Refunded Bonds, funding the Debt Service Reserve Fund and paying costs related to the issuance of the Bonds and the refunding of the Refunded Bonds. See the caption “**THE BONDS**” herein.

Security and Source of Payment

The payment of the principal of and interest on the Bonds is subject to annual appropriation by the City. The City is not required or obligated to make any such appropriation. No property of the City is pledged or encumbered to secure payment of the Bonds.

The Bonds and the interest thereon will constitute special obligations of the City payable solely from amounts appropriated in each Fiscal Year (i) out of the income and revenues of the City provided for such Fiscal Year, plus (ii) any unencumbered balances from previous years. The City is not obligated to make any such annual appropriation. The Bonds do not constitute general obligations or indebtedness of the City within the meaning of any constitutional or statutory debt limitation or provision, and the City does not pledge its full faith and credit and is not obligated to levy taxes or resort to any other moneys or property of the City to pay the principal of and interest on the Bonds. The fiscal year of the City begins on each November 1 and ends on October 31 (the “Fiscal Year”). See the caption “**SECURITY AND SOURCES OF PAYMENT FOR THE BONDS**” herein.

* Preliminary, subject to change.

Financial Statements

Audited financial statements of the City, as of and for the year ended October 31, 2018, are included in **Appendix B** to this Official Statement. These financial statements have been audited by Dana F. Cole & Company, LLP, Overland Park, Kansas, independent certified public accountants, to the extent and for the periods indicated in their report which is also included in **Appendix B** hereto.

Risk Factors

Payment of the Bonds is subject to certain risks. See the caption “**RISK FACTORS**” herein.

Continuing Disclosure Information

The City has covenanted in its Continuing Disclosure Certificate to provide certain financial information and notices of material events to the Municipal Securities Rulemaking Board, in compliance with Rule 15c2-12 promulgated by the Securities and Exchange Commission.

THE CITY

The City is a constitutionally chartered city and political subdivision organized and existing under the laws of the State of Missouri. The City is located in Cass County, Missouri, in the west central portion of the State in the southern portion of the City of Kansas City, Missouri metropolitan area. The City encompasses approximately 20 square miles and has a population of 20,358 persons according to the Missouri Census Data Center. See “**APPENDIX A: THE CITY**” and “**APPENDIX B: ACCOUNTANT’S REPORT AND AUDITED FINANCIAL STATEMENTS.**”

PLAN OF FINANCING

The Refunded Bonds

The Hubach Hill Road and North Cass Parkway Transportation Development District (the “TDD”), a Missouri transportation development district and political subdivision (the “TDD”), previously issued the Refunded Bonds for the purpose of providing funds to finance a transportation project. The transportation project included the design and construction of multiple roads and intersections and one bridge, as well as related curbs, gutters, ditches and shoulders (the “Project”).

In connection with the issuance of the Refunded Bonds, the City entered into a Cooperative Agreement dated September 22, 2008 (the “2008 Cooperative Agreement”) among the City, Cass County, Missouri (the “County”), the TDD, the Hubach Hill Road and North Cass Parkway Community Improvement District (the “CID”), a Missouri community improvement district and political subdivision and various limited liability companies serving as developers of property benefitted by the original Project. Pursuant to the 2008 Cooperative Agreement, the City agreed that if certain TDD Sales Tax revenues (defined below) and CID Property Tax revenues (defined below) were ever insufficient to pay the principal and interest on the Refunded Bonds, the City would, subject to legally available funds being annually appropriated, provide such funds to pay the principal and interest on the Refunded Bonds.

The City now desires to refund the Refunded Bonds in order to achieve debt service savings. The Bonds are authorized pursuant to and in full compliance with the Constitution and statutes of the State of Missouri.

Sources and Uses of Funds*

The following table summarizes the estimated sources of funds and the expected uses of such funds, in connection with the plan of financing:

Sources of Funds:

Principal Amount of the Bonds	\$5,750,000.00*
Other Available Funds related to the Refunded Bonds	
Net Original Issue Premium	<u>.00</u>
Total.....	<u>\$.00</u>

Uses of Funds:

Deposit to refund the Refunded Bonds	\$.00
Deposit to the Debt Service Reserve Fund	\$.00
Costs of Issuance including Underwriter's Discount.....	<u>.00</u>
Total.....	<u>\$.00</u>

THE BONDS

The following is a summary of certain terms and provisions of the Bonds. Reference is hereby made to the Bonds and the provisions with respect thereto in the Bond Ordinance for the detailed terms and provisions thereof.

General Description

The Bonds will be issued in the principal amounts stated on the inside cover page of this Official Statement, will be dated their date of delivery, and will consist of fully registered bonds without coupons in the denomination of \$5,000 or any integral multiple thereof. The Bonds will mature, subject to redemption as described below, on March 1 in the years and in the principal amounts set forth on the inside cover page of this Official Statement. Interest on the Bonds will be payable semiannually on March 1 and September 1 in each year, beginning on March 1, 2020. Principal will be payable upon presentation and surrender of the Bonds by the Registered Owners thereof at the payment office of Security Bank of Kansas City, Kansas City, Kansas, the Paying Agent. Interest shall be paid to the Registered Owners of the Bonds as shown on the Bond Register at the close of business on the Record Date for such interest (a) by check or draft mailed by the Paying Agent to the address of such Registered Owners shown on the Bond Register, (b) at such other address as is furnished to the Paying Agent in writing by any Registered Owner or (c) in the case of an interest payment to any Registered Owner of \$500,000 or more in aggregate principal amount of Bonds, by electronic transfer to such Registered Owner upon written notice given to the Paying Agent by such Registered Owner, not less than 5 days prior to the Record Date for such interest, containing the electronic transfer instructions including the bank (which shall be in the continental United States), ABA routing number and account name and account number to which such Registered Owner wishes to have such transfer directed.

Redemption Provisions

Optional Redemption. At the option of the City, Bonds maturing on September 1, 2026 may be called for redemption and payment prior to maturity on September 1, 2027* and thereafter, in whole or in part at any time at the redemption price of 100% of the principal amount thereof, plus accrued interest thereon to the redemption date.

Selection of Bonds to be Redeemed. Bonds shall be redeemed only in \$5,000 principal amounts or multiples thereof. When less than all of the Outstanding Bonds are to be redeemed and paid prior to maturity, such Bonds shall be redeemed from the maturities selected by the City, and Bonds of less than a full maturity shall be

* Preliminary, subject to change.

selected by the Paying Agent in \$5,000 units of face value by lot or in such other equitable manner as the Paying Agent may determine.

Notice and Effect of Call for Redemption. In the event of any such redemption, the Paying Agent will give written notice of the City's intention to redeem and pay said Bonds by first-class mail to the original purchaser of the Bonds, and to the Registered Owner of each Bond, said notice to be mailed not less than 20 days prior to the redemption date. Notice of redemption having been given as aforesaid, the Bonds or portions of Bonds to be redeemed shall become due and payable on the redemption date, at the redemption price therein specified, and from and after the redemption date (unless the City defaults in the payment of the redemption price) such Bonds or portion of Bonds shall cease to bear interest.

So long as DTC is effecting book-entry transfers of the Bonds, the Paying Agent shall provide the notices specified above to DTC. It is expected that DTC will, in turn, notify the DTC Participants and that the DTC Participants, in turn, will notify or cause to be notified the Beneficial Owners. Any failure on the part of DTC or a DTC Participant, or failure on the part of a nominee of a Beneficial Owner of a Bond (having been mailed notice from the Paying Agent, a DTC Participant or otherwise) to notify the Beneficial Owner of the Bond so affected, shall not affect the validity of the redemption of such Bond.

Registration, Transfer and Exchange of Bonds

Each Bond when issued shall be registered by the Paying Agent in the name of the owner thereof on the Bond Register. Bonds are transferable only upon the Bond Register upon presentation and surrender of the Bonds, together with instructions for transfer. Bonds may be exchanged for Bonds in the same aggregate principal amount and maturity upon presentation to the Paying Agent, subject to the terms, conditions and limitations set forth in the Bond Ordinance and upon payment of any tax, fee or other governmental charge required to be paid with respect to any such registration, transfer or exchange.

SECURITY AND SOURCES OF PAYMENT FOR THE BONDS

The Bonds are special obligations of the City payable solely from amounts pledged or appropriated therefor in each Fiscal Year (i) out of the income and revenues provided for such Fiscal Year plus (ii) any unencumbered balances for previous years. The Bonds do not constitute general obligations or indebtedness of the City within the meaning of any constitutional or statutory limitation or provision, and the City does not pledge its full faith and credit and is not obligated to levy taxes or resort to any other moneys or property of the City to pay the principal of and interest on the Bonds.

The payment of the principal of and interest on the Bonds is subject to an annual appropriation by the City. The City Council has directed the Finance Director or any other officer of the City at any time charged with the responsibility of formulating budget proposals to include in each annual budget an appropriation of the amount necessary (after taking into account any moneys legally available for such purpose) to pay debt service on the Bonds. The City is not required or obligated to make any such annual appropriation, and the decision whether or not to appropriate such funds will be solely within the discretion of the then current City Council. No property of the City is pledged or encumbered, other than the Debt Service Reserve Fund, as security for payment of the Bonds.

The City is funding the Debt Service Reserve Fund upon the issuance of the Bonds in the amount of \$430,100.*

Similar to payment of debt service on the Bonds, the obligation to replenish draws on the Debt Service Reserve Fund is subject to annual appropriation by the City. So long as the amounts on deposit in Debt Service Reserve Fund aggregate at least 95% of the Debt Service Reserve Requirement, no further payments into said Fund shall be required, but, for any reason, if the amounts on deposit in such Fund shall be less than 95% of the Debt Service Reserve Requirement, the City will, subject to appropriation and moneys legally available for such purpose,

* Preliminary, subject to change.

immediately make payment into the Debt Service Reserve Fund to restore the amount on deposit in such Fund to the Debt Service Reserve Requirement.

The City Council has directed the Finance Director or any other officer of the City at any time charged with the responsibility of formulating budget proposals to include in each annual budget an appropriation of the amount necessary (after taking into account any moneys legally available for such purpose) to satisfy its obligations with respect to the Bonds, including replenishment of the Debt Service Reserve Fund. The City is not required or obligated to make any such annual appropriation, and the decision whether or not to appropriate such funds will be solely within the discretion of the then current City Council.

The City plans to use funds from property taxes, sales taxes and other revenues to provide for the payment of the debt service of the Bonds. **As discussed above, none of such taxes or revenues are pledged or may be pledged to the payment of the Bonds and any decision to budget or appropriate any of such funds will be within the sole discretion of the then current City Council in each fiscal year.**

All references herein to the Bond Ordinance are qualified in their entirety by reference to the Bond Ordinance. Copies of the Bond Ordinance and the Official Statement may be viewed at the office of Piper Jaffray & Co., 11635 Rosewood, Street, Leawood, Kansas 66211, (913) 345-3300, the financial advisor for the City, or will be provided to any prospective purchaser requesting the same, upon payment by such prospective purchaser of the cost of complying with such request.

RISK FACTORS

The following section describes certain risk factors affecting the payment of and security for the Bonds. The following discussion of risks is not meant to be an exhaustive list of the risks associated with the purchase of the Bonds and does not necessarily reflect the relative importance of the various risks. Potential investors are advised to consider the following factors along with all other information in this Official Statement in evaluating the Bonds. There can be no assurance that other risk factors will not become material in the future.

THE BONDS DO NOT GIVE RISE TO A GENERAL OBLIGATION OR OTHER INDEBTEDNESS OF THE CITY, THE STATE OF MISSOURI, OR ANY OTHER POLITICAL SUBDIVISION THEREOF WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY DEBT LIMITATION OR PROVISION.

THE BONDS SHALL BE SPECIAL OBLIGATIONS OF THE CITY PAYABLE SOLELY FROM THE ANNUAL APPROPRIATION OF FUNDS BY THE CITY FOR THAT PURPOSE. IN EACH FISCAL YEAR, PAYMENTS OF PRINCIPAL OF AND INTEREST ON THE BONDS SHALL BE MADE SOLELY FROM THE AMOUNTS APPROPRIATED THEREFOR (I) OUT OF THE INCOME AND REVENUES OF THE CITY PROVIDED FOR SUCH YEAR PLUS (II) ANY UNENCUMBERED BALANCES FOR PREVIOUS YEARS, AND THE DECISION WHETHER TO MAKE SUCH APPROPRIATION EACH YEAR SHALL BE WITHIN THE SOLE DISCRETION OF THE THEN CURRENT CITY COUNCIL. SUBJECT TO THE PRECEDING SENTENCE, THE OBLIGATIONS OF THE CITY TO MAKE PAYMENTS HEREUNDER AND TO PERFORM AND OBSERVE ANY OTHER COVENANT AND AGREEMENT CONTAINED IN THE BOND ORDINANCE SHALL BE ABSOLUTE AND UNCONDITIONAL.

IF THE CITY FAILS TO APPROPRIATE AMOUNTS SUFFICIENT TO PAY THE PRINCIPAL AND INTEREST ON THE BONDS IN ANY FISCAL YEAR, THE ONLY OTHER FUNDS OR PROPERTY THAT WILL BE AVAILABLE TO PAY SUCH PRINCIPAL AND INTEREST ARE MONEYS AVAILABLE IN THE DEBT SERVICE RESERVE FUND. NO OTHER PROPERTY OF THE CITY IS PLEDGED OR ENCUMBERED TO SECURE PAYMENT OF THE BONDS OTHER THAN THE MONEYS IN THE DEBT SERVICE RESERVE FUND AND, LIKE THE CITY'S OBLIGATION TO PAY DEBT SERVICE ON THE BONDS, THERE IS NO OBLIGATION TO REPLENISH THE DEBT SERVICE RESERVE FUND EXCEPT FROM FUNDS APPROPRIATED BY THE CITY ON AN ANNUAL BASIS.

No Credit Enhancement

No bond insurance policy, letter of credit or other credit enhancement, other than the Debt Service Reserve Fund, will be issued to insure payment of the principal of or interest on the Bonds. Accordingly, any potential purchaser of the Bonds should consider the financial ability of the City to appropriate moneys sufficient to make the payments of principal of and interest on the Bonds and to restore any draws on the Debt Service Reserve Fund.

Changes in Economic, Demographic and Market Conditions

Changes in real estate market conditions in the Raymore area, as well as changes in general or local demographic or economic conditions, could adversely affect the value of the property located within the City and the level of economic activity in the City and, consequently, the amounts of real estate taxes, sales taxes and other revenues generated by the City. Such changes could also have an adverse impact on the financial condition of the City and, thus, the City resources available for appropriation for the payment of the Bonds.

In particular, sales tax revenues historically have been sensitive to changes in local, regional and national economic conditions. For example, sales tax revenues have historically declined during economic recessions, when high unemployment adversely affects consumption. Demographic changes in the population of the City may adversely affect the level of sales tax revenues. A decline in the City's population, or reductions in the level of commercial and industrial activity in the City, could reduce the number and value of taxable transactions and thus reduce the amount of sales tax revenues. Internet and on-line sales have also caused local sales tax collections to decline. It is not possible to predict whether or to what extent any such changes in economic conditions, demographic characteristics, population or commercial and industrial activity will occur, and what impact any such changes would have on sales tax revenues.

Investment Ratings and Secondary Market

The lowering or withdrawal of the investment rating initially assigned to the Bonds could adversely affect the market price for and the marketability of the Bonds. There is no assurance that a secondary market will develop for the purchase and sale of the Bonds. Prices of municipal securities in the secondary market are subject to adjustment upward and downward in response to changes in the credit markets and changes in operating performance of the entities operating the facilities subject to the municipal securities. From time to time the secondary market trading in selected issues of municipal securities will fluctuate as a result of the financial condition or market position of the underwriters, prevailing market conditions, or a material adverse change in the operations of that entity, whether or not the subject securities are in default as to principal and interest payments, and other factors that may give rise to uncertainty concerning prudent secondary market practices. Municipal securities are generally viewed as long-term investments, subject to material unforeseen changes in the investor's circumstances, and may require commitment of the investor's funds for an indefinite period of time, perhaps until maturity.

Cybersecurity Risks

The City relies on its information systems to provide security for processing, transmission and storage of confidential and other credit information. It is possible that the City's security measures will not prevent improper or unauthorized access or disclosure of personally identifiable information resulting from cyber-attacks. Security breaches, including electronic break-ins, computer viruses, attacks by hackers and similar breaches can create disruptions or shutdowns of the City and the services it provides, or the unauthorized disclosure of confidential and other credit information. If personal or otherwise protected information is improperly accessed, tampered with or distributed, the City may incur significant costs to remediate possible injury to the affected persons, and the City may be subject to sanctions and civil penalties if it is found to be in violation of federal or state laws or regulations. Any failure to maintain proper functionality and security of information systems could interrupt the City's operations, delay receipt of revenues, damage its reputation,

subject it to liability claims or regulatory penalties and could have a material adverse effect on its operations, financial condition and results of operations.

Enforcement of Remedies

The enforcement of the remedies under the Bond Ordinance may be limited or restricted by federal or state laws or by the application of judicial discretion, and may be delayed in the event of litigation to enforce the remedies. State laws concerning the use of assets of political subdivisions and federal and state laws relating to bankruptcy, fraudulent conveyances, and rights of creditors may affect the enforcement of remedies. Similarly, the application of general principles of equity and the exercise of judicial discretion may preclude or delay the enforcement of certain remedies. The legal opinions to be delivered with the issuance of the Bonds will be qualified as they relate to the enforceability of the various legal instruments by reference to the limitations on enforceability of those instruments under (1) applicable bankruptcy, insolvency, reorganization or similar laws affecting the enforcement of creditors' rights, (2) general principles of equity, and (3) the exercise of judicial discretion in appropriate cases.

Bankruptcy

In addition to the limitations on remedies contained in the Bond Ordinance, the rights and remedies provided by the Bonds may be limited by and are subject to (i) bankruptcy, insolvency, reorganization, arrangement, fraudulent conveyance, moratorium and other laws affecting creditors' rights, (ii) the application of equitable principles, and (iii) the exercise of judicial discretion in appropriate cases and to limitations on legal remedies against political subdivisions in the State of Missouri. The City, like all other Missouri political subdivisions, is specifically authorized by Missouri law to institute proceedings under Chapter 9 of the Federal Bankruptcy Code. Such proceedings, if commenced, are likely to have an adverse effect on the market price of the Bonds.

Pensions and Other Postemployment Benefits

The City contributes to an agent multiple-employer defined-benefit pension plan on behalf of its employees. See **"THE CITY – GENERAL – Pension and Employee Retirement Plans"** in *Appendix A* of this Official Statement. The City also provides other postemployment benefits ("OPEB") as part of the total compensation offered to attract and retain the services of qualified employees. See **"FINANCIAL INFORMATION CONCERNING THE CITY – Pension and Employee Retirement Plans"** in *Appendix A* of this Official Statement. Future required contribution increases beyond the current fiscal year may require the City to increase its revenues, reduce its expenditures, or some combination thereof, which may impact the City's operations or limit the City's ability to generate additional revenues in the future.

For more information specific to the City's participation, including the City's past contributions, net pension liability, and pension expense, see Note 7 to the City's financial statements included in Appendix B to this Official Statement.

Amendment of the Bond Ordinance

Certain amendments, effected by ordinance of the City, to the Bonds and the Bond Ordinance may be made with consent of the owners of not less than a majority in principal amount of the Bonds then outstanding. Such amendments may adversely affect the security of the owners of the Bonds.

Loss of Premium from Redemption

Any person who purchases the Bonds at a price in excess of their principal amount or who holds such Bonds trading at a price in excess of par should consider the fact that the Bonds are subject to redemption prior to maturity at the redemption prices described herein in the event such Bonds are redeemed prior to maturity. See **"THE BONDS – Redemption Provisions"** in this Official Statement.

Risk of Audit

The Internal Revenue Service has established an ongoing program to audit obligations such as the Bonds to determine the legitimacy of the tax status of such obligations. No assurance can be given that the Internal Revenue Service will not commence an audit of the Bonds. Owners of the Bonds are advised that, if an audit of the Bonds were commenced, in accordance with its current published procedures, the Internal Revenue Service is likely to treat the City as the taxpayer, and the Owners of the Bonds may not have a right to participate in such audit. Public awareness of any audit could adversely affect the market value and liquidity of the Bonds during the pendency of the audit, regardless of the ultimate outcome of the audit.

Taxability

The Bonds are not subject to prepayment nor is the interest rate subject to adjustment in the event of a determination by the Internal Revenue Service or a court of competent jurisdiction that the interest paid or to be paid on any Bonds is or was includible in the gross income of the Owners of the Bonds for federal income tax purposes. It may be that Owners of the Bonds would continue to hold their bonds, receiving principal and interest as and when due, but would be required to include such interest payments in gross income for federal income tax purposes.

Other Factors Affecting the City

One or more of the following factors or events could adversely affect the City's operations and financial performance to an extent that cannot be determined at this time:

1. *Changes in Administration.* Changes in key administrative personnel could affect the capability of management of the City.
2. *Future Economic Conditions.* Adverse economic conditions or changes in demographics in the City, including increased unemployment and inability to control expenses in periods of inflation, could adversely impact the City's financial condition.
3. *Insurance Claims.* Increases in the cost of general liability insurance coverage and the amounts paid in settlement of liability claims not covered by insurance could adversely impact the City's financial condition.
4. *Natural Disasters.* The occurrence of natural disasters, such as floods, droughts, tornadoes or earthquakes, could damage the facilities of the City, interrupt services or otherwise impair operations and the ability of the City to produce revenues.
5. *Organized Labor Efforts.* Efforts to organize employees of the City into collective bargaining units could result in adverse labor actions or increased labor costs.

The Hancock Amendment

An amendment to the Missouri Constitution limiting taxation and government spending was approved by Missouri voters on November 4, 1980. This amendment limits the ability of the City to impose new or increased taxes to provide funding for the payment of the Bonds, or other governmental purposes of the City, without voter approval. The amendment (commonly known as the Hancock Amendment) limits the rate of increase and the total amount of taxes which may be imposed in any Fiscal Year, and the limit may not be exceeded without voter approval. The tax rate ceiling, determined annually, is the rate of levy which, when charged against the newly assessed valuation of the City for the current year, excluding new construction and improvements, will produce an amount of tax revenues equal to tax revenues for the previous year increased by 5% or the Consumer Price Index, whichever is lower. The limitation on local governmental units does not apply to taxes imposed for the payment of principal of and interest on general obligation bonds approved by the requisite percentage of voters.

The Hancock Amendment also requires political subdivisions of the State to obtain voter approval in order to increase any “*tax, license or fee.*” The precise meaning and application of the phrase “*tax, license or fee*” is unclear, but decisions of the Missouri Supreme Court have indicated that it does not apply to traditionally set user fees. The limitations imposed by the Hancock Amendment restrict the City’s ability to increase many but not all taxes, licenses and certain fees without obtaining voter approval.

In 2008, through the enactment of Senate Bill 711 (“SB 711”), the Missouri General Assembly approved further limitations on the amount of property taxes that can be imposed by a political subdivision such as the City. Prior to the enactment of SB 711, a Hancock rollback would not necessarily result in a reduction of the City’s property tax levy if its current tax levy was less than its current tax levy ceiling, due to the City’s voluntary rollback from the maximum authorized tax levy. The property tax levy is the levy actually imposed by a political subdivision while the tax rate ceiling is the maximum levy the political subdivision may impose under the provisions of the Hancock Amendment. Under SB 711, in reassessment years (odd-numbered years), the Hancock rollback is applied to a political subdivision’s actual property tax levy, regardless of whether that levy is at the political subdivision’s tax levy ceiling. This further reduction is sometimes referred to as an “SB 711 rollback.” In non-reassessment years (even-numbered years), the property tax levy may be increased to the political subdivision’s tax levy ceiling (as adjusted by the Hancock rollback), only after a public hearing and adoption of a resolution or policy statement justifying the action.

Defeasance Risks

When all of the Bonds are deemed paid as provided in the Bond Ordinance, the requirements contained in the Bond Ordinance and all other rights granted to bond owners thereby shall terminate. Bonds or scheduled interest payments thereon shall be deemed to have been paid and discharged within the meaning of the Bond Ordinance if there has been deposited with the Paying Agent, or other commercial bank or trust company and having full trust powers, at or prior to the stated maturity or redemption date of said Bonds or the interest payments thereon, in trust for and irrevocably appropriated thereto, moneys and Defeasance Obligations that, together with the interest to be earned on any such Defeasance Obligations, will be sufficient for the payment of the principal of said Bonds and interest accrued to the stated maturity or redemption date, or if default in such payment has occurred on such date, then to the date of the tender of such payments; provided, however, that if any such Bonds are to be redeemed prior to their stated maturity, (1) the City has elected to redeem such Bonds, and (2) either notice of such redemption shall have been given, or the City shall have given irrevocable instructions, or shall have provided for an escrow agent to give irrevocable instructions, to the Paying Agent to give such notice of redemption in compliance with the Bond Ordinance. Defeasance Obligations include, in addition to cash and obligations pre-refunded with cash, bonds, notes, certificates of indebtedness, treasury bills and other securities constituting direct obligations of, or obligations the principal of and interest on which are fully and unconditionally guaranteed as to full and timely payment by, the United States of America. Historically, such United States obligations have been rated in the highest rating category by the rating agencies. There is no legal requirement in the Bond Ordinance that Defeasance Obligations consisting of such United States obligations be or remain rated in the highest rating category by any rating agency. Prices of municipal securities in the secondary market are subject to adjustment upward and downward in response to changes in the credit markets and that could include the rating of Bonds defeased with Defeasance Obligations to the extent the Defeasance Obligations have a change or downgrade in rating.

THE BOOK-ENTRY ONLY SYSTEM

The Depository Trust Company (“DTC”), New York, New York, will act as securities depository for the Bonds. The Bonds will be issued as fully-registered bonds registered in the name of Cede & Co. (DTC’s partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Bond certificate will be issued for each maturity of the Bonds.

DTC, the world’s largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a “banking organization” within the meaning of the New York Banking Law, a member

of the Federal Reserve System, a “clearing corporation” within the meaning of the New York Uniform Commercial Code, and a “clearing agency” registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments from over 100 countries that DTC’s participants (“Direct Participants”) deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants’ accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation (“DTCC”). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (“Indirect Participants”). DTC has a Standard & Poor’s rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchases of Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC’s records. The ownership interest of each actual purchaser of each Bond (“Beneficial Owner”) is in turn to be recorded on the Direct and Indirect Participants’ records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC’s partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of the Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC’s records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Bond documents. For example, Beneficial Owners of Bonds may wish to ascertain that the nominee holding the Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the Bonds within a maturity are being redeemed, DTC’s practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Bonds unless authorized by a Direct Participant in accordance with DTC’s Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the City as soon as possible after the record date. The Omnibus Proxy assigns

Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal and interest payments on the Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the City or Paying Agent, on the payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC (nor its nominee), the Paying Agent, or the City, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal or redemption price of and interest to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the City or the Paying Agent, disbursement of such payments to Direct Participants shall be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners shall be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as securities depository with respect to the Bonds at any time by giving reasonable notice to the City or the Paying Agent. Under such circumstances, in the event that a successor securities depository is not obtained, Bond certificates are required to be printed and delivered.

The City may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In that event, Bond certificates will be printed and delivered to DTC.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the City believes to be reliable, but the City takes no responsibility for the accuracy thereof.

Transfer Outside Book-Entry Only System

If the Book-Entry Only System is discontinued the following provisions would apply. The Bonds are transferable only upon the Register upon presentation and surrender of the Bonds, together with instructions for transfer. Bonds may be exchanged for other Bonds of any denomination authorized by the Bond Ordinance in the same aggregate principal amount, series, payment date and interest rate, upon presentation to the Paying Agent, subject to the terms, conditions and limitations and upon payment of any tax, fee or other governmental charge required to be paid with respect to any such registration, exchange or transfer.

LEGAL MATTERS

Legal Proceedings

As of the date hereof, there is no controversy, suit or other proceeding of any kind pending or threatened wherein or whereby any question is raised or may be raised, questioning, disputing or affecting in any way the legal organization of the City or its boundaries, or the right or title of any of its officers to their respective offices, or the legality of any official act in connection with the authorization, issuance and sale of the Bonds, or the constitutionality or validity of the Bonds or any of the proceedings had in relation to the authorization, issuance or sale thereof, or the levy and collection of a tax to pay the principal and interest thereof, or which might affect the City's ability to meet its obligations to pay the Bonds.

From time to time, claims and litigation against the City arises in the ordinary course of business. The City, after consultation with counsel, does not believe that the outcome of these matters will have a material impact on the financial condition of the City, and the City does not believe that such exposure would materially affect the City's ability to meet its obligations to pay the Bonds.

Approval of Legality

All legal matters incident to the authorization and issuance of the Bonds are subject to the approval of Gilmore & Bell, P.C., Kansas City, Missouri, Bond Counsel.

