

**THIS COVER PAGE CONTAINS CERTAIN INFORMATION FOR QUICK REFERENCE ONLY. IT IS NOT A SUMMARY OF THIS ISSUE. INVESTORS MUST READ THE ENTIRE OFFICIAL STATEMENT TO OBTAIN INFORMATION ESSENTIAL TO THE MAKING OF AN INFORMED INVESTMENT DECISION.**

**NEW ISSUE  
BANK QUALIFIED  
BOOK ENTRY ONLY**

**MOODY'S RATING: "Aa2"  
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 imposed on individuals and corporations, (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**

**\$2,750,000  
CITY OF RAYMORE, MISSOURI  
GENERAL OBLIGATION BONDS  
SERIES 2017**

**Dated: Date of Delivery**

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

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 September 1, 2017. 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 general obligations of the City, payable from ad valorem taxes which may be levied without limitation as to rate or amount upon all the taxable tangible property, real and personal, within the territorial limits of the City.

*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 April 27, 2017.*



The date of this Official Statement is April 10, 2017.

**\$2,750,000**  
**CITY OF RAYMORE, MISSOURI**  
**GENERAL OBLIGATION BONDS**  
**SERIES 2017**

**MATURITY SCHEDULE**

<u>Serial Bonds</u>				
<u>Due</u> <u>March 1</u>	<u>Principal</u> <u>Amount</u>	<u>Interest</u> <u>Rate</u>	<u>Price</u>	<u>Yield</u>
2018	\$200,000	4.00%	102.643%	0.851%
2019	420,000	4.00	105.468	1.000
2020	250,000	4.00	107.951	1.150
2021	260,000	3.50	108.222	1.300
2022	270,000	3.50	109.310	1.500
2023	280,000	3.50	109.972	1.700
2024	240,000	3.25	108.959	1.850
2033	155,000	3.00	100.614*	2.900
2034	160,000	3.00	100.000	3.000
2035	165,000	3.00	99.313	3.050
2036	170,000	3.50	104.966*	2.700
2037	180,000	3.50	104.329*	2.800

\*Priced to the Call Date.

## **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
Kevin Kellogg	Ward I
Derek Moorhead	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  
Cynthia Watson, 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.

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**IN CONNECTION WITH THIS OFFERING, THE UNDERWRITER MAY OVERALLOTT 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.**

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**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.**

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## **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 WHICH 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

**\$2,750,000**

**CITY OF RAYMORE, MISSOURI  
GENERAL OBLIGATION BONDS  
SERIES 2017**

### 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 General Obligation Bonds, Series 2017 (the “Bonds”), to be issued in the aggregate principal amount of \$2,750,000 to fund the costs of projects for the City. The projects include (1) acquiring rights-of-way, and constructing, extending and improving streets and roads within the City including, without limitation, improving and overlaying M58 Highway from Dean Avenue to Kurzweil Road (the “Street Projects”) and (2) acquiring, constructing, improving, renovating and equipping the park and recreation system within the City including, without limitation, removing the existing park house and replacing it with an activity building with a gymnasium and recreation amenities and improving the city hall annex (planned to be constructed in part using other City funds) with additional classroom space, meeting areas and water quality enhancement (the “Park Projects,” and together with the Street Projects are the “Projects”).

#### **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 funding the costs of the Projects and costs related to the issuance of the Bonds.

The Bonds represent the remaining \$1,090,000 of \$3,300,000 general obligation bonds authorized for the Street Projects authorized by the required majority of the voters of the City at an election held on April 5, 2016, and the remaining \$1,660,000 of \$6,750,000 general obligation bonds authorized for the Park Projects authorized by the required majority of the voters of the City at an election held on April 5, 2016. See the caption “**THE BONDS**” herein.

#### **Security and Source of Payment**

The Bonds will be general obligations of the City and will be payable from ad valorem taxes which may be levied without limitation as to rate or amount upon all taxable property, real and personal, within the territorial limits of the City. See the caption “**SECURITY AND SOURCES OF PAYMENT FOR THE BONDS**” herein.

## **Financial Statements**

Audited financial statements of the City, as of and for the year ended October 31, 2016, 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.

## **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 19,206 persons according to the 2010 Census. See “**APPENDIX A: THE CITY**” and “**APPENDIX B: ACCOUNTANT’S REPORT AND AUDITED FINANCIAL STATEMENTS.**”

## **PLAN OF FINANCING**

### **Authorization and Purpose of Bonds**

The Bonds are authorized pursuant to and in full compliance with the Constitution and statutes of the State of Missouri, including particularly Article VI, Section 26 of the Missouri Constitution and Chapters 95 and 108 of the Revised Statutes of Missouri, as amended (the “General Obligation Bond Law”).

### **The Projects**

The Bonds represent a portion of the voted authority authorized by the required majority of voters of the City at an election held April 5, 2016. The Projects include (1) acquiring rights-of-way, and constructing, extending and improving streets and roads within the City including, without limitation, improving and overlaying M58 Highway from Dean Avenue to Kurzweil Road and (2) acquiring, constructing, improving, renovating and equipping the park and recreation system within the City including, without limitation, removing the existing park house and replacing it with an activity building with a gymnasium and recreation amenities and improving the city hall annex (planned to be constructed in part using other City funds) with additional classroom space, meeting areas and water quality enhancement. The City will deposit \$2,844,394.05 of the proceeds of the Bonds in the Project Fund established under the Bond Ordinance to pay costs of the Projects, in accordance with the plans and specifications of the Projects. The estimated completion of the Projects is Spring 2018.

## 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 .....	\$2,750,000.00
Net Original Issue Premium .....	<u>160,119.05</u>
Total.....	<u>\$2,910,119.05</u>

### *Uses of Funds:*

Deposit for costs of the Projects .....	\$2,844,394.05
Costs of Issuance including Underwriter's Discount.....	<u>65,725.00</u>
Total.....	<u>\$2,910,119.05</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 September 1, 2017. 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 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 may be called for redemption and payment prior to maturity on March 1, 2024 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 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 State Auditor of Missouri, 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**

### **General Obligations**

The Bonds will constitute general obligations of the City and will be payable as to both principal and interest from ad valorem taxes which may be levied without limitation as to rate or amount upon all the taxable tangible property, real and personal, within the territorial limits of the City.

### **The Bond Ordinance**

*Pledge of Full Faith and Credit.* The full faith, credit and resources of the City are irrevocably pledged under the Bond Ordinance for the prompt payment of the Bonds as the same become due.

*Levy and Collection of Annual Tax.* Under the Bond Ordinance, there will be levied upon all of the taxable tangible property within the City a direct annual tax sufficient to produce the amounts necessary for the payment of the principal of and interest on the Bonds as the same become due and payable in each year. Such taxes shall be extended upon the tax rolls in each year, and shall be levied and collected at the same time and in the same manner as the other ad valorem taxes of the City are levied and collected. The proceeds derived from said taxes shall be deposited in the Debt Service Fund, shall be kept separate and apart from all other funds of the City and shall be used for the payment of the principal of and interest on the Bonds as and when the same become due and the fees and expenses of the Paying Agent.

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, 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 is a discussion of certain risks that could affect the payments to be made by the City with respect to the Bonds. In order to identify risk factors and make an informed investment decision, potential investors should be thoroughly familiar with this entire Official Statement (including its appendices) in order to make a judgment as to whether the Bonds are an appropriate investment. Prospective purchasers of the Bonds should consider carefully all possible factors that may result in a default in the payment of the Bonds, the redemption of the Bonds prior to maturity, a determination that the interest on the Bonds might be deemed taxable for purposes of federal and Missouri income taxation, or that may affect the market price or liquidity of the Bonds. **This discussion of risk factors is not, and is not intended to be, comprehensive or exhaustive.**

### Ad Valorem Property Taxes

The Bond Ordinance levies a direct annual tax on all taxable tangible property within the City sufficient to produce amounts necessary for the payment of the principal of and interest on the Bonds each year. Declining property values in the City, whether caused by national or global financial crises, natural disasters, local economic downturns, or other reasons, may require higher levy rates, which may increase the burden on local taxpayers and affect certain taxpayers' willingness or ability to continue timely paying property taxes. See **"FINANCIAL INFORMATION CONCERNING THE CITY – Property Valuations – History of Property Valuations"** in *Appendix A* of this Official Statement. In addition, the issuance of additional general obligation bonds by the City or other indebtedness by other political subdivisions in, or overlapping the boundaries of, the City would increase the tax burden on taxpayers in the City. See **"DEBT STRUCTURE OF THE CITY – Overlapping Indebtedness"** in *Appendix A* of this Official Statement. Missouri law limits the amount of general obligation debt issuable by the City to 20% of the assessed valuation of taxable tangible property in the City. See **"DEBT STRUCTURE OF THE CITY – Legal Debt Capacity"** in *Appendix A* of this Official Statement. Other political subdivisions in the City are subject to similar limitations on general obligation debt imposed by Missouri law, including school districts, counties and certain other political subdivisions, which are limited to general obligation debt of 15%, 10% and 5% of assessed valuation of taxable tangible property, respectively.

Concentration of property ownership in the City would expose the City's ability to collect ad valorem property taxes to the financial strength and ability and willingness of major taxpayers to pay property taxes. In calendar year 2016, no single property owner owned more than 2% of the total taxable property in the City. See **"PROPERTY TAX INFORMATION CONCERNING THE CITY – Property Valuations – Current Assessed Valuation"** and **"PROPERTY TAX INFORMATION CONCERNING THE CITY – Major Property Taxpayers"** in *Appendix A* of this Official Statement.

### Secondary Market Prices and Liquidity

The Underwriter will not be obligated to repurchase any of the Bonds, and no representation is made concerning the existence of any secondary market for the Bonds. No assurance is given that any secondary market will develop following the completion of the offering of the Bonds and no assurance is given that the initial offering price for the Bonds will continue for any period of time.

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 the operating performance or tax collection patterns of issuers. Particularly, prices of outstanding municipal securities should be expected to decline if prevailing market interest rates rise. Municipal securities are generally viewed as long-term investments, subject to material unforeseen changes in the investor's or the issuer's circumstances, and may require commitment of the investor's funds for an indefinite period of time, perhaps until maturity.

## **No Reserve Fund or Credit Enhancement**

No debt service reserve fund will be funded and no financial guaranty insurance policy, letter of credit or other credit enhancement will be issued to insure payment of the Bonds. Accordingly, any potential purchaser of the Bonds should consider the financial ability of the City to pay the Bonds. As described under **“SECURITY AND SOURCES OF PAYMENT FOR THE BONDS – The Bond Ordinance”** in this Official Statement, the City has irrevocably pledged its full faith, credit and resources for the prompt payment of the Bonds and levied a direct annual tax, without limitation, on all taxable tangible property in the City in an amount sufficient to pay principal and interest on the Bonds.

## **Rating**

The rating agency has assigned the Bonds the rating set forth under **“RATING”** in this Official Statement. Such rating reflects only the view of such rating agency, and an explanation of the significance of such rating may be obtained therefrom. There is no assurance that the rating will remain in effect for any given period of time or that it will not be revised, either downward or upward, or withdrawn entirely, by said rating agency if, in its judgment, circumstances warrant. Any such downward revision or withdrawal of the rating may have an adverse effect on the market price of the Bonds.

## **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. Section 108.180 of the Revised Statutes of Missouri, as amended, requires that any interest and sinking fund moneys only be used to pay principal and interest on the Bonds. 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 the Missouri Local Government Employees Retirement System (“LAGERS”), an agent multi-employer, statewide public employee retirement plan for entities of local government which is legally separate and fiscally independent of the State of Missouri. See **“FINANCIAL INFORMATION CONCERNING THE CITY – 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 – Other Postemployment Benefits”** 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.

## **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.

### **Tax-Exempt Status and Risk of Audit**

The failure of the City to comply with certain covenants set forth in the Bond Ordinance could cause the interest on the Bonds to become included in gross income for federal and Missouri income tax purposes retroactive to the date of issuance of the Bonds. The Bond Ordinance does not provide for the payment of any additional interest, redemption premium or penalty if the interest on the Bonds becomes included in gross income for federal income tax purposes. See **“TAX MATTERS”** in this Official Statement.

The Internal Revenue Service (the “IRS”) has established an ongoing program to audit tax-exempt obligations to determine whether interest on such obligations should be included in gross income for federal income tax purposes. Owners of the Bonds are advised that, if an audit of the Bonds was commenced, the IRS, in accordance with its current published procedures, 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.

### **Defeasance Risks**

When all Bonds are deemed paid and discharged as provided in the Bond Ordinance, the requirements contained in the Bond Ordinance and the pledge of the City’s faith and credit thereunder and all other rights granted thereby will terminate with respect to the Bonds or scheduled interest payments thereon so paid and discharged. 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 moneys and/or Defeasance Obligations that, together with the interest to be earned on any such Defeasance Obligations, will be sufficient for the payment of the Bonds to the stated maturity or prior redemption date. There is no legal requirement in the Bond Ordinance that Defeasance Obligations be 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](http://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.

### **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, under the law existing as of the issue date of the Bonds:

*Federal and 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.* Interest on the Bonds is not an item of tax preference for purposes of computing the federal alternative minimum tax imposed on individuals and corporations, but is taken into account in determining adjusted current earnings for the purpose of computing the alternative minimum tax imposed on certain corporations.

*Bank Qualification.* The Bonds have been designated as “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 section herein captioned **“TAX MATTERS.”**

### **Other Tax Consequences**

*Original Issue Discount.* For federal income tax purposes, original issue discount (“OID”) is the excess of the stated redemption price at maturity of a Bond over its issue price. The issue price of a Bond is the first price at which a substantial amount of the Bonds of that maturity have been sold (ignoring sales to bond houses, brokers, or similar persons or organizations acting in the capacity of underwriters, placement agents, or wholesalers). Under Section 1288 of the Code, OID on tax-exempt bonds accrues on a compound basis. The amount of OID 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 OID 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 OID 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 OID.

*Original Issue Premium.* If a Bond is issued at a price that exceeds the stated redemption price at maturity of the Bond, the excess of the purchase price over the stated redemption price at maturity constitutes "premium" on that Bond. Under Section 171 of the Code, the purchaser of that Bond must amortize the premium 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. This will result in an increase in the gain (or decrease in the loss) to be recognized for federal income tax purposes on the 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**

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 **180** days after the end of the City's fiscal year beginning with the fiscal year ending October 31, 2016, 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. 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*** of this Official Statement under the following sections:

DEBT STRUCTURE OF THE CITY

Current Indebtedness of the City  
History of General Obligation Indebtedness  
Legal Debt Capacity

FINANCIAL INFORMATION CONCERNING THE CITY

Sources of Revenue  
Retail Sales Taxes  
Property Valuations  
*Current Assessed Valuation*  
*History of Property Valuations*  
Tax Rates

(The tables showing the City’s tax levies and tax collection record)

Pursuant to the Continuing Disclosure Certificate, the City also will give notice 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; and
- (14) appointment of a successor or additional trustee or the change of name of the trustee, if material.

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.

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, 2012 through October 31, 2016), the City has failed to provide certain portions of the operating data updates required by the City's prior undertakings and other portions of the operating data that was provided was not always filed timely. Over the last five years, the City has failed to file notices of its failures to file its annual operating data, and in addition, the City has failed to file notices of certain material events related to defeasance or redemption of bonds. 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. The City has substantially complied with the filing of its financial statements and operating data for the fiscal years ending October 31, 2013, 2014, 2015 and 2016.

### **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](http://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. is expected to give the Bonds a rating of "Aa2" which reflects its evaluation of the investment quality of the Bonds. Such rating reflects only the view of such rating agency, and an explanation of the significance of such rating may be obtained therefrom. There is no assurance that the rating will remain in effect for any given period of time or that it will not be revised, either downward or upward, or withdrawn entirely, by said rating agency if, in its judgment, circumstances warrant. Any such downward revisions or withdrawal of the rating may have an adverse effect on the market price of the Bonds.

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 made 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 rating 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 Agreement, 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 such revision or withdrawal of the ratings 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 April 10, 2017, the Bonds were awarded to Commerce Bank, Kansas City, Missouri (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 \$2,888,394.05 (representing the par amount of the Bonds less an underwriters' discount of \$21,725.00 and plus a net original issue premium of \$160,119.05). The Underwriter is purchasing the Bonds from the City for resale in the normal course of the Underwriter's business activities. The Underwriter may sell certain of the Bonds at a price greater than such purchase price, as shown on the inside cover page hereof. 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**

Information set forth in this Official Statement has been furnished or reviewed by certain officials of the City, certified public accountants, and other sources, as referred to herein, which are believed to be reliable. Any statements made in this Official Statement involving matters of opinion, estimates or projections, whether or not so expressly stated, are set forth as such and not as representations of fact, and no representation is made that any of the estimates or projections will be realized.

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 which 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.

**CITY OF RAYMORE, MISSOURI**

By: /s/ Kristofer P. Turnbow  
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 population of the City according to the 2010 Census was 19,206.

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 6,087 students in the 2016-17 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. The hospital provides 24-hour emergency care, surgery, internal medicine, pediatrics, intensive care, radiology, laboratory, pharmacy, physical therapy and cardio-pulmonary services. 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, an organization that operates 75 skilled nursing facilities and 22 assisted living facilities in the western portion of the country. Other facilities within 15 miles of the City include Cass Regional Medical Center, Saint Joseph Health Center, Lee's Summit Medical Center, St. Luke's East Hospital 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 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 Retirement Village	Senior Housing	357
2.	Wal-Mart Stores	Retail	340
3.	Raymore-Peculiar R-II School District	Education	324
4.	Cosentino's Price Chopper	Groceries	173
5.	Sam's Club	Wholesale Club	165
6.	Lowe's Home Center	Retail	130
7.	Rehabilitation Center of Raymore	Health Care	120
8.	City of Raymore	Municipal Government	103
9.	Golden Corral	Restaurant	51
10.	Minsky's Pizza	Restaurant	32

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Source: City of Raymore, Department of Finance

## General and Demographic Information

The following table sets forth certain population information.

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

## Population Distribution by Age

<u>Age</u>	<u>City of Raymore</u>	<u>Cass County</u>	<u>State of Missouri</u>
Under 5	1,407	6,756	390,237
5-14 years	3,190	15,098	787,388
15-19 years	1,331	6,979	423,786
20-44 years	6,074	30,501	1,937,372
45-54 years	2,624	15,256	888,572
55-64 years	1,955	11,398	723,278
65 years and older	<u>2,625</u>	<u>13,490</u>	<u>838,294</u>
Total	<u>19,206</u>	<u>99,478</u>	<u>5,988,927</u>
Median Age	36.5	37.0	37.9

Source: U.S. Bureau of the Census, Census 2010.

## Unemployment Figures

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

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
<i>Cass County</i>					
Total Labor Force	50,407	52,173	53,809	54,383	54,861
Unemployed	3,421	3,287	3,021	2,748	2,293
Unemployment Rate	6.8%	6.3%	5.6%	5.1	4.2%
<i>State of Missouri</i>					
Total Labor Force	3,018,211	3,015,888	3,058,118	3,113,760	3,139,874
Unemployed	210,415	202,049	186,901	155,584	142,877
Unemployment Rate	7.0%	6.7%	6.1%	5.0%	4.6%

Source: Missouri Department of Labor and Industrial Relations.

## Income Statistics

The following table sets forth income figures from the 2010 American Community Survey 5-year estimates.

	<u>Per Capita</u>	<u>Median Family</u>
City of Raymore	\$28,242	\$79,722
Cass County	26,326	67,426
State of Missouri	24,724	57,661

## Housing Structures

The following table sets forth statistics regarding housing structures by type in the City for the year 2010:

<u>Housing type</u>	<u>Number of Units</u>	<u>Percentage of Units</u>
Single-Family	6,351	91%
Mobile Home	0	0
Multi-Family	602	9

The median value of owner occupied housing units in the City and related areas in 2010 was as follows:

	<u>Median Value</u>
City of Raymore	\$172,500
Cass County	152,900
State of Missouri	137,700

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Source: U.S. Bureau of the Census, 2010 American Community Survey 5-Year Estimates.

## Building Construction

The following table indicates the number of building permits and total estimated valuation of these permits issued within the City over a five-year period. These numbers reflect permits issued either for new construction or for major renovation.

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
<i>Residential</i>					
Number of Permits	65	98	117	177	215
Estimated Cost	\$15,522,600	\$22,751,200	\$29,746,700	\$38,854,800	\$50,026,600
<i>Commercial</i>					
Number of Permits	7	16	17	26	23
Estimated Cost	\$1,268,100	\$14,576,000	\$1,403,250	\$9,157,100	\$4,220,800

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Source: City.

## DEBT STRUCTURE OF THE CITY

### Current Indebtedness of the City

The following table sets forth as of April 1, 2017 all of the outstanding general obligation indebtedness of the City (excludes the Bonds).

<u>Issue Name</u>	<u>Issue Date</u>	<u>Amount Outstanding</u>
General Obligation Bonds	12/02/1999	\$415,000
General Obligation Refunding Bonds	03/25/2008	350,000
General Obligation Refunding Bonds	12/28/2012	8,000,000
General Obligation Refunding Bonds	02/28/2013	5,825,000
General Obligation Bonds	06/02/2016	<u>7,050,000</u>
		<u>\$21,640,000</u>

### History of General Obligation Indebtedness

The following table shows the outstanding debt of the City for 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>
2016	\$23,425,000	8.1%
2015	16,580,000	6.0
2014	17,097,373	6.3
2013	17,907,373	6.7
2012	18,997,373	7.3

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 April 1, 2017, 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	\$56,185,000	83.3%	\$46,802,105
South Metropolitan Fire Protection District	6,805,000	72.6	4,940,430
Cass County, Missouri	19,914,000	20.0	<u>3,982,800</u>
Total			<u>\$55,725,335</u>

**Debt Summary**  
**(as of 3/1/2017)**

2016 Assessed Valuation:	\$290,902,454
2016 Estimated Actual Valuation:	\$1,370,986,425
Population of City (2010 Census):	19,206
Direct General Obligation Debt*:	\$24,390,000
Overlapping General Obligation Debt:	\$55,725,335
Direct and Overlapping General Obligation Debt:	\$80,115,335
Ratio of Direct General Obligation Debt to Assessed Valuation:	8.4%
Ratio of Direct General Obligation Debt to Estimated Actual Valuation:	1.8%
Per Capita Direct General Obligation Debt:	\$1,269.92
Ratio of Direct and Overlapping General Obligation Debt to Assessed Valuation:	27.5%
Ratio of Direct and Overlapping General Obligation Debt to Estimated Actual Valuation:	5.8%
Per Capita Direct and Overlapping General Obligation Debt:	\$4,171.37

\*Includes the Bonds.