TAX MATTERS

The following is a summary of the material federal and State of Missouri income tax consequences of holding and disposing of the Bonds. This summary is based upon laws, regulations, rulings and judicial decisions now in effect, all of which are subject to change (possibly on a retroactive basis). This summary does not discuss all aspects of federal income taxation that may be relevant to investors in light of their personal investment circumstances or describe the tax consequences to certain types of owners subject to special treatment under the federal income tax laws (for example, dealers in securities or other persons who do not hold the Bonds as a capital asset, tax-exempt organizations, individual retirement accounts and other tax deferred accounts, and foreign taxpayers), and, except for the income tax laws of the State of Missouri, does not discuss the consequences to an owner under any state, local or foreign tax laws. The summary does not deal with the tax treatment of persons who purchase the Bonds in the secondary market. Prospective investors are advised to consult their own tax advisors regarding federal, state, local and other tax considerations of holding and disposing of the Bonds.

Opinion of Bond Counsel

In the opinion of Gilmore & Bell, P.C., Bond Counsel to the City, under the law existing as of the issue date of the Bonds:

Federal and State of Missouri Tax Exemption. The interest on the Bonds (including any original issue discount properly allocable to an owner thereof) is excludable from gross income for federal income tax purposes and is exempt from income taxation by the State of Missouri.

Alternative Minimum Tax. The interest on the Bonds is not an item of tax preference for purposes of computing the federal alternative minimum tax.

Bank Qualification. The Bonds are “qualified tax-exempt obligations” within the meaning of Section 265(b)(3) of the Code.

Bond Counsel’s opinions are provided as of the date of the original issue of the Bonds, subject to the condition that the City comply with all requirements of the Code that must be satisfied subsequent to the issuance of the Bonds in order that interest thereon be, or continue to be, excludable from gross income for federal income tax purposes. The City has covenanted to comply with all such requirements. Failure to comply with certain of such requirements may cause the inclusion of interest on the Bonds in gross income for federal and State of Missouri income tax purposes retroactive to the date of issuance of the Bonds. Bond Counsel is expressing no opinion regarding other federal, state or local tax consequences arising with respect to the Bonds, but has reviewed the discussion under the heading “**TAX MATTERS.**”

Other Tax Consequences

Original Issue Discount. For federal income tax purposes, original issue discount is the excess of the stated redemption price at maturity of a Bond over its issue price. The issue price of a Bond is generally the first price at which a substantial amount of the Bonds of that maturity have been sold to the public. Under Section 1288 of the Code, original issue discount on tax-exempt bonds accrues on a compound basis. The amount of original issue discount that accrues to an owner of a Bond during any accrual period generally equals (1) the issue price of that Bond, plus the amount of original issue discount accrued in all prior accrual periods, multiplied by (2) the yield to maturity on that Bond (determined on the basis of compounding at the close of each accrual period and properly adjusted for the length of the accrual period), minus (3) any interest payable on that Bond

during that accrual period. The amount of original issue discount accrued in a particular accrual period will be considered to be received ratably on each day of the accrual period, will be excludable from gross income for federal income tax purposes, and will increase the owner's tax basis in that Bond. Prospective investors should consult their own tax advisors concerning the calculation and accrual of original issue discount.

Original Issue Premium. For federal income tax purposes, premium is the excess of the issue price of a Bond over its stated redemption price at maturity. The issue price of a Bond is generally the first price at which a substantial amount of the Bonds of that maturity have been sold to the public. Under Section 171 of the Code, premium on tax-exempt bonds amortizes over the term of the Bond using constant yield principles, based on the purchaser's yield to maturity. As premium is amortized, the owner's basis in the Bond and the amount of tax-exempt interest received will be reduced by the amount of amortizable premium properly allocable to the owner, which will result in an increase in the gain (or decrease in the loss) to be recognized for federal income tax purposes on sale or disposition of the Bond prior to its maturity. Even though the owner's basis is reduced, no federal income tax deduction is allowed. Prospective investors should consult their own tax advisors concerning the calculation and accrual of bond premium.

Sale, Exchange or Retirement of Bonds. Upon the sale, exchange or retirement (including redemption) of a Bond, an owner of the Bond generally will recognize gain or loss in an amount equal to the difference between the amount of cash and the fair market value of any property received on the sale, exchange or retirement of the Bond (other than in respect of accrued and unpaid interest) and such owner's adjusted tax basis in the Bond. To the extent a Bond is held as a capital asset, such gain or loss will be capital gain or loss and will be long-term capital gain or loss if the Bond has been held for more than 12 months at the time of sale, exchange or retirement.

Reporting Requirements. In general, information reporting requirements will apply to certain payments of principal, interest and premium paid on the Bonds, and to the proceeds paid on the sale of the Bonds, other than certain exempt recipients (such as corporations and foreign entities). A backup withholding tax will apply to such payments if the owner fails to provide a taxpayer identification number or certification of foreign or other exempt status or fails to report in full dividend and interest income. The amount of any backup withholding from a payment to an owner will be allowed as a credit against the owner's federal income tax liability.

Collateral Federal Income Tax Consequences. Prospective purchasers of the Bonds should be aware that ownership of the Bonds may result in collateral federal income tax consequences to certain taxpayers, including, without limitation, financial institutions, property and casualty insurance companies, individual recipients of Social Security or Railroad Retirement benefits, certain S corporations with "excess net passive income," foreign corporations subject to the branch profits tax, life insurance companies, and taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry or have paid or incurred certain expenses allocable to the Bonds. Bond Counsel expresses no opinion regarding these tax consequences. Purchasers of Bonds should consult their tax advisors as to the applicability of these tax consequences and other federal income tax consequences of the purchase, ownership and disposition of the Bonds, including the possible application of state, local, foreign and other tax laws.

CONTINUING DISCLOSURE

General

The City is entering into a Continuing Disclosure Certificate for the benefit of the owners and Beneficial Owners of the Bonds in order to comply with Rule 15c2-12 of the Securities and Exchange Commission (the "Rule"). The City is the only "obligated person" with responsibility for continuing disclosure.

Pursuant to the Continuing Disclosure Certificate, the City will, not later than **six months** after the end of the City's fiscal year beginning with the fiscal year ending October 31, 2019, provide to the Municipal Securities Rulemaking Board (the "MSRB") the following financial information and operating data (the "Annual Report"):

- (1) The audited financial statements of the City for the prior fiscal year prepared in accordance with accounting principles generally accepted in the United States of America. If audited financial statements are not available by the time the Annual Report is required to be filed, the Annual Report shall contain unaudited financial statements in a format similar to the financial statements contained in this Official Statement, and the audited financial statements will be filed in the same manner as the Annual Report promptly after they become available. The audited financial statements of the City are currently prepared in conformity with accounting principles generally accepted in the United States of America as applied to government units. If the City changes the format of its financial statements, (1) notice of such change shall be given in the same manner as for a Material Event, and (2) the Annual Report for the year in which the change is made should present a comparison (in narrative form and also, if feasible, in quantitative form) between the financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.
- (2) Updates as of the end of the fiscal year of the financial information and operating data contained in *Appendix A* to this Official Statement in the following sections:
 - DEBT STRUCTURE OF THE CITY
 - Current Indebtedness of the City
 - Other Long-Term Obligations of the City
 - Legal Debt Capacity
 - FINANCIAL INFORMATION CONCERNING THE CITY
 - Sources of Revenue
 - Sales Tax Collections
 - Property Valuations – *History of Property Valuation*
 - Tax Rates – The tables showing the City’s tax levies
 - Tax Collection Record

Pursuant to the Continuing Disclosure Certificate, the City also will file with the MSRB of the occurrence of any of the following events with respect to the Bonds, no later than 10 business days after the occurrence of such event (“Material Events”):

- (1) principal and interest payment delinquencies;
- (2) non-payment related defaults, if material;
- (3) unscheduled draws on debt service reserves reflecting financial difficulties;
- (4) unscheduled draws on credit enhancements reflecting financial difficulties;
- (5) substitution of credit or liquidity providers, or their failure to perform;
- (6) adverse tax opinions; the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;
- (7) modifications to rights of bondholders, if material;
- (8) bond calls, if material, and tender offers;
- (9) defeasances;
- (10) release, substitution or sale of property securing repayment of the Bonds, if material;
- (11) rating changes;
- (12) bankruptcy, insolvency, receivership or similar event of the City;
- (13) the consummation of a merger, consolidation, or acquisition involving the City or the sale of all or substantially all of the assets of the City, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;

- (14) appointment of a successor or additional trustee or the change of name of the trustee, if material.
- (15) incurrence of a Financial Obligation of the obligated person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the obligated person, any of which affect security holders, if material; and
- (16) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the obligated person, any of which reflect financial difficulties.

A Financial Obligation means a (a) debt obligation; (b) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (c) guarantee of (a) or (b) in this definition; provided however, the term Financial Obligation shall not include municipal securities as to which a final official statement has been provided to the MSRB consistent with the Rule.

The City may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under the Continuing Disclosure Certificate, and may discharge any such Agent, with or without appointing a successor Dissemination Agent. The Dissemination Agent is not responsible in any manner for the content of any notice or report prepared by the City pursuant to the Continuing Disclosure Certificate.

Notwithstanding any other provision of the Continuing Disclosure Certificate, the City may amend the Continuing Disclosure Certificate and any provision of the Continuing Disclosure Certificate may be waived, provided Bond Counsel or other counsel experienced in federal securities law matters provides the City with its opinion that the undertaking of the City, as so amended or after giving effect to such waiver, is in compliance with the Rule and all current amendments thereto and interpretations thereof that are applicable to the Continuing Disclosure Certificate.

In the event of a failure of the City to comply with any provision of the Continuing Disclosure Certificate, the Paying Agent, the Underwriter or any owner or Beneficial Owner of the Bonds may take such actions as may be necessary and appropriate, including seeking mandamus or specific performance by court order, to cause the City to comply with its obligations under the Continuing Disclosure Certificate. A default under the Continuing Disclosure Certificate will not be deemed an event of default under the Bond Ordinance or the Bonds, and the sole remedy under the Continuing Disclosure Certificate in the event of any failure of the City to comply with the Continuing Disclosure Certificate will be an action to compel performance.

Prior Compliance

The City has engaged in an undertaking similar to the Continuing Disclosure Certificate with respect to several series of bonds previously issued by the City to provide to the national information repositories (presently, only the MSRB) the audited financial statements of the City and updates of certain operating data of the City. Over the last five years (i.e., for the fiscal years ending October 31, 2014 through October 31, 2018), the City has not timely filed certain operating data; specifically, certain operating data relating to the City's Tax Increment Refunding and Improvement Revenue Bonds (Raymore Galleria Project), Series 2014A was filed 7 days late in 2014.

In order to promote compliance with the City's obligations under the Continuing Disclosure Certificate with respect to the timeliness and content of Annual Reports, the City engaged the law firm of Gilmore & Bell, P.C. in April 2013 to assist the City in determining the required content of the Annual Reports and in submitting such Annual Reports to the MSRB via EMMA. Other than as set forth in the preceding paragraph, the City believes that it has substantially complied with the filing of its financial statements and operating data for the fiscal years ending October 31, 2014, 2015, 2016, 2017 and 2018.

Electronic Municipal Market Access System (EMMA)

All Annual Reports and notices of Material Events required to be filed by the City or the Dissemination Agent pursuant to the Continuing Disclosure Certificate must be submitted to the MSRB through the MSRB's Electronic Municipal Market Access system ("EMMA"). EMMA is an internet-based, online portal for free investor access to municipal bond information, including offering documents, material event notices, real-time municipal securities trade prices and MSRB education resources, available at www.emma.msrb.org. Nothing contained on EMMA relating to the City or the Bonds is incorporated by reference in this Official Statement.

RATING

Moody's Investors Service, Inc. (the "**Rating Agency**") has assigned the Bonds the rating shown on the cover page based on the Rating Agency's evaluation of the creditworthiness of the City. Such rating reflects only the view of the Rating Agency at the time such ratings are given, and the City makes no representation as to the appropriateness of such ratings. An explanation of the significance of such ratings may be obtained only from the Rating Agency.

The City has furnished the Rating Agency with certain information and materials relating to the Bonds and the City that have not been included in this Official Statement. Generally, rating agencies base their ratings on the information and materials so furnished and on investigations, studies and assumptions by the rating agencies. There is no assurance that a particular rating will be maintained for any given period of time or that it will not be lowered or withdrawn entirely if, in the judgment of the agency originally establishing such rating, circumstances so warrant. The Underwriter has not undertaken any responsibility to bring to the attention of the holders of the Bonds any proposed revision or withdrawal of the ratings of the Bonds or to oppose any such proposed revision or withdrawal. Pursuant to the Continuing Disclosure Certificate, the City is required to bring to the attention of the holders of the Bonds any revision or withdrawal of the ratings of the Bonds but has not undertaken any responsibility to oppose any such revision or withdrawal. See the section herein captioned "**CONTINUING DISCLOSURE.**" Any revision or withdrawal of a rating could have an adverse effect on the market price and marketability of the Bonds.

MISCELLANEOUS

Financial Advisor

Piper Jaffray & Co. (the "Financial Advisor") has acted as Financial Advisor to the City in connection with the sale of the Bonds. The Financial Advisor has assisted the City in matters relating to the planning, structuring and issuance of the Bonds and various other debt related matters. The Financial Advisor will not be a manager or a member of any purchasing group submitting a proposal for the purchase of the Bonds.

Underwriting

Based upon bids received by the City on October 28, 2019, the Bonds were awarded to _____ (the "Underwriter"). The Bonds are being purchased for reoffering by the Underwriter. The Underwriter has agreed to purchase the Bonds from the City at a price equal to \$_____ (representing the par amount of the Bonds less an underwriters' discount of \$_____ and plus a net original issue premium of \$_____). The Underwriter is purchasing the Bonds from the City for resale in the normal course of the Underwriter's business activities. The Underwriter reserves the right to offer any of the Bonds to one or more purchasers on such terms and conditions and at such price or prices as the Underwriter, in its discretion, shall determine. The Underwriter reserves the right to join with dealers and other purchasers in offering the Bonds to the public. The Underwriter may offer and sell Bonds to certain dealers (including dealers depositing Bonds into investment trusts) at prices lower than the public offering prices.

Certification and Other Matters Regarding Official Statement

The Preliminary Official Statement has been “deemed final” by the City except for the omission of certain information as provided by Securities and Exchange Commission Rule 15c2-12. Simultaneously with the delivery of the Bonds, the Mayor of the City, acting on behalf of the City, will furnish to the Underwriter a certificate that shall state, among other things, that to the best knowledge and belief of such officer, this Official Statement (and any amendment or supplement hereto) as of the date of sale and as of the date of delivery of the Bonds does not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements herein, in light of the circumstances under which they were made, not misleading in any material respect.

The form of this Official Statement, and its distribution and use by the Underwriter, has been approved by the City. Neither the City nor any of its officers, directors or employees, in either their official or personal capacities, has made any warranties, representations or guarantees regarding the financial condition of the City or the City's ability to make payments required of it; and further, neither the City nor its officers, directors or employees assumes any duties, responsibilities or obligations in relation to the issuance of the Bonds other than those either expressly or by fair implication imposed on the City by the Bond Ordinance.

By: _____
Mayor

APPENDIX A

THE CITY

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GENERAL AND DEMOGRAPHIC INFORMATION

General

The City is a constitutionally chartered city and political subdivision, duly created and existing under the laws of the State of Missouri. Additional information regarding the City may be obtained from Jim Feuerborn, City Manager, City of Raymore, 100 Municipal Circle, Raymore, Missouri 64083 (816) 892-3026.

The City is approximately 20 square miles in area and is located in Cass County, Missouri, on Interstate 49 (formerly U.S. Highway 71), in the southern portion of the Kansas City, Missouri (“Kansas City”) metropolitan area. The estimated population of the City according to the Missouri Census Data Center - American Community Survey 5-Year Estimates (2013-2017) was 20,358.

The City is governed by a Mayor/Council form of government and exercises powers of municipal government specifically granted by the State of Missouri and its Charter. The City is governed by a City Council composed of eight members who are elected from four wards to serve staggered two-year terms without restriction as to reelection. The Mayor is elected at large for a term of three years without restriction as to reelection. The Mayor presides over all meetings, but votes only in the case of a tie in the City Council. The City Council establishes utility and tax rates and authorizes all municipal indebtedness. The City Council appoints a City Manager who assists the Mayor and City Council in the conduct of City business. The appointment is for a term of five years, renewed annually. The City Manager is the budget officer of the City and works directly with the management team in preparing the budget for each year. The proposed annual budget is presented to and approved by the City Council. The City Manager has continuing responsibility throughout the year in proper implementation and administration of the City budget. Tax rates are established by the City Council to support the budget adopted. As required by state law, the aggregate City budget may not include any expenditures in excess of anticipated revenues plus any unencumbered balances. The City’s fiscal year ends on October 31.

Municipal Services and Utilities

The City owns and operates its own water and sewer systems. Electrical service is provided by KCP&L, natural gas service by Missouri Gas Energy and phone service by AT&T and Comcast. Fire protection and ambulance service is provided by the South Metropolitan Fire Protection District. The City provides its citizens with typical services such as street maintenance and construction, police protection, code enforcement, engineering and planning, building inspections, economic development and parks and recreation.

Transportation and Communication Facilities

The City is located along Interstate 49 (formerly U.S. Highway 71) and Missouri State Highway 58. The City is served by bus lines and motor freight carriers. Kansas City International Airport is approximately 40 miles north of the City.

The City is served by television and radio stations and telecable systems operating in the Kansas City metropolitan area. Local news coverage is provided by *The Kansas City Star*, published daily, and three weekly newspaper publications.

Educational Institutions and Facilities

The Raymore-Peculiar R-II School District of Cass County, Missouri (the “School District”) serves the City and currently holds an “accredited” rating from the Missouri Department of Elementary and Secondary Education, which is the highest rating attainable. The School District encompasses eight elementary schools, a middle school and a senior high school with a total enrollment of approximately 6,254 students in the 2018-19 school year. In addition, the City’s residents have access to the Kansas City metropolitan area’s colleges and universities, community colleges and technical schools.

Recreational Facilities

The City provides several parks for its residents including the 20-acre Memorial Park, the 90-acre Recreation Park and smaller neighborhood parks that provide walking trails, picnic areas and playgrounds. Memorial Park frequently plays host to the City's special events and festivals. Recreation Park is the most active park with approximately 80% of its space dedicated to active programmable use such as baseball, softball, soccer, tennis and basketball. Additional amenities are being considered for development over the next few years.

Medical and Health Facilities

The Belton Regional Medical Center, a 71-bed acute care facility offering a full range of inpatient and out-patient services established in 1984 affiliated with HCA Midwest Health, is located adjacent to the City limits. In 2011 and 2012, the hospital underwent a major renovation and expansion project to meet the medical needs of its community. Rehabilitation Center of Raymore is a nursing and assisted living facility located in the City and operated by Skilled Healthcare, LLC. Other facilities within 20 miles of the City include Cass Regional Medical Center, Saint Joseph Health Center, Blue Valley Hospital, Lee's Summit Medical Center, St. Luke's East Hospital, Saint Luke's South Hospital, Saint Luke's Community Hospital – Leawood, Saint Luke's Hospital of Kansas City's Crittenton Children's Center and Two Rivers Behavioral Health System. A wide variety of doctors, dentists and specialists are available in Kansas City and the surrounding area.

Economy

The City's population doubled from 5,592 in 1990 to 11,146 in 2000, and then increased an additional 72% over the next decade to a population of 19,206 in 2010. The estimated population as of 2017 is 20,358. The City's convenient location in the Kansas City metropolitan area provides a continuous source of products and services in banking, education, agricultural enterprise, industry and recreational and historical facilities for its residents.

ECONOMIC INFORMATION CONCERNING THE CITY

Commerce and Industry

Some major employers in or near the City include:

<u>Employer</u>	<u>Product/Service</u>	<u>Number of Employees</u>
1. Foxwood Springs	Real Estate Development	343
2. Wal-Mart	Retail	340
3. Raymore-Peculiar School District	Education	334
4. Cosentino's Price Chopper	Retail/Grocery	172
5. Sam's Club	Retail	170
6. Lowe's Home Improvement	Retail	160
7. Rehabilitation Center of Raymore	Nursing Facility	155
8. City of Raymore	Municipal	105
9. McDonald's	Food Industry	45
10. Benton House of Raymore	Assisted Living	40

Source: City of Raymore.

General and Demographic Information

The following table sets forth certain population information.

	<u>1980</u>	<u>1990</u>	<u>2000</u>	<u>2010</u>	<u>2017</u>
City of Raymore	3,154	5,592	11,146	19,206	20,358
Cass County	51,029	63,808	82,092	99,478	101,888
State of Missouri	4,916,776	5,117,073	5,595,211	5,988,927	6,075,300

Source: U.S. Bureau of the Census, Census 2010, Missouri Census Data Center – American Community Survey 5-Year Estimates (2013-2017).

Population Distribution by Age

<u>Age</u>	<u>City of Raymore</u>	<u>Cass County</u>	<u>State of Missouri</u>
Under 5	1,442	6,146	373,141
5-14 years	2,833	14,656	777,661
15-19 years	1,298	6,952	398,602
20-44 years	6,016	30,633	1,961,796
45-54 years	3,146	14,004	805,345
55-64 years	2,167	13,545	802,723
65 years and older	<u>3,456</u>	<u>15,952</u>	<u>956,032</u>
Total	<u>20,358</u>	<u>101,888</u>	<u>6,075,300</u>
Median Age	40.6	39.5	38.4

Source: Missouri Census Data Center – American Community Survey 5-Year Estimates (2013-2017).

Labor Statistics

The following table sets forth unemployment figures for the last five years for Cass County and the State of Missouri.

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019*</u>
<i>Cass County</i>					
Civilian labor force	54,238	55,014	54,254	54,386	54,407
Unemployed	2,598	2,261	1,908	1,660	1,765
Unemployment rate	4.8	4.1	3.5	3.1	3.2
<i>State of Missouri</i>					
Civilian labor force	3,075,277	3,080,850	3,061,441	3,052,386	3,053,966
Unemployed	154,466	140,536	115,101	97,578	105,732
Unemployment rate	5.0	4.6	3.8	3.2	3.5

Source: Missouri Economic Research and Information Center, Local Area Unemployment Statistics. *Average of January through June.

Income Statistics

The following table sets forth income statistics for 2017 for the City, Cass County and the State of Missouri:

	<u>Per Capita</u>	<u>Median Family</u>
City of Raymore	\$34,872	\$91,815
Cass County	30,618	76,483
State of Missouri	28,282	64,776

Source: Missouri Census Data Center – American Community Survey 5-Year Estimates (2013-2017).

Housing Structures

The following table sets forth statistics regarding housing structures by type in the City for the year 2017:

<u>Housing Type</u>	<u>Number of Units</u>	<u>Percentage of Units</u>
Single-Family	7,066	88.6
Mobile Home	9	0.1
Multi-Family	895	11.3

Source: Missouri Census Data Center – American Community Survey 5-Year Estimates (2013-2017).

The median value of owner occupied housing units in the area of the City and related areas in 2017 was as follows:

	<u>Median Value</u>
City of Raymore	\$187,400
Cass County	165,800
State of Missouri	145,400

Source: Missouri Census Data Center – American Community Survey 5-Year Estimates (2013-2017).

Construction

The following chart summarizes construction activity during the past five calendar years by the number of permits issued and the estimated value for new construction, additions, renovations and repairs.

<u>Calendar Year</u>	<u>Building Permits Issued</u>	<u>Estimated Value</u>
2018	264	\$55,915,800
2017	284	58,193,800
2016	232	50,116,000
2015	196	48,011,900
2014	134	31,100,000

Source: City of Raymore, Missouri.

The following chart summarizes construction activity during the past five calendar years by the number and type of new units constructed.

<u>Year</u>	<u>Residential</u>	<u>Commercial and Industrial</u>	<u>Total</u>
2018	47	5	52
2017	55	16	71
2016	42	18	60
2015	24	11	35
2014	30	9	39

Source: City of Raymore, Missouri.

DEBT STRUCTURE OF THE CITY

Current Indebtedness of the City

The following table sets forth as of October 1, 2019, all of the outstanding general obligation indebtedness of the City.

<u>Issue Name</u>	<u>Issue Date</u>	<u>Amount Outstanding</u>
General Obligation Refunding Bonds	12/28/2012	7,570,000
General Obligation Refunding Bonds	02/28/2013	5,220,000
General Obligation Bonds	06/02/2016	6,040,000
General Obligation Bonds	04/27/2017	<u>2,130,000</u>
		<u>\$20,960,000</u>

Source: City of Raymore, Missouri.

History of General Obligation Indebtedness

The following table sets forth debt information pertaining to the City as of the end of each of the last five fiscal years:

<u>Fiscal Year Ending October 31</u>	<u>Outstanding Debt</u>	<u>Debt as % of Assessed Valuation</u>
2018	\$22,470,000.00	6.0%
2017	24,260,000.00	8.3
2016	21,510,000.00	7.6
2015	17,120,000.00	6.2
2014	17,752,372.70	6.6

Source: City of Raymore, Missouri.

The City has never defaulted on the payment of any of its debt obligations.

Overlapping Indebtedness

The following table sets forth the approximate overlapping general obligation indebtedness of political subdivisions with boundaries overlapping the City as of October 1, 2019, and the percent attributable (on the

basis of current assessed valuation) to the City. The table was compiled from information furnished by the jurisdictions responsible for the debt, and the City has not independently verified the accuracy or completeness of such information. Furthermore, political subdivisions may have ongoing programs requiring the issuance of substantial additional bonds, the amounts of which cannot be determined at this time.

<u>Taxing Jurisdiction</u>	<u>Outstanding General Obligation Indebtedness</u>	<u>Percent Applicable to City</u>	<u>Amount Applicable to City</u>
Raymore-Peculiar R-II School District	\$47,300,000	83.3%	\$39,400,900
South Metropolitan Fire Protection District	5,155,000	72.6	3,742,530
Cass County, Missouri	<u>16,921,000</u>	20.8	<u>3,519,568</u>
Total	<u>\$69,376,000</u>		<u>\$46,662,998</u>

Debt Summary
(as of 10/1/2019)

2019 Assessed Valuation:	\$375,940,446
2019 Estimated Actual Valuation:	\$1,784,476,701
Population of City (2017 Estimated):	20,358
Total Direct Outstanding General Obligation Debt*:	\$20,960,000
Overlapping General Obligation Debt ⁽¹⁾ :	\$46,662,998
Direct and Overlapping General Obligation Debt:	\$67,622,998
Ratio of Direct General Obligation Debt to Assessed Valuation:	5.58%
Ratio of Direct General Obligation Debt to Estimated Actual Valuation:	1.17%
Per Capita Direct General Obligation Debt:	\$1,030
Ratio of Direct and Overlapping General Obligation Debt to Assessed Valuation:	17.99%
Ratio of Direct and Overlapping General Obligation Debt to Estimated Actual Valuation:	3.79%
Per Capita Direct and Overlapping General Obligation Debt:	\$3,322

⁽¹⁾ Includes general obligation debt of political subdivisions with boundaries overlapping the City. See "DEBT STRUCTURE OF THE CITY – Overlapping Indebtedness" above.

Other Long-Term Obligations of the City

The following table sets forth the outstanding long-term obligations (other than general obligation indebtedness and other than the obligation of the City related to the Refunded Bonds) of the City as of October 31, 2018:

<u>Category of Obligation⁽¹⁾</u>	<u>Principal Amount Outstanding</u>
Special Obligation Bonds 2016	\$3,160,000
Special Obligation Bonds 2018	1,190,000
Department of Natural Resources Note Payable 2002	106,000
Tax Increment Refunding and Improvement Revenue Bonds 2014A	12,730,000
Subordinate Tax Revenue Bonds 2014B	<u>2,872,216</u>
	<u>18,868,216</u>

⁽¹⁾ See "Note 4. Long-Term Debt" in the financial statements included in *Appendix B*.
Source: City of Raymore, Missouri.

Legal Debt Capacity

Article VI, Sections 26(b) and (c) of the Constitution of the State of Missouri limit the net outstanding amount of authorized general obligation indebtedness for a city to 10 percent of the assessed valuation of the city by a two-thirds (four-sevenths at certain elections) vote of the qualified voters. Article VI, Section 26(d) provides that a city may, by a two-thirds (four-sevenths at certain elections) vote of the qualified voters, incur indebtedness in an amount not to exceed an additional 10 percent for the purpose of acquiring rights-of-way, construction, extending and improving streets and avenues and sanitary or storm sewer systems, provided the total general obligation indebtedness of a city does not exceed 20 percent of the assessed valuation. Article VI, Section 26(e) provides that a city may, by a two-thirds (four-sevenths at certain elections) vote of the qualified voters, incur indebtedness in an amount not exceeding an additional 10 percent for the purpose of purchasing or constructing waterworks, electric or other light plants to be owned exclusively by the city, provided that the total general obligation indebtedness of a city does not exceed 20 percent of the assessed valuation. The legal debt capacity of the City for an election to be held in 2020 is:

Constitutional Debt Limit	
(20% of assessed valuation)	\$75,188,089
Bond Indebtedness Outstanding	\$20,960,000
REMAINING LEGAL DEBT CAPACITY	<u>\$54,228,089</u>

Future Financings

The management of the City anticipates approaching voters in the Spring of 2020 for additional authorization for general obligation bonds though the final amount has not been determined. The City does not have any other financing plans in the next six months.

FINANCIAL INFORMATION CONCERNING THE CITY

Accounting, Budgeting and Auditing Procedures

The City complies with accounting principles generally accepted in the United States of America, as applied to governmental units, including all relevant Governmental Accounting Standards Board (GASB) pronouncements. The accounts of the City are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. The government-wide statement of net assets and statement of activities are presented using the accrual basis of accounting. In the fund financial statements, the proprietary and fiduciary funds are presented using the accrual basis of accounting while the governmental funds are presented using the modified accrual basis of accounting. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures or expenses as appropriate.

An annual budget is prepared under the direction of the City Manager and submitted to the City Council for consideration prior to the fiscal year commencing on November 1. The operating budget includes proposed expenditures and revenue sources. Public hearings are conducted to obtain taxpayer comments. The budget is legally enacted through the adoption of an ordinance. The primary basis of budgetary control is at the departmental level. The City Manager and the Finance Director are authorized to transfer budgeted amounts between programs within any department; however, any revisions that alter the total expenditures of any department must be approved by the City Council. Formal budgetary integration is employed as a management control device during the year for all funds. Budgets for all funds are adopted on a modified cash basis.

The financial records of the City are audited annually by a firm of independent certified public accountants 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. The annual audit for the fiscal year ending October 31, 2018 was performed by Dana F. Cole & Company, LLP, CPA's, Overland Park, Kansas. Copies of the audit reports for the past 5 years are available from the Municipal Securities Rulemaking Board Electronic Municipal Market Access system (www.emma.msrb.org) or are available on the City's website (www.raymore.com).

Sources of Revenue

The City finances its general operations through the following taxes and other miscellaneous sources as indicated below for the City's general fund for the 2018 fiscal year:

<u>Source</u>	<u>Amount</u>	<u>Percent</u>
Taxes	\$12,153,199	71.8%
Franchise Fees	2,247,932	13.3
Licenses and Permits	726,996	4.3
Intergovernmental	69,572	0.4
Charges for Services	697,895	4.1
Fines and Forfeitures	323,301	1.9
Investment Income	267,987	1.6
Refunds and reimbursements	349,696	2.1
Miscellaneous	<u>86,562</u>	<u>0.5</u>
	<u>\$16,923,140</u>	<u>100.0%</u>

Source: City of Raymore, Missouri.

Sales Tax Collections

The following table sets forth the amounts collected by the City during each of the below fiscal years pursuant to the respective sales tax:

<u>Fiscal Year</u>	<u>1% General</u>	<u>½% Transportation</u>	<u>½% Capital Improvement</u>	<u>½% Parks & Storm Water</u>	<u>Total</u>
2018	\$2,942,307	\$1,244,919	\$1,244,919	\$1,244,920	\$6,677,065
2017	2,885,689	1,216,153	1,216,154	1,216,202	6,534,198
2016	2,787,781	1,179,385	1,179,385	1,179,385	6,325,936
2015	2,701,535	1,161,503	1,161,504	1,161,502	6,186,046
2014	2,628,498	1,135,147	1,135,148	1,135,146	6,033,939

Source: City of Raymore Finance Department.

Tax Increment Financing

The City has approved four tax increment financing redevelopment areas within the City to assist in the financing of redevelopment projects through the reimbursement of certain redevelopment project costs. These costs are payable solely from moneys on deposit in a "special allocation fund." The moneys deposited into the special allocation fund consist of (a) certain payments in lieu of taxes, attributable to the increase in assessed valuation of the real property within the redevelopment area as a result of development, and (b) fifty percent of the total additional revenue from taxes (including the sales taxes of the City but excluding certain other taxes) of local taxing districts which are generated by economic activities within the redevelopment area over the amount of such taxes generated by economic activities within the year in the calendar year in which the redevelopment area was created. As a result, up to fifty percent (50%) of the additional revenues generated by the sales taxes

within such redevelopment area over the amount so generated in the year in which such redevelopment area is created are not available to the City but instead are deposited into the special allocation fund and used to pay redevelopment project costs related to the development.

Property Valuations

Assessment Procedure:

All taxable real and personal property within the City is assessed annually by the County Assessor. Missouri law requires that real property be assessed at the following percentages of true value:

Residential real property	19%
Agricultural and horticultural real property	12%
Utility, industrial, commercial, railroad and all other real property	32%

A general reassessment of real property occurred statewide in 1985. In order to maintain equalized assessed valuations following this reassessment, the Missouri General Assembly adopted a maintenance law in 1986. Beginning January 1, 1987, and every odd-numbered year thereafter, each County Assessor must adjust the assessed valuation of all real property located within his or her county in accordance with a two-year assessment and equalization maintenance plan approved by the State Tax Commission.

The assessment ratio for personal property is generally 33-1/3% of true value. However, subclasses of tangible personal property are assessed at the following assessment percentages: grain and other agricultural crops in an unmanufactured condition, 1/2%; livestock, 12%; farm machinery, 12%; historic motor vehicles, 5%; and poultry, 12%.

The County Assessor is responsible for preparing the tax roll each year and for submitting the tax roll to the Board of Equalization. The County Board of Equalization has the authority to adjust and equalize the values of individual properties appearing on the tax rolls.

The following table shows the total assessed valuation, by category, of all taxable tangible property situated in the City according to the assessment of **2019** (the last completed assessment).

	<u>Assessed Valuation</u>	<u>Assessment Rate</u>	<u>Estimated Actual Valuation</u>
Real Estate:			
Residential	\$287,450,835	19%	\$1,512,899,132
Commercial	32,940,716	32	102,939,738
Agricultural	<u>373,340</u>	12	<u>3,111,167</u>
Sub-Total	320,764,891		1,618,950,036
Personal Property	<u>55,175,555</u>	33 1/3*	<u>165,526,665</u>
Total	\$375,940,446		\$1,784,476,701

* Assumes all personal property is assessed at 33 1/3%; because certain subclasses of tangible personal property are assessed at less than 33 1/3%, the estimated actual valuation for personal property would likely be greater than that shown above. See "Assessment Procedure" discussed above.

Source: City of Raymore City Clerk's Office.

History of Property Valuation:

The total assessed valuation of all taxable tangible property situated in the City, including state assessed railroad and utility property, according to the assessments of January 1 in each of the following years, has been as follows:

<u>Year</u>	<u>Assessed Valuation</u>	<u>Percent Change</u>
2019	\$375,940,446	12.3%
2018	334,754,591	5.6
2017	316,915,279	8.9
2016	290,902,454	2.6
2015	283,422,039	3.1

Source: City of Raymore City Clerk's Office.

Property Tax Levies and Collections

Tax Collection Procedure: Property taxes are levied and collected by the City. The City is required by law to prepare an annual budget, which includes an estimate of the amount of revenues to be received from all sources for the budget year, including an estimate of the amount of money required to be raised from property taxes and the tax levy rates required to produce such amounts. The budget must also include proposed expenditures and must state the amount required for the payment of interest, amortization and redemption charges on the City's debt for the ensuing budget year. Such estimates are based on the assessed valuation figures provided by the County Clerk. The City must fix its ad valorem property tax rates and certify them to the County Clerk not later than September first for entry in the tax books.

The County Clerk receives the county tax books from the County Assessor, which set forth the assessments of real and personal property. The County Clerk enters the tax rates certified to him by the local taxing bodies in the tax books and assesses such rates against all taxable property in the City as shown in such books. The County Clerk forwards the tax books by October 31 to the County Collector, who is charged with levying and collecting taxes as shown in the tax books. The County Collector extends the taxes on the tax rolls and issues the tax statements in early December. Taxes are due by December 31 and become delinquent if not paid to the County Collector by that time. All tracts of land and city lots on which delinquent taxes are due are charged with a penalty of eighteen percent of each year's delinquency. All lands and lots on which taxes are delinquent and unpaid are subject to sale at public auction in August of each year.

The County Collector is required to make disbursements of collected taxes to the City each month. Because of the tax collection procedure described above, the City receives the bulk of its moneys from local property taxes in the months of December, January and February.

Tax Rates

Debt Service Levy. The City currently imposes a debt service levy of \$0.7170 per \$100 of assessed valuation. Once indebtedness has been approved by the constitutionally required percentage of the voters voting therefor and bonds are issued, the City is required under Article VI, Section 26(f) of the Missouri Constitution to levy an annual tax on all taxable tangible property therein sufficient to pay the interest and principal of the indebtedness as they fall due and to retire the same within 20 years from the date of issue. The City Council may set the tax rate for debt service, without limitation as to rate or amount, at the level required to make such payments.

Operating Levy. The current operating levy of the City (including all property tax levies except for the debt service levy) is \$0.5327 per \$100 of assessed valuation. The operating levy (consisting of all ad valorem

taxes except for the debt service levy) cannot exceed the “tax rate ceiling” for the current year without voter approval. The tax rate ceiling, determined annually, is the rate of levy which, when charged against the newly assessed valuation of the City for the current year, excluding new construction and improvements, will produce an amount of tax revenues equal to tax revenues for the previous year increased by 5% or the Consumer Price Index, whichever is lower. Without the required percentage of voter approval, the tax rate ceiling cannot at any time exceed the greater of the tax rate in effect in 1980 or the most recent voter-approved tax rate. The tax levy for debt service on the City’s general obligation bonds is exempt from the calculations of and limitations upon the tax rate ceiling. Under Article X, Section 11(c) of the Missouri Constitution, any increase in the City’s operating levy above \$1.00 must be approved by two-thirds of the voters voting on the proposition. The current tax rate ceiling for the operating levy is \$0.5327 per \$100 of assessed valuation.

In 2008, through the enactment of Senate Bill 711 (“SB 711”), the Missouri General Assembly approved further limitations on the amount of property taxes that can be imposed by a local governmental unit. Prior to the enactment of SB 711, a “Hancock rollback” would not necessarily result in a reduction of a city’s actual operating tax levy if its current tax levy was less than its current tax levy ceiling, due to the city’s voluntary rollback from the maximum authorized tax levy. Under SB 711, in reassessment years (odd-numbered years), the Hancock rollback is applied to a city’s actual operating tax levy, regardless of whether that levy is at the city’s tax levy ceiling. This further reduction is sometimes referred to as an “SB 711 rollback.” In non-reassessment years (even-numbered years), the operating levy may be increased to the city’s tax levy ceiling (as adjusted by the Hancock rollback), only after a public hearing and adoption of a resolution or policy statement justifying the action.

The following table shows the City’s tax levies (per \$100 of assessed valuation) for each of the following fiscal years:

<u>Fiscal Year Ended</u>	<u>General Fund</u>	<u>Parks Fund</u>	<u>Debt Service Fund</u>	<u>Total Levy</u>
2019	\$0.4197	\$0.1130	\$0.7170	\$1.2497
2018	0.4480	0.1206	0.7170	1.2856
2017	0.4638	0.1249	0.7170	1.3057
2016	0.4638	0.1249	0.7170	1.3057
2015	0.4647	0.1251	0.7170	1.3068

Source: City of Raymore, Missouri.

Tax Collection Record

The following table sets forth tax collection information for the City for the following fiscal years.

<u>Year Ended October 31</u>	<u>Total Levy</u>	<u>Taxes Levied</u>	<u>Current and Delinquent Taxes Collected*</u>	
			<u>Amount</u>	<u>%</u>
2018	\$1.2856	\$4,074,262	\$4,032,719	99.0%
2017	1.3057	3,798,313	3,588,950	94.5
2016	1.3057	3,700,642	3,516,570	95.0
2015	1.3068	3,592,637	3,562,982	99.2
2014	1.3068	3,520,413	3,443,558	97.8

* Collection amounts include personal property, real estate, and railroad & utility taxes. Amounts do not include TIF, Surtax or assessment adjustments made after billing. The City contracted with Clay County beginning in 2013 to bill and collect City property taxes.

Source: City of Raymore, Missouri.

Major Taxpayers

The following is a list of the tax payers located in the City with the greatest assessed valuation for the 2018 calendar year.

	<u>Business</u>	<u>Business Type</u>	<u>Assessed Valuation</u>	<u>Percentage of Assessed Valuation</u>
1.	Wal-Mart	Retail	\$3,715,680	0.99%
2.	Sam's Club	Retail	3,433,560	0.91
3.	MCI Eagle Glen Apartments LLC	Real Estate Management	3,150,100	0.84
4.	Foxwood Springs Homes	Real Estate Development	3,129,590	0.83
5.	Lowe's Home Centers, Inc.	Retail	2,673,040	0.71
6.	Spire Missouri, Inc.	Commercial	1,640,850	0.44
7.	Raymore Group LLC	Retail	1,116,225	0.30
8.	Raymore SLP LLC (Benton House)	Assisted Living	1,083,790	0.29
9.	G&G Storage LLC	Commercial	840,630	0.22
10.	Willowind LLC	Real Estate Development	791,500	0.21

Source: Cass County Assessor's Office.

Pension and Employee Retirement Plans

The City participates in the Missouri Local Government Employees' Retirement System ("LAGERS"), an agent multiple-employer public employee retirement system that acts as a common investment and administrative agent for local government entities in Missouri. LAGERS was created and is governed by state statute and is a defined-benefit pension plan that provides retirement, disability and death benefits. The plan is qualified under Section 401(a) of the Internal Revenue Code of 1986, as amended, and is tax-exempt. LAGERS is governed by a seven-member Board of Trustees ("LAGERS' Board") consisting of three trustees elected by participating employees, three trustees elected by participating employers and one trustee appointed by the Missouri Governor.

LAGERS issues a publicly available financial report that includes financial statements and required supplementary information. The LAGERS Comprehensive Annual Financial Report for the fiscal year ended June 30, 2018 (the "2018 LAGERS CAFR") is available at <http://www.molagers.org/financial-reports.html>. The link to the 2018 LAGERS CAFR is provided for general background information only, and the information in the 2018 LAGERS CAFR is not incorporated by reference into this Official Statement. The 2018 LAGERS CAFR provides detailed information about LAGERS, including its financial position, investment policy and performance information, actuarial information and assumptions affecting plan design and policies, and certain statistical information about the plan.

For additional information regarding the City's participation in LAGERS relating to the fiscal year ended June 30, 2018, including the City's past contributions, net pension liability, and pension expense, see "Note 7 – Pension Plan" in *Appendix B*, and for additional information regarding LAGERS, see the 2018 LAGERS CAFR.

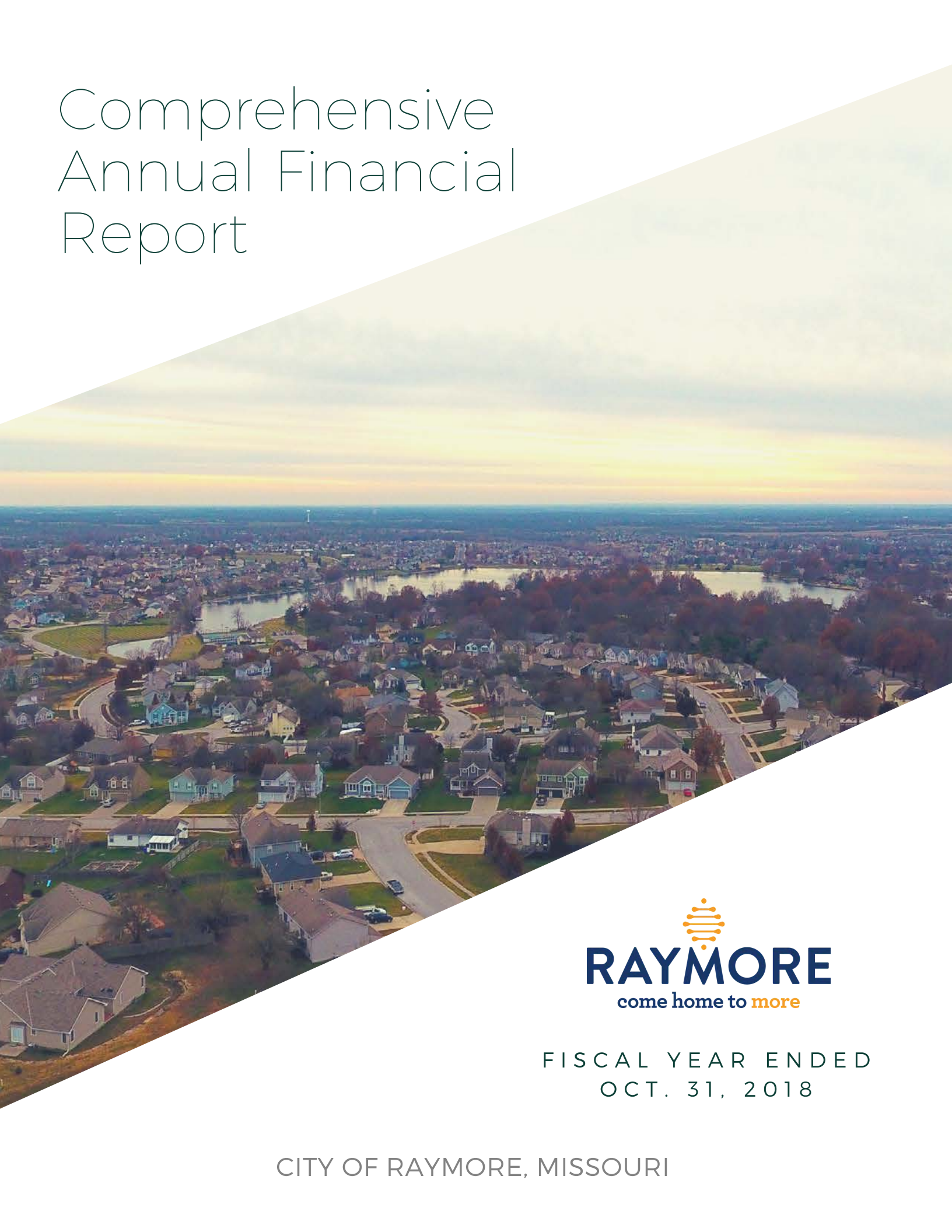
Deferred Compensation Plan

The City offers its employees a deferred compensation plan created in accordance with the Internal Revenue Code Section 457. Participation in the plan is optional. Investments are managed by the plan's trustee under several investment options. The choice of the investment options is made by the participants. See "Note 8 – Deferred Compensation Plan" in *Appendix B*.

APPENDIX B

ACCOUNTANTS' REPORT AND AUDITED FINANCIAL STATEMENTS

Comprehensive Annual Financial Report



FISCAL YEAR ENDED
OCT. 31, 2018

CITY OF RAYMORE, MISSOURI



City of Raymore, Missouri
Comprehensive Annual Financial Report
For Fiscal Year
Ended October 31, 2018
Prepared by
Elisa Williams, Finance Director

CITY OF RAYMORE, MISSOURI
COMPREHENSIVE ANNUAL FINANCIAL REPORT
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CITY OF RAYMORE, MISSOURI
COMPREHENSIVE ANNUAL FINANCIAL REPORT
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Introductory Section

Elected Officials and Department Heads

Mayor and City Council

Kristofer P Turnbow, Mayor

Kevin Kellogg	Ward I
Reginald Townsend	Ward I
Joseph Burke III	Ward II
Thomas Circo	Ward II
Kevin Barber	Ward III
Jay Holman	Ward III
Sonja Abdelgawad	Ward IV
John Berendzen	Ward IV

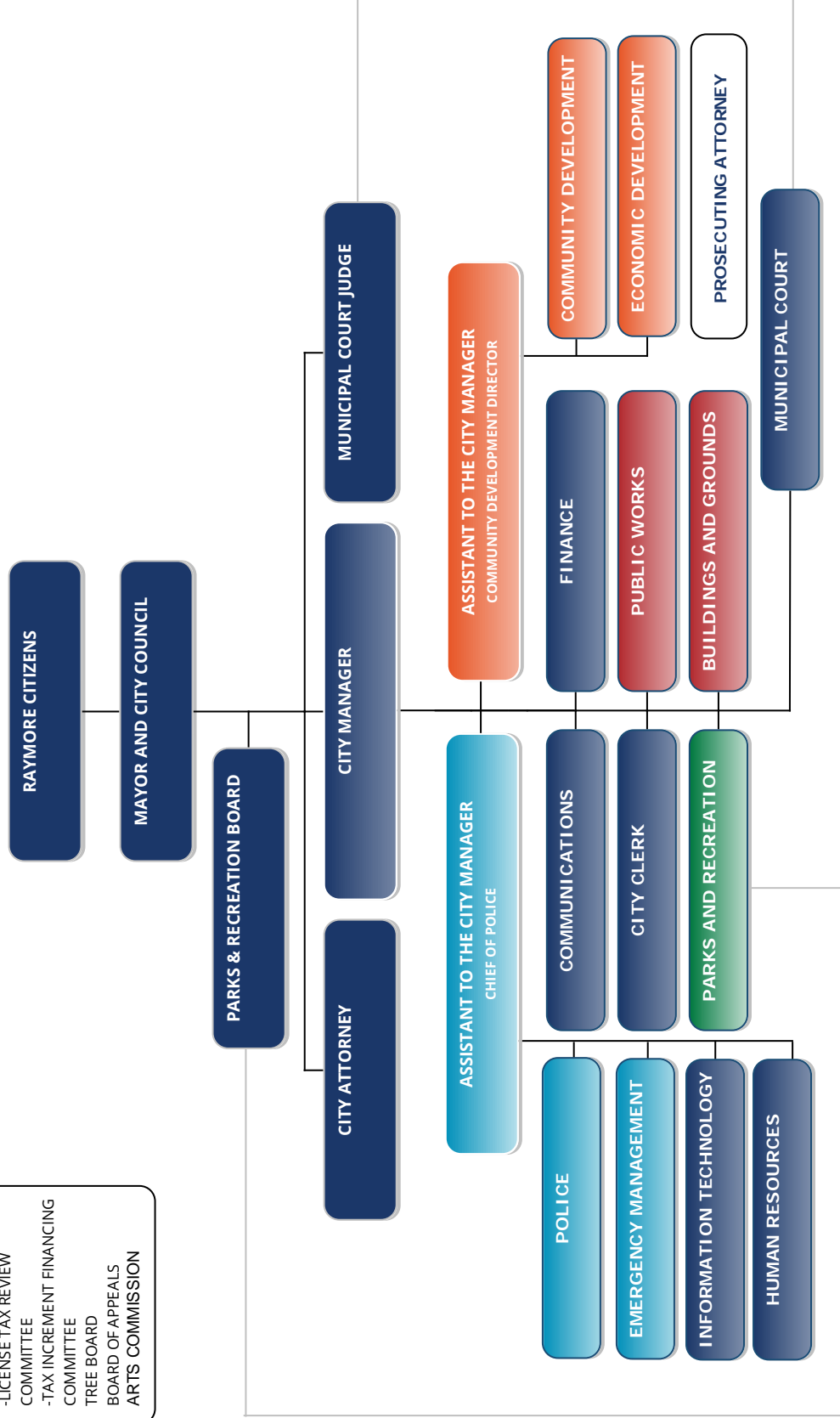
City Manager and Management Team

Jim Feuerborn, City Manager

Jan Zimmerman	Assistant to the City Manager/ Chief of Police
Jim Cadoret	Assistant to the City Manager/ Community Development Director
Mike Ekey	Communications Director
Elisa Williams	Finance Director
Mike Krass	Public Works Director/City Engineer
Matt Tapp	Economic Development Director
Nathan Musteen	Park & Recreation Director
Ryan Murdock	Emergency Management Director
Shawn Aulgur	Human Resources Manager
Jim Mayberry	Information Systems Manager
Donna Furr	Municipal Court Administrator
Jeanie Woerner	City Clerk

CITY OF RAYMORE

- VOLUNTEER BOARDS & COMMISSIONS**
- PLANNING & ZONING COMMISSION
 - BOARD OF ZONING ADJUSTMENT
 - LICENSE TAX REVIEW COMMITTEE
 - TAX INCREMENT FINANCING COMMITTEE
 - TREE BOARD
 - BOARD OF APPEALS
 - ARTS COMMISSION





February 21, 2019

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, 2018.

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, 2018. 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 20,839. 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 continues to be one of the fastest growing communities in Missouri over the past seventeen 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, Sam's Club, Price Chopper, and Lowe's. Many major infrastructure projects are completed or near completion. The 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. During 2018 the City recognized new businesses to the community: UbreakiFix and Freezing Moo opened in the Raymore Marketplace shopping center located at the southeast corner of 58 Hwy and Dean Ave. In addition, Discovery Vision opened in late 2018; it is located at 58 Hwy and Johnston Drive.

Long-Term Financial Planning. Fiscal year 2018 had significant growth in residential housing starts. The City believes its revenue base with the General Fund is showing positive stabilization. However, 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 2019 budget process to ensure sound financial position. The General Fund expenditures were budgeted with an increase of 5.2% over the previous year's budget. 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% 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. Two-hundred forty-five building permits were issued during fiscal year 2018. Overall, development activity is increasing in the City. There are 171 homes currently under construction, 393 available lots that are site ready for issuance of a permit for a new home, and 8,508 dwelling units within the City. This is an increase of 328 over 2017.

As a growing community, the City recognizes the importance of maintaining the ability to provide services to all citizens. The Public Works staff is continuing to work with consultants to meet 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. In 2019 the department directors will undertake a review and update all master plans to create a city-wide comprehensive plan.

During 2018, the City issued Special Obligation Bonds of \$1,190,000 to fund the purchase of the Sensus Meter Reading System including two redundant radio repeater stations. The City has been working through a multi-year program to convert the residential water meters to Sensus meters and electronic reading transmitters. The City experienced a number of issues that did not allow this conversion to progress as quickly as planned. In 2018, the decision was made to purchase the new system and convert the entire City at one time. The new system will allow the utility staff to electronically read all residential water meters from the utility office. This new infrastructure will greatly increase the ability to provide water and sewer information to customers thereby offering better customer service to residents. The infrastructure is anticipated to be fully operational in 2019.

Many of the 2016 General Obligation Bond projects have already been completed or are under way. To highlight a few: 58 Hwy Mill and Overlay; Johnston Drive Extension to Dean Ave.; South Foxridge Drive to Dean Ave.; Recreation Park Trail Rehabilitation; Recreation Park Parking Lot Improvements; the opening of the Centerview building on Municipal Circle; and lately, the Raymore Activity Center opened in October 2018. Hawk Ridge Park is under construction with an expected opening in 2019. Design is underway for the Kentucky Road Relocation and for the improvements at T.B. Hanna Station Park which are expected to be complete in 2019.

Capital projects of approximately 6.2 million dollars were constructed during the year using proceeds of transportation, excise, capital improvement, enterprise capital maintenance, park sales taxes, storm water taxes, and BERP funds for buildings, street, storm sewer, sanitary sewer, and water improvements. The 155th Street and Bridge project completed in 2018 was an important partnership with the City of Kansas City, Missouri. It allowed us to reconstruct the bridge and roadway after it had been closed due to deteriorating conditions. The City of Raymore currently owns the southern half of the roadway. In 2019, the City will annex the north side of the roadway from the City of Kansas City, Missouri. This will allow the City to ensure the entire roadway remains safe and well-maintained for years to come.

In early 2015, the City completed a biannual citizen survey which was immediately followed up by the City Council and management team working with a group from the University of Kansas Public Management Center to create a 10-year strategic plan. Council and the management team met with the group at a couple work sessions to start the process. The City hosted three Community Conversations during the month of February 2016 to get citizen input. During 2017, the City Council and management team finalized and adopted a new strategic goal based on the input from those Community Conversations that will drive the future decisions, goals, and budgets for the next ten years. In 2018, the City hosted a Community Conversation during the month of October. Following the success of the 2016 reimagine Raymore Community Conversations, the Council wanted to check back in with residents to show the projects and initiatives that came from that feedback and garner new ideas for future years in the strategic plan.

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, 2017. This was the eighth 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.

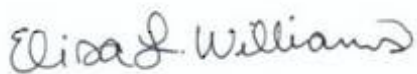
A Certificate of Achievement is valid for a period of one year only. We believe our current Comprehensive Annual Financial Report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

In addition, the City also received for the fourteenth consecutive year the GFOA's Distinguished Budget Presentation Award for its annual budget document dated October 31, 2018. 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 comprehensive annual financial report could not have been accomplished without the efficient and dedicated services of the Finance staff. I wish to express my appreciation to all departments that help us to provide the statistical information. Special thanks to the firm Dana F. Cole & Company, LLP, for their thorough and competent service and cooperation in the conduct of the annual audit and assistance in making this report available.