**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 bonds for a city to 10 percent of the assessed valuation of the city. 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 to exceed 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 the total general obligation indebtedness of a city does not exceed 20 percent of the assessed valuation. The legal debt margin of the City as of April 1, 2017 (including the Bonds) is:

Constitutional Debt Limit (20% of assessed valuation)	\$58,180,490
Indebtedness Outstanding	<u>24,390,000</u>
LEGAL DEBT MARGIN	<u>\$33,790,490</u>

## **Annual Appropriation Obligations**

The City issues, or is responsible to pay, bonds and other obligations from moneys appropriated on an annual basis. The obligations outstanding at April 1, 2017 that are payable from moneys annually appropriated by the City are as follows:

	<b><u>Outstanding</u></b>
<b><u>Special Obligation Bonds</u></b>	
\$4,040,000 Special Obligation Refunding and Improvement Bonds Series 2016	\$3,620,000
<b><u>Note Payable</u></b>	
Department of Natural Resources, Series 2002 Final payment due January 1, 2023; interest rate of 6.6%	\$146,000

## **Revenue Bonds**

Revenue bonds are the obligation of specific enterprise funds and are generally payable solely from the revenues of the respective funds. Revenue bonds of the City outstanding as of April 1, 2017 are as follows:

	<b><u>Outstanding</u></b>
\$7,695,000 Hubach Hill Road and North Cass Parkway Transportation Development District (Raymore, Missouri, Hubach Hill Road and North Cass Parkway Project) Revenue Bonds, Series 2009.	\$6,395,000
\$15,920,000 Tax Increment Refunding and Improvement Revenue Bonds (Raymore Galleria Redevelopment Project), Series 2014A	\$14,500,000
\$3,185,546 Subordinate Tax Increment Revenue Bonds Series 2014B	\$3,185,546

## **Future Financings**

The City does not plan any other financings for the remainder of the current calendar year.

## **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, 2016 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](http://www.emma.msrb.org)) or are available on the City's website ([www.raymore.com](http://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 last fiscal year for which audited financial statements are available (2016):

<u>Source</u>	<u>Amount</u>	<u>Percent</u>
Taxes	\$11,153,392	73.0%
Franchise Fees	2,199,361	14.3
Licenses and Permits	520,835	3.4
Intergovernmental	71,797	0.5
Charges for Services	623,032	4.1
Fines and Forfeitures	436,397	2.9
Investment Income	116,466	0.8
Refunds and reimbursements	74,801	0.5
Miscellaneous	<u>70,346</u>	<u>0.5</u>
	<u>\$15,266,427</u>	<u>100.0%</u>

### Retail Sales Taxes

The following table shows the retail sales tax collections for the City for the fiscal years shown:

<u>Fiscal Year</u>	<u>1% General</u>	<u>½% Transportation</u>	<u>½% Capital Improvement</u>	<u>½% Parks &amp; Storm Water</u>	<u>Total</u>
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
2013	2,208,386	938,839	939,200	938,838	5,025,263
2012	2,161,012	909,432	924,550	917,350	4,912,344
2011	2,080,237	919,712	919,712	919,711	4,839,372

Source: City.

## **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.

*Current Assessed Valuation:*

The following table shows the total assessed valuation, by category, of all taxable tangible property situated in the City according to the assessment of **2016** (the last completed assessment).

	<u>Assessed Valuation</u>	<u>Assessment Rate</u>	<u>Estimated Actual Valuation</u>
Real Estate:			
Residential	\$217,700,385	19%	\$1,145,791,500
Commercial	29,090,765	32	90,908,640
Agricultural	<u>366,070</u>	12	<u>3,050,583</u>
Sub-Total	247,157,220		1,239,750,723
Personal Property	<u>43,745,234</u>	33 1/3*	<u>131,235,702</u>
Total	<u>\$290,902,454</u>		<u>\$1,370,986,425</u>

\* 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.

*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>
2016	\$290,902,454	2.6%
2015	283,422,039	3.1
2014	274,918,628	2.1
2013	269,391,874	0.4
2012	268,321,175	2.6

**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 \$0.5887 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 \$0.5887 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>
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
2014	0.4647	0.1251	0.7170	1.3068
2013	0.4647	0.1251	0.7170	1.3068
2012	0.4647	0.1251	0.7170	1.3068

*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>%</u>
			<u>Amount</u>	
2016	\$1.3057	\$3,798,313	\$3,516,570	92.6%
2015	1.3068	3,700,642	3,562,982	96.3
2014	1.3068	3,592,637	3,443,558	95.9
2013	1.3068	3,520,413	3,485,708	99.0
2012	1.3068	3,506,421	3,415,677	97.4
2011	1.3068	3,416,593	3,218,345	94.2

**Major Taxpayers**

The following is a list of the tax payers located in the City with the greatest assessed valuation for the **2016** calendar year.

<u>Taxpayer</u>	<u>Assessed Valuation</u>	<u>Percentage of Total Assessed Valuation</u>
1. Sam's Club	\$3,646,200	1.25%
2. Launch Raymore LLC	2,991,270	1.03
3. Wal-Mart	2,970,600	1.02
4. Lowe's Home Centers Inc	2,358,940	.81
5. Raymore Group LLC	2,221,390	.76
6. Foxwood Springs Homes	1,559,530	.54
7. Laclede Gas Company	1,324,280	.45
8. Raymore SLP LLC (Benton House)	882,890	.30
9. Community Bank of Raymore	863,520	.30
10. MBSR Raymore MO LLC (Walgreen)	767,720	.26

Source: Cass County Assessor.

## 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. LAGERS serves approximately 682 local participating employers, including 299 cities, 60 counties and 323 other public entities during the plan year ended June 30, 2016. The plan is qualified under the Internal Revenue Code Section 401(a) and is tax-exempt. LAGERS is governed by a seven-member Board of Trustees consisting of three trustees elected by participating employees, three trustees elected by participating employers and one trustee appointed by the 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, 2016 (the "2016 LAGERS CAFR") is available at <http://www.molagers.org/financial.html>. The link to the 2016 LAGERS CAFR is provided for general background information only, and the information in the 2016 LAGERS CAFR is not incorporated by reference herein. The 2016 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.

All full-time general and police employees of the City are eligible to participate in LAGERS. As permitted by LAGERS, the City has elected the non-contributory plan, meaning its participating employees do not contribute to the pension plan. The City is required by statute to contribute at an actuarially determined rate for each category of participating employees. For the June 30, 2016 fiscal year, the City contributed \$535,989 to LAGERS on behalf of participating employees. The City's actuarially determined contribution rate for the period ending June 30, 2016 was 10.36% of covered payroll. In the fiscal year ended June 30, 2016, the City's contribution to LAGERS on behalf of its employees represented approximately 5.7% of the City's total current expenditures (excluding debt service and capital expenditures).

The following provides a historical comparison of the City's actual contributions to LAGERS relative to the actuarially determined contributions for the last five fiscal years of the City:

### Schedule of City Contributions

<u>Year Ended June 30,</u>	<u>Actuarially Determined Contribution</u>	<u>Actual Employer Contributions</u>	<u>Contribution Excess/(Deficiency)</u>
2016	\$535,989	\$535,989	\$0
2015	592,423	592,422	(1)
2014	609,900	609,900	0
2013	611,889	611,889	0
2012	562,800	556,651	(6,149)

*Source:* The City; LAGERS.

The City implemented GASB Statement No. 68, *Accounting and Financial Reporting for Pensions – An Amendment of GASB Statement No. 27*, and GASB Statement No. 71, *An Amendment of GASB Statement No. 68*, beginning with its audited financial statements for the fiscal year ended October 31, 2015. This Statement requires the City to record net pension liability and pension expense on its financial statements. The

net pension liability is the difference between the total pension liability and the plan's fiduciary net position. The pension expense recognized each fiscal year is equal to the change in the net pension liability from the beginning of the year to the end of the year, adjusted for deferred recognition of certain changes in the liability and investment experience.

As of June 30, 2016, the City had 199 participants (active members, retirees, beneficiaries and inactive, nonretired members) in LAGERS, consisting of 144 general participants and 55 police participants. The City has exclusive financial responsibility for the LAGERS liabilities relating to current and former City employees. According to information provided by LAGERS, the City's accrued pension expense for the year ended June 30, 2016 was \$621,884 and the net pension liability (asset) attributable to the City's participation in LAGERS as of June 30, 2016, to be recorded on the City's financial statements for the fiscal year ended October 31, 2016, was as set forth below.

	<u>General</u>	<u>Police</u>
Total Pension Liability	\$11,002,158	\$5,308,618
Less: Plan Fiduciary Net Position	<u>10,780,097</u>	<u>5,291,652</u>
Net Pension Liability/(Asset)	\$222,061	\$16,966

The City's net pension liability for the City's proportionate share of the net pension asset/liability is based on a 7.12% discount rate for the general employees and 7.25% discount rate for police employees, which is also the current assumed investment rate of return of LAGERS. LAGERS advised the City that its proportionate share of the net pension liability using a 1% higher or lower discount rate as of June 30, 2016 would be as follows:

	<u>Net Pension Liability/(Asset) Sensitivity (General and Police Divisions Combined)</u>		
	<u>1.0% Decrease (6.12/6.25%)</u>	<u>Current Discount Rate (7.12/7.25%)</u>	<u>1.0% Increase (8.12/8.25%)</u>
City's Net Pension Liability/(Asset)	\$3,038,049	\$239,027	\$(2,028,800)

For additional information regarding the City's participation in LAGERS relating to the fiscal year ended June 30, 2016 see "Note 7 – Pension Plan" in *Appendix B*, and for additional information regarding LAGERS, see the 2016 LAGERS CAFR.

### **Deferred Compensation Plan**

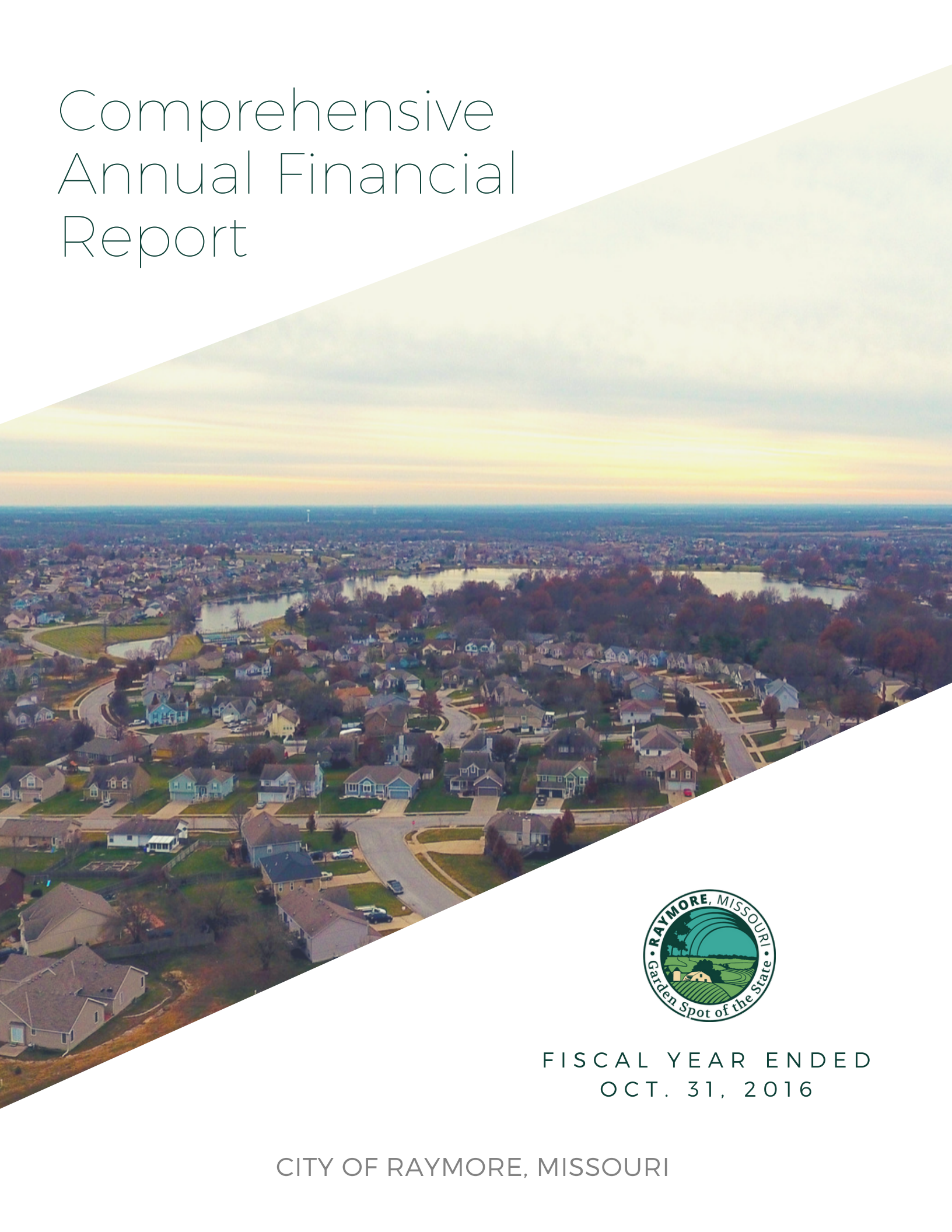
The City offers its employees a deferred compensation plan created in accordance with the Internal Revenue Code Section 457. Participation in the plan is optional. Investments are managed by the plan's trustee under several investment options. The choice of the investment options is made by the participants. 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, 2016