Finally, I would like to acknowledge Jim Feuerborn, City Manager, and the governing council for their unfailing support for maintaining the highest standards of professionalism in the management of the City of Raymore's financial operations.

Respectfully submitted,

A handwritten signature in blue ink that reads "Elisa Williams". The signature is written in a cursive, flowing style.

Elisa Williams
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, 2017

Christopher P. Morill

Executive Director/CEO



Financial Section



**DANA F. COLE
& COMPANY^{LLP}**
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITORS' REPORT

To 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, 2018, 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, 2018, 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 on pages 11 to 22, the budgetary comparison information on pages 74 to 77, the schedule of employer's contributions on page 78, and the schedule of changes in net pension liability on page 79 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 80 to 85 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 80 to 85 is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The schedule of changes in fiduciary funds, the introductory section, and statistical section 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 February 21, 2019, 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 F Cole + Company, LLP

Overland Park, Kansas
February 21, 2019

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, 2018. 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 \$84,895,948. Of this amount, \$18,434,911 represents unrestricted net assets and may be used to fund ongoing obligations.

Total net assets increased by \$1,369,271. Of this amount, \$916,050 was from the City's "governmental activities" and the balance was from the "business-type" activities prior to the effect of transfers between the two.

As of the close of the 2018 fiscal year, the City of Raymore, Missouri's combined governmental fund balances totaled \$17,575,805. This is a decrease from the previous fiscal year fund balance by \$4,043,258, primarily due to the completion of the GO bond projects in the Transportation Fund and the Park Fund. 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 liabilities for the City of Raymore, Missouri, decreased during the current fiscal year by \$2,282,926. The City serviced all long-term obligations as planned.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the City of Raymore, Missouri's basic financial statements. The City of Raymore, Missouri's basic financial statement comprises three components: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the financial statements. This report also contains required supplementary 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.

CITY OF RAYMORE, MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS

OVERVIEW OF THE FINANCIAL STATEMENTS (Continued)

Government-Wide Financial Statements (Continued)

The statement of activities presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of 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 23 of this report.

Fund Financial Statements

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

Governmental Funds

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

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

CITY OF RAYMORE, MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS

OVERVIEW OF THE FINANCIAL STATEMENTS (Continued)

Fund Financial Statements (Continued)

Governmental Funds (Continued)

The City of Raymore, Missouri, maintains 20 individual governmental funds in six categories. Information for the General Fund, Parks and Recreation Fund, Transportation Fund, Debt Service Fund, and Capital Improvement Fund are presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances, while the other funds are categorized under the headings of Nonmajor Governmental Funds. Specific data from the remaining funds is presented beginning on page 80 of the financial statements.

The City of Raymore, Missouri, adopts an annual appropriated budget for its General Fund and other funds. A budgetary statement has been provided within this analysis for the General Fund to demonstrate compliance with this budget for City departments represented by that fund. Actual expenses for the fund are included in the net 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	972,797	961,268
Information Technology	473,750	422,664
Economic Development	219,735	177,262
Community Development	670,016	624,141
Engineering	407,397	382,283
Streets	792,069	705,850
Building and Grounds	311,021	295,631
Storm Water	289,053	285,388
Court	157,297	128,249
Finance	636,570	624,343
Communications	294,768	275,941
Prosecuting Attorney	21,200	21,200
Police	4,018,553	3,757,598
Emergency Preparedness	125,645	117,845

CITY OF RAYMORE, MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS

OVERVIEW OF THE FINANCIAL STATEMENTS (Continued)

Fund Financial Statements (Continued)

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 34 of this report.

Fiduciary Funds

Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support the City of Raymore, Missouri's own programs.

The accounting used for fiduciary funds is much like that used for proprietary funds and the funds are primarily represented by accounts which are held in escrow for development or development conditions. The basic fiduciary funds financial statement can be found on page 39 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 40 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of the City's financial position. In the case of the City of Raymore, Missouri, assets exceeded liabilities by \$84,895,948 at the close of the fiscal year. The largest portion of the City of Raymore, Missouri's net position, 77.25%, reflects its net investment in capital assets (land, buildings, machinery, equipment, and infrastructure) less any related debt used to acquire those assets that is still outstanding.

The City of Raymore, Missouri, uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City of Raymore, Missouri's investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

CITY OF RAYMORE, MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS

GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)

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

	Governmental Activities		Business-Type Activities		Total	
	2018	2017	2018	2017	2018	2017
ASSETS						
Current and other assets	18,832	22,554	9,395	7,007	28,227	29,561
Capital assets	<u>64,621</u>	<u>61,252</u>	<u>24,730</u>	<u>26,645</u>	<u>89,351</u>	<u>87,897</u>
Total assets	<u>83,453</u>	<u>83,806</u>	<u>34,125</u>	<u>33,652</u>	<u>117,578</u>	<u>117,458</u>
 DEFERRED OUTFLOWS OF RESOURCES	 <u>333</u>	 <u>747</u>	 <u>518</u>	 <u>742</u>	 <u>851</u>	 <u>1,489</u>
 TOTAL ASSETS AND DEFERRED OUTFLOW OF RESOURCES	 <u>83,786</u>	 <u>84,553</u>	 <u>34,643</u>	 <u>34,394</u>	 <u>118,429</u>	 <u>118,947</u>
 LIABILITIES						
Other liabilities	1,172	1,016	714	1,011	1,886	2,027
Long-term liabilities	<u>29,020</u>	<u>31,975</u>	<u>1,560</u>	<u>889</u>	<u>30,580</u>	<u>32,864</u>
Total liabilities	<u>30,192</u>	<u>32,991</u>	<u>2,274</u>	<u>1,900</u>	<u>32,466</u>	<u>34,891</u>
 DEFERRED INFLOWS OF RESOURCES	 <u>524</u>	 <u>175</u>	 <u>543</u>	 <u>354</u>	 <u>1,067</u>	 <u>529</u>
 TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES	 <u>30,716</u>	 <u>33,166</u>	 <u>2,817</u>	 <u>2,254</u>	 <u>33,533</u>	 <u>35,420</u>
 NET POSITION						
Net investment in capital assets	40,999	38,765	24,582	26,357	65,581	65,122
Restricted	792	801	88	87	880	888
Unrestricted	<u>11,279</u>	<u>11,821</u>	<u>7,156</u>	<u>5,696</u>	<u>18,435</u>	<u>17,517</u>
Total net position	<u>53,070</u>	<u>51,387</u>	<u>31,826</u>	<u>32,140</u>	<u>84,896</u>	<u>83,527</u>

CITY OF RAYMORE, MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS

GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)

Governmental Activities

Current and Other Assets

Total current and other assets decreased \$3.7 million, which were used to reduce long-term liabilities and purchase capital assets.

Capital Assets

Capital assets, net of accumulated depreciation, increased \$3.4 million for budgeted capital outlay projects and purchases. The City added \$8.2 million in capital outlay, which was offset by \$4.8 million in noncash depreciation expense.

Other Liabilities

Other liabilities increased \$156 thousand due to the increase of accounts payable in the General Fund.

Net Pension Liability and related Deferred Outflows and Inflows of Resources

Net pension liability decreased \$691 thousand and deferred outflow of resources decreased \$414 thousand and deferred inflow of resources increased \$349 thousand. All account balances are based from reports provided by LAGERS.

Long-Term Debt

Long-term debt decreased \$2.3 million due to debt service payments within the year.

Net Position

A portion of the City of Raymore, Missouri's net position 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.

Business-Type Activities

Current and Other Assets

Total current and other assets increased \$2.4 million, as major capital asset additions were not conducted within the fiscal year.

Capital Assets

Capital assets, net of accumulated depreciation, decreased \$1.9 million as capital outlay purchases were less than depreciation expense.

CITY OF RAYMORE, MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS

GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)

Other Liabilities

Other liabilities decreased \$297 thousand. This was mainly attributable to a change in the meter deposit policy.

Net Pension Liability and related Deferred Outflows and Inflows of Resources

Net pension liability decreased \$380 thousand and deferred outflows of resources decreased \$224 thousand and deferred inflows of resources increased \$188 thousand. All account balances are based on reports from LAGERS.

Long-Term Debt

Long-term debt increased \$1.05 million due to the issuance of special obligation bonds within the fiscal year.

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's
Statement of Changes in Net Position**
(in thousands of dollars)

	Governmental Activities		Business-Type Activities		Total	
	2018	2017	2018	2017	2018	2017
REVENUES						
Program revenues						
Charges for services	1,748	1,705	9,014	8,579	10,762	10,284
Operating grants and contributions	70	70			70	70
Capital grants and contributions	469				469	
General revenues						
Property taxes	4,087	3,779			4,087	3,779
Sales taxes	7,175	6,993			7,175	6,993
Franchise taxes	2,248	2,132			2,248	2,132
Other taxes	897	882			897	882
Other revenue	382	329	122	54	504	383
Total revenues	<u>17,076</u>	<u>15,890</u>	<u>9,136</u>	<u>8,633</u>	<u>26,212</u>	<u>24,523</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	
	2018	2017	2018	2017	2018	2017
EXPENSES						
Administration	1,143	1,577			1,143	1,577
Information Technology	459	583			459	583
Economic Development	188	241			188	241
Community Development	678	895			678	895
Engineering	548	702			548	702
Streets and Roads	4,345	4,386			4,345	4,386
Buildings and Grounds	560	580			560	580
Storm Water	366	507			366	507
Municipal Court	133	184			133	184
Finance	635	818			635	818
Communications	292	249			292	249
Prosecuting Attorney	21	22			21	22
Police	3,862	4,893			3,862	4,893
Emergency Preparedness	114	187			114	187
Parks and Recreation	1,838	1,897			1,838	1,897
Water and Sewer			8,683	8,765	8,683	8,765
Interest, fiscal fees, and bond issuance costs on long- term debt	978	1,061			978	1,061
Total expenses	<u>16,160</u>	<u>18,782</u>	<u>8,683</u>	<u>8,765</u>	<u>24,843</u>	<u>27,547</u>
CHANGE BEFORE TRANSFERS	916	(2,892)	453	(132)	1,369	(3,024)
TRANSFERS	<u>767</u>	<u>816</u>	<u>(767)</u>	<u>(816)</u>		
CHANGE IN NET POSITION	1,683	(2,076)	(314)	(948)	1,369	(3,024)
NET POSITION, BEGINNING	<u>51,387</u>	<u>53,463</u>	<u>32,140</u>	<u>33,088</u>	<u>83,527</u>	<u>86,551</u>
NET POSITION, ENDING	<u>53,070</u>	<u>51,387</u>	<u>31,826</u>	<u>32,140</u>	<u>84,896</u>	<u>83,527</u>

CITY OF RAYMORE, MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS

GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)

Governmental Activities

Governmental activities increased the City of Raymore, Missouri's net position by \$1,682,791 and the business-type activities decreased by \$313,520, leading to a current-year increase of \$1,369,271 in total net position.

Revenues increased in the governmental activities primarily due to increases in property and sales tax collections and also charges for services.

Expenses recorded in the City's governmental activities decreased by approximately \$2,622,000 from the prior year.

Business-Type Activities

Business-type activities decreased the City of Raymore, Missouri's net position by \$313,520 as costs associated with providing the services, including depreciation on capital assets, exceeded related revenues and transfers were made to the governmental activities.

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

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

Governmental Funds

The 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 79.58% of the entire \$3,677,798 General Fund balance. As a measure of the General Fund's liquidity, it may be useful to compare the total fund balance to total fund expenditures. Total fund balance represents 41.5% of the total General Fund expenditures of \$8,862,588.

The total fund balance in the City of Raymore, Missouri's General Fund increased \$141,188 compared to the previous fiscal year. The key factor associated with this increase was the transfers of assigned and committed funds from prior years to the Capital Projects Fund for expensing capital outlay.

The Parks and Recreation Fund has a total fund balance of \$3,377,025. The net decrease of \$3,088,259 was primarily due the expenses associated with the completion of the GO Bond projects.

The Transportation Fund has a total fund balance of \$1,815,643. The net decrease of \$1,609,255 was primarily due to the expense associated with the completion of GO Bond projects.

The Debt Service Fund has a total fund balance of \$2,272,955. The government's debt service levy on property for the fiscal year was 0.7170.

CITY OF RAYMORE, MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS (Continued)

Governmental Funds (Continued)

The Capital Improvement Fund has a total fund balance of \$1,055,690. The net increase of \$376,687 is primarily due to a reduction in capital outlay expenditures.

The other nonmajor funds have a combined fund balance of \$5,376,694. The net increase of \$235,324 was primarily associated with an increase in refunds and reimbursement revenues.

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 \$7,155,523. This is up from the previous year's amount of \$5,695,947. Total net position in this fund decreased by \$313,520. Other factors concerning the finances of this fund have already been addressed in the discussion of the City of Raymore, Missouri's business-type activities.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

The City of Raymore, Missouri's investment in capital assets for its governmental and business-type activities as of the end of the fiscal year was \$89,351,378 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 an increase of \$1,453,359 from the previous year. This increase is primarily attributable to capitalized assets that exceeded the amount of depreciation expense during the year.

Additional information on the City's capital assets can be found in the Note 3 on pages 52 to 54 of this report.

CITY OF RAYMORE, MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS

CAPITAL ASSET AND DEBT ADMINISTRATION (Continued)

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

	Governmental Activities		Business-Type Activities		Total	
	2018	2017	2018	2017	2018	2017
Land and construction in progress	11,535	5,783	620	1,589	12,155	7,372
Buildings, improvements, and related office equipment	18,858	18,475	354	354	19,212	18,829
Machinery, equipment, and vehicles	4,063	3,897	4,752	4,658	8,815	8,555
Infrastructure	95,735	93,867	77,692	76,427	173,427	170,294
	<u>130,191</u>	<u>122,022</u>	<u>83,418</u>	<u>83,028</u>	<u>213,609</u>	<u>205,050</u>
Less accumulated depreciation	(65,570)	(60,769)	(58,688)	(56,383)	(124,258)	(117,152)
Capital assets, net of depreciation	<u>64,621</u>	<u>61,253</u>	<u>24,730</u>	<u>26,645</u>	<u>89,351</u>	<u>87,898</u>

Long-Term Debt

At the end of the current fiscal year, the City of Raymore, Missouri, had total long-term debt outstanding of \$27,526,000.

Additional information on the City's long-term debt can be found in Note 4 on pages 55 to 62 of this report.

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

	Governmental Activities		Business-Type Activities		Total	
	2018	2017	2018	2017	2018	2017
General obligation bonds	22,925	24,575	145	285	23,070	24,860
Notes payable	106	126			106	126
Special obligation bonds	3,160	3,620	1,190		4,350	3,620
Capital lease		10				10
Total	<u>26,191</u>	<u>28,331</u>	<u>1,335</u>	<u>285</u>	<u>27,526</u>	<u>28,616</u>

CITY OF RAYMORE, MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS

ECONOMIC FACTORS, NEXT YEAR'S BUDGET, AND RATES

General Fund revenues for fiscal year 2019 are projected to total \$9,834,009. This represents an overall conservative growth of 1.01% over the prior year budget. Most revenues with the exception of the franchise fees, municipal court fees, and miscellaneous are projected to be higher this next fiscal year. The City continues to see a favorable growth increase in building permits which provides additional resources in many of our revenues.

General Fund budgeted 2019 expenditures are projected to total \$10,782,248 compared to \$10,676,764 in 2018. This represents a 1.0% increase over the prior year. Of the 2019 amount, \$932,190 was interfund transfers directed by the Council utilizing unassigned fund balance.

Major capital projects will be funded from the various capital funds sales taxes as well as the \$932,190 transferred from the General Fund as directed by City Council.

In the business-type activities, the rates are set as follows: water \$6.55; sewer \$7.91 (volume) and \$8.36 (winter average). The rates are set on a cost of service 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 August 13, 2018, the City Council approved a \$0.5 increase to the water rate and a \$0.10 decrease to the sewer rate effective November 1, 2018.

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, 2018

	Primary Government			Component Units
	Governmental Activities	Business-Type Activities	Total	
ASSETS				
Cash and cash equivalents	4,480,653	2,311,436	6,792,089	810,490
Investments	7,827,609	3,971,944	11,799,553	
Taxes receivable	1,510,258		1,510,258	
Accounts receivable, net	415,194	1,286,775	1,701,969	
Interest receivable	57,628	29,425	87,053	
Prepaid expenses	195,985	98,233	294,218	4,220,485
Inventory	51,085	89,767	140,852	
Restricted cash	1,603,468	1,190,000	2,793,468	
Restricted investments	2,690,044	417,669	3,107,713	
Capital assets				
Land	3,627,494	337,399	3,964,893	
Construction in progress	7,907,191	283,420	8,190,611	
Other capital assets, net of accumulated depreciation	<u>53,086,611</u>	<u>24,109,263</u>	<u>77,195,874</u>	<u> </u>
TOTAL ASSETS	<u>83,453,220</u>	<u>34,125,331</u>	<u>117,578,551</u>	<u>5,030,975</u>
DEFERRED OUTFLOWS OF RESOURCES				
Resources to be recognized in future interest expense				144,826
Resources to be recognized in future pension expense	<u>332,599</u>	<u>518,309</u>	<u>850,908</u>	<u> </u>
TOTAL DEFERRED OUTFLOWS OF RESOURCES	<u>332,599</u>	<u>518,309</u>	<u>850,908</u>	<u>144,826</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES				
	<u>83,785,819</u>	<u>34,643,640</u>	<u>118,429,459</u>	<u>5,175,801</u>
LIABILITIES				
Accounts payable	741,608	342,223	1,083,831	91,780
Accrued expenses	323,003	36,558	359,561	
Meter deposits		329,400	329,400	
Accrued bond interest	106,948	6,107	113,055	385,662

CITY OF RAYMORE, MISSOURI
STATEMENT OF NET POSITION
OCTOBER 31, 2018

	Primary Government			Component Units
	Governmental Activities	Business-Type Activities	Total	
LIABILITIES (Continued)				
Long-term liabilities				
Net pension liability due in				
more than one year	1,339,075	205,867	1,544,942	
Due within one year	3,109,440	267,578	3,377,018	1,157,184
Due in more than one year	<u>24,571,896</u>	<u>1,086,784</u>	<u>25,658,680</u>	<u>20,726,874</u>
TOTAL LIABILITIES	<u>30,191,970</u>	<u>2,274,517</u>	<u>32,466,487</u>	<u>22,361,500</u>
DEFERRED INFLOWS OF RESOURCES				
Resources to be recognized in future pension expense	<u>524,098</u>	<u>542,926</u>	<u>1,067,024</u>	
TOTAL LIABILITIES AND DEFERRED INFLOW OF RESOURCES	<u>30,716,068</u>	<u>2,817,443</u>	<u>33,533,511</u>	<u>22,361,500</u>
NET POSITION (DEFICIT)				
Net investment in capital assets	40,998,653	24,582,405	65,581,058	
Restricted for:				
Debt service	689,684	88,269	777,953	
Capital projects	94,164		94,164	
911 distribution	7,862		7,862	
Unrestricted (deficit)	<u>11,279,388</u>	<u>7,155,523</u>	<u>18,434,911</u>	<u>(17,185,699)</u>
TOTAL NET POSITION (DEFICIT)	<u>53,069,751</u>	<u>31,826,197</u>	<u>84,895,948</u>	<u>(17,185,699)</u>

See accompanying notes to financial statements.

CITY OF RAYMORE, MISSOURI
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED OCTOBER 31, 2018

Functions/programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position			
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			Component Units
					Governmental Activities	Business-Type Activities	Total	
Primary government								
Governmental activities								
Administration	1,143,051	269,740			(873,311)		(873,311)	
Information Technology	458,888				(458,888)		(458,888)	
Economic Development	187,793				(187,793)		(187,793)	
Community Development	678,304	726,996			48,692		48,692	
Engineering	548,272				(548,272)		(548,272)	
Streets and Roads	4,345,201			256,780	(4,088,421)		(4,088,421)	
Buildings and Grounds	560,459				(560,459)		(560,459)	
Storm Water	365,970			212,600	(153,370)		(153,370)	
Municipal Court	132,900				(132,900)		(132,900)	
Finance	634,760				(634,760)		(634,760)	
Communications	291,846				(291,846)		(291,846)	
Prosecuting Attorney	21,200				(21,200)		(21,200)	
Police	3,861,568	311,024	69,572		(3,480,972)		(3,480,972)	
Emergency Preparedness	114,438				(114,438)		(114,438)	
Parks and Recreation	1,838,066	440,432			(1,397,634)		(1,397,634)	
Interest, fiscal fees, and bond issuance costs on long-term debt	977,668				(977,668)		(977,668)	
Total governmental activities	16,160,384	1,748,192	69,572	469,380	(13,873,240)		(13,873,240)	
Business-type activities								
Water and Sewer	8,682,575	9,014,286				331,711	331,711	
Total primary government	24,842,959	10,762,478	69,572	469,380	(13,873,240)	331,711	(13,541,529)	
Component Units								
Galleria TIF Component Unit	856,341							(856,341)
Hubach Hill TDD Component Unit	404,878		462,452					57,574
Total component units	1,261,219		462,452					(798,767)

CITY OF RAYMORE, MISSOURI
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED OCTOBER 31, 2018

		Program Revenues			Net (Expense) Revenue and Changes in Net Position			
		Charges	Operating	Capital	Primary Government			
	Expenses	for	Grants	Grants	Governmental	Business-Type	Total	Component
		Services	and	and	Activities	Activities		Units
			Contributions	Contributions				
General revenues								
Taxes								
Property tax					4,086,807		4,086,807	489,601
Sales taxes					7,174,959		7,174,959	1,715,445
Other					897,127		897,127	
Franchise fees					2,247,932		2,247,932	
Investment income					267,987	121,510	389,497	45,446
Other revenues					114,478		114,478	
Total general revenues					14,789,290	121,510	14,910,800	2,250,492
Transfers					766,741	(766,741)		
CHANGE IN NET POSITION					1,682,791	(313,520)	1,369,271	1,451,725
NET POSITION (DEFICIT), beginning of year					51,386,960	32,139,717	83,526,677	(18,637,424)
NET POSITION (DEFICIT), end of year					53,069,751	31,826,197	84,895,948	(17,185,699)

See accompanying notes to financial statements.

CITY OF RAYMORE, MISSOURI
BALANCE SHEET
GOVERNMENTAL FUNDS
OCTOBER 31, 2018

	General Fund	Parks and Recreation Fund	Trans- portation Fund	Debt Service Fund	Capital Improvement Fund	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS							
ASSETS							
Cash and cash equivalents	392,323	335,395	41,330	6,899	742,269	2,962,437	4,480,653
Investments	3,002,530	587,286	402,186	1,661,081	51,127	2,123,399	7,827,609
Taxes receivable	762,476	123,287	230,592	4,107	230,592	115,296	1,466,350
Interest receivable	27,040	5,503	2,031	11,184	1,249	10,621	57,628
Other receivables	43,749					119,149	162,898
Due from other governments	104,696						104,696
Prepaid items	178,393	17,592					195,985
Inventory	51,085						51,085
Restricted cash	110,706	607,864	838,443	3,372	43,083		1,603,468
Restricted investments		1,754,434	301,061	586,312		48,237	2,690,044
TOTAL ASSETS	4,672,998	3,431,361	1,815,643	2,272,955	1,068,320	5,379,139	18,640,416
LIABILITIES AND FUND BALANCES							
LIABILITIES							
Accounts payable	706,560	19,973			12,630	2,445	741,608
Accrued expenses	288,640	34,363					323,003
Total liabilities	995,200	54,336			12,630	2,445	1,064,611
FUND BALANCES							
Nonspendable	229,478	17,592					247,070
Restricted	110,706	2,362,298	1,139,504	589,684	43,083	48,237	4,293,512
Committed	20,000						20,000
Assigned	390,672	997,135	676,139	1,683,271	1,012,607	5,328,457	10,088,281
Unassigned	2,926,942						2,926,942
Total fund balances	3,677,798	3,377,025	1,815,643	2,272,955	1,055,690	5,376,694	17,575,805
TOTAL LIABILITIES AND FUND BALANCES	4,672,998	3,431,361	1,815,643	2,272,955	1,068,320	5,379,139	18,640,416

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, 2018

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

Fund balance - total governmental funds		17,575,805
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.		
Governmental capital assets	130,190,897	
Less accumulated depreciation	<u>(65,569,601)</u>	
		64,621,296
Property taxes and accounts 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.		
Property taxes receivable	43,908	
Long-term accounts receivable	<u>147,600</u>	
		191,508
Bond interest was accrued for governmental activities.		(106,948)
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 premiums		(933,445)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.		
Notes payable	(106,000)	
General obligation bonds	(22,925,000)	
Special obligation bonds	<u>(3,160,000)</u>	
		(26,191,000)

CITY OF RAYMORE, MISSOURI
RECONCILIATION OF THE BALANCE SHEET
OF GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION
OCTOBER 31, 2018

The effects of GASB 68 to record the net pension asset (liability) and related deferred outflows and inflows of resources are not reflected in the fund financial statements:

Net pension asset (liability)	(1,339,075)	
Deferred outflows of resources	332,599	
Deferred inflows of resources	<u>(524,098)</u>	(1,530,574)

Compensated absences are not due and payable in the current period and, therefore, are not reported in the funds.

(556,891)

NET POSITION OF GOVERNMENTAL ACTIVITIES

53,069,751

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, 2018

	General Fund	Parks and Recreation Fund	Trans- portation Fund	Debt Service Fund	Capital Improvement Fund	Other Nonmajor Funds	Total Governmental Funds
REVENUES							
Taxes							
Property	1,421,548	384,679		2,274,886			4,081,113
Sales	2,942,307	622,460	1,244,919		1,244,919	1,120,354	7,174,959
Franchise	2,247,932						2,247,932
Other	515,555		381,572				897,127
Charges for services	257,463	440,432					697,895
Fines and forfeitures	311,024			12,277			323,301
Licenses, fees, and permits	726,996						726,996
Intergovernmental	69,572						69,572
Interest	102,159	62,491	19,124	37,180	5,316	41,717	267,987
Refunds and reimbursements	27,108				58,638	263,950	349,696
Miscellaneous	38,388	30,310			17,864		86,562
Total revenues	<u>8,660,052</u>	<u>1,540,372</u>	<u>1,645,615</u>	<u>2,324,343</u>	<u>1,326,737</u>	<u>1,426,021</u>	<u>16,923,140</u>
EXPENDITURES							
Current							
Administration	964,400					5,398	969,798
Information Technology	422,664				7,041		429,705
Economic Development	180,691						180,691
Community Development	641,883				2,261		644,144
Engineering	382,283						382,283
Streets and Roads	705,850						705,850
Buildings and Grounds	295,631					30,035	325,666
Storm Water	285,388						285,388
Municipal Court	128,249						128,249
Finance	624,343						624,343
Communications	279,685						279,685
Prosecuting Attorney	21,200						21,200
Police	3,789,682					33,485	3,823,167
Emergency Preparedness	117,845						117,845
Parks and Recreation		1,308,007					1,308,007
Capital outlay	22,794	3,328,007	3,031,055		423,236	1,379,625	8,184,717
Debt service							
Principal				1,650,000	549,910	20,000	2,219,910
Interest, bond issuance costs, and fiscal fees				631,619	467,602	3,270	1,102,491
Total expenditures	<u>8,862,588</u>	<u>4,636,014</u>	<u>3,031,055</u>	<u>2,281,619</u>	<u>1,450,050</u>	<u>1,471,813</u>	<u>21,733,139</u>

CITY OF RAYMORE, MISSOURI
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES - GOVERNMENTAL FUNDS
YEAR ENDED OCTOBER 31, 2018

	General Fund	Parks and Recreation Fund	Trans- portation Fund	Debt Service Fund	Capital Improvement Fund	Other Nonmajor Funds	Total Governmental Funds
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(202,536)</u>	<u>(3,095,642)</u>	<u>(1,385,440)</u>	<u>42,724</u>	<u>(123,313)</u>	<u>(45,792)</u>	<u>(4,809,999)</u>
OTHER FINANCING SOURCES (USES)							
Transfers in	1,515,327	130,000	212,220		600,000	566,325	3,023,872
Transfers out	<u>(1,171,603)</u>	<u>(122,617)</u>	<u>(436,035)</u>	<u>(141,667)</u>	<u>(100,000)</u>	<u>(285,209)</u>	<u>(2,257,131)</u>
Total other financing sources (uses)	<u>343,724</u>	<u>7,383</u>	<u>(223,815)</u>	<u>(141,667)</u>	<u>500,000</u>	<u>281,116</u>	<u>766,741</u>
NET CHANGE IN FUND BALANCES	141,188	(3,088,259)	(1,609,255)	(98,943)	376,687	235,324	(4,043,258)
FUND BALANCE, beginning of year	<u>3,536,610</u>	<u>6,465,284</u>	<u>3,424,898</u>	<u>2,371,898</u>	<u>679,003</u>	<u>5,141,370</u>	<u>21,619,063</u>
FUND BALANCE, end of year	<u>3,677,798</u>	<u>3,377,025</u>	<u>1,815,643</u>	<u>2,272,955</u>	<u>1,055,690</u>	<u>5,376,694</u>	<u>17,575,805</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, 2018

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

Net change in fund balances - total governmental funds		(4,043,258)
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Governmental funds report capital outlay 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.