CITY OF RAYMORE, MISSOURI

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# **City of Raymore, Missouri**

## **Comprehensive Annual Financial Report**

**For Fiscal Year  
Ended October 31, 2016**

**Prepared by  
Cynthia Watson, Finance Director  
Elisa Williams, Assistant Finance Director**

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

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# City of Raymore

## 2015-2016

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### **Elected Officials and Department Heads**

#### **Mayor and City Council**

Kristofer P Turnbow, Mayor

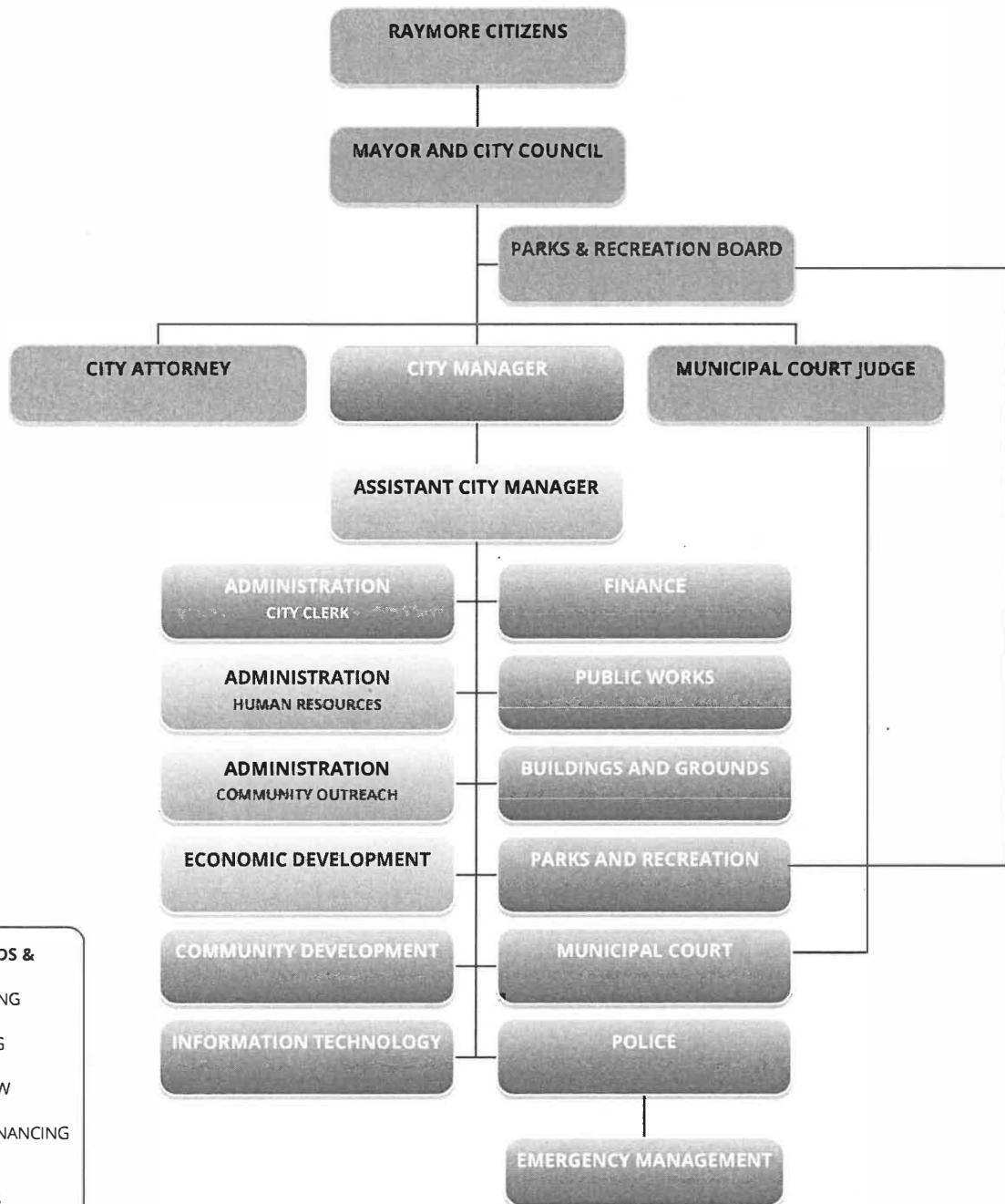
John Seimears	Ward I
Kevin Kellogg	Ward I
Derek Moorhead (Mayor Pro Tempore)	Ward II
Joseph Burke III	Ward II
Jay Holman	Ward III
Kevin Barber	Ward III
Sonja Abdelgawad	Ward IV
Charlene Hubach	Ward IV

#### **City Manager and Management Team**

Jim Feuerborn, City Manager

Meredith Hauck	Assistant City Manager
Jeanie Woerner	City Clerk
Jan Zimmerman	Chief of Police
Cynthia Watson	Finance Director
Jim Cadoret	Community Development Director
Nathan Musteen	Park & Recreation Director
Matt Tapp	Economic Development Director
Mike Krass	Public Works Director/City Engineer

# 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



February 8, 2017

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, 2016.

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, 2016. 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 20,374. 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 fifteen 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 2016 the City recognized three new businesses to the community: Big Biscuit, Big Daddy's Donuts, and Mexico Viejo. The southeast corner of 58 Hwy and Dean Ave. began a major overall with the creation of the new Raymore Marketplace shopping center. Construction is underway and business are expected to start opening mid 2017 starting with Kay's Jewelers, Panda Express, and Qdoba Restaurant.

**Long-Term Financial Planning.** Fiscal year 2016 has continued to be a year of slow recovery. 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 2017 budget process to ensure sound financial position. The General Fund expenditures were budgeted with an increase of 2.46% 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 percent of annual operating expenditures. The fund balances in the General Fund, Parks Fund, and Enterprise Fund all fall within the policy guidelines set by Council for budgetary and planning purposes.

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

**Major Initiatives.** The City of Raymore continues to be an active and growing community. One-hundred ninety-seven building permits were issued during fiscal year 2016. Overall, development activity is increasing in the City. There are 242 homes currently under construction, 615 available lots that are site ready for issuance of a permit for a new home, and 7,951 dwelling units within the City. This is an increase of 183 over 2015.

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.

During 2016, the City purchased 1,341 street lights for \$1,983,000 from Kansas City Power and Light. Raymore is the first City in the KC Metro area to do so. Despite having to contract out annual maintenance with an approved contractor, the City will still realize a considerable savings. In April 2016, Raymore voters approved the issuance of no tax increase debt to fund \$3,300,000 in street improvements and \$6,750,000 in parks improvements. In May, the City issued a General Obligation Bond issue of \$7,300,000 and a Special Obligation amount of \$4,090,000 to fund the street light purchase and refunding a 2006 Special Obligation issue.

Many of the 2016 General Obligation Bond projects have already been completed or are under way. To highlight a few: 58 Hwy was overlaid from Dean Ave. to J Hwy, the parking lot and a majority of the trail system was micro surfaced in Recreation Park, building construction commenced in the Centerview building on Municipal Circle, and the design was completed on the Raymore Activity Center. Both new City facilities are scheduled to open in 2017.

Capital projects of approximately 6.6 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.

Early 2015, the City completed a bi-annual 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. The City Council and management team are working to create 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.

**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, 2016. This was the sixth 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.

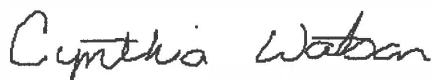
A Certificate of Achievement is valid for a period of one year only. We believe our current Comprehensive Annual Financial Report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

In addition, the City also received for the twelfth consecutive year the GFOA's Distinguished Budget Presentation Award for its annual budget document dated October 31, 2016. 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 Assistant Finance Director, Elisa Williams. 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 cursive script that reads "Cynthia Watson".

Cynthia Watson  
Finance Director



Government Finance Officers Association

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

Presented to

**City of Raymore  
Missouri**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**October 31, 2015**



Executive Director/CEO

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Financial Section

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**DANA F. COLE  
& COMPANY<sup>LLP</sup>**  
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, 2016, 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, 2016, 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 21, the budgetary comparison information on pages 69 to 72, the schedule of employer's contributions on page 73, and the schedule of employer's share of net pension liability on page 74 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 75 to 80 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 75 to 80 is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

### Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated February 8, 2017, 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 8, 2017

## 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, 2016. We encourage readers to consider the information presented here in conjunction with the City's financial statements that follow this section. All amounts, unless otherwise indicated, are expressed in total dollars.

### FINANCIAL HIGHLIGHTS

The assets of the City of Raymore, Missouri, exceeded its liabilities at the close of the most recent fiscal year by \$86,550,977. Of this amount, \$13,819,878 represents unrestricted net assets and may be used to fund ongoing obligations.

Total net assets decreased by \$186,618. This decrease is primarily attributable to depreciation on capital assets.

As of the close of the 2016 fiscal year, the City of Raymore, Missouri's combined governmental fund balances totaled \$22,924,881. This is an increase from the previous fiscal year fund balance by \$6,888,304, primarily due to the receipt of bonds proceeds to cover expenses that will be paid in the next fiscal year. 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, increased during the current fiscal year by \$7,864,859. 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 supplemental information and other supplementary information in addition to the basic financial statements themselves.

#### Government-Wide Financial Statements

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

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

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 22 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 75 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	1,177,471	1,174,446
Information Technology	426,226	421,120
Economic Development	168,420	163,940
Community Development	550,041	509,271
Engineering	377,559	369,680
Streets	1,056,899	845,946
Building and Grounds	308,410	273,391
Storm water	282,293	254,774
Court	167,076	166,322
Finance	563,576	559,435
Police	3,667,960	3,334,526
Emergency Preparedness	122,163	109,938
Totals	<u>8,868,094</u>	<u>8,182,789</u>



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 33 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 38 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 39 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 \$86,550,977 at the close of the fiscal year. The largest portion of the City of Raymore, Missouri's net position, 75.4%, reflects its net investment in capital assets (land, buildings, machinery, equipment, infrastructure) less any related debt used to acquire those assets that is still outstanding).