Expenses capitalized	8,184,717	
Trade-in value differences	13,000	
Addition of capital lease	9,910	
Depreciation	<u>(4,832,135)</u>	
		3,375,492

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	(38,674)	
Accumulated depreciation	<u>31,951</u>	
		(6,723)

Certain revenue that does not provide current financial resources is not reported as revenues in the funds as follows:

Capital grants	147,600	
Property taxes	<u>5,694</u>	
		153,294

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>11,482</u>	
		11,482

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, 2018

Governmental funds report payments required for pension costs as expenditures. However, in the statement of activities, these costs are adjusted for the actuarial balances of the net pension asset or liability and the related deferred outflows and inflows of resources. This is the amount by which the reported pension expense by the pension plan exceeded the amounts paid into the plan.

Plan payments made by the City	799,305	
Pension expense reported by the pension plan	<u>(871,534)</u>	
		(72,229)

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	2,139,910	
Decrease in accrued bond interest expense	12,591	
Amortization of premiums and discounts	<u>112,232</u>	
		<u>2,264,733</u>

CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES	<u><u>1,682,791</u></u>
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See accompanying notes to financial statements.

CITY OF RAYMORE, MISSOURI
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
OCTOBER 31, 2018

	Enterprise Fund
ASSETS	
Current Assets	
Cash and cash equivalents	2,311,436
Investments	3,971,944
Accounts receivable, net	1,286,775
Interest receivable	29,425
Inventory	89,767
Prepaid expenses	98,233
Total current assets	<u>7,787,580</u>
Noncurrent Assets	
Restricted cash	1,190,000
Restricted investments	417,669
Capital assets	
Land	337,399
Construction in progress	283,420
Other capital assets, net of accumulated depreciation	<u>24,109,263</u>
Total noncurrent assets	<u>26,337,751</u>
TOTAL ASSETS	<u>34,125,331</u>
DEFERRED OUTFLOWS OF RESOURCES	
Resources to be recognized in future pension expense due to assets	<u>518,309</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<u>34,643,640</u>
LIABILITIES	
Current Liabilities	
Accounts payable	342,223
Accrued expenses	36,558
Accrued bond interest	6,107
Meter deposits	329,400
Current portion of long-term obligations	267,578
Total current liabilities	<u>981,866</u>

CITY OF RAYMORE, MISSOURI
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
OCTOBER 31, 2018

	Enterprise Fund
LIABILITIES (Continued)	
Noncurrent Liabilities	
Net pension liability	205,867
Noncurrent portion of long-term obligations	<u>1,086,784</u>
Total noncurrent liabilities	<u>1,292,651</u>
 TOTAL LIABILITIES	 <u>2,274,517</u>
 DEFERRED INFLOWS OF RESOURCES	
Resources to be recognized in future pension expense due to liabilities	 <u>542,926</u>
 TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES	 <u>2,817,443</u>
 NET POSITION	
Net investment in capital assets	24,582,405
Restricted for:	
Debt service	88,269
Unrestricted	<u>7,155,523</u>
 TOTAL NET POSITION	 <u>31,826,197</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, 2018

	Enterprise Fund
OPERATING REVENUES	
Charges for service	8,884,170
Penalties	115,352
Miscellaneous	14,764
Total operating revenues	<u>9,014,286</u>
OPERATING EXPENSES	
Personnel services	933,694
Contractual services	2,087,818
Commodities	2,244,217
Utilities/maintenance	1,075,136
Depreciation	2,306,506
Total operating expenses	<u>8,647,371</u>
OPERATING INCOME	<u>366,915</u>
NONOPERATING REVENUES (EXPENSES)	
Investment income	121,510
Bond interest and fees	(35,204)
Total nonoperating revenues (expenses)	<u>86,306</u>
INCOME BEFORE TRANSFERS	<u>453,221</u>
TRANSFERS	
Transfers in	141,667
Transfers out	(908,408)
Net transfers	<u>(766,741)</u>
CHANGE IN NET POSITION	(313,520)
NET POSITION, beginning of year	<u>32,139,717</u>
NET POSITION, end of year	<u><u>31,826,197</u></u>

See accompanying notes to financial statements.

CITY OF RAYMORE, MISSOURI
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
YEAR ENDED OCTOBER 31, 2018

CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from customers	8,701,082
Payments to suppliers	(5,385,174)
Payments to employees	(926,705)
Other receipts	<u>14,764</u>
Net cash provided by operating activities	<u>2,403,967</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Transfers from other funds	141,667
Transfers to other funds	<u>(908,408)</u>
Net cash used in noncapital financing activities	<u>(766,741)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Purchases of capital assets	(389,692)
Proceeds from long-term debt issuance	1,190,000
Long-term debt payments	(140,000)
Interest and fiscal fees paid on long-term debt	<u>(34,456)</u>
Net cash provided by capital and related financing activities	<u>625,852</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest and dividends	102,176
Decrease in investments	<u>(470,126)</u>
Net cash used in investing activities	<u>(367,950)</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	1,895,128
CASH AND CASH EQUIVALENTS, beginning of year	<u>1,606,308</u>
CASH AND CASH EQUIVALENTS, end of year	<u><u>3,501,436</u></u>

CITY OF RAYMORE, MISSOURI
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
YEAR ENDED OCTOBER 31, 2018

ALLOCATION OF CASH	
Unrestricted	2,311,436
Restricted	<u>1,190,000</u>
Total	<u><u>3,501,436</u></u>
Reconciliation of Operating Income to Net Cash Provided by Operating Activities	
Operating income	<u>366,915</u>
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation	2,306,506
(Increase) decrease in:	
Receivables	19,775
Inventory	(11,717)
Prepaid expenses	(11,809)
Deferred outflows of resources	223,766
Increase (decrease) in:	
Accounts payable	13,357
Accrued expenses	6,989
Net pension liability	(380,097)
Deferred inflows of resources	188,497
Meter deposits	<u>(318,215)</u>
Total adjustments	<u><u>2,037,052</u></u>
Net cash provided by operating activities	<u><u>2,403,967</u></u>

See accompanying notes to financial statements.

CITY OF RAYMORE, MISSOURI
STATEMENT OF NET POSITION
FIDUCIARY FUNDS
OCTOBER 31, 2018

	Agency Fund
ASSETS	
Cash and cash equivalents	345,681
Interest receivable	628
Investments at fair value	<u>125,964</u>
 TOTAL ASSETS	 <u>472,273</u>
 LIABILITIES	
Due to escrow agents	<u>472,273</u>
 NET POSITION	 <u><u>- 0 -</u></u>

See accompanying notes to financial statements.

CITY OF RAYMORE, MISSOURI
NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the City of Raymore, Missouri (the City) have been prepared in conformity with 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 estimated 20,839 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 accompanying financial statements present the City's primary government and component units over which the City is financially accountable. Financial accountability is based primarily on operational or financial relationships with the City (as distinct from legal 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 (RAYMAC) 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 RAYMAC and members of the Board of Directors are appointed by the Raymore City Council.

The financial activity of RAYMAC 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, RAYMAC is reported as if it were part of the primary government (blended) because its sole purpose is to serve the primary government exclusively.

CITY OF RAYMORE, MISSOURI
NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

A. REPORTING ENTITY (Continued)

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. Separate financial statements are produced for the District and may be obtained from the City's Finance Administration office.

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. The District has issued separate audited financial statements from which the information included in this report was taken from. Separate financial statements are produced for the District and may be obtained from the City's Finance Administration office.

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 it 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)

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)

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.

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 the collection of program fees, access charges, concessions, a portion of general property taxes and special purpose sale tax revenues received and payments of expenditures 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.

Nonmajor Special Revenue Funds

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.

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

The Debt Service Fund accounts for the accumulation of resources used for the payment of principal, interest, and fiscal charges on long-term general obligation debt.

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)

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 Projects Fund

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

Nonmajor Capital Projects Funds

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

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.

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)

Fiduciary Fund Types

Fiduciary funds are used to account for assets for which the City acts 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.

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, as are the proprietary fund financial statements. 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.

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

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

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

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)

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.

F. 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.

CITY OF RAYMORE, MISSOURI
NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

G. 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 the first-in, first-out (FIFO) basis.

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 capital 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 acquisition 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 and payments of principal and interest are reported as expenditures. Issuance costs are reported as expenditures.

J. COMPENSATED ABSENCES

Under terms of the City's personnel policy, City employees are granted vacation and sick leave in varying amounts based upon length of service. In the event of termination, an employee is paid for accumulated vacation 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:

Net investment in capital assets 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.

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

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 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 and 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 or through the Council delegating this responsibility to the City Administrator through the budgetary process.

Unassigned

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

CITY OF RAYMORE, MISSOURI
NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

K. EQUITY CLASSIFICATION (Continued)

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.

L. DEFERRED OUTFLOWS AND INFLOWS OF RESOURCES

The City reports decreases and increases in net assets that relate to future periods as deferred outflows and inflows of resources in a separate section of its government-wide and proprietary funds statements of net position. The City has several calculations related to its pension plan that qualify for reporting in these categories, in addition to the amounts included in the current year's financial statements that are the result of prior year refunded debt for the original issues' discounts and premiums, which are being amortized over the remaining life of the original debt as a part of interest expense.

M. USE OF ESTIMATES

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

N. INTERFUND TRANSACTIONS

During the course of normal operations, the City has transactions between funds, including expenditures and transfers of resources, to provide services and construct assets. Legally authorized transfers are included in the fund financial statements of both governmental and proprietary funds.

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

CITY OF RAYMORE, MISSOURI
NOTES TO FINANCIAL STATEMENTS

NOTE 2. CASH AND INVESTMENTS (Continued)

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, 2018, none of the City's bank balances with financial institutions were 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.

As of October 31, 2018, the City had the following investments.

Investment Type	Maturity Date	Yield %	Rating	Fair Value
MOSIP Pool	N/A	1.010	AAAm	4,114,242
Certificate of deposit	9/12/2019	2.550		2,000,000
Certificate of deposit	8/26/2019	2.320		2,000,000
Certificate of deposit	6/29/2019	0.550		673,823
Certificate of deposit	12/8/2018	1.520		2,500,000
Certificate of deposit	11/21/2018	1.620		2,000,000
Certificate of deposit	5/3/2019	2.000		1,000,000
Investments held in trust	Various	Various		<u>745,165</u>
Total investments				15,033,230
Less: Investments allocated to fiduciary funds				<u>(125,964)</u>
Total investments allocated to City funds				<u><u>14,907,266</u></u>

CITY OF RAYMORE, MISSOURI
NOTES TO FINANCIAL STATEMENTS

NOTE 2. CASH AND INVESTMENTS (Continued)

Investments (Continued)

Investment	Unrestricted	Restricted	Total
Governmental activities	7,827,609	2,690,044	10,517,653
Business-type activities	<u>3,971,944</u>	<u>417,669</u>	<u>4,389,613</u>
	<u>11,799,553</u>	<u>3,107,713</u>	<u>14,907,266</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.

NOTE 3. CAPITAL ASSETS

Capital asset activity for the year ended October 31, 2018, was as follows:

	Balance November 1, 2017	Additions	Deletions	Balance October 31, 2018
<u>Governmental Activities</u>				
Capital assets, not being depreciated				
Land	3,627,494			3,627,494
Construction in progress	<u>2,155,106</u>	<u>8,004,247</u>	<u>(2,252,162)</u>	<u>7,907,191</u>
Total capital assets, not being depreciated	<u>5,782,600</u>	<u>8,004,247</u>	<u>(2,252,162)</u>	<u>11,534,685</u>

CITY OF RAYMORE, MISSOURI
NOTES TO FINANCIAL STATEMENTS

NOTE 3. CAPITAL ASSETS (Continued)

	Balance November 1, 2017	Additions	Deletions	Balance October 31, 2018
<u>Governmental Activities (Continued)</u>				
Capital assets, being depreciated				
Intangible property	169,917			169,917
Buildings and improvements	18,475,454	382,874		18,858,328
Office equipment and furniture	167,823			167,823
Computer equipment and software	455,758			455,758
Machinery and equipment	1,235,713	125,356	(13,443)	1,347,626
Vehicles	1,867,776	79,634	(25,229)	1,922,181
Infrastructure	93,866,904	1,867,677		95,734,581
Total capital assets, being depreciated	<u>116,239,345</u>	<u>2,455,541</u>	<u>(38,672)</u>	<u>118,656,214</u>
Less accumulated depreciation for:				
Intangible property	79,339	12,219		91,558
Buildings and improvements	5,757,153	670,435		6,427,588
Office equipment and furniture	110,065	13,871		123,936
Computer equipment and software	231,701	29,117		260,818
Machinery and equipment	885,882	84,800	(6,721)	963,961
Vehicles	1,212,785	188,802	(25,229)	1,376,358
Infrastructure	52,492,493	3,832,891		56,325,384
Total accumulated depreciation	<u>60,769,418</u>	<u>4,832,135</u>	<u>(31,950)</u>	<u>65,569,603</u>
Total capital assets, being depreciated	<u>55,469,927</u>	<u>(2,376,594)</u>	<u>(6,722)</u>	<u>53,086,611</u>
Governmental activities capital assets, net	<u>61,252,527</u>	<u>5,627,653</u>	<u>(2,258,884)</u>	<u>64,621,296</u>
<u>Business-Type Activities</u>				
Capital assets, not being depreciated				
Land	337,399			337,399
Construction in progress	1,251,943	391,097	(1,359,620)	283,420
Total capital assets, not being depreciated	<u>1,589,342</u>	<u>391,097</u>	<u>(1,359,620)</u>	<u>620,819</u>

CITY OF RAYMORE, MISSOURI
NOTES TO FINANCIAL STATEMENTS

NOTE 3. CAPITAL ASSETS (Continued)

	Balance November 1, 2017	Additions	Deletions	Balance October 31, 2018
<u>Business-Type Activities (Continued)</u>				
Capital assets, being depreciated				
Buildings and improvements	353,741			353,741
Vehicles and equipment	757,532			757,532
Intangible property	3,899,998	94,248		3,994,246
Infrastructure	<u>76,426,670</u>	<u>1,265,371</u>		<u>77,692,041</u>
Total capital assets, being depreciated	<u>81,437,941</u>	<u>1,359,619</u>		<u>82,797,560</u>
Less accumulated depreciation for:				
Intangible property	1,130,830	155,181		1,286,011
Buildings and improvements	126,193	8,754		134,947
Vehicles and equipment	439,462	68,580		508,042
Infrastructure	<u>54,685,306</u>	<u>2,073,991</u>		<u>56,759,297</u>
Total accumulated depreciation	<u>56,381,791</u>	<u>2,306,506</u>		<u>58,688,297</u>
Total capital assets, being depreciated	<u>25,056,150</u>	<u>(946,887)</u>		<u>24,109,263</u>
Business-type activities capital assets, net	<u>26,645,492</u>	<u>(555,790)</u>	<u>(1,359,620)</u>	<u>24,730,082</u>

The following table summarizes the depreciation by function for the year ended October 31, 2018:

	Governmental Activities	Business-Type Activities
Administration	111,990	
Information Technology	21,957	
Community Development	10,923	
Engineering	158,032	
Streets and Roads	3,601,100	
Buildings and Grounds	228,520	
Storm Water	70,604	
Police Department	133,701	
Emergency Management	4,759	
Parks	490,549	
Water and Sewer		<u>2,306,506</u>
	<u>4,832,135</u>	<u>2,306,506</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, 2018, consisted of the following:

	Balance November 1, 2017	Addi- tions	Retire- ments	Balance October 31, 2018	Due in One Year
General Obligation Bonds	24,575,000		(1,650,000)	22,925,000	1,965,000
Special Obligation					
Refunding Bonds	3,620,000		(460,000)	3,160,000	470,000
Notes payable	126,000		(20,000)	106,000	20,000
Capital lease	9,910		(9,910)		
Compensated absences	568,373	556,890	(568,373)	556,890	556,890
Bond premium	<u>1,045,677</u>		<u>(112,231)</u>	<u>933,446</u>	<u>97,550</u>
Total governmental long-term liabilities	<u>29,944,960</u>	<u>556,890</u>	<u>(2,820,514)</u>	<u>27,681,336</u>	<u>3,109,440</u>

General Obligation Bonds

\$9,335,000 General Obligation Bonds, Series 2012,
dated December 28, 2012; due in annual install-
ments varying from year to year until maturity in
March 2027; interest at 2.0% to 2.5%. 7,755,000

\$7,150,000 General Obligation Bonds, Series 2013,
dated February 28, 2013; due in annual install-
ments varying from year to year until maturity in
March 2024; interest at 0.5% to 2.15%. 5,870,000

\$7,300,000 General Obligation Bonds, Series 2016,
dated June 2, 2016; due in annual installments
varying from year to year until maturity in March
2032; interest at 2.25% to 4.25% 6,750,000

\$2,750,000 General Obligation Bonds, Series 2017,
dated April 27, 2017; due in annual installments
varying from year to year until maturity in March
2037; interest at 3.0% to 4.0%. 2,550,000

Total general obligation bonds 22,925,000

CITY OF RAYMORE, MISSOURI
NOTES TO FINANCIAL STATEMENTS

NOTE 4. LONG-TERM DEBT (Continued)

Governmental Activities (Continued)

General Obligation Bonds (Continued)

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

Years Ending October 31,	Principal	Interest
2019	1,965,000	576,161
2020	1,575,000	524,185
2021	1,635,000	482,722
2022	1,700,000	439,079
2023	1,765,000	398,068
2024 - 2028	9,135,000	1,224,400
2029 - 2033	4,320,000	337,251
2034 - 2037	830,000	46,750
	<u>22,925,000</u>	<u>4,028,616</u>

Special Obligation Refunding Bonds

\$4,040,000 Special Obligation Refunding and Improvement Bonds, Series 2016, dated June 1, 2016; due in annual installments varying from year to year until maturity in March 2026; interest at 2.5%.

3,160,000

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

Years Ending October 31,	Principal	Interest
2019	470,000	73,125
2020	485,000	61,188
2021	500,000	48,876
2022	505,000	36,313
2023	530,000	23,375
2024 - 2026	670,000	25,501
	<u>3,160,000</u>	<u>268,378</u>

CITY OF RAYMORE, MISSOURI
NOTES TO FINANCIAL STATEMENTS

NOTE 4. LONG-TERM DEBT (Continued)

Governmental Activities (Continued)

Note 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.

106,000

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

Year Ending October 31,	Principal	Interest
2019	20,000	1,536
2020	21,000	1,208
2021	21,000	872
2022	21,000	536
2023	23,000	184
	<u>106,000</u>	<u>4,336</u>

Capital Lease

Capital lease, Winterland, Inc., dated November 1, 2016, with final payment due in 2019. The cumulative amount of assets acquired under the capital lease amounted to \$19,820. This lease was paid off in 2018.

- 0 -

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	491,584
Parks	65,306
	<u>556,890</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, 2018, consisted of the following:

	Balance November 1, 2017	Addi- tions	Retire- ments	Balance October 31, 2018	Due in One Year
General Obligation Bonds	285,000		(140,000)	145,000	145,000
Special Obligation Bonds		1,190,000		1,190,000	105,000
Compensated absences	14,572	16,685	(14,572)	16,685	16,685
Bond premium	<u>3,570</u>	<u> </u>	<u>(893)</u>	<u>2,677</u>	<u>893</u>
Total business-type activities long-term liabilities	<u>303,142</u>	<u>1,206,685</u>	<u>(155,465)</u>	<u>1,354,362</u>	<u>267,578</u>

General Obligation Bonds

\$1,800,000 December 1, 1999, General Obligation Bonds (State Revolving Fund Program) Series 1999-B; due in annual installments varying from year to year until maturity on July 1, 2019; interest at 4.125% to 5.75%. 145,000

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

Year Ending October 31,	Principal	Interest
2019	<u>145,000</u>	<u>8,338</u>

Special Obligation Bonds

\$1,190,000 August 30, 2018, Special Obligations Bonds Series 2019; due in annual installments varying from year to year until maturity on June 1, 2026. 1,190,000

CITY OF RAYMORE, MISSOURI
NOTES TO FINANCIAL STATEMENTS

NOTE 4. LONG-TERM DEBT (Continued)

Business-Type Activities (Continued)

Special Obligation Bonds (Continued)

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

Years Ending October 31,	Principal	Interest
2019	105,000	30,278
2020	140,000	36,674
2021	145,000	31,941
2022	150,000	27,040
2023	155,000	21,970
2024 - 2026	495,000	33,800
	<u>1,190,000</u>	<u>181,703</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:

Water and Sanitary Sewer	<u>16,685</u>
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Discretely Presented Component Units

Galleria TIF District

Changes in the debt for the year ended October 31, 2018, consisted of the following:

	Balance November 1, 2017	Addi- tions	Retire- ments	Balance October 31, 2018	Due in One Year
Tax Increment Refunding and Improvement Revenue Bonds, Series 2014A	13,640,000		(910,000)	12,730,000	965,000
Subordinate Tax Revenue Bonds, Series 2014B	3,130,680		(258,464)	2,872,216	
Bond discounts	(30,974)		2,816	(28,158)	(2,816)
Total Galleria TIF District	<u>16,739,706</u>		<u>(1,165,648)</u>	<u>15,574,058</u>	<u>962,184</u>

CITY OF RAYMORE, MISSOURI
NOTES TO FINANCIAL STATEMENTS

NOTE 4. LONG-TERM DEBT (Continued)

Discretely Presented Component Units (Continued)

Galleria TIF District (Continued)

Revenue Bonds

On March 19, 2014, the District issued Tax Increment Refunding and Improvement Revenue Bonds, Series 2014A, in the amount of \$15,920,000 with interest rates ranging from 3.000% to 5.375%. Principal payments are due annually beginning on May 1, 2015, with semiannual interest payments each May 1 and November 1 beginning on November 1, 2014, until maturity on May 1, 2028. The bonds are to be repaid by payments in lieu of taxes (PILOT), economic activity tax revenues (EATS), and imposed sales taxes generated by the District. The purpose of these bonds was to refund through in-substance defeasance the 2005 series bonds and for project development costs associated with the Raymore Galleria Project. The bonds contain significant requirements for deposits of the issuance proceeds. This includes the deposit of \$9,077,694 to be held in trust by an escrow agent, which will pay the remaining principal and interest on the 2005 issuance when the bonds become due and callable. The District is in compliance with all significant requirements of the bond covenants.

12,730,000

On March 19, 2014, the District issued Subordinate Tax Increment Revenue Bonds, Series 2014B, in the amount of \$3,185,546 with an interest rate of 5.27%. The bonds are to be repaid by payments in lieu of taxes (PILOT) and economic activity tax revenues (EATS) in the hierarchy of required payments as disclosed in Section 402 of the Trust Indenture. This includes that reserves are maintained sufficient for the next succeeding interest and principal payments for the next two payment dates of the Series 2014A bonds. For any interest that is not paid semiannually, such interest will be compounded into the calculation of future interest on each future semiannual interest payment date.

CITY OF RAYMORE, MISSOURI
NOTES TO FINANCIAL STATEMENTS

NOTE 4. LONG-TERM DEBT (Continued)

Discretely Presented Component Units (Continued)

Galleria TIF District (Continued)

Revenue Bonds (Continued)

These bonds mature on July 22, 2035, and were issued for the purpose of project development costs associated with the Raymore Galleria Project. The District is in compliance with all significant requirements of the bond covenants.

2,872,216

15,602,216

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

Years Ending October 31,	Principal	Interest
2019	965,000	793,041
2020	1,025,000	754,441
2021	1,030,000	713,441
2022	1,105,000	661,941
2023	1,185,000	606,691
2024 - 2028	7,420,000	2,040,768
2029 - 2033		756,828
2034 - 2035	<u>2,872,216</u>	<u>302,731</u>
	<u>15,602,216</u>	<u>6,629,882</u>

Hubach Hill and North Cass Parkway Transportation Development District

Changes in the debt for the year ended October 31, 2018, consisted of the following:

	Balance November 1, 2017	Addi- tions	Retire- ments	Balance October 31, 2018	Due in One Year
2009 Infrastructure Improvement Revenue Bonds	<u>6,390,000</u>	<u> </u>	<u>(80,000)</u>	<u>6,310,000</u>	<u>195,000</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%.

6,310,000

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 (Continued)

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

Years Ending October 31,	Principal	Interest
2019	195,000	391,925
2020	225,000	381,200
2021	260,000	368,825
2022	290,000	353,225
2023	320,000	335,825
2024 - 2028	2,135,000	1,348,081
2029 - 2032	2,885,000	520,900
	<u>6,310,000</u>	<u>3,699,981</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, 2017, on which the fiscal year 2018 levy was based is as follows:

Real estate	269,436,507
Personal property	45,786,092
	<u>315,222,599</u>

The City is permitted by Missouri State Statutes to levy taxes up to \$1.00 per \$100 of assessed valuation for general governmental services other than payment of principal and interest on long-term debt, up to \$0.20 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, 2018, per \$100 assessed valuation, were as follows:

General Operating	0.4480
Parks and Recreation	0.1206
Debt Service	<u>0.7170</u>
	<u>1.2856</u>

CITY OF RAYMORE, MISSOURI
NOTES TO FINANCIAL STATEMENTS

NOTE 5. PROPERTY TAXES (Continued)

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

NOTE 6. INTERFUND TRANSACTIONS

	Transfers In						Total
	General Fund	Parks and Recreation Fund	Transportation Fund	Capital Improvement Fund	Nonmajor Funds	Enterprise Fund	
<u>Transfers Out</u>							
General Fund		130,000	212,220	600,000	229,383		1,171,603
Parks and Recreation Fund	75,000				47,617		122,617
Transportation Fund	345,000				91,035		436,035
Debt Service Fund						141,667	141,667
Capital Improvement Fund					100,000		100,000
Nonmajor funds	285,209						285,209
Enterprise Fund	810,118				98,290		908,408
Total	<u>1,515,327</u>	<u>130,000</u>	<u>212,220</u>	<u>600,000</u>	<u>566,325</u>	<u>141,667</u>	<u>3,165,539</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 \$401,600 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.

NOTE 7. PENSION PLAN

Plan Description

The City of Raymore, Missouri, contributes to the Missouri Local Government Employees Retirement System (LAGERS). LAGERS is an agent multi-employer, statewide public employee retirement plan for units of local government which is legally separate and fiscally independent of the state of Missouri. LAGERS was established in 1967 and is administered in accordance with RSMo. 70.600-70.755. LAGERS serves 715 local participating employers. These participating employers include 309 cities, 60 counties, and 346 other public entities during the plan year ended June 30, 2018.

CITY OF RAYMORE, MISSOURI
NOTES TO FINANCIAL STATEMENTS

NOTE 7. PENSION PLAN (Continued)

Responsibility for the operation and administration of the plan is vested in the LAGERS Board of Trustees consisting of seven persons. Three trustees are elected by the employees who participate in the system, three trustees are elected by the members of the governing bodies of those political subdivisions which participate in the system and one trustee is appointed by the governor. The regular term of office for members of the LAGERS Board of Trustees is four years. Members of the LAGERS Board of Trustees serve without compensation with respect to their duties, but are reimbursed by LAGERS for their actual and necessary expenses incurred in the performance of their duties.

For the City's year ending October 31, 2018, the net pension asset/liability is based on an actuarial valuation performed as of February 28, 2018, and a measurement date of June 30, 2018.

At the date the actuarial valuation was performed, the City had 89 active members; 71 inactive members entitled to but not yet receiving benefits, and 49 inactive members (or their beneficiaries) who are currently receiving benefits.

Benefits Provided

LAGERS provides retirement, death, and disability benefits to employees of participating political subdivisions. All benefits vests after 5 years of service. Employees who retire on or after age 60 (55 for police) with 5 or more years of service are entitled to an allowance for life based upon the benefit program then in effect for their political subdivision. Employees may retire with an early retirement benefit with a minimum of 5 years of credited service and after attaining age 55 (50 for police) and receive a reduced allowance. The LAGERS Board of Trustees establishes the benefit plans and provisions that are available for adoption. The political subdivision's governing body adopts all benefits of the plan. Benefit terms provide for annual post retirement adjustments to each member's retirement allowance subsequent to the member's retirement date. The annual adjustment is based on the increase in the Consumer Price Index and is limited to 4% per year.

Contributions

Each participating unit of government is obligated by state law to make all required contributions to the plan. The required contributions are actuarially determined using the individual entry-age actuarial cost method. There are no long-term contracts for contributions to the plan. All actuarial liabilities are amortized over a period of 30 years or less. Administrative costs of LAGERS are financed through investment earnings of the system. Employee contributions are determined at the election of the governing body of the local government. Should the governing body elect to participate in the contributory plan, all employees must contribute four percent of gross salary. The governing body may elect to participate in the non-contributory plan which would result in no employee contributions.

CITY OF RAYMORE, MISSOURI
NOTES TO FINANCIAL STATEMENTS

NOTE 7. PENSION PLAN (Continued)

Actuarial Assumptions

The pension liability for the June 30, 2018, measurement date was determined using the following actuarial assumptions applied to the measurement:

Actuarial Cost Method	Entry Age Normal and Modified Terminal Funding
Amortization Method	A level percentage of payroll amortization method is used to amortize the UAAL over a closed period of years. If the UAAL (excluding the UAAL associated with benefit changes) is negative, then this amount is amortized over the greater of (i) the remaining initial amortization period or (ii) 15 years.
Remaining Amortization Period	Multiple bases from 15 to 18 years
Asset Valuation Method	5-Year smoothed market; 20% corridor
Inflation	3.25% wage inflation; 2.50% price inflation
Salary Increases	3.25% to 6.55% including wage inflation
Investment Rate of Return	7.25%, net of investment expenses
Retirement Age	Experience-based table of rates that are specific to the type of eligibility condition.
Mortality	<p>The healthy retiree mortality tables, for post-retirement mortality, were the RP-2014 Healthy Annuitant mortality table for males and females. The disabled retiree mortality tables, for post-retirement mortality, were the RP-2014 disabled mortality table for males and females. The pre-retirement mortality tables used were the RP-2014 employees' mortality table for males and females.</p> <p>Both the post-retirement and pre-retirement tables were adjusted for mortality improvement back to the observation period base year of 2006. The base year for males was then established to be 2017. Mortality rates for a particular calendar year are determined by applying the MP-2015 mortality improvement scale to the above described tables.</p>
Other information	None.

CITY OF RAYMORE, MISSOURI
NOTES TO FINANCIAL STATEMENTS

NOTE 7. PENSION PLAN (Continued)

Discount Rate

Projected benefit payments are required to be discounted to their actuarial present values using a single discount rate that reflects (1) a long-term expected rate of return on pension plan investments and (2) tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date (to the extent that the plan's projected fiduciary net position is not sufficient to pay benefits). The expected rate of return on pension investments is 7.25%; the municipal bond rate is 3.62% (based on the weekly rate closest to but not later than the measurement date of the "20-Year Municipal GO AA Index" rate from Fidelity; and the resulting single discount rate is 7.25% for the General and Police Divisions.

This rate considers the ability of the plan to meet benefit obligations in the future. To make this determination, employer contributions, employee contributions, benefit payments, expenses, and investment returns are projected into the future. The Plan Net Position (assets) in future years can then be determined and compared to its obligation to make benefit payments in those years. As long as assets are projected to be on hand in a future year, the assumed valuation discount rate is used. In years where assets are not projected to be sufficient to meet benefit payments, the use of a "risk-free" rate is required, as described in the preceding paragraph.

LAGERS has provided tables to the City that provide background for the development of the single discount rate. These tables are described as follows:

The Projection of Contributions table shows the development of expected contributions in future years. Normal cost contributions for future hires are not included (nor are their liabilities).

The Projection of Plan Fiduciary Net Position table shows the development of expected asset levels in future years.

The Present Values of Projected Benefit Payments table shows the development of the Single Discount Rate (SDR). It breaks down the benefit payments into present values for funded and unfunded portions and shows the equivalent total at the SDR.

Assumed Asset Allocation

Activities undertaken by LAGERS Investment Team include setting and implementing investment strategies, appointing and dismissing investment managers, monitoring investment allocation, liquidity, and performance; and ensuring safekeeping of assets.

CITY OF RAYMORE, MISSOURI
NOTES TO FINANCIAL STATEMENTS

NOTE 7. PENSION PLAN (Continued)

Assumed Asset Allocation (Continued)

To achieve the goal of a 7.25% long-term rate of return, LAGERS Investment Team sets an investment strategy which is devised after analyzing the long-term view of the market and consulting with LAGERS' Board of Trustees. The assumed asset allocation is as follows:

Equities	39.20%
Fixed Income	26.20%
Real Assets/Return	28.30%
Strategic	6.30%

Deferred Outflows and Inflows of Resources

The balances of deferred outflows and inflows of resources to be recognized in future pension expense consists of the following:

Deferred Outflows of Resources

Net difference between projected and actual earnings on pension plan investments	
Changes in assumptions	310,885
Differences between expected and actual experience	262,622
Employer contributions subsequent to the measurement	277,401
	<u>850,908</u>

Deferred Inflows of Resources

Net difference between projected and actual earnings on pension plan investments	593,839
Changes in assumptions	133,015
Differences between expected and actual experience	340,170
	<u>1,067,024</u>
Net deferred outflows (inflows) of resources	<u>(216,116)</u>

CITY OF RAYMORE, MISSOURI
NOTES TO FINANCIAL STATEMENTS

NOTE 7. PENSION PLAN (Continued)

Deferred Outflows and Inflows of Resources (Continued)

Net deferred outflows (inflows) of resources by year to be recognized in future pension expenses:

Years Ending October 31,	Net Deferred Outflows (Inflows) of Resources
2019	396,984
2020	(10,782)
2021	(387,083)
2022	(197,717)
2023	<u>(17,518)</u>
Total	<u>(216,116)</u>

Changes in Net Pension Liability

Total Pension Liability	
Service cost	606,285
Interest on total pension liability	1,514,597
Difference between expected and actual experience of the total pension liability	(121,652)
Benefit payments, including refunds of employee contributions	<u>(585,399)</u>
Net change in total pension liability	1,413,831
Total pension liability, beginning	<u>20,880,739</u>
Total pension liability, ending	<u>22,294,570</u>
Contributions - employer	871,784
Net investment income	2,288,739
Benefit payments, including refunds of employee contributions	(585,399)
Pension plan administrative expense	(16,478)
Other	<u>(74,109)</u>
Net change in plan fiduciary net position	2,484,537
Plan fiduciary net position, beginning	<u>18,265,091</u>
Plan fiduciary net position, ending	<u>20,749,628</u>
Net Pension Liability	<u>1,544,942</u>

CITY OF RAYMORE, MISSOURI
NOTES TO FINANCIAL STATEMENTS

NOTE 7. PENSION PLAN (Continued)

Pension Liability Sensitivity

The following table presents the net pension asset (liability) for the City's proportionate share of the net pension asset (liability) as of June 30, 2018, calculated using the discount rate of 7.25% for the General and Police Divisions, as well as what the pension plan's net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

	1.00% Decrease (6.25%)	Current Rate (7.25%)	1.00% Increase (8.25%)
General Division	3,460,925	991,975	(1,022,987)
Police Division	1,841,084	552,967	(487,322)
	<u>5,302,009</u>	<u>1,544,942</u>	<u>(1,510,309)</u>

Pension Plan Fiduciary Net Position

Additional financial and actuarial information supporting the preparation of the schedule of changes in fiduciary net position is included in the System's Comprehensive Annual Financial Report for the year ended June 30, 2018. The Comprehensive Annual Financial Report can be obtained at www.molagers.org or from Missouri Local Area Government Employee Retirement System (LAGERS), PO Box 1665, Jefferson City, MO 65102.

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 options is made by the participants.

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.

CITY OF RAYMORE, MISSOURI
NOTES TO FINANCIAL STATEMENTS

NOTE 9. RISK MANAGEMENT (Continued)

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. NET POSITION AND FUND BALANCES

Governmental activities and business-type activities net position categories for net investment in capital assets and restricted net position are calculated as follows:

	Governmental Activities	Business- Type Activities
Net investment in capital assets		
Long-term liabilities due within one year	3,109,440	267,578
Long-term liabilities due in more than one year	24,571,896	1,086,784
Less compensated absences	(556,890)	(16,685)
Less unspent bond proceeds		
Enterprise Fund		(1,190,000)
Park and Recreation Fund	(2,362,298)	
Transportation Fund	(1,139,504)	
	<u>23,622,644</u>	<u>147,677</u>
Capital assets	<u>64,621,296</u>	<u>24,730,082</u>
Net investment in capital assets	<u><u>40,998,652</u></u>	<u><u>24,582,405</u></u>
Restricted for:		
Capital projects	3,595,966	1,190,000
Less unspent bond proceeds included in long-term liabilities	<u>(3,501,802)</u>	<u>(1,190,000)</u>
Capital projects	94,164	
Debt service	689,684	88,269
911 distribution	7,862	
Restricted net position	<u><u>791,710</u></u>	<u><u>88,269</u></u>

CITY OF RAYMORE, MISSOURI
NOTES TO FINANCIAL STATEMENTS

NOTE 10. NET POSITION AND FUND BALANCES (Continued)

Governmental fund balances that are restricted, committed, and assigned are further described with their specific purpose as follows:

	Restricted	Committed	Assigned
General Fund			
Debt service	100,000		
Contingencies			12,101
Pavement			33,000
Growth			135,000
Development			125,000
Operations	10,706	20,000	85,571
Park and Recreation Fund			
Capital projects	2,362,298		
Operations			997,135
Transportation Fund			
Capital projects	1,139,504		
Operations			676,139
Debt Service Fund			
Debt service	589,684		
Transfers to other funds or for debt service			1,683,271
Capital Improvement Fund			
Capital projects	43,083		1,012,607
Nonmajor funds			
Capital projects	<u>48,237</u>	<u> </u>	<u>5,328,457</u>
Total	<u>4,293,512</u>	<u>20,000</u>	<u>10,088,281</u>

NOTE 11. COMPLIANCE WITH MISSOURI STATUTES

Missouri House Bill No. 103 amending RSMo Section 302.341.2 became effective on August 28, 2013. The amendments to the statute now require municipalities to report an accounting of the percent of "annual general operating revenue" from fines and costs for traffic violations.

Fines and costs for traffic violations	194,859
Annual general operating revenue	12,308,916
Fines and costs for traffic violations as a percentage of annual general operating revenue	1.58%

NOTE 12. LITIGATION

As of February 21, 2019, the City had unsettled litigation and claims. The unsettled claims are at various stages, and at this time, the City believes any adverse results would not have a material impact to the financial statements. The City is vigorously defending each unsettled claim.

CITY OF RAYMORE, MISSOURI
NOTES TO FINANCIAL STATEMENTS

NOTE 13. COMMITMENTS

As of October 31, 2018, the City had outstanding commitments totaling \$702,152 for various contracts and/or purchase orders.

In addition to those amounts, the City has entered into a settlement agreement the Water District. In prior years, the Water District sued the City for infringement on their customer base from delivered water. The City won in court in the prior year and the Water District appealed that decision. Since that time, a developer has started working on a project that requires a water source - of which, the Water District cannot provide and the City has an available line to connect to. As the developer wants to move forward with his project timely, all parties have agreed to have the City pay a total of \$350,000 to the Water District in yearly installments of \$70,000 over the next five years. In turn the Water District will construct and provide water to the developer from wholesale water purchases of the City. Signatures and approval of this settlement by KC Water and the federal courts have not taken place yet, and therefore, the settlement is not recorded as a payable for this year, but will be for next. The settlement agreement will only be recorded as an expense in the next fiscal year. In exchange for the payment, the Water District is agreeing to cease all actions related to their appeal of the court's decision.

NOTE 14. TAX ABATEMENTS

The City is authorized pursuant to sections 99.800 through 99.865 of the Revised Statutes of Missouri, as amended, and the Real Property Tax Increment Allocation Redevelopment Act (the "TIF Act") to provide for the redevelopment of certain areas through the mechanism of tax increment allocation financing.

The City has established the Tax Increment Financing Commission of the City of Raymore, Missouri (the "TIF Commission") and, following duly advertised public hearings held by the TIF Commission pursuant to the TIF Act, and upon recommendation of the TIF Commission, the Council of the City can adopt ordinances for redevelopment plans in the TIF area.

Highway 58 West Extended Redevelopment Plan

On January 24, 2005, the City of Raymore, Missouri, adopted an ordinance approving a redevelopment plan entitled "Redevelopment Plan for 58 Highway West Extended Redevelopment (TIF) Area." The Plan provides for the construction of redevelopment projects for approximately \$71,800,000 and anticipated TIF Reimbursable Project Costs of \$13,761,822.

The Plan relies on the abatement of additional revenue from taxes that are imposed by the City or other Taxing Districts, which are generated by the economic activities within the Redevelopment Area, while tax increment financing remains in effect, excluding licenses, fees, or special assessments, other than payments in lieu of taxes, until the designation is terminated (Economic Activity Taxes).

CITY OF RAYMORE, MISSOURI
NOTES TO FINANCIAL STATEMENTS

NOTE 14. TAX ABATEMENTS (Continued)

Highway 58 West Extended Redevelopment Plan (Continued)

In addition, the Plan relies on revenues from real property in the Redevelopment Area, which revenues are to be used to retire TIF obligations and pay other reimbursable project costs, which Taxing Districts would have received had the City not adopted tax increment allocation financing, and which would result from levies made after the time of the adoption of the tax increment allocation financing during the time the current equalized value of real property in the Redevelopment Area exceeds the Total Initial Equalized Value of real property in such area until the designation is terminated (Payment in Lieu of Taxes).

Aggregate annual principal and interest payments applicable to the TIF Bonds are disclosed in Note 4.

For the ended October 31, 2018, the City abated taxes as follows:

Tax Abatement Program	Amount Abated
Economic activity taxes	1,715,445
Payment in lieu of taxes	410,947

NOTE 15. SUBSEQUENT EVENTS

In preparing the financial statements, the City has evaluated events and transactions for potential recognition or disclosure through February 21, 2019, the date the financial statements were available to be issued.

CITY OF RAYMORE, MISSOURI
REQUIRED SUPPLEMENTARY INFORMATION

CITY OF RAYMORE, MISSOURI
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
YEAR ENDED OCTOBER 31, 2018

	General Fund			Variance Positive (Negative)
	Original Budget	Final Budget	Actual	
REVENUES				
Taxes				
Property taxes	1,410,152	1,410,152	1,421,548	11,396
Sales taxes	2,844,041	2,844,041	2,942,307	98,266
Franchise fees	2,251,722	2,251,722	2,247,932	(3,790)
Other taxes	521,579	521,579	515,555	(6,024)
Charges for services	222,390	222,390	257,463	35,073
Fines and forfeitures	385,190	385,190	311,024	(74,166)
Licenses, fees, and permits	499,792	499,792	726,996	227,204
Intergovernmental	72,889	72,889	69,572	(3,317)
Interest	43,584	43,584	102,159	58,575
Refunds and reimbursements	19,000	19,000	27,108	8,108
Miscellaneous	15,080	15,080	38,388	23,308
Total revenues	<u>8,285,419</u>	<u>8,285,419</u>	<u>8,660,052</u>	<u>374,633</u>
EXPENDITURES				
General Government				
Administrative	972,797	972,797	961,268	11,529
Information Technology	473,750	473,750	422,664	51,086
Economic Development	219,735	219,735	177,262	42,473
Community Development	706,216	670,016	624,141	45,875
Engineering	407,397	407,397	382,283	25,114
Streets and Roads	792,069	792,069	705,850	86,219
Building and Grounds	311,021	311,021	295,631	15,390
Storm Water	289,053	289,053	285,388	3,665
Municipal Court	157,297	157,297	128,249	29,048
Finance	636,570	636,570	624,343	12,227
Communications	297,768	294,768	275,941	18,827
Prosecutor	20,140	21,200	21,200	
Police	4,018,553	4,018,553	3,757,598	260,955
Emergency Preparedness	125,645	125,645	117,845	7,800
Capital outlay	146,350	115,218	82,925	32,293
Total expenditures	<u>9,574,361</u>	<u>9,505,089</u>	<u>8,862,588</u>	<u>642,501</u>

CITY OF RAYMORE, MISSOURI
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
YEAR ENDED OCTOBER 31, 2018

	General Fund			Variance
	Original Budget	Final Budget	Actual	Positive (Negative)
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(1,288,942)</u>	<u>(1,219,670)</u>	<u>(202,536)</u>	<u>1,017,134</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	1,490,107	1,565,107	1,515,327	(49,780)
Transfers out	<u>(1,161,603)</u>	<u>(1,161,603)</u>	<u>(1,171,603)</u>	<u>(10,000)</u>
Total other financing sources (uses)	<u>328,504</u>	<u>403,504</u>	<u>343,724</u>	<u>(59,780)</u>
NET CHANGE IN FUND BALANCE	<u>(960,438)</u>	<u>(816,166)</u>	141,188	<u>957,354</u>
FUND BALANCE, beginning of year			<u>3,536,610</u>	
FUND BALANCE, end of year			<u>3,677,798</u>	

CITY OF RAYMORE, MISSOURI
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED OCTOBER 31, 2018

	Parks and Recreation Fund				Transportation Fund				Total Major Special Revenue Funds			
	Original Budget	Final Budget	Actual	Variance Positive (Negative)	Original Budget	Final Budget	Actual	Variance Positive (Negative)	Original Budget	Final Budget	Actual	Variance Positive (Negative)
REVENUES												
Taxes												
Property	376,201	376,201	384,679	8,478					376,201	376,201	384,679	8,478
Road					362,436	362,436	381,572	19,136	362,436	362,436	381,572	19,136
Sale	646,824	646,824	622,460	(24,364)	1,293,649	1,293,649	1,244,919	(48,730)	1,940,473	1,940,473	1,867,379	(73,094)
Charges for services	509,880	511,880	440,432	(71,448)					509,880	511,880	440,432	(69,448)
Interest	171	171	62,491	62,320	6,697	6,697	19,124	12,427	6,868	6,868	81,615	74,747
Miscellaneous	3,621	3,621	30,310	26,689					3,621	3,621	30,310	26,689
Total revenues	<u>1,536,697</u>	<u>1,538,697</u>	<u>1,540,372</u>	<u>1,675</u>	<u>1,662,782</u>	<u>1,662,782</u>	<u>1,645,615</u>	<u>(17,167)</u>	<u>3,199,479</u>	<u>3,201,479</u>	<u>3,185,987</u>	<u>(13,492)</u>
EXPENDITURES												
Parks and recreation	1,273,582	1,281,374	1,308,007	(26,633)					1,273,582	1,281,374	1,308,007	(26,633)
Capital outlay	1,123,573	1,048,573	3,328,007	(2,279,434)	1,407,220	1,407,220	3,031,055	(1,623,835)	2,530,793	2,455,793	6,359,062	(3,903,269)
Total expenditures	<u>2,397,155</u>	<u>2,329,947</u>	<u>4,636,014</u>	<u>(2,306,067)</u>	<u>1,407,220</u>	<u>1,407,220</u>	<u>3,031,055</u>	<u>(1,623,835)</u>	<u>3,804,375</u>	<u>3,737,167</u>	<u>7,667,069</u>	<u>(3,929,902)</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(860,458)</u>	<u>(791,250)</u>	<u>(3,095,642)</u>	<u>(2,304,392)</u>	<u>255,562</u>	<u>255,562</u>	<u>(1,385,440)</u>	<u>(1,641,002)</u>	<u>(604,896)</u>	<u>(535,688)</u>	<u>(4,481,082)</u>	<u>(3,945,394)</u>
OTHER FINANCING SOURCES (USES)												
Transfers in	120,000	120,000	130,000	10,000	212,220	212,220	212,220		332,220	332,220	342,220	10,000
Transfers out	(47,617)	(122,617)	(122,617)		(436,035)	(436,035)	(436,035)		(483,652)	(558,652)	(558,652)	
Total other financing sources (uses)	<u>72,383</u>	<u>(2,617)</u>	<u>7,383</u>	<u>10,000</u>	<u>(223,815)</u>	<u>(223,815)</u>	<u>(223,815)</u>		<u>(151,432)</u>	<u>(226,432)</u>	<u>(216,432)</u>	
NET CHANGE IN FUND BALANCE	<u>(788,075)</u>	<u>(793,867)</u>	<u>(3,088,259)</u>	<u>(2,294,392)</u>	<u>31,747</u>	<u>31,747</u>	<u>(1,609,255)</u>	<u>(1,641,002)</u>	<u>(756,328)</u>	<u>(762,120)</u>	<u>(4,697,514)</u>	<u>(3,935,394)</u>
FUND BALANCE, beginning of year			<u>6,465,284</u>				<u>3,424,898</u>				<u>9,890,182</u>	
FUND BALANCE, end of year			<u>3,377,025</u>				<u>1,815,643</u>				<u>5,192,668</u>	

CITY OF RAYMORE, MISSOURI
NOTES TO BUDGETARY COMPARISON SCHEDULES

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 unless approved by Council action or for projects approved in a prior year budget.

CITY OF RAYMORE, MISSOURI
SCHEDULE OF EMPLOYER'S CONTRIBUTIONS
FOR THE YEAR ENDED OCTOBER 31, 2018

Plan Year Ending June 30,	Actuarially Determined Contribution (a)	Contribution in Relation (b)	Contribution Deficiency (Excess) (a-b)	Covered Payroll (d)	Contributions as a Percentage of Covered Payroll (b/d)
2009	467,970	467,969	1	4,625,776	10.12%
2010	432,866	432,866		4,475,897	9.67%
2011	534,793	493,927	40,866	4,620,866	10.69%
2012	562,800	556,651	6,149	4,761,103	11.69%
2013	611,889	611,889		5,086,077	12.03%
2014	609,900	609,900		5,182,657	11.77%
2015	592,423	592,422	1	5,119,378	11.57%
2016	535,989	535,989		5,174,337	10.36%
2017	747,115	747,115		5,457,220	13.69%
2018	890,997	890,997		5,577,555	15.97%

CITY OF RAYMORE, MISSOURI
SCHEDULE OF CHANGES IN NET PENSION LIABILITY
YEAR ENDED OCTOBER 31, 2018

	October 31, 2015	October 31, 2016	October 31, 2017	October 31, 2018
Net pension liability (asset) - beginning	(1,221,183)	(1,396,562)	239,027	2,615,648
Service cost	455,266	439,249	456,851	606,285
Interest on total pension liability	1,001,605	1,044,055	1,170,539	1,514,597
Changes in benefit terms			3,346,513	
Difference between expected and actual experience of the total pension liability	(487,927)	154,136	216,104	(121,652)
Changes in assumptions		731,104	(228,943)	
Contributions - employer	(597,323)	(570,131)	(654,991)	(871,784)
Net investment (income) loss	(291,693)	36,725	(1,953,483)	(2,288,739)
Pension plan administrative expense	15,193	14,641	15,174	16,478
Other	(270,500)	(214,190)	8,857	74,109
Net pension liability (asset) - ending	<u>(1,396,562)</u>	<u>239,027</u>	<u>2,615,648</u>	<u>1,544,942</u> **

* Schedule is to be provided prospectively beginning with the fiscal year ending October 31, 2015.

** For further analysis of the changes in net pension liability, see the disclosure in Note 7 to the financial statements.

Fiduciary net position as a percentage of the total pension liability	109.69%	104.05%	87.47%	93.07%
Covered payroll	5,119,378	5,174,337	5,457,220	5,577,555
Net pension liability (asset) as a percentage of covered payroll	-27.28%	4.62%	47.93%	27.70%

CITY OF RAYMORE, MISSOURI
OTHER SUPPLEMENTARY INFORMATION

CITY OF RAYMORE, MISSOURI
OTHER SUPPLEMENTARY INFORMATION
NONMAJOR GOVERNMENTAL FUNDS
COMBINED BALANCE SHEET
OCTOBER 31, 2018

		Special Revenue Funds		Capital Improvement Funds			Total
		Development	Storm Water	Capital	V.E.R.P.	B.E.R.P.	Nonmajor
		Projects	Sales Tax	Projects	Fund	Fund	Governmental
		Fund	Fund	Fund			Funds
ASSETS							
ASSETS							
	Cash and cash equivalents		48,999	1,499,480	656,611	757,347	2,962,437
	Investments		124,182	265,981	775,590	957,646	2,123,399
	Taxes receivable		115,296				115,296
	Receivables, net	119,149					119,149
	Restricted investments		48,237				48,237
8	Interest receivable		755	1,180		8,686	10,621
	TOTAL ASSETS	<u>119,149</u>	<u>337,469</u>	<u>1,766,641</u>	<u>1,432,201</u>	<u>1,723,679</u>	<u>5,379,139</u>
LIABILITIES AND FUND BALANCES							
LIABILITIES							
						2,445	2,445
FUND BALANCES							
	Restricted for capital projects		48,237				48,237
	Assigned	<u>119,149</u>	<u>289,232</u>	<u>1,766,641</u>	<u>1,432,201</u>	<u>1,721,234</u>	<u>5,328,457</u>
	Total fund balances	<u>119,149</u>	<u>337,469</u>	<u>1,766,641</u>	<u>1,432,201</u>	<u>1,721,234</u>	<u>5,376,694</u>
TOTAL LIABILITIES AND FUND BALANCES							
		<u>119,149</u>	<u>337,469</u>	<u>1,766,641</u>	<u>1,432,201</u>	<u>1,723,679</u>	<u>5,379,139</u>

CITY OF RAYMORE, MISSOURI
OTHER SUPPLEMENTARY INFORMATION
NONMAJOR GOVERNMENTAL FUNDS
COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES
YEAR ENDED OCTOBER 31, 2018

	Special Revenue Funds		Capital Improvement Funds			Total Nonmajor Governmental Funds
	Development Projects Fund	Storm Water Sales Tax Fund	Capital Projects Fund	V.E.R.P. Fund	B.E.R.P. Fund	
REVENUES						
Taxes						
Sales		622,460	497,894			1,120,354
Refunds and reimbursements		65,807	198,143			263,950
Investment income		2,875	9,512		29,330	41,717
Total revenues		<u>691,142</u>	<u>705,549</u>		<u>29,330</u>	<u>1,426,021</u>
EXPENDITURES						
Debt service - principal		20,000				20,000
Debt service - interest		3,270				3,270
Capital outlay		<u>425,359</u>	<u>740,564</u>	<u>133,248</u>	<u>149,372</u>	<u>1,448,543</u>
Total expenditures		<u>448,629</u>	<u>740,564</u>	<u>133,248</u>	<u>149,372</u>	<u>1,471,813</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES		<u>242,513</u>	<u>(35,015)</u>	<u>(133,248)</u>	<u>(120,042)</u>	<u>(45,792)</u>
OTHER FINANCING SOURCES (USES)						
Transfers in			91,035	375,290	100,000	566,325
Transfers out		<u>(285,209)</u>				<u>(285,209)</u>
Total other financing sources (uses)		<u>(285,209)</u>	<u>91,035</u>	<u>375,290</u>	<u>100,000</u>	<u>281,116</u>
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES		(42,696)	56,020	242,042	(20,042)	235,324
FUND BALANCE, beginning of year	<u>119,149</u>	<u>380,165</u>	<u>1,710,621</u>	<u>1,190,159</u>	<u>1,741,276</u>	<u>5,141,370</u>
FUND BALANCE, end of year	<u>119,149</u>	<u>337,469</u>	<u>1,766,641</u>	<u>1,432,201</u>	<u>1,721,234</u>	<u>5,376,694</u>

CITY OF RAYMORE, MISSOURI
OTHER SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
MAJOR DEBT SERVICE FUND
YEAR ENDED OCTOBER 31, 2018

	Debt Service Fund			Variance
	Original Budget	Final Budget	Actual	Positive (Negative)
REVENUES				
Taxes				
Property	2,214,943	2,214,943	2,274,886	59,943
Fines and forfeitures	8,860	8,860	12,277	3,417
Interest	4,756	4,756	37,180	32,424
Total revenues	<u>2,228,559</u>	<u>2,228,559</u>	<u>2,324,343</u>	<u>95,784</u>
EXPENDITURES				
Principal	1,643,475	1,643,475	1,650,000	(6,525)
Interest and fiscal fees	627,095	627,095	631,619	(4,524)
Total expenditures	<u>2,270,570</u>	<u>2,270,570</u>	<u>2,281,619</u>	<u>(11,049)</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(42,011)	(42,011)	42,724	84,735
OTHER FINANCING SOURCES (USES)				
Transfers out	<u>(156,213)</u>	<u>(156,213)</u>	<u>(141,667)</u>	<u>14,546</u>
NET CHANGE IN FUND BALANCE	<u>(198,224)</u>	<u>(198,224)</u>	(98,943)	<u>99,281</u>
FUND BALANCE, beginning of year			<u>2,371,898</u>	
FUND BALANCE, end of year			<u>2,272,955</u>	

CITY OF RAYMORE, MISSOURI
OTHER SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
MAJOR CAPITAL IMPROVEMENT FUND
YEAR ENDED OCTOBER 31, 2018