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

CITY OF RAYMORE, MISSOURI  
MANAGEMENT'S DISCUSSION AND ANALYSIS

GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)

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

	Governmental Activities		Business-Type Activities		Total	
	2016	2015	2016	2015	2016	2015
<b>ASSETS</b>						
Current and other assets	22,968	16,023	6,826	6,618	29,794	22,641
Capital assets	60,100	57,898	27,537	28,910	87,637	86,808
Total assets	<u>83,068</u>	<u>73,921</u>	<u>34,363</u>	<u>35,528</u>	<u>117,431</u>	<u>109,449</u>
 DEFERRED OUTFLOW OF RESOURCES	 <u>2,341</u>	 <u>754</u>	 <u>112</u>	 <u>96</u>	 <u>2,453</u>	 <u>850</u>
 TOTAL ASSETS AND DEFERRED OUTFLOW OF RESOURCES	 <u>85,409</u>	 <u>74,675</u>	 <u>34,475</u>	 <u>35,624</u>	 <u>119,884</u>	 <u>110,299</u>
 <b>LIABILITIES</b>						
Other liabilities	2,591	816	895	810	3,486	1,626
Long-term debt	28,951	20,963	438	561	29,389	21,524
Total liabilities	<u>31,542</u>	<u>21,779</u>	<u>1,333</u>	<u>1,371</u>	<u>32,875</u>	<u>23,150</u>
 DEFERRED INFLOW OF RESOURCES	 <u>404</u>	 <u>365</u>	 <u>54</u>	 <u>46</u>	 <u>458</u>	 <u>411</u>
 TOTAL LIABILITIES AND DEFERRED INFLOW OF RESOURCES	 <u>31,946</u>	 <u>22,144</u>	 <u>1,387</u>	 <u>1,417</u>	 <u>33,333</u>	 <u>23,561</u>
 <b>NET POSITION</b>						
Net investment in capital assets	38,153	37,453	27,117	28,365	65,270	65,818
Restricted	7,376	536	85	88	7,461	624
Unrestricted	7,934	14,542	5,886	5,754	13,820	20,296
Total net position	<u>53,463</u>	<u>52,531</u>	<u>33,088</u>	<u>34,207</u>	<u>86,551</u>	<u>86,738</u>

CITY OF RAYMORE, MISSOURI  
MANAGEMENT'S DISCUSSION AND ANALYSIS

GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)

A portion of the City of Raymore, Missouri's net position (8.6%) represents resources that are subject to restrictions. The remaining balance of unrestricted net position may be used to meet the government's ongoing obligations to citizens and creditors. It should be noted that, in the operational funds General, Parks, and Enterprise, the City voluntarily "restricts" by policy 20% of the budgeted operational expenditures to ensure ongoing operations.

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

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

	Governmental Activities		Business-Type Activities		Total	
	2016	2015	2016	2015	2016	2015
REVENUES						
Program revenues						
Charges for services	1,580	1,451	8,131	7,059	9,711	8,510
Operating grants and contributions	72	67			72	67
General revenues						
Property taxes	3,648	3,557			3,648	3,557
Sales taxes	6,326	6,186			6,326	6,186
Franchise taxes	2,199	2,332			2,199	2,332
Other taxes	1,179	1,147			1,179	1,147
Other revenue	306	338	51	54	357	392
Total revenues	<u>15,310</u>	<u>15,078</u>	<u>8,182</u>	<u>7,113</u>	<u>23,492</u>	<u>22,191</u>
EXPENSES						
Administration	1,310	1,021			1,310	1,021
Information technology	465	390			465	390
Economic development	161	201			161	201
Community development	537	501			537	501
Engineering	556	535			556	535
Streets and roads	4,238	4,184			4,238	4,184
Buildings and grounds	514	489			514	489
Storm water	326	312			326	312
Municipal Court	168	151			168	151
Finance	565	509			565	509

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	
	2016	2015	2016	2015	2016	2015
EXPENSES (Continued)						
Police	3,535	3,307			3,535	3,307
Emergency Management	125	118			125	118
Parks and Recreation	1,545	1,268			1,545	1,268
Water and Sewer			8,582	8,238	8,582	8,238
Interest/fiscal/bond issue costs	1,052	1,167			1,052	1,167
Total expenses	<u>15,097</u>	<u>14,153</u>	<u>8,582</u>	<u>8,238</u>	<u>23,679</u>	<u>22,391</u>
CHANGE BEFORE TRANSFERS	213	925	(400)	(1,125)	(187)	(200)
TRANSFERS	<u>719</u>	<u>718</u>	<u>(719)</u>	<u>(718)</u>		
CHANGE IN NET POSITION	932	1,643	(1,119)	(1,843)	(187)	(200)
NET POSITION, BEGINNING	52,531	49,633	34,207	35,880	86,738	85,513
Restatement for GASB 68		<u>1,255</u>		<u>170</u>		<u>1,425</u>
NET POSITION, ENDING	<u>53,463</u>	<u>52,531</u>	<u>33,088</u>	<u>34,207</u>	<u>86,551</u>	<u>86,738</u>

Governmental Activities

Governmental activities increased the City of Raymore, Missouri's net position by \$932,268 and the business-type activities decreased by \$1,118,886, leading to a current-year decrease of \$186,618 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 in the governmental activities were increased by a total of approximately \$944,000, a portion of which is due to taking into account the necessary adjustments for the LAGERS retirement plan and the net pension liability.

CITY OF RAYMORE, MISSOURI  
MANAGEMENT'S DISCUSSION AND ANALYSIS

GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)

Business-Type Activities

Business-type activities decreased the City of Raymore, Missouri's net position by \$1,118,886 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 76.7% of the entire \$3,499,632 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 42.3% of the total General Fund expenditures of \$8,268,191.

The total fund balance in the City of Raymore, Missouri's General Fund decreased \$1,979,128 compared to the previous fiscal year. The key factor associated with this decrease was the transfers of assigned and committed funds from prior years to the Capital Improvement Fund for expensing capital outlay.

The Parks and Recreation Fund has a total fund balance of \$6,518,075. The net increase of \$5,291,764 was primarily due to the collection from bond proceeds that will not be spent until the next fiscal year.

The Transportation Fund has a total fund balance of \$2,606,806. The net increase of \$1,223,669 was primarily due to the collection from bond proceeds that will not be spent until the next fiscal year.

The Debt Service Fund has a total fund balance of \$2,252,506. The government's debt service levy on property for the fiscal year was 0.7170.

The Capital Improvement Fund has a total fund balance of \$1,616,126. The net increase of \$1,271,552 is primarily due to transfers from other funds.

The other nonmajor funds have a combined fund balance of \$4,413,743. The net increase of \$438,424 was primarily associated with the transfers from others funds for future capital outlay needs.

Proprietary Fund

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

CITY OF RAYMORE, MISSOURI  
MANAGEMENT'S DISCUSSION AND ANALYSIS

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS (Continued)

Proprietary Fund (Continued)

Unrestricted net position in this proprietary fund at the end of the year amounted to \$5,885,685. This is up slightly from the previous year's amount of \$5,753,745. Total net position in this fund decreased by \$1,118,886. 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 \$87,637,155 (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 \$828,182 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 51 to 53 of this report.

City of Raymore, Missouri Capital Assets (in thousands of dollars)						
	Governmental Activities		Business-Type Activities		Total	
	2016	2015	2016	2015	2016	2015
Land and construction in progress	6,618	5,468	689	1,301	7,307	6,769
Buildings, improvements, and related office equipment	15,060	14,559	354	354	15,414	14,913
Machinery, equipment, and vehicles	3,820	3,415	4,652	3,801	8,472	7,216
Infrastructure	<u>90,888</u>	<u>86,490</u>	<u>75,866</u>	<u>74,714</u>	<u>166,754</u>	<u>161,204</u>
	116,386	109,932	81,561	80,170	197,947	190,102
Less accumulated depreciation	<u>(56,286)</u>	<u>(52,034)</u>	<u>(54,024)</u>	<u>(51,259)</u>	<u>(110,310)</u>	<u>(103,293)</u>
Capital assets, net of depreciation	<u>60,100</u>	<u>57,898</u>	<u>27,537</u>	<u>28,911</u>	<u>87,637</u>	<u>86,809</u>

CITY OF RAYMORE, MISSOURI  
MANAGEMENT'S DISCUSSION AND ANALYSIS

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

Long-Term Debt

At the end of the current fiscal year, the City of Raymore, Missouri, had total long-term debt outstanding of \$27,841,000.

Additional information on the City's long-term debt can be found in Note 4 on pages 54 to 61 of this report.

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

	Governmental Activities		Business-Type Activities		Total	
	2016	2015	2016	2015	2016	2015
General obligation bonds	23,010	16,580			23,010	16,580
Revenue bonds			415	540	415	540
Notes payable	146	165			146	165
Special obligation bonds	4,040	2,590			4,040	2,590
Certificates of participation	230	450			230	450
Total	<u>27,426</u>	<u>19,785</u>	<u>415</u>	<u>540</u>	<u>27,841</u>	<u>20,325</u>

**ECONOMIC FACTORS, NEXT YEAR'S BUDGET, AND RATES**

General Fund revenues for fiscal year 2017 are projected to total \$9,540,657. This represents an overall conservative growth of 2.46% over the prior year budget. Most revenues with the exception of the Franchise Fees 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 2017 expenditures are projected to total \$9,908,660 compared to \$10,580,798 in 2016. This represents a 6.35% decrease from the prior year. Of the 2017 amount, \$368,003 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 \$429,500 transferred from the General Fund as directed by City Council.

CITY OF RAYMORE, MISSOURI  
MANAGEMENT'S DISCUSSION AND ANALYSIS

**ECONOMIC FACTORS, NEXT YEAR'S BUDGET, AND RATES (Continued)**

In the business-type activities, the rates are set as follows: water \$7.04; sewer \$7.47 (volume) and \$7.92 (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 July 18, 2016, the City Council approved a \$0.34 increase to the water rate and a \$0.42 increase to the sewer rate effective November 1, 2016.

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, 2016

	Primary Government			
	Governmental Activities	Business-Type Activities	Total	Component Units
ASSETS				
Cash and cash equivalents	1,059,037	1,040,693	2,099,730	
Investments	12,658,371	3,441,917	16,100,288	
Taxes receivable	1,362,051		1,362,051	638,362
Accounts receivable, net	228,335	1,386,785	1,615,120	
Interest receivable	17,543	3,407	20,950	
Prepaid expenses	133,616	73,151	206,767	
Inventory	70,000	76,839	146,839	
Restricted cash	118,758	98,727	217,485	4,273,076
Restricted investments	7,319,544	554,032	7,873,576	
Net pension asset		150,576	150,576	
Capital assets				
Land	3,627,494	337,399	3,964,893	
Construction in progress	2,990,226	351,827	3,342,053	
Other capital assets, net of accumulated depreciation	53,482,638	26,847,571	80,330,209	
TOTAL ASSETS	83,067,613	34,362,924	117,430,537	4,911,438
DEFERRED OUTFLOWS OF RESOURCES				
Unamortized discount of refinanced long-term debt				173,792
Resources to be recognized in future pension expense	2,341,385	112,289	2,453,674	
TOTAL DEFERRED OUTFLOWS OF RESOURCES	2,341,385	112,289	2,453,674	173,792
TOTAL ASSETS AND DEFERRED OUTFLOW OF RESOURCES	85,408,998	34,475,213	119,884,211	5,085,230
LIABILITIES				
Accounts payable	1,763,120	292,181	2,055,301	71,852
Accrued expenses	254,873	27,951	282,824	417,041
Meter deposits		567,580	567,580	
Net pension liability	389,603		389,603	
Accrued bond interest	183,605	7,777	191,382	

CITY OF RAYMORE, MISSOURI  
STATEMENT OF NET POSITION  
OCTOBER 31, 2016

	Primary Government			Component Units
	Governmental Activities	Business-Type Activities	Total	
LIABILITIES (Continued)				
Long-term liabilities				
Due within one year	2,486,022	149,325	2,635,347	862,184
Due in more than one year	<u>26,464,563</u>	<u>288,570</u>	<u>26,753,133</u>	<u>23,184,572</u>
TOTAL LIABILITIES	<u>31,541,786</u>	<u>1,333,384</u>	<u>32,875,170</u>	<u>24,535,649</u>
DEFERRED INFLOW OF RESOURCES				
Resources to be recognized in future pension expense	<u>404,433</u>	<u>53,631</u>	<u>458,064</u>	
TOTAL DEFERRED INFLOW OF RESOURCES	<u>404,433</u>	<u>53,631</u>	<u>458,064</u>	
TOTAL LIABILITIES AND DEFERRED INFLOW OF RESOURCES	<u>31,946,219</u>	<u>1,387,015</u>	<u>33,333,234</u>	<u>24,535,649</u>
NET POSITION (DEFICIT)				
Net investment in capital assets	38,153,431	27,117,334	65,270,765	
Restricted for:				
Debt service	713,628	85,179	798,807	
Capital projects	6,655,185		6,655,185	
911 distribution	6,342		6,342	
Unrestricted (deficit)	<u>7,934,193</u>	<u>5,885,685</u>	<u>13,819,878</u>	<u>(19,450,419)</u>
TOTAL NET POSITION (DEFICIT)	<u>53,462,779</u>	<u>33,088,198</u>	<u>86,550,977</u>	<u>(19,450,419)</u>

See accompanying notes to financial statements.

CITY OF RAYMORE, MISSOURI  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED OCTOBER 31, 2016

Functions/programs	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position			
		Charges for Services	Operating Grants and Contributions	Primary Government			Component Units
				Governmental Activities	Business-Type Activities	Total	
Primary government							
Governmental activities							
Administration	1,310,252	234,198		(1,076,054)		(1,076,054)	
Information Technology	464,547			(464,547)		(464,547)	
Economic Development	161,041			(161,041)		(161,041)	
Community Development	536,681	520,835		(15,846)		(15,846)	
Engineering	556,083			(556,083)		(556,083)	
Streets and Roads	4,238,264			(4,238,264)		(4,238,264)	
Buildings and Grounds	514,119			(514,119)		(514,119)	
Storm water	325,819			(325,819)		(325,819)	
Municipal Court	168,473			(168,473)		(168,473)	
Finance	564,764			(564,764)		(564,764)	
Police	3,534,593	424,649	71,797	(3,038,147)		(3,038,147)	
Emergency Preparedness	125,488			(125,488)		(125,488)	
Parks and Recreation	1,544,516	400,582		(1,143,934)		(1,143,934)	
Interest, fiscal fees, and bond issuance costs on long-term debt	1,052,101			(1,052,101)		(1,052,101)	
Total governmental activities	15,096,741	1,580,264	71,797	(13,444,680)		(13,444,680)	
Business-type activities							
Water and Sewer	8,581,972	8,131,367			(450,605)	(450,605)	
Total primary government	23,678,713	9,711,631	71,797	(13,444,680)	(450,605)	(13,895,285)	
Component Units							
Galleria TIF Component Unit	812,410						(812,410)
Hubach Hill TDD Component Unit	408,532		396,039				(12,493)
Total component units	1,220,942		396,039				(824,903)

CITY OF RAYMORE, MISSOURI  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED OCTOBER 31, 2016

	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Primary Government		
				Governmental Activities	Business-Type Activities	Component Units
General revenues						
Taxes						
Property tax				3,648,361		347,963
Sales taxes				6,325,936		1,682,923
Other				1,179,433		
Franchise fees				2,199,361		
Investment income				116,466	50,535	211
Other revenues				188,575		
Total general revenues				<u>13,658,132</u>	<u>50,535</u>	<u>2,031,097</u>
Transfers				<u>718,816</u>	<u>(718,816)</u>	
CHANGE IN NET POSITION				932,268	(1,118,886)	1,206,194
NET POSITION (DEFICIT), beginning of year				<u>52,530,511</u>	<u>34,207,084</u>	<u>(20,656,613)</u>
NET POSITION (DEFICIT), end of year				<u>53,462,779</u>	<u>33,088,198</u>	<u>(19,450,419)</u>

See accompanying notes to financial statements.

CITY OF RAYMORE, MISSOURI  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
OCTOBER 31, 2016

	General Fund	Parks and Recreation Fund	Trans- portation Fund	Debt Service Fund	Capital Improvement Fund	Nonmajor Governmental Funds	Total Governmental Funds
<b>ASSETS</b>							
ASSETS							
Cash and cash equivalents		22,309			133,719	903,009	1,059,037
Investments	4,104,476	1,138,862	1,227,008	1,633,990	1,316,856	3,237,179	12,658,371
Taxes receivable	695,612	103,930	206,530	3,810	206,530	103,265	1,319,677
Interest receivable	7,076	4,933	995	1,078	568	2,893	17,543
Other receivables	31,054					119,149	150,203
Due from other governments	78,132						78,132
Prepaid items	120,428	13,188					133,616
Inventory	70,000						70,000
Restricted cash	116,642			2,116			118,758
Restricted investments		5,318,163	1,341,621	611,512		48,248	7,319,544
<b>TOTAL ASSETS</b>	<b>5,223,420</b>	<b>6,601,385</b>	<b>2,776,154</b>	<b>2,252,506</b>	<b>1,657,673</b>	<b>4,413,743</b>	<b>22,924,881</b>
<b>LIABILITIES AND FUND BALANCES</b>							
LIABILITIES							
Accounts payable	1,495,277	56,948	169,348		41,547		1,763,120
Accrued expenses	228,511	26,362					254,873
<b>Total liabilities</b>	<b>1,723,788</b>	<b>83,310</b>	<b>169,348</b>		<b>41,547</b>		<b>2,017,993</b>
FUND BALANCES							
Nonspendable	190,428	13,188					203,616
Restricted	106,342	5,265,316	1,341,621	613,628		48,248	7,375,155
Committed	20,000						20,000
Assigned	498,029	1,239,571	1,265,185	1,638,878	1,616,126	4,365,495	10,623,284
Unassigned	2,684,833						2,684,833
<b>Total fund balances</b>	<b>3,499,632</b>	<b>6,518,075</b>	<b>2,606,806</b>	<b>2,252,506</b>	<b>1,616,126</b>	<b>4,413,743</b>	<b>20,906,888</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>5,223,420</b>	<b>6,601,385</b>	<b>2,776,154</b>	<b>2,252,506</b>	<b>1,657,673</b>	<b>4,413,743</b>	<b>22,924,881</b>

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, 2016

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

Fund balance - total governmental funds	20,906,888
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Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.

Governmental capital assets	116,386,155	
Less accumulated depreciation	<u>(56,285,797)</u>	
		60,100,358

Property taxes receivable not collected within 60 days of the end of the fiscal year are deferred in the funds as they are not available to pay current-period expenditures.	42,374
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Bond interest was accrued for governmental activities.	(183,605)
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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	(988,001)

Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.	
Notes payable	(146,000)
General obligation bonds	(23,010,000)
Special obligation bonds	(4,040,000)
Certificates of participation	<u>(230,000)</u>
	(27,426,000)

CITY OF RAYMORE, MISSOURI  
RECONCILIATION OF THE BALANCE SHEET  
OF GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION  
OCTOBER 31, 2016

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)	(389,603)	
Deferred outflows of resources	2,341,385	
Deferred inflows of resources	<u>(404,433)</u>	
		1,547,349

Compensated absences are not due and payable in the current period and, therefore, are not reported in the funds.	<u>(536,584)</u>
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NET POSITION OF GOVERNMENTAL ACTIVITIES	<u><u>53,462,779</u></u>
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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, 2016

	General Fund	Parks and Recreation Fund	Trans- portation Fund	Debt Service Fund	Capital Improvement Fund	Other Nonmajor Funds	Total Governmental Funds
<b>REVENUES</b>							
Taxes							
Property	1,296,508	351,079		2,000,436			3,648,023
Sales	2,787,782	589,692	1,179,385		1,179,385	589,692	6,325,936
Franchise	2,199,361						2,199,361
Other	513,574		350,874			314,985	1,179,433
Charges for services	219,587	400,582			2,863		623,032
Fines and forfeitures	424,649			11,748			436,397
Licenses, fees, and permits	520,835						520,835
Intergovernmental	71,797						71,797
Interest	49,074	20,896	10,510	12,513	4,503	18,970	116,466
Refunds and reimbursements	26,586	360			47,578	277	74,801
Miscellaneous	53,284	17,008			54		70,346
Total revenues	<u>8,163,037</u>	<u>1,379,617</u>	<u>1,540,769</u>	<u>2,024,697</u>	<u>1,234,383</u>	<u>923,924</u>	<u>15,266,427</u>
<b>EXPENDITURES</b>							
Current							
Administration	1,174,446					2,039	1,176,485
Information Technology	421,120						421,120
Economic Development	163,940						163,940
Community Development	509,271						509,271
Engineering	369,680						369,680
Streets and Roads	845,946		896		8,605		855,447
Buildings and grounds	273,391				12,950		286,341
Storm water	254,774						254,774
Municipal Court	166,322						166,322
Finance	559,435						559,435
Police	3,334,526						3,334,526
Emergency Preparedness	109,938						109,938
Parks and Recreation		1,176,656					1,176,656
Capital outlay	85,402	430,098	2,758,420		2,626,649	813,005	6,713,574
Debt service							
Principal		44,000		870,000	2,590,000	195,000	3,699,000
Interest and fiscal fees		2,896		386,515	514,129	15,681	919,221
Total expenditures	<u>8,268,191</u>	<u>1,653,650</u>	<u>2,759,316</u>	<u>1,256,515</u>	<u>5,752,333</u>	<u>1,025,725</u>	<u>20,715,730</u>



CITY OF RAYMORE, MISSOURI  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN  
FUND BALANCES - GOVERNMENTAL FUNDS  
YEAR ENDED OCTOBER 31, 2016

	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>(105,154)</u>	<u>(274,033)</u>	<u>(1,218,547)</u>	<u>768,182</u>	<u>(4,517,950)</u>	<u>(101,801)</u>	<u>(5,449,303)</u>
OTHER FINANCING SOURCES (USES)							
Bond proceeds		5,048,409	2,191,766	59,825	4,040,000		11,340,000
Bond premium		287,723	124,901				412,624
Bond issuance costs		(33,208)	(14,416)	(57,709)	(28,500)		(133,833)
Transfers in	1,451,579	319,000	568,000		2,078,002	906,534	5,323,115
Transfers out	<u>(3,325,553)</u>	<u>(56,127)</u>	<u>(428,035)</u>	<u>(128,275)</u>	<u>(300,000)</u>	<u>(366,309)</u>	<u>(4,604,299)</u>
Total other financing sources (uses)	<u>(1,873,974)</u>	<u>5,565,797</u>	<u>2,442,216</u>	<u>(126,159)</u>	<u>5,789,502</u>	<u>540,225</u>	<u>12,337,607</u>
NET CHANGE IN FUND BALANCES	<u>(1,979,128)</u>	<u>5,291,764</u>	<u>1,223,669</u>	<u>642,023</u>	<u>1,271,552</u>	<u>438,424</u>	<u>6,888,304</u>
FUND BALANCE, beginning of year	<u>5,478,760</u>	<u>1,226,311</u>	<u>1,383,137</u>	<u>1,610,483</u>	<u>344,574</u>	<u>3,975,319</u>	<u>14,018,584</u>
FUND BALANCE, end of year	<u>3,499,632</u>	<u>6,518,075</u>	<u>2,606,806</u>	<u>2,252,506</u>	<u>1,616,126</u>	<u>4,413,743</u>	<u>20,906,888</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, 2016

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

Net change in fund balances - total governmental funds	6,888,304
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Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation was less than capital outlay in the current period.

Capital outlay capitalized	6,713,574	
Trade-in value differences	43,428	
Depreciation	<u>(4,498,309)</u>	
		2,258,693

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	(303,210)	
Accumulated depreciation	<u>246,908</u>	
		(56,302)

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

Property taxes	<u>338</u>	
		338

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>(28,905)</u>	
		(28,905)

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, 2016

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	484,031	
Pension expense reported by the pension plan	<u>(561,220)</u>	
		(77,189)

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

Debt principal payments	3,699,000	
Increase in accrued bond interest expense	(100,863)	
Bond and premium proceeds	(11,752,624)	
Amortization of premiums and discounts	<u>101,816</u>	
		<u>(8,052,671)</u>

CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES	<u><u>932,268</u></u>
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See accompanying notes to financial statements.