	Capital Improvement Fund			Variance Positive (Negative)
	Original Budget	Final Budget	Actual	
REVENUES				
Taxes				
Sales	1,293,649	1,293,649	1,244,919	(48,730)
Charges for services				
Refunds and reimbursements	34,863	34,863	58,638	23,775
Miscellaneous			17,864	17,864
Interest	999	999	5,316	4,317
Total revenues	<u>1,329,511</u>	<u>1,329,511</u>	<u>1,326,737</u>	<u>(2,774)</u>
EXPENDITURES				
Information Technology			7,041	(7,041)
Community Development			2,261	(2,261)
Capital outlay	630,500	630,500	423,236	207,264
Debt service				
Principal	555,390	555,390	549,910	5,480
Interest and fiscal fees	466,185	466,185	467,602	(1,417)
Total expenditures	<u>1,652,075</u>	<u>1,652,075</u>	<u>1,450,050</u>	<u>211,327</u>
DEFICIENCY OF REVENUES UNDER EXPENDITURES	<u>(322,564)</u>	<u>(322,564)</u>	<u>(123,313)</u>	<u>199,251</u>
OTHER FINANCING USES				
Transfers in	600,000	600,000	600,000	
Transfers out	<u>(100,000)</u>	<u>(100,000)</u>	<u>(100,000)</u>	
Total other financing sources (uses)	<u>500,000</u>	<u>500,000</u>	<u>500,000</u>	
NET CHANGE IN FUND BALANCE	<u>177,436</u>	<u>177,436</u>	376,687	<u>199,251</u>
FUND BALANCE, beginning of year			<u>679,003</u>	
FUND BALANCE, end of year			<u>1,055,690</u>	

CITY OF RAYMORE, MISSOURI
OTHER SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED OCTOBER 31, 2018

		Development Projects Fund				Storm Water Sales Tax Fund			
		Original Budget	Final Budget	Actual	Variance Positive (Negative)	Original Budget	Final Budget	Actual	Variance Positive (Negative)
REVENUES									
	Taxes								
	Sales					646,824	646,824	622,460	(24,364)
	Interest					422	422	2,875	2,453
	Reimbursements					277	277	65,807	65,530
	Total revenues					<u>647,523</u>	<u>647,523</u>	<u>691,142</u>	<u>67,983</u>
EXPENDITURES									
	Capital outlay					281,965	281,965	425,359	(143,394)
84	Debt service								
	Principal					20,000	20,000	20,000	
	Interest and fiscal fees					1,856	1,856	3,270	(1,414)
	Total expenditures					<u>303,821</u>	<u>303,821</u>	<u>448,629</u>	<u>(144,808)</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES						343,702	343,702	242,513	(101,189)
OTHER FINANCING USES (USES)									
	Transfers out					(285,209)	(285,209)	(285,209)	
NET CHANGE IN FUND BALANCE						<u>58,493</u>	<u>58,493</u>	<u>(42,696)</u>	<u>(101,189)</u>
FUND BALANCE, beginning of year				<u>119,149</u>				<u>380,165</u>	
FUND BALANCE, end of year				<u>119,149</u>				<u>337,469</u>	

CITY OF RAYMORE, MISSOURI
OTHER SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED OCTOBER 31, 2018

	Capital Projects Fund				V.E.R.P. Fund				B.E.R.P. Fund			
	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												
Sales	346,850	346,850	497,894	(497,894)								
Interest	802	802	9,512	8,710					7,362	7,362	29,330	21,968
Reimbursements	700,000	700,000	198,143	(501,857)								
Total revenues	<u>1,047,652</u>	<u>1,047,652</u>	<u>705,549</u>	<u>(991,041)</u>					<u>7,362</u>	<u>7,362</u>	<u>29,330</u>	<u>21,968</u>
EXPENDITURES												
Capital outlay	<u>125,000</u>	<u>125,000</u>	<u>740,564</u>	<u>(615,564)</u>	<u>382,422</u>	<u>382,422</u>	<u>133,248</u>	<u>249,174</u>	<u>474,250</u>	<u>474,250</u>	<u>149,372</u>	<u>324,878</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	922,652	922,652	(35,015)	(957,667)	(382,422)	(382,422)	(133,248)	249,174	(466,888)	(466,888)	(120,042)	(302,910)
OTHER FINANCING SOURCES												
Transfers in	<u>91,035</u>	<u>91,035</u>	<u>91,035</u>		<u>375,350</u>	<u>375,350</u>	<u>375,290</u>		<u>100,000</u>	<u>100,000</u>	<u>100,000</u>	<u>302,910</u>
NET CHANGE IN FUND BALANCE	<u>1,013,687</u>	<u>1,013,687</u>	56,020	<u>(957,667)</u>	<u>(7,072)</u>	<u>(7,072)</u>	242,042	<u>249,114</u>	<u>(366,888)</u>	<u>(366,888)</u>	(20,042)	<u>346,846</u>
FUND BALANCE, beginning of year			<u>1,710,621</u>				<u>1,190,159</u>				<u>1,741,276</u>	
FUND BALANCE, end of year			<u>1,766,641</u>				<u>1,432,201</u>				<u>1,721,234</u>	

CITY OF RAYMORE, MISSOURI
OTHER SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN FIDUCIARY FUNDS
(UNAUDITED)
OCTOBER 31, 2018

	ESCROW ACCOUNTS
ADDITIONS	
Development/builder deposits	33,300
Temporary occupancy bonds	72,000
Animal shelter	10,733
Other	300
Investment income	<u>2,310</u>
TOTAL ADDITIONS	<u>118,643</u>
DEDUCTIONS	
Development/builder deposits	8,500
Temporary occupancy bonds	69,000
Animal shelter	<u>13,472</u>
TOTAL DEDUCTIONS	<u>90,972</u>
TOTAL ADDITIONS OVER DEDUCTIONS	27,671
ASSETS AND LIABILITIES, beginning of year	<u>444,602</u>
ASSETS AND LIABILITIES, end of year	<u><u>472,273</u></u>



Statistical Section

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.	87 - 91
Revenue Trends	
These schedules contain information to help the reader assess the City's most significant own-source revenue, the property tax.	92 - 97
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.	98 - 102
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.	103 - 104
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.	105 - 108

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 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 previous data.

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

	Fiscal Year									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Governmental activities										
Net investment in capital assets	30,259,016	40,539,968	39,153,934	39,053,218	39,567,457	38,000,119	37,452,602	38,153,431	38,765,288	40,998,653
Restricted	8,542,671	4,113,386	2,315,880	1,799,602	553,071	624,827	535,620	7,375,155	800,537	791,710
Unrestricted	<u>4,825,302</u>	<u>4,958,949</u>	<u>8,554,216</u>	<u>8,883,193</u>	<u>8,841,052</u>	<u>11,008,252</u>	<u>14,542,289</u>	<u>7,934,193</u>	<u>11,821,135</u>	<u>11,279,388</u>
Total governmental activities	<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>	<u>49,633,198</u>	<u>52,530,511</u>	<u>53,462,779</u>	<u>51,386,960</u>	<u>53,069,751</u>
Business-type activities										
Net investment in capital assets	37,204,862	35,413,946	34,507,565	33,580,927	32,351,316	30,033,905	28,365,650	27,117,334	26,357,106	24,582,405
Restricted	1,089,846	1,562,478	1,166,923	246,938	84,638	86,122	87,689	85,179	86,664	88,269
Unrestricted	<u>5,282,292</u>	<u>4,883,880</u>	<u>5,315,378</u>	<u>5,490,510</u>	<u>5,512,505</u>	<u>5,759,617</u>	<u>5,753,745</u>	<u>5,885,685</u>	<u>5,695,947</u>	<u>7,155,523</u>
Total business-type activities	<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>	<u>35,879,644</u>	<u>34,207,084</u>	<u>33,088,198</u>	<u>32,139,717</u>	<u>31,826,197</u>
Primary government										
Net investment in capital assets	67,463,878	75,953,914	73,661,499	72,634,145	71,918,773	68,034,024	65,818,252	65,270,765	65,122,394	65,581,058
Restricted	9,632,517	5,675,864	3,482,803	2,046,540	637,709	710,949	623,309	7,460,334	887,201	879,979
Unrestricted	<u>10,107,594</u>	<u>9,842,829</u>	<u>13,869,594</u>	<u>14,373,703</u>	<u>14,353,557</u>	<u>16,767,869</u>	<u>20,296,034</u>	<u>13,819,878</u>	<u>17,517,082</u>	<u>18,434,911</u>
Total primary government net assets/position	<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>	<u>85,512,842</u>	<u>86,737,595</u>	<u>86,550,977</u>	<u>83,526,677</u>	<u>84,895,948</u>

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

		Fiscal Year									
		2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
88	EXPENSES										
	Governmental activities										
	Administration	1,383,349	1,643,846	1,801,232	1,673,233	1,802,225	1,819,426	1,993,658	2,339,563	3,227,491	2,528,545
	Development	769,986	726,471	739,675	772,445	770,973	756,204	741,272	697,722	1,135,925	866,097
	Parks and Property	1,183,045	1,501,150	1,670,554	1,753,973	1,743,964	1,829,441	1,801,745	2,058,635	2,476,134	2,398,525
	Public Works	1,274,025	4,866,429	4,362,832	4,912,478	4,921,345	5,043,992	5,074,817	5,120,166	5,595,388	5,259,443
	Public Safety	3,037,085	2,896,797	3,298,657	3,505,101	3,723,794	3,722,111	3,744,683	3,828,554	5,285,604	4,130,106
	Interest and fiscal charges	1,325,298	1,219,667	1,039,036	1,520,146	1,862,029	1,522,955	1,166,710	1,052,101	1,061,495	977,668
	Depreciation and amortization	3,421,006									
	Total governmental activities expenses	12,393,794	12,854,360	12,911,986	14,137,376	14,824,330	14,694,129	14,522,885	15,096,741	18,782,037	16,160,384
	Business-type activities										
	Water and sewer	6,145,487	7,266,387	7,393,722	7,913,766	7,875,853	8,193,599	8,285,704	8,581,972	8,765,035	8,682,575
	Total business-type activities expenses	6,145,487	7,266,387	7,393,722	7,913,766	7,875,853	8,193,599	8,285,704	8,581,972	8,765,035	8,682,575
	Total primary government expenses	18,539,281	20,120,747	20,305,708	22,051,142	22,700,183	22,887,728	22,808,589	23,678,713	27,547,072	24,842,959
	PROGRAM REVENUES										
	Governmental activities										
	Charges for services										
	General Government	790,456	498,181	451,868	549,896	599,857	647,747	664,683	755,033	919,481	996,736
	Parks and Recreation	269,069	316,810	327,006	375,369	309,869	291,370	380,238	400,582	426,162	440,432
	Other activities	390,434	329,892	360,157	383,597	504,898	483,232	406,231	424,649	359,628	311,024
	Operating grants and contributions	91,701	590,145	211,951	255,394	82,360	61,192	67,126	71,797	69,997	69,572
	Capital grants and contributions	303,372	5,127,759		21,593						469,380
	Total governmental activities program revenues	1,845,032	6,862,787	1,350,982	1,585,849	1,496,984	1,483,541	1,518,278	1,652,061	1,775,268	2,287,144
	Business-type activities										
	Charges for services:										
	Water and Sewer	4,846,651	5,902,537	6,207,730	6,744,467	6,880,197	6,781,226	7,059,295	8,131,367	8,578,799	9,014,286
	Capital grants and contributions			500,992							
	Total business-type activities program revenues	4,846,651	5,902,537	6,708,722	6,744,467	6,880,197	6,781,226	7,059,295	8,131,367	8,578,799	9,014,286
	Total primary government program revenues	6,691,683	12,765,324	8,059,704	8,330,316	8,377,181	8,264,767	8,577,573	9,783,428	10,354,067	11,301,430

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

		Fiscal Year									
		2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
68	NET (EXPENSE) REVENUE										
	Governmental activities	(5,991,573)	(11,561,004)	(12,551,527)	(13,327,346)	(13,327,346)	(13,210,588)	(13,004,607)	(13,444,680)	(17,006,769)	(13,873,240)
	Business-type activities	(1,363,850)	(685,000)	(1,169,299)	(995,656)	(995,656)	(1,412,373)	(1,226,409)	(450,605)	(186,236)	331,711
	Total primary government net expense	<u>(7,355,423)</u>	<u>(12,246,004)</u>	<u>(13,720,826)</u>	<u>(14,323,002)</u>	<u>(14,323,002)</u>	<u>(14,622,961)</u>	<u>(14,231,016)</u>	<u>(13,895,285)</u>	<u>(17,193,005)</u>	<u>(13,541,529)</u>
	GENERAL REVENUES AND OTHER										
	CHANGES IN NET ASSETS/POSITION										
	Governmental activities										
	Taxes										
	Property taxes	3,358,679	3,407,529	3,496,621	3,445,862	3,508,997	3,429,392	3,556,910	3,648,361	3,779,036	4,086,807
	Sales taxes	4,669,535	4,675,656	4,839,372	4,912,344	5,025,263	6,033,939	6,186,046	6,325,936	6,992,740	7,174,959
Franchise taxes	2,259,873	2,479,055	2,634,537	2,251,800	2,276,711	2,353,584	2,331,584	2,199,361	2,131,712	2,247,932	
Other taxes	498,876	534,372	491,126	899,442	1,286,313	1,036,242	1,147,192	1,179,433	882,325	897,127	
Investment earnings	323,373	56,963	69,938	22,103	49,156	64,282	83,632	116,466	165,029	267,987	
Miscellaneous	595,530	323,977	220,403	138,423	211,769	259,492	253,952	188,575	164,184	114,478	
Transfers	847,457	499,335	220,734	593,536	460,151	705,275	718,066	718,816	815,927	766,741	
Total governmental activities	<u>12,553,323</u>	<u>11,976,887</u>	<u>11,972,731</u>	<u>12,263,510</u>	<u>12,818,360</u>	<u>13,882,206</u>	<u>14,277,382</u>	<u>14,376,948</u>	<u>14,930,953</u>	<u>15,556,031</u>	
Business-type activities											
Investment earnings	208,481	146,489	114,550	91,344	88,231	48,833	54,074	50,535	53,679	121,510	
Miscellaneous			20,078		21,500						
Transfers	<u>(847,457)</u>	<u>(499,335)</u>	<u>(320,066)</u>	<u>(593,536)</u>	<u>(460,151)</u>	<u>(705,275)</u>	<u>(718,066)</u>	<u>(718,816)</u>	<u>(815,924)</u>	<u>(766,741)</u>	
Total business-type activities	<u>(638,976)</u>	<u>(352,846)</u>	<u>(185,438)</u>	<u>(502,192)</u>	<u>(350,420)</u>	<u>(656,442)</u>	<u>(663,992)</u>	<u>(668,281)</u>	<u>(762,245)</u>	<u>(645,231)</u>	
Total primary government	<u>11,914,347</u>	<u>11,624,041</u>	<u>11,787,293</u>	<u>11,761,318</u>	<u>12,467,940</u>	<u>13,225,764</u>	<u>13,613,390</u>	<u>13,708,667</u>	<u>14,168,708</u>	<u>14,910,800</u>	
CHANGE IN NET ASSETS/POSITION											
Governmental activities	6,561,750	415,883	(578,796)	(1,063,836)	(508,986)	671,618	1,272,775	932,268	(2,075,819)	1,682,791	
Business-type activities	<u>(2,002,826)</u>	<u>(1,037,846)</u>	<u>(1,354,737)</u>	<u>(1,497,848)</u>	<u>(1,346,076)</u>	<u>(2,068,815)</u>	<u>(1,890,401)</u>	<u>(1,118,886)</u>	<u>(948,481)</u>	<u>(313,520)</u>	
Total primary government	<u>4,558,924</u>	<u>(621,963)</u>	<u>(1,933,533)</u>	<u>(2,561,684)</u>	<u>(1,855,062)</u>	<u>(1,397,197)</u>	<u>(617,626)</u>	<u>(186,618)</u>	<u>(3,024,300)</u>	<u>1,369,271</u>	

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

	Fiscal Year									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
GENERAL FUND										
Nonspendable			118,115	148,543	132,664	134,966	145,425	190,428	204,256	229,478
Restricted			145,066	145,066	94,766	166,623	124,809	106,342	106,984	110,706
Committed			114,666	20,000	20,000	1,020,000	1,020,000	20,000	20,000	20,000
Assigned			99,044	99,044		27,000	1,021,510	498,029	324,241	390,672
Unassigned			4,445,004	4,710,296	3,363,347	3,214,700	3,167,016	2,684,833	2,881,129	2,926,942
Reserved	97,655	82,583								
Unreserved	3,852,162	4,425,631								
Total General Fund	<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>	<u>4,563,289</u>	<u>5,478,760</u>	<u>3,499,632</u>	<u>3,536,610</u>	<u>3,677,798</u>
ALL OTHER GOVERNMENTAL FUNDS										
Nonspendable			6,606	7,235	8,623	8,260	7,149	13,188	15,926	17,592
Restricted			2,170,814	1,654,536	15,320,180	15,018,611	467,691	7,268,813	7,539,818	4,182,806
Assigned			4,266,305	4,476,800	6,253,012	7,568,489	8,064,984	10,125,255	10,483,626	9,697,609
Reserved	8,554,270	6,538,157								
Unreserved, reported in:										
Special revenue funds	<u>1,612,675</u>	<u>23,511</u>								
Total all other governmental funds	<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>	<u>22,595,360</u>	<u>8,539,824</u>	<u>17,407,256</u>	<u>18,039,370</u>	<u>13,898,007</u>
TOTAL ALL GOVERNMENTAL FUNDS	<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>	<u>27,158,649</u>	<u>14,018,584</u>	<u>20,906,888</u>	<u>21,575,980</u>	<u>17,575,805</u>

Beginning in fiscal year 2011, governmental fund balances were classified in accordance with GASB Statement No. 54.

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

	Fiscal Year									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
REVENUES										
Taxes										
Property	3,358,679	3,407,529	3,496,621	3,387,102	3,500,391	3,461,091	3,550,541	3,648,023	3,783,196	4,081,113
Franchise	2,259,873	2,479,055	2,634,537	2,251,800	2,276,711	2,353,584	2,331,584	2,199,361	2,131,712	2,247,932
Sales	4,669,535	4,675,656	4,839,372	4,912,344	5,025,263	6,033,939	6,186,046	6,325,936	6,992,740	7,174,959
Other	498,876	534,372	491,126	899,442	1,286,313	1,036,242	1,147,192	1,179,433	882,325	897,127
Fees and permits	1,041,586	798,432	762,800	909,980	892,039	928,177	1,033,176	1,143,867	1,333,599	1,424,891
Municipal court	408,373	346,451	376,231	398,882	522,585	494,172	417,976	436,397	371,672	323,301
Miscellaneous	1,313,976	959,885	502,292	437,513	320,402	384,966	404,710	333,410	399,210	773,817
Total revenues	<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>	<u>14,692,171</u>	<u>15,071,225</u>	<u>15,266,427</u>	<u>15,894,454</u>	<u>16,923,140</u>
EXPENDITURES										
General Government	1,413,311	1,522,387	1,690,864	1,544,528	1,675,899	1,675,117	1,857,499	2,157,040	2,230,410	2,023,846
Public Safety	3,037,085	2,848,533	3,138,478	3,361,929	3,552,210	3,567,792	3,609,597	3,610,786	4,138,193	4,370,146
Public Works	1,274,025	1,506,969	1,425,662	1,443,554	1,515,057	1,563,520	1,532,564	1,479,901	1,460,830	1,373,521
Parks and Property	1,180,864	1,219,764	1,247,237	1,329,439	1,255,718	1,326,753	1,274,017	1,462,997	1,468,411	1,633,673
Planning and development	769,985	720,680	731,660	754,188	752,424	749,222	725,383	673,211	776,979	824,835
Capital outlay and other charges	9,811,888	6,523,829	2,300,517	2,514,250	3,454,001	1,683,150	2,907,287	6,713,574	5,745,495	8,184,717
Debt service										
Principal	6,772,029	1,142,840	1,251,348	1,533,000	3,604,000	1,249,000	15,381,373	3,699,000	1,860,000	2,219,910
Interest	1,428,966	1,273,793	1,242,209	1,413,811	1,557,370	1,616,835	1,641,636	919,221	1,228,004	1,102,491
Total expenditures	<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>	<u>13,431,389</u>	<u>28,929,356</u>	<u>20,715,730</u>	<u>18,908,322</u>	<u>21,733,139</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(12,137,255)</u>	<u>(3,557,415)</u>	<u>75,004</u>	<u>(697,636)</u>	<u>(3,542,975)</u>	<u>1,260,782</u>	<u>(13,858,131)</u>	<u>(5,449,303)</u>	<u>(3,013,868)</u>	<u>(4,809,999)</u>
OTHER FINANCING SOURCES (USES)										
Transfers in	2,316,725	2,182,838	2,980,679	2,289,615	4,351,668	2,272,709	2,543,555	5,323,115	2,755,804	3,023,872
Transfers out	(1,469,268)	(1,683,503)	(2,759,945)	(1,696,079)	(3,891,517)	(1,567,434)	(1,825,489)	(4,604,299)	(1,939,880)	(2,257,131)
Bond proceeds	1,640,000				16,485,000			11,340,000	2,750,000	
Bond issuance costs	(45,674)				(289,046)			(133,833)		
Premium on bonds issued					817,942			412,624		
Sale of capital assets	42,594	11,200							160,119	
Total other financing sources (uses)	<u>2,484,377</u>	<u>510,535</u>	<u>220,734</u>	<u>593,536</u>	<u>17,474,047</u>	<u>705,275</u>	<u>718,066</u>	<u>12,337,607</u>	<u>3,726,043</u>	<u>766,741</u>
NET CHANGES IN FUND BALANCES	<u>(9,652,878)</u>	<u>(3,046,880)</u>	<u>295,738</u>	<u>(104,100)</u>	<u>13,931,072</u>	<u>1,966,057</u>	<u>(13,140,065)</u>	<u>6,888,304</u>	<u>712,175</u>	<u>(4,043,258)</u>
DEBT SERVICE AS A PERCENTAGE OF NONCAPITAL EXPENDITURES	51.66%	23.61%	23.24%	25.89%	37.10%	24.39%	65.42%	32.98%	23.46%	24.52%

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

Fiscal Year	Property Tax	Sales Tax	Franchise Tax	Other Taxes	Total
2009	3,358,679	4,669,535	2,259,873	498,876	10,786,963
2010	3,407,529	4,675,656	2,479,055	534,372	11,096,612
2011	3,496,621	4,839,372	2,634,537	491,126	11,461,656
2012	3,387,102	4,912,344	2,251,800	899,442	11,450,688
2013	3,500,391	5,025,263	2,276,711	1,286,313	12,088,678
2014	3,461,091	6,033,939	2,353,584	1,036,242	12,884,856
2015	3,550,541	6,186,046	2,331,584	1,147,192	13,215,363
2016	3,648,023	6,325,936	2,199,361	1,179,433	13,352,753
2017	3,783,196	6,992,740	2,131,712	882,325	13,789,973
2018	4,081,113	7,174,959	2,247,932	897,127	14,401,131

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

	City of Raymore Rates					Overlapping Rates				Total	
	Fiscal Year	General Rate	Capital Improvement Rate	Parks and Storm Water Rate	Miscellaneous Rate	Total Rate	Missouri State Rate	Cass County Rate	South Metro Fire District Rate	Special Districts Rate	Direct and Overlapping Rates
63	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
	2014	1.000	0.500	0.500	0.500	2.500	4.225	1.750	0.500	1.000	9.975
	2015	1.000	0.500	0.500	0.500	2.500	4.225	1.750	0.500	1.000	9.975
	2016	1.000	0.500	0.500	0.500	2.500	4.225	1.750	0.500	1.000	9.975
	2017	1.000	0.500	0.500	0.500	2.500	4.225	2.000	0.500	1.000	10.225
	2018	1.000	0.500	0.500	0.500	2.500	4.225	2.000	0.500	1.000	10.225

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				
2009	197,967,160	19,590,740	329,320	37,907,071	1,955,799	257,750,090	1.3068	1,226,879,601	21.04%
2010	201,271,100	20,424,640	365,860	35,837,986	2,674,555	260,574,141	1.3068	1,243,155,354	20.99%
2011	202,361,370	20,537,420	365,740	34,454,575	3,728,143	261,447,248	1.3068	1,248,345,363	20.97%
2012	205,099,010	20,630,944	367,550	37,547,968	4,675,703	268,321,175	1.3068	1,275,396,383	21.07%
2013	200,947,260	20,821,980	359,135	40,933,507	6,329,992	269,391,874	1.3068	1,269,500,792	21.25%
2014	204,618,050	21,429,900	358,875	41,497,815	7,013,988	274,918,628	1.3068	1,294,565,835	21.24%
2015	211,196,480	21,432,690	367,590	42,455,915	7,969,364	283,422,039	1.3057	1,335,159,378	21.23%
2016	217,700,385	21,789,220	366,070	42,920,451	8,126,328	290,902,454	1.3057	1,372,390,144	21.20%
2017	239,059,830	24,706,570	365,110	44,974,495	7,809,274	316,915,279	1.2856	1,498,029,624	21.16%
2018	249,195,285	25,532,520	364,850	51,385,712	8,276,224	334,754,591	1.2856	1,574,840,999	21.26%

Note: Assessed value is set at 19% for 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

City of Raymore Rates					Overlapping Rates										Total Direct and Overlapping Rates
Fiscal Year	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- Peculiar School District Millage	Special Districts Millage		
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	
2014	0.4647	0.7170	0.1251	1.3068	0.0300	0.1360	0.1500	0.0500	0.2300	0.7070	0.3820	5.0397	0.6000	8.0315	
2015	0.4638	0.7170	0.1249	1.3057	0.0300	0.1356	0.1495	0.0498	0.2287	0.7070	0.3820	5.0397	0.0579	8.0280	
2016	0.4638	0.7170	0.1249	1.3057	0.0300	0.1356	0.1495	0.0498	0.2287	0.7227	0.3609	5.0397	0.0579	8.0226	
2017	0.4480	0.7170	0.1206	1.2856	0.0300	0.1318	0.1454	0.0484	0.2220	0.7458	0.3617	4.9122	0.0579	7.8829	
2018	0.4480	0.7170	0.1206	1.2856	0.0300	0.1318	0.1454	0.0484	0.2220	0.7424	0.3593	5.3622	0.0579	8.3271	

cc

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 districts 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	2018			2009		
	Taxable Assessed Value	Rank	Percentages of Total Assessed Valuation	Taxable Assessed Value	Rank	Percentages of Total Assessed Valuation
Sam's Club	3,489,800	1	1.04			
Launch Raymore, LLC (Manor Homes Apts.)	3,311,580	2	0.99	1,811,300	4	0.70
Wal-Mart	3,150,100	3	0.94	2,914,310	1	1.13
Lowe's (Jemsite Development)	2,989,040	4	0.89	2,858,220	2	1.11
Raymore Group, LLC (Raymore Mkt. Ctr.)	2,448,910	5	0.73	2,370,390	3	0.92
6 Foxwood Springs	2,136,470	6	0.64	1,445,960	5	0.56
Laclede Gas Co (formerly Missouri Gas Energy)	1,417,030	7	0.42	1,022,080	6	0.40
Raymore SLP, LLC	926,520	8	0.28			
G&G Storage, LLC	842,630	9	0.25			
Willowind, LLC	791,500	10	0.24	861,220	7	0.33
Creekmore Property Owners Assoc., Inc.				855,850	8	
MBSR Raymore MO, LLC (Walgreens)				736,010	10	0.29
Raymore Health Care & Rehab, Inc. (East)				774,890	9	0.30
TOTALS	<u>21,503,580</u>		<u>6.42</u>	<u>15,650,230</u>		<u>5.74</u>
Total Commercial Real Property Assessed Value for Year	25,532,520			19,590,740		
Total Real, Personal, and Other Property Assessed Value for Year	334,754,591			257,750,090		

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
2009	3,372,582	3,156,012	93.579%	216,570	3,372,582	100.000%
2010	3,405,183	3,281,939	96.381%	123,244	3,405,183	100.000%
2011	3,416,593	3,153,260	92.164%	65,220	3,218,480	94.201%
2012	3,506,421	3,357,699	95.628%	58,534	3,416,233	97.428%
2013	3,520,413	3,440,452	97.729%	46,554	3,487,006	99.051%
2014	3,592,637	3,399,903	94.635%	45,633	3,445,536	95.905%
2015	3,700,642	3,518,468	95.077%	50,235	3,568,703	96.435%
2016	3,798,313	3,516,570	92.582%	48,137	3,564,707	93.850%
2017	4,074,263	3,588,950	88.088%	36,488	3,625,438	88.984%
2018	4,303,605	4,032,719	93.706%		4,032,719	93.706%

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 C.A. Bonds Notes Payable	Special Obligation Bonds	Capital Lease	Certificates of Participation	General Obligation Bonds	General Obligation Bonds			
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
2014	32,418,118	2,820,000		665,000	661,249		36,564,367	6.06%	1,850.99
2015	17,414,815	2,590,000		450,000	540,000		20,994,815	3.44%	1,051.69
2016	24,144,001	4,040,000		230,000	415,000		28,829,001	4.65%	1,414.99
2017	25,746,677	3,620,000	9,910		285,000		29,661,587	4.47%	1,423.37
2018	23,964,446	3,160,000			145,000	1,190,000	28,459,446	3.86%	1,344.52

Note: The per capita ratios are calculated using personal income and population data see page 102.