CITY OF RAYMORE, MISSOURI  
STATEMENT OF NET POSITION  
PROPRIETARY FUNDS  
OCTOBER 31, 2016

	Enterprise Fund
<b>ASSETS</b>	
Current Assets	
Cash and cash equivalents	1,040,693
Investments	3,441,917
Accounts receivable, net	1,386,785
Interest receivable	3,407
Inventory	76,839
Prepaid expenses	73,151
Total current assets	<u>6,022,792</u>
Noncurrent Assets	
Restricted cash	98,727
Restricted investments	554,032
Net pension asset	150,576
Capital assets	
Land	337,399
Construction in progress	351,827
Other capital assets, net of accumulated depreciation	<u>26,847,571</u>
Total noncurrent assets	<u>28,340,132</u>
<b>TOTAL ASSETS</b>	<u>34,362,924</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Resources to be recognized in future pension expense due to assets	<u>112,289</u>
<b>TOTAL ASSETS AND DEFERRED OUTFLOW OF RESOURCES</b>	<u>34,475,213</u>
<b>LIABILITIES</b>	
Current Liabilities	
Accounts payable	292,181
Accrued expenses	27,951
Accrued bond interest	7,777
Meter deposits	567,580
Current portion of long-term obligations	149,325
Total current liabilities	<u>1,044,814</u>

CITY OF RAYMORE, MISSOURI  
STATEMENT OF NET POSITION  
PROPRIETARY FUNDS  
OCTOBER 31, 2016

	Enterprise Fund
LIABILITIES (Continued)	
Noncurrent Liabilities	
Noncurrent portion of long-term obligations	<u>288,570</u>
TOTAL LIABILITIES	<u>1,333,384</u>
DEFERRED INFLOW OF RESOURCES	
Resources to be recognized in future pension expense due to liabilities	<u>53,631</u>
TOTAL LIABILITIES AND DEFERRED INFLOW OF RESOURCES	<u>1,387,015</u>
NET POSITION	
Net investment in capital assets	27,117,334
Restricted for:	
Debt service	85,179
Unrestricted	<u>5,885,685</u>
TOTAL NET POSITION	<u>33,088,198</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, 2016

	Enterprise Fund
OPERATING REVENUES	
Charges for service	7,949,602
Penalties	146,986
Miscellaneous	34,779
Total operating revenues	<u>8,131,367</u>
OPERATING EXPENSES	
Personnel services	794,500
Contractual services	1,959,182
Commodities	1,856,688
Utilities/maintenance	1,162,770
Depreciation	2,775,133
Total operating expenses	<u>8,548,273</u>
OPERATING LOSS	<u>(416,906)</u>
NONOPERATING REVENUES (EXPENSES)	
Investment income	50,535
Bond interest and fees	(33,699)
Total nonoperating revenues (expenses)	<u>16,836</u>
LOSS BEFORE TRANSFERS	<u>(400,070)</u>
TRANSFERS	
Transfers in	236,469
Transfers out	(955,285)
Net transfers	<u>(718,816)</u>
CHANGE IN NET POSITION	(1,118,886)
NET POSITION, beginning of year	<u>34,207,084</u>
NET POSITION, end of year	<u><u>33,088,198</u></u>

See accompanying notes to financial statements.

CITY OF RAYMORE, MISSOURI  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
YEAR ENDED OCTOBER 31, 2016

CASH FLOWS FROM OPERATING ACTIVITIES

Receipts from customers	8,125,754
Payments to suppliers	(5,043,257)
Payments to employees	(787,059)
Other receipts	<u>34,779</u>

Net cash provided by operating activities	<u>2,330,217</u>
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CASH FLOWS FROM NONCAPITAL FINANCING  
ACTIVITIES

Transfers from other funds	236,469
Transfers to other funds	<u>(955,285)</u>

Net cash used in noncapital financing activities	<u>(718,816)</u>
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CASH FLOWS FROM CAPITAL AND RELATED  
FINANCING ACTIVITIES

Purchases of capital assets	(1,400,924)
Long-term debt payments	(125,000)
Interest and fiscal fees paid on long-term debt	<u>(36,917)</u>

Net cash used in capital and related financing activities	<u>(1,562,841)</u>
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CASH FLOWS FROM INVESTING ACTIVITIES

Interest and dividends	55,951
Decrease in investments	<u>460,456</u>

Net cash provided by investing activities	<u>516,407</u>
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NET INCREASE IN CASH AND CASH EQUIVALENTS	564,967
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CASH AND CASH EQUIVALENTS, beginning of year	<u>574,453</u>
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CASH AND CASH EQUIVALENTS, end of year	<u><u>1,139,420</u></u>
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CITY OF RAYMORE, MISSOURI  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
YEAR ENDED OCTOBER 31, 2016

ALLOCATION OF CASH

Unrestricted	1,040,693
Restricted	<u>98,727</u>
Total	<u><u>1,139,420</u></u>

Reconciliation of Operating Loss to Net Cash  
Provided by Operating Activities

Operating loss	<u>(416,906)</u>
Adjustments to reconcile operating loss to net cash provided by operating activities:	
Depreciation	2,775,133
(Increase) decrease in:	
Receivables	(38,217)
Inventory	(27,718)
Prepaid expenses	(61,324)
Net pension asset and related deferred outflows of resources	976
Increase (decrease) in:	
Accounts payable	15,818
Accrued expenses	4,780
Compensated absences	2,661
Deferred inflows of resources related to net pension asset	7,631
Meter deposits	<u>67,383</u>
Total adjustments	<u><u>2,747,123</u></u>
Net cash provided by operating activities	<u><u>2,330,217</u></u>

See accompanying notes to financial statements.



CITY OF RAYMORE, MISSOURI  
STATEMENT OF NET POSITION  
FIDUCIARY FUNDS  
OCTOBER 31, 2016

	Agency Fund
ASSETS	
Cash and cash equivalents	243,441
Interest receivable	132
Investments at fair value	<u>154,069</u>
 TOTAL ASSETS	 <u>397,642</u>
 LIABILITIES	
Due to escrow agents	<u>397,642</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 19,963 residents in many areas, including law enforcement, water and sewer services, community enrichment and development, and various social services. Fire protection services are provided by a fire district which is a separate governmental entity. Primary and secondary education services are provided by the Raymore-Peculiar School District, also a separate governmental entity.

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

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

Blended Component Units

Raymore Municipal Assistance Corporation

The Raymore Municipal Assistance Corporation (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.

CITY OF RAYMORE, MISSOURI  
NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

A. REPORTING ENTITY (Continued)

Blended Component Units (Continued)

Raymore Municipal Assistance Corporation (Continued)

The financial activity of 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.

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

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

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 Improvement Funds

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

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.

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.

CITY OF RAYMORE, MISSOURI  
NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

The government-wide financial statements are reported using the economic resources management focus and the accrual basis of accounting, 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.

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.

CITY OF RAYMORE, MISSOURI  
NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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. 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.

G. ACCOUNTS RECEIVABLE

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



CITY OF RAYMORE, MISSOURI  
NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 fair value at the date of donation. In addition, certain capitalized projects that were conducted by the City's departments include administration and inspection fees, up to 6% of the construction costs.

Accumulated depreciation as of October 31, 2002, was established on capital assets purchased prior to October 31, 2002. Depreciation of all exhaustible capital assets is recorded as an expense in the statement of activities with accumulated depreciation reflected in the statement of net position. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. A capitalization threshold of \$5,000 is used to report capital assets. The range of estimated useful lives by type of asset is as follows:

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

I. LONG-TERM DEBT

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

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

CITY OF RAYMORE, MISSOURI  
NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

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.

CITY OF RAYMORE, MISSOURI  
NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

K. EQUITY CLASSIFICATION (Continued)

Government-Wide Statements (Continued)

Fund Balance Classification (Continued)

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.

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.

CITY OF RAYMORE, MISSOURI  
NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 treated as operating transfers and are included in the results of operations 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 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, 2016, 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.

CITY OF RAYMORE, MISSOURI  
NOTES TO FINANCIAL STATEMENTS

NOTE 2. CASH AND INVESTMENTS (Continued)

Investments (Continued)

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

As of October 31, 2016, the City had the following investments.

Investment Type	Maturity Date	Yield %	Rating	Fair Value
MOSIP Pool	N/A	0.050	AAAm	6,015,027
FHLB	12/8/2017	1.125	AA+	2,511,953
US Treasury note	4/30/2017	0.500		999,610
Certificate of deposit	6/29/2017	0.550		668,310
Certificate of deposit	8/23/2017	0.600		1,500,000
Certificate of deposit	9/26/2017	0.600		2,000,000
Certificate of deposit	11/20/2016	0.650		2,009,775
Certificate of deposit	4/27/2017	0.700		2,007,025
Certificate of deposit	6/27/2017	0.600		2,000,000
Certificate of deposit	6/3/2017	0.730		1,602,944
Certificate of deposit	1/28/2017	0.550		2,002,773
Investments held in trust	Various	Various		<u>810,516</u>
Total investments				24,127,933
Less: Investments allocated to Fiduciary Funds				<u>(154,069)</u>
Total investments allocated to City Funds				<u>23,973,864</u>
Investment	Unrestricted	Restricted	Total	
Governmental activities	12,658,371	7,319,544	19,977,915	
Business-type activities	<u>3,441,917</u>	<u>554,032</u>	<u>3,995,949</u>	
	<u>16,100,288</u>	<u>7,873,576</u>	<u>23,973,864</u>	

CITY OF RAYMORE, MISSOURI  
NOTES TO FINANCIAL STATEMENTS

NOTE 2. CASH AND INVESTMENTS (Continued)

Credit Risk

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

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

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

NOTE 3. CAPITAL ASSETS

Capital asset activity for the year ended October 31, 2016, was as follows:

	Balance November 1, 2015	Additions	Deletions	Balance October 31, 2016
<u>Governmental Activities</u>				
Capital assets, not being depreciated				
Land	3,416,886	210,608		3,627,494
Construction in progress	2,050,732	4,074,042	(3,134,548)	2,990,226
Total capital assets not being depreciated	<u>5,467,618</u>	<u>4,284,650</u>	<u>(3,134,548)</u>	<u>6,617,720</u>
Capital assets, being depreciated				
Intangible property	155,887	27,030	(13,000)	169,917
Buildings and improvements	14,559,201	501,278		15,060,479
Office equipment and furniture	167,823			167,823
Computer equipment and software	253,894	113,558	(29,000)	338,452
Machinery and equipment	1,177,617	124,541	(61,415)	1,240,743
Vehicles	1,660,346	442,748	(199,796)	1,903,298
Infrastructure	86,489,977	4,397,746		90,887,723
Total capital assets being depreciated	<u>104,464,745</u>	<u>5,606,901</u>	<u>(303,211)</u>	<u>109,768,435</u>

CITY OF RAYMORE, MISSOURI  
NOTES TO FINANCIAL STATEMENTS

NOTE 3. CAPITAL ASSETS (Continued)

	Balance November 1, 2015	Additions	Deletions	Balance October 31, 2016
<u>Governmental Activities (Continued)</u>				
Less accumulated depreciation for:				
Intangible property	71,956	8,164	(13,000)	67,120
Buildings and improvements	4,645,040	543,878		5,188,918
Office equipment and furniture	66,559	21,753		88,312
Computer equipment and software	221,522	16,866	(29,000)	209,388
Machinery and equipment	813,324	76,794	(45,940)	844,178
Vehicles	1,071,894	224,744	(158,968)	1,137,670
Infrastructure	45,144,101	3,606,110		48,750,211
Total accumulated depreciation	52,034,396	4,498,309	(246,908)	56,285,797
Total capital assets, being depreciated	52,430,349	1,108,592	(56,303)	53,482,638
Governmental activities capital assets, net	57,897,967	5,393,242	(3,190,851)	60,100,358
<u>Business-Type Activities</u>				
Capital assets, not being depreciated				
Land	337,399			337,399
Construction in progress	964,292	1,282,919	(1,895,384)	351,827
Total capital assets not being depreciated	1,301,691	1,282,919	(1,895,384)	689,226
Capital assets, being depreciated				
Buildings and improvements	353,741			353,741
Vehicles and equipment	644,565	119,186	(11,994)	751,757
Intangible property	3,155,820	744,178		3,899,998
Infrastructure	74,714,469	1,151,205		75,865,674
Total capital assets being depreciated	78,868,595	2,014,569	(11,994)	80,871,170