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

Fiscal Year	General Obligation Bonds	(A) Less Amounts Available in Debt Service Fund	Total	Percentage of Estimated Actual Taxable Value of Property	Per Capita
2009	22,891,277	(1,063,712)	21,827,565	1.69%	1,139.96
2010	21,432,194	(910,021)	20,522,173	1.56%	1,012.57
2011	20,793,928	(743,481)	20,050,447	1.56%	1,033.61
2012	19,573,035	(556,619)	19,016,416	1.51%	996.91
2013	32,777,142	(15,805,877)	16,971,265	1.25%	820.04
2014	32,592,994	(15,769,505)	16,823,489	1.25%	818.18
2015	17,795,171	(9,450)	17,785,721	1.33%	890.93
2016	24,417,464	(613,628)	23,803,836	1.73%	1,168.34
2017	25,909,247	(602,284)	25,306,963	1.69%	1,214.40
2018	24,006,123	(589,684)	23,416,439	1.49%	1,106.27

Notes: See page 94 for property value data
See page 103 for population data
(A) See page 27 for Debt Service Fund Balance

CITY OF RAYMORE, MISSOURI
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF OCTOBER 31, 2018

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable	Estimated Share of Overlapping Debt
Debt repaid with property taxes Raymore-Peculiar School District	58,144,444	82.69%	48,079,641
City of Raymore, Missouri, Direct Debt			<u>27,124,446</u>
Total direct and overlapping debt			<u>75,204,087</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

	Fiscal Year									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Debt Limit	51,615,882	52,188,000	52,114,828	53,664,235	53,950,202	54,983,726	56,684,408	58,180,491	63,383,056	66,950,918
Total net debt applicable to limit	<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>	<u>20,133,613</u>	<u>18,844,332</u>	<u>26,161,495</u>	<u>29,376,587</u>	<u>27,124,446</u>
Legal debt margin	<u>31,395,558</u>	<u>32,137,298</u>	<u>32,263,309</u>	<u>34,592,716</u>	<u>18,478,831</u>	<u>34,850,113</u>	<u>37,840,076</u>	<u>32,018,996</u>	<u>34,006,469</u>	<u>39,826,472</u>
Total net debt applicable to the limit as a percentage of the debt limit	39.17%	38.42%	38.09%	35.54%	65.75%	36.62%	33.24%	44.97%	46.35%	40.51%

Legal Debt Margin Calculation for Fiscal Year 2018

Assessed value	334,754,591
Add back: exempt real property	<u>- 0 -</u>
Total assessed value	334,754,591
Debt limit (20% of total assessed value)	66,950,918
Debt applicable to limit:	
Governmental long-term debt	27,124,446
Less: Amount set aside for repayment of general obligation debt	<u>- 0 -</u>
Total net debt applicable to limit	<u>27,124,446</u>
Legal debt margin	<u>39,826,472</u>

Note: Article 6, Section 26(b and 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 and 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	General Obligation Bonds			Sales Tax Revenues	Certificates of Participation and Special Obligation Bonds		
				Debt Service				Debt Service		
				Principal	Interest	Coverage		Principal	Interest	Coverage
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
2014	6,781,226	5,333,866	1,447,360	110,000	45,597	1,291,763	2,270,295	420,000	154,759	1,695,536
2015	7,059,295	5,477,323	1,581,972	115,000	41,536	1,425,436	2,323,008	445,000	121,522	1,756,486
2016	8,131,367	5,806,839	2,324,528	125,000	36,917	2,162,611	2,358,770	390,000	130,992	1,837,778
2017	8,578,799	3,392,721	5,186,078	130,000	26,167	5,029,911	2,432,307	650,000	100,005	1,682,302
2018	9,014,286	6,376,069	2,638,217	140,000	34,456	2,463,761	2,489,838	460,000	84,750	1,945,088

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

103	Fiscal Year	(1) Population	(1) Personal Income	(1) Per Capita Personal Income	(1) Median Age	(4) Percentage of Over 25 Population with Formal Education Beyond High School	(2) Public Primary School Enrollment	(3) Unemployment Rate
	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
	2014	19,754	72,042	30,560	38.0	67.1	5,998	4.7
	2015	19,963	72,042	30,560	38.0	67.1	5,998	4.7
	2016	20,374	72,380	30,422	36.5	68.3	5,927	3.4
	2017	20,839	74,293	31,821	36.5	72.9	6,039	3.3
	2018	21,167	80,092	34,872	40.6	70.0	6,086	3.0

Data Sources:

- 1 U.S. Census Bureau - QuickFacts - Dated Jan. 14
- 2 Raymore-Peculiar School District
- 3 Missouri Department of Economic Development
- 4 U.S. Census Bureau - American FactFinder - Dated Jan. 14

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

	2018			2009		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Employer						
Foxwood Springs	343	1	2.20	275	3	2.17
Wal-Mart	340	2	2.18	350	2	2.76
Raymore-Peculiar School District **	334	3	2.14	833	1	6.58
Cosentino's Price Chopper	172	4	1.10	145	4	1.15
Sam's Club	170	5	1.09			
Lowe's Home Improvement	160	6	1.03	120	6	0.95
Rehabilitation Center of Raymore	155	7	0.99	135	5	1.07
City of Raymore	105	8	0.67	98	7	0.77
McDonald's	45	9	0.29			
Benton House of Raymore	40	10	0.26			
Ryan's Steakhouse				50	8	0.39
Community Bank of Raymore				50	9	0.39
South Metro Fire District				50	10	0.39
Totals	<u>1,864</u>		<u>11.95</u>	<u>2,106</u>		<u>16.63</u>
Total estimated workforce over age of 16	<u>15,592</u>			<u>12,663</u>		

Source: Raymore's Department of Finance - contacted businesses for information

**Raymore-Peculiar School District - Number of employees for the entire district is 868; the number of employees employed within the City of Raymore is 334 - contacted human resource department for the school district.

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

	Function	Fiscal Year									
		2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
105	General Government										
	Administration	5.50	6.00	6.00	6.00	6.00	6.00	8.00	6.00	6.00	6.00
	Information Technology	2.00	2.00	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	1.00	1.00	1.00	1.00
	Community Development	8.00	6.50	6.50	6.50	6.50	6.50	6.00	7.00	7.00	7.00
	Finance	6.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
	Communications								2.00	2.00	2.00
	Public Safety										
	Municipal Court	1.50	1.50	1.50	1.65	1.60	1.73	1.73	2.10	2.10	1.60
	Law Enforcement	39.50	39.50	39.50	42.50	43.50	43.30	43.30	43.50	43.50	43.50
	Emergency Management	1.00	1.00	1.00	1.00	1.00	1.20	1.20	1.00	1.00	1.00
	Public Works										
	Engineering	4.45	4.45	4.45	4.45	4.45	4.45	3.97	3.97	3.97	3.97
	Streets	3.12	3.12	3.12	3.12	3.12	3.12	3.46	3.46	3.61	3.61
	Storm Water	2.92	2.92	2.92	2.92	2.92	2.92	3.25	3.25	3.40	3.65
	Buildings and Grounds	2.20	2.20	2.20	2.20	2.30	2.30	2.15	2.15	2.15	2.40
	Water	5.75	5.75	5.75	5.75	5.75	5.75	6.09	6.09	6.44	6.44
	Sewer	5.75	5.75	5.75	5.75	5.75	5.75	6.09	6.09	6.44	6.44
	Parks and Recreation										
	Parks	5.15	5.15	5.15	6.00	6.20	6.20	5.82	5.82	5.82	6.55
	Recreation	2.65	2.65	2.65	2.80	3.00	3.00	3.68	3.68	3.68	3.95
Total		<u>97.49</u>	<u>95.49</u>	<u>95.49</u>	<u>99.64</u>	<u>101.09</u>	<u>101.22</u>	<u>102.74</u>	<u>104.11</u>	<u>105.11</u>	<u>106.11</u>

Source: Annual budget

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

Function	Fiscal Year									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Development										
Building permits issued	675	678	678	1,284	889	990	1,151	1,510	1,340	881
Inspections completed	3,032	3,223	3,223	4,288	3,822	4,988	4,704	6,148	6,925	5,947
Code enforcement complaints	434	410	410	318	296	252	275	492	728	432
Code enforcement cases	435	425	425	372	302	219	229	424	523	461
Development plans reviewed	352	251	251	252	288	269	261	534	267	801
Police										
911 calls taken	8,454	8,114	8,114	8,350	9,133	8,810	9,836	10,439	10,081	9,107
Arrests made	1,014	925	925	996	1,211	965	661	747	842	781
Citations issued	1,956	2,508	2,508	3,062	4,770	2,631	2,363	3,308	2,407	2,689
Animal control cases	487	344	344	352	353	349	380	403	587	640
Streets and highways										
Street resurfacing (sq yds)	159,058	106,958	106,958	115,731	121,229	3,025	15,477	39,980	189,763	33,062
Street reconstruction (sq yds)	4,000	12,855	12,855	1,588	32,590	33,678			8,560	n/a
Street micro/cip seal (sq yds)							46,743	73,947	66,385	135,740
New roads (sq yds)	57,952			6,461	8,775	8,433	9,898	14,740	6,640	12,868
Potholes repaired (sq yds)	3,686	2,100	2,100	1,095	662	350	693	699	686	799
Trail reconstruction (sq yds)							2,261	5,737		
Street Fog Seal (sq yds)									101,780	n/a
Property										
Buildings maintained (sq ft)	63,632	67,132	67,162	67,132	69,532	69,532	69,532	69,532	69,532	69,532
Land (acres)	285	285	285	285	285	285	285	285	285	285
Recreation										
Recreation programs offered	45	93	93	165	164	159	148	156	168	161
Recreation programs' participation	3,913	3,800	3,800	3,700	4,086	4,387	4,616	4,449	4,523	4,571
Special events	13	14	14	12	12	12	11	13		13
Shelter rentals	102	110	110	121	114	161	159	116	207	118
Park house rentals	116	116	116	205	237	380	304	269	95	
Theme park tickets sold	111	92	92	169	123	122	74	141	76	87
Ballfield Rentals (Tournaments)						5	7	9	11	14
Centerview Rentals									32	53
Centerview Internal Bookings									72	78

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

Function	Fiscal Year									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Court										
Completed court cases	2,785	3,148	3,148	2,986	4,206	4,177	3,365	3,179	2,655	2,409
Water										
New connections	60	68	68	54	82	98	96	179	197	254
Line breaks repaired	6	7	7	10	6	11	10	11	12	6
Meters replaced	157	269	269	311	374	378	344	108	664	293
Replaced pipe (lf)	n/a	n/a	n/a	n/a	n/a	n/a	300	4,335	176	3,279
Sewer										
New residential connections	63	66	66	58	84	93	116	213	220	295
New commercial connections	n/a	2	2	5	4	1	2	2	6	1
Line breaks repaired	n/a	n/a	n/a	n/a	n/a	n/a	n/a	1	n/a	n/a
Replaced/lined pipe (lf)	n/a	n/a	n/a	n/a	n/a	n/a	5,036	6,228	n/a	4,484
Storm Water										
Storm sewer replaced (lf)	n/a	n/a	n/a	n/a	n/a	n/a	382	n/a	n/a	180

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

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

Function	Fiscal Year									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Public safety										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol units	9	9	9	10	10	10	10	10	10	10
Highways and streets										
Streets (miles)	121.4	123.1	123.1	123.6	124.2	124.8	125.5	126.4	126.9	129.8
*Streetlights	1,262	1,288	1,293	1,364	1,364	1,364	1,364	1,496	1,546	1,554
Culture and recreation										
Parks acreage - developed	202.01	205.89	205.89	205.89	205.89	205.89	205.89	205.9	208.1	208.1
Parks acreage - undeveloped	83	79	79	79	79	79	79	79	77	77
Parks - developed	6	7	7	7	8	8	8	8	9	9
Parks - undeveloped	2	1	1	1	1	1	1	1	1	1
Multi-purpose trails (miles)	10.4	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10
Tennis courts	6	6	6	6	6	6	6	6	6	6
Baseball fields	10	8	8	8	8	8	8	8	8	8
Picnic tables	48	48	48	48	49	49	49	49	55	55
Playgrounds	3	3	4	6	7	7	7	7	7	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	7	7	7	7	7	7	7	12	12	12
Shelter house	4	4	4	4	4	4	4	4	4	4
Skate parks	1	1	1	1	1	1	1	1	1	1
Primitive campgrounds	1	1	1	1	1	1	1	1	1	1
Event centers									1	1
Water										
Water mains (miles)	103.5	103.9	103.9	104.4	105.6	106.1	106.8	107.6	108.1	127
Fire hydrants	921	921	921	930	942	948	957	969	978	1,089
Sewer										
Storm sewers (miles)	50.5	53.9	54.0	54.5	54.9	55.4	56.0	56.4	56.8	92.5
Sanitary sewers (miles)	101.9	102.2	102.2	102.5	102.5	103.0	103.1	103.7	104.1	128.5

*The City purchased all streetlights in FY16



**DANA F. COLE
& COMPANY^{LLP}**
CERTIFIED PUBLIC ACCOUNTANTS

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

To the 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, 2018, and have issued our report thereon dated February 21, 2019.

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 2018-001.

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 responses. 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
February 21, 2019

CITY OF RAYMORE, MISSOURI
SCHEDULE OF FINDINGS AND RESPONSES
YEAR ENDED OCTOBER 31, 2018

2018-001 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 the entire financial statement package in accordance with accounting principles generally accepted in the United States of America. This requires that management possess the ability to prepare the entire financial statement package, including related disclosures and supplemental information without the assistance from the auditors. The auditors drafted the financial statement section related to the government-wide statements and a portion of the 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 entire year end financial statements including the 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 government-wide 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 personnel have drafted the fund financial statements, majority of note disclosures, budgetary comparison schedules, and other supplementary information.

CITY OF RAYMORE, MISSOURI
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
YEAR ENDED OCTOBER 31, 2018

2017-001 CONTROL OVER THE FINANCIAL REPORTING PROCESS

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. We recommended 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. This is a similar finding as noted in the schedule of findings and responses as item 2018-001 for the year ending October 31, 2018.

APPENDIX C

PROPOSED FORM OF OPINION OF BOND COUNSEL

City of Raymore, Missouri
Raymore, Missouri

[Underwriter]

Re: \$5,750,000* City of Raymore, Missouri Tax Exempt Special Obligation Refunding Bonds,
Series 2019

Ladies and Gentlemen:

We have acted as bond counsel to the City of Raymore, Missouri (the “City”) in connection with the issuance of the above-captioned bonds (the “Bonds”). In this capacity, we have examined the law and the certified proceedings, certifications and other documents that we deem necessary to render this opinion.

Regarding questions of fact material to our opinion, we have relied on the certified proceedings and other certifications of public officials and others furnished to us without undertaking to verify them by independent investigation.

Based on and subject to the foregoing, we are of the opinion, under existing law, as follows:

1. The Bonds have been duly authorized, executed and delivered by the Issuer and are valid and legally binding general obligations of the Issuer.

2. The Bonds are special obligations of the City payable solely from amounts pledged or appropriated therefor in each Fiscal Year (i) out of the income and revenues provided for such Fiscal Year plus (ii) any unencumbered balances for previous years. The Bonds do not constitute general obligations or indebtedness of the City within the meaning of any constitutional or statutory limitation or provision, and the City does not pledge its full faith and credit and is not obligated to levy taxes or resort to any other moneys or property of the City to pay the principal of and interest on the Bonds.

3. The interest on the Bonds (including any original issue discount properly allocable to an owner thereof) (i) is excludable from gross income for federal income tax purposes, (ii) is exempt from income taxation by the State of Missouri, and (iii) is not an item of tax preference for purposes of computing the federal alternative minimum tax. The opinions set forth in this paragraph are subject to the condition that the Issuer complies with all requirements of the Code that must be satisfied subsequent to the issuance of the Bonds in order that interest thereon be, or continue to be, excludable from gross income for federal income tax purposes. The City has covenanted to comply with all of these requirements. Failure to comply with certain of these requirements may cause the interest on the Bonds to be included in gross income for federal and Missouri income tax purposes retroactive to the date of issuance of the Bonds. The Bonds are “qualified tax-exempt obligations” within the meaning of Section 265(b)(3) of the Code.

We express no opinion regarding the accuracy, completeness or sufficiency of the Official Statement or other offering material relating to the Bonds (except to the extent, if any, stated in the Official Statement).

Further, we express no opinion regarding tax consequences arising with respect to the Bonds other than as expressly set forth in this opinion.

The rights of the owners of the Bonds and the enforceability of the Bonds may be limited by bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights generally and by equitable principles, whether considered at law or in equity.

This opinion is given as of its date, and we assume no obligation to revise or supplement this opinion to reflect any facts or circumstances that may come to our attention or any changes in law that may occur after the date of this opinion.

Very truly yours,

APPENDIX D

CONTINUING DISCLOSURE CERTIFICATE

Dated as of November __, 2019

By

CITY OF RAYMORE, MISSOURI

\$5,750,000

**TAX EXEMPT SPECIAL OBLIGATION REFUNDING BONDS
SERIES 2019**

CONTINUING DISCLOSURE CERTIFICATE

This **CONTINUING DISCLOSURE CERTIFICATE** dated as of November __, 2019 (this “**Continuing Disclosure Certificate**”), is executed and delivered by **CITY OF RAYMORE, MISSOURI** (the “**Issuer**”).

RECITALS

1. This Continuing Disclosure Certificate is executed and delivered by the Issuer in connection with the issuance by the Issuer of **\$5,750,000 Tax Exempt Special Obligation Refunding Bonds, Series 2019** (the “**Bonds**”), pursuant to an ordinance adopted by the governing body of the Issuer on October __, 2019 (the “**Ordinance**”).

2. The Issuer is entering into this Continuing Disclosure Certificate for the benefit of the Beneficial Owners of the Bonds and in order to assist the Participating Underwriter in complying with Rule 15c2-12 of the Securities and Exchange Commission under the Securities Exchange Act of 1934 (the “**Rule**”). The Issuer is the only “**obligated person**” with responsibility for continuing disclosure hereunder.

The Issuer covenants and agrees as follows:

Section 1. Definitions. In addition to the definitions set forth in the Ordinance, which apply to any capitalized term used in this Continuing Disclosure Certificate unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

“**Annual Report**” means any Annual Report provided by the Issuer pursuant to, and as described in, **Section 2** of this Continuing Disclosure Certificate.

“**Beneficial Owner**” means any registered owner of any Bonds and any person which (a) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Bonds (including persons holding Bonds through nominees, depositories or other intermediaries), or (b) is treated as the owner of any Bonds for federal income tax purposes.

“**Business Day**” means a day other than (a) a Saturday, Sunday or legal holiday, (b) a day on which banks located in any city in which the principal office or designated payment office of the paying agent or the Dissemination Agent is located are required or authorized by law to remain closed, or (c) a day on which the Securities Depository or the New York Stock Exchange is closed.

“**Dissemination Agent**” means any entity designated in writing by the Issuer to serve as dissemination agent pursuant to this Continuing Disclosure Certificate and which has filed with the Issuer a written acceptance of such designation.

“**EMMA**” means the Electronic Municipal Market Access system for municipal securities disclosures established and maintained by the MSRB, which can be accessed at www.emma.msrb.org.

“**Financial Obligation**” means a (a) debt obligation; (b) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (c) guarantee of (a) or (b) in this definition; *provided however*, the term Financial

Obligation shall not include municipal securities as to which a final official statement has been provided to the MSRB consistent with the Rule.

“Fiscal Year” means the **12-month** period beginning on **November 1** and ending on **October 31** or any other **12-month** period selected by the Issuer as the Fiscal Year of the Issuer for financial reporting purposes.

“Material Events” means any of the events listed in **Section 3** of this Continuing Disclosure Certificate.

“MSRB” means the Municipal Securities Rulemaking Board, or any successor repository designated as such by the Securities and Exchange Commission in accordance with the Rule.

“Participating Underwriter” means any of the original underwriter(s) of the Bonds required to comply with the Rule in connection with the offering of the Bonds.

Section 2. Provision of Annual Reports.

- (a) The Issuer shall, not later than the last day of the **sixth** month after the end of the Issuer’s Fiscal Year, commencing with the year ending October 31, 2019, file with the MSRB, through EMMA, the following financial information and operating data (the **“Annual Report”**):

(1) The audited financial statements of the Issuer for the prior Fiscal Year, prepared in accordance with accounting principles generally accepted in the United States. If audited financial statements are not available by the time the Annual Report is required to be provided pursuant to this Section, the Annual Report shall contain unaudited financial statements in a format similar to the financial statements contained in the final Official Statement relating to the Bonds, and the audited financial statements shall be provided in the same manner as the Annual Report promptly after they become available. The audited financial statements of the Issuer are currently prepared in conformity with accounting principles generally accepted in the United States of America as applied to government units. If the Issuer changes the format of its financial statements, (1) notice of such change shall be given in the same manner as for a Material Event, and (2) the Annual Report for the year in which the change is made should present a comparison (in narrative form and also, if feasible, in quantitative form) between the financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

(2) Updates as of the end of the Fiscal Year of certain financial information and operating data contained in the final Official Statement related to the Bonds, as described in **Exhibit A**, in substantially the same format contained in the final Official Statement with such adjustments to formatting or presentation determined to be reasonable by the Issuer.

Any or all of the items listed above may be included by specific reference to other documents, including official statements of debt issues with respect to which the Issuer is an **“obligated person”** (as defined by the Rule), which have been provided to the MSRB and are available through EMMA or the Securities and Exchange Commission. If the

document included by reference is a final official statement, it must be available from the MSRB on EMMA. The Issuer shall clearly identify each such other document so included by reference.

In each case, the Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in this Section; provided that the audited financial statements of the Issuer may be submitted separately from the balance of the Annual Report and later than the date required above for the filing of the Annual Report if they are not available by that date. If the Issuer's Fiscal Year changes, it shall give notice of such change in the same manner as for a Material Event under **Section 3**, and the Annual Report deadline provided above shall automatically become the last day of the sixth month after the end of the Issuer's new fiscal year.

- (b) The Annual Report shall be filed with the MSRB in such manner and format as is prescribed by the MSRB.

Section 3. Reporting of Material Events. Not later than **10** Business Days after the occurrence of any of the following events, the Issuer shall give, or cause to be given to the MSRB, through EMMA, notice of the occurrence of any of the following events with respect to the Bonds ("**Material Events**"):

- (1) principal and interest payment delinquencies;
- (2) non-payment related defaults, if material;
- (3) unscheduled draws on debt service reserves reflecting financial difficulties;
- (4) unscheduled draws on credit enhancements reflecting financial difficulties;
- (5) substitution of credit or liquidity providers, or their failure to perform;
- (6) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;
- (7) modifications to rights of bondholders, if material;
- (8) bond calls, if material, and tender offers;
- (9) defeasances;
- (10) release, substitution or sale of property securing repayment of the Bonds, if material;
- (11) rating changes;
- (12) bankruptcy, insolvency, receivership or similar event of the obligated person;
- (13) the consummation of a merger, consolidation, or acquisition involving the obligated person or the sale of all or substantially all of the assets of the obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;
- (14) appointment of a successor or additional trustee or the change of name of the trustee, if material;
- (15) incurrence of a Financial Obligation of the obligated person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the obligated person, any of which affect security holders, if material; and
- (16) default, event of acceleration, termination event, modification of terms, or other similar

events under the terms of a Financial Obligation of the obligated person, any of which reflect financial difficulties.

If the Issuer has not submitted the Annual Report to the MSRB by the date required in **Section 2(a)**, the Issuer shall send a timely notice to the MSRB of the failure of the Issuer to file on a timely basis the Annual Report, which notice shall be given by the Issuer in accordance with this **Section 3**.

Section 4. Termination of Reporting Obligation. The Issuer's obligations under this Continuing Disclosure Certificate shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Bonds. If the Issuer's obligations under this Continuing Disclosure Certificate are assumed in full by some other entity, such person shall be responsible for compliance with this Continuing Disclosure Certificate in the same manner as if it were the Issuer, and the Issuer shall have no further responsibility hereunder. If such termination or substitution occurs prior to the final maturity of the Bonds, the Issuer shall give notice of such termination or substitution in the same manner as for a Material Event under **Section 3**.

Section 5. Dissemination Agents. The Issuer may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Continuing Disclosure Certificate, and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent. Any Dissemination Agent may resign as dissemination agent hereunder at any time upon **30** days prior written notice to the Issuer. The Dissemination Agent shall not be responsible in any manner for the content of any notice or report (including without limitation the Annual Report) prepared by the Issuer pursuant to this Continuing Disclosure Certificate.

Section 6. Amendment; Waiver. Notwithstanding any other provision of this Continuing Disclosure Certificate, the Issuer may amend this Continuing Disclosure Certificate and any provision of this Continuing Disclosure Certificate may be waived, provided that Bond Counsel or other counsel experienced in federal securities law matters provides the Issuer with its written opinion that the undertaking of the Issuer contained herein, as so amended or after giving effect to such waiver, is in compliance with the Rule and all current amendments thereto and interpretations thereof that are applicable to this Continuing Disclosure Certificate.

In the event of any amendment or waiver of a provision of this Continuing Disclosure Certificate, the Issuer shall describe such amendment or waiver in the next Annual Report, and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type (or, in the case of a change of accounting principles, on the presentation) of financial information or operating data being presented by the Issuer. In addition, if the amendment relates to the accounting principles to be followed in preparing financial statements, (1) notice of such change shall be given in the same manner as for a Material Event under **Section 3**, and (2) the Annual Report for the year in which the change is made should present a comparison (in narrative form and also, if feasible, in quantitative form) between the financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

Section 7. Additional Information. Nothing in this Continuing Disclosure Certificate shall be deemed to prevent the Issuer from disseminating any other information, using the means of dissemination set forth in this Continuing Disclosure Certificate or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Material Event, in addition to that required by this Continuing Disclosure Certificate. If the Issuer chooses to include any information in any Annual Report or notice of occurrence of a Material Event, in addition to that

specifically required by this Continuing Disclosure Certificate, the Issuer shall have no obligation under this Continuing Disclosure Certificate to update such information or include it in any future Annual Report or notice of occurrence of a Material Event.

Section 8. Default. If the Issuer fails to comply with any provision of this Continuing Disclosure Certificate, any Participating Underwriter or any Beneficial Owner of the Bonds may take such actions as may be necessary and appropriate, including seeking mandamus or specific performance by court order, to cause the Issuer to comply with its obligations under this Continuing Disclosure Certificate. A default under this Continuing Disclosure Certificate shall not be deemed an event of default under the Ordinance or the Bonds, and the sole remedy under this Continuing Disclosure Certificate in the event of any failure of the Issuer to comply with this Continuing Disclosure Certificate shall be an action to compel performance.

Section 9. Beneficiaries. This Continuing Disclosure Certificate shall inure solely to the benefit of the Issuer, the Participating Underwriter, and the Beneficial Owners from time to time of the Bonds, and shall create no rights in any other person or entity.

Section 10. Severability. If any provision in this Continuing Disclosure Certificate, the Ordinance or the Bonds shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

Section 11. Electronic Transactions. The arrangement described herein may be conducted and related documents may be sent, received, or stored by electronic means. Copies, telecopies, facsimiles, electronic files and other reproductions of original documents shall be deemed to be authentic and valid counterparts of such original documents for all purposes, including the filing of any claim, action or suit in the appropriate court of law.

Section 12. Governing Law. This Continuing Disclosure Certificate shall be governed by and construed in accordance with the laws of the State of Missouri.

Section 13. Counterparts. This Continuing Disclosure Certificate may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

[Remainder of Page Intentionally Left Blank.]

IN WITNESS WHEREOF, the Issuer has caused this Continuing Disclosure Certificate to be executed as of the day and year first above written.

CITY OF RAYMORE, MISSOURI

By: _____
Title: Mayor

EXHIBIT A
TO CONTINUING DISCLOSURE CERTIFICATE

**FINANCIAL INFORMATION AND OPERATING DATA TO BE
INCLUDED IN ANNUAL REPORT**

The financial information and operating data contained in the following sections and tables contained in Appendix A of the final Official Statement relating to the Bonds:

- DEBT STRUCTURE OF THE CITY
 - Current Indebtedness of the City
 - Other Long-Term Obligations of the City
 - Legal Debt Capacity
- FINANCIAL INFORMATION CONCERNING THE CITY
 - Sources of Revenue
 - Sales Tax Collections
 - Property Valuations – *History of Property Valuation*
 - Tax Rates – The tables showing the City's tax levies
 - Tax Collection Record