CITY OF RAYMORE, MISSOURI  
NOTES TO FINANCIAL STATEMENTS

NOTE 3. CAPITAL ASSETS (Continued)

	Balance November 1, 2015	Additions	Deletions	Balance October 31, 2016
<u>Business-Type Activities</u> (Continued)				
Less accumulated depreciation for:				
Intangible property	839,657	138,610		978,267
Buildings and improvements	108,685	8,754		117,439
Vehicles and equipment	334,085	58,803	(10,814)	382,074
Infrastructure	49,976,853	2,568,966		52,545,819
Total accumulated depreciation	<u>51,259,280</u>	<u>2,775,133</u>	<u>(10,814)</u>	<u>54,023,599</u>
Total capital assets, being depreciated	<u>27,609,315</u>	<u>(760,564)</u>	<u>(1,180)</u>	<u>26,847,571</u>
Business-type activities capital assets, net	<u>28,911,006</u>	<u>522,355</u>	<u>(1,896,564)</u>	<u>27,536,797</u>

The following table summarizes the depreciation by function for the year ended October 31, 2016:

	Governmental Activities	Business-Type Activities
Administration	116,140	
Information Technology	41,116	
Community Development	17,205	
Engineering	176,347	
Streets and Roads	3,375,929	
Buildings and Grounds	224,801	
Storm Water	69,310	
Police Department	110,174	
Emergency Management	13,032	
Parks	354,255	
Water and Sewer		2,775,133
	<u>4,498,309</u>	<u>2,775,133</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, 2016, consisted of the following:

	Balance November 1, 2015	Addi- tions	Retire- ments	Balance October 31, 2016	Due in One Year
General Obligation Bonds	16,580,000	7,300,000	(870,000)	23,010,000	1,185,000
Special Obligation					
Refunding Bonds	2,590,000	4,040,000	(2,590,000)	4,040,000	420,000
Notes payable	165,000		(19,000)	146,000	20,000
Certificates of					
Participation	450,000		(220,000)	230,000	230,000
Compensated absences	507,679	536,584	(507,679)	536,584	536,584
Bond premium	669,815	412,624	(94,438)	988,001	94,438
Total governmental long-term liabilities	<u>20,962,494</u>	<u>12,289,208</u>	<u>(4,301,117)</u>	<u>28,950,585</u>	<u>2,486,022</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%.	8,335,000
\$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%.	6,855,000
\$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%	7,300,000
\$2,515,000 General Obligation Bonds, Series 2008 (Refunding 1999), dated March 25, 2008; due in annual installments varying from year to year until maturity in March 2019; interest at 3.3% to 4%.	<u>520,000</u>
Total general obligation bonds	<u>23,010,000</u>

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
2017	1,185,000	625,429
2018	1,270,000	543,096
2019	1,725,000	498,291
2020	1,325,000	456,385
2021	1,375,000	424,472
2022 - 2026	8,520,000	1,566,847
2027 - 2031	6,440,000	462,388
2032	1,170,000	13,163
	<u>23,010,000</u>	<u>4,590,071</u>

Certificates of Participation

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

230,000

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

Year Ending October 31,	Principal	Interest
2017	<u>230,000</u>	<u>4,255</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%.

4,040,000

CITY OF RAYMORE, MISSOURI  
NOTES TO FINANCIAL STATEMENTS

NOTE 4. LONG-TERM DEBT (Continued)

Governmental Activities (Continued)

Special Obligation Refunding Bonds (Continued)

\$4,345,000 Special Obligation Refunding Bonds, Series 2006, dated December 1, 2006; due in annual installments varying from year to year until maturity in March 2023; interest at 4.1% to 4.5%. These bonds were paid off during the year ended October 31, 2015.

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Total special obligation refunding bonds 4,040,000

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

Years Ending October 31,	Principal	Interest
2017	420,000	95,750
2018	460,000	84,750
2019	470,000	73,125
2020	485,000	61,188
2021	500,000	48,876
2022 - 2026	<u>1,705,000</u>	<u>85,189</u>
	<u>4,040,000</u>	<u>448,878</u>

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.

146,000

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

Years Ending October 31,	Principal	Interest
2017	20,000	2,176
2018	20,000	1,856
2019	20,000	1,536
2020	21,000	1,208
2021	21,000	872
2022 - 2023	<u>44,000</u>	<u>720</u>
	<u>146,000</u>	<u>8,368</u>

CITY OF RAYMORE, MISSOURI  
NOTES TO FINANCIAL STATEMENTS

NOTE 4. LONG-TERM DEBT (Continued)

Governmental Activities (Continued)

Compensated Absences

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

General	484,648
Parks	51,936
	<u>536,584</u>

Business-Type Activities

Changes in the debt for the year ended October 31, 2016, consisted of the following:

	Balance November 1, 2015	Addi- tions	Retire- ments	Balance October 31, 2016	Due in One Year
Water Revenue Bonds	540,000		(125,000)	415,000	130,000
Compensated absences	15,771	18,432	(15,771)	18,432	18,432
Bond premium	5,356		(893)	4,463	893
	<u>561,127</u>	<u>18,432</u>	<u>(141,664)</u>	<u>437,895</u>	<u>149,325</u>
Total business-type activities long-term liabilities					

Revenue Bonds

\$1,800,000 December 1, 1999, Water Pollution Control and Drinking Water Revenue Bonds (State Revolving Fund Program - Multiple Participant Series) Series 1999B; due in annual installments varying from year to year until maturity on July 1, 2019; interest at 4.125% to 5.75%.	<u>415,000</u>
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CITY OF RAYMORE, MISSOURI  
NOTES TO FINANCIAL STATEMENTS

NOTE 4. LONG-TERM DEBT (Continued)

Business-Type Activities (Continued)

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

Year Ending October 31,	Principal	Interest
2017	130,000	23,562
2018	140,000	16,212
2019	145,000	8,338
	<u>415,000</u>	<u>48,112</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>18,432</u>
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Discretely Presented Component Units

Galleria TIF District

Changes in the debt for the year ended October 31, 2016, consisted of the following:

	Balance November 1, 2015	Addi- tions	Retire- ments	Balance October 31, 2016	Due in One Year
Tax Increment Refunding and Improvement Revenue Bonds, Series 2014A	15,315,000		(815,000)	14,500,000	860,000
Subordinate Tax Revenue Bonds, Series 2014B	3,185,546			3,185,546	
Bond discounts	<u>(36,606)</u>		<u>2,816</u>	<u>(33,790)</u>	<u>(2,816)</u>
Total Galleria TIF District	<u>18,463,940</u>		<u>(812,184)</u>	<u>17,651,756</u>	<u>857,184</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.

14,500,000

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. These bonds mature on July 22, 2035, and were

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)

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.

3,185,546

17,685,546

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

Years Ending October 31,	Principal	Interest
2017	860,000	885,774
2018	910,000	869,793
2019	965,000	843,736
2020	1,025,000	816,031
2021	1,030,000	786,509
2022 - 2026	6,295,000	3,271,751
2027 - 2031	3,415,000	2,012,138
2032 - 2035	<u>3,185,546</u>	<u>1,738,244</u>
	<u>17,685,546</u>	<u>11,223,976</u>

Hubach Hill and North Cass Parkway Transportation Development District

Changes in the debt for the year ended October 31, 2016, consisted of the following:

	Balance November 1, 2015	Addi- tions	Retire- ments	Balance October 31, 2016	Due in One Year
2009 Infrastructure Improvement Revenue Bonds	<u>6,395,000</u>	<u>      </u>	<u>      </u>	<u>6,395,000</u>	<u>5,000</u>

CITY OF RAYMORE, MISSOURI  
NOTES TO FINANCIAL STATEMENTS

NOTE 4. LONG-TERM DEBT (Continued)

Discretely Presented Component Units (Continued)

Hubach Hill and North Cass Parkway Transportation Development District (Continued)

Revenue Bonds

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

6,395,000

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

Years Ending October 31,	Principal	Interest
2017	5,000	396,600
2018	80,000	396,325
2019	195,000	391,925
2020	225,000	381,200
2021	260,000	368,825
2022 - 2026	1,775,000	1,573,225
2027 - 2031	2,775,000	914,606
2032	1,080,000	70,200
	<u>6,395,000</u>	<u>4,492,906</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, 2015, on which the fiscal year 2016 levy was based is as follows:

Real estate	247,157,220
Personal property	<u>43,745,234</u>
	<u>290,902,454</u>



CITY OF RAYMORE, MISSOURI  
NOTES TO FINANCIAL STATEMENTS

NOTE 5. PROPERTY TAXES (Continued)

The City is permitted by Missouri State Statutes to levy taxes up to \$1.00 per \$100 of assessed valuation for general governmental services other than payment of principal and interest on long-term debt, up to \$.20 for recreation, and in unlimited amounts for the payment of principal and interest on long-term debt. The City's property tax levies for the year ended October 31, 2016, per \$100 assessed valuation, were as follows:

General Operating	0.4638
Parks and Recreation	0.1249
Debt Service	<u>0.7170</u>
	<u>1.3057</u>

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

NOTE 6. INTERFUND TRANSACTIONS

	Transfers In						Total
	General Fund	Parks and Recreation Fund	Transportation Fund	Capital Improvement Fund	Nonmajor Funds	Enterprise Fund	
<u>Transfers Out</u>							
General Fund		319,000	568,000	2,078,002	360,551		3,325,553
Parks and Recreation Fund					56,127		56,127
Transportation Fund	337,000				91,035		428,035
Debt Service Fund						128,275	128,275
Capital Improvement Fund					300,000		300,000
Nonmajor funds	258,115					108,194	366,309
Enterprise Fund	<u>856,464</u>				<u>98,821</u>		<u>955,285</u>
Total	<u>1,451,579</u>	<u>319,000</u>	<u>568,000</u>	<u>2,078,002</u>	<u>906,534</u>	<u>236,469</u>	<u>5,559,584</u>

Transfers are used to move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them and to use unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations. In addition, the Capital Improvement Fund transferred \$396,039 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.

CITY OF RAYMORE, MISSOURI  
NOTES TO FINANCIAL STATEMENTS

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 approximately 668 local participating employers. These participating employers include 299 cities, 60 counties, and 323 other public entities during the plan year ended June 30, 2016.

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, 2016, the net pension asset/liability is based on an actuarial valuation performed as of February 29, 2016, and a measurement date of June 30, 2016.

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.

CITY OF RAYMORE, MISSOURI  
NOTES TO FINANCIAL STATEMENTS

NOTE 7. PENSION PLAN (Continued)

Contributions (Continued)

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.

Actuarial Assumptions

The pension liability for the June 30, 2016, 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	Level Percentage of Payroll, Closed
Remaining Amortization Period	Multiple bases from 13 to 15 years
Asset Valuation Method	5-Year smoothed market; 20% corridor
Inflation	3.25% wage inflation; 2.5% 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>

CITY OF RAYMORE, MISSOURI  
NOTES TO FINANCIAL STATEMENTS

NOTE 7. PENSION PLAN (Continued)

Actuarial Assumptions (Continued)

Other information

New assumptions adopted based on a 5-year experience study for the period March 1, 2010 through February 28, 2015.

Discount Rate

The discount rate used to measure the pension liability was 7.25%. 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 municipal bond rate is 2.85% (based on the weekly rate closest to but not later than the measurement date of the 20-Year Bond Buyer Index as published by the Federal Reserve.) The resulting single discount rate is 7.12% for the General Division and 7.25% for the Police Division.

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.

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, 2016, calculated using the discount rate of 7.12% for the General Division and 7.25% for the Police Division, 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 (6.12/6.25%)	Current Rate (7.12/7.25%)	1.00% Increase (8.12/8.25%)
General Division	2,087,794	222,061	(1,294,976)
Police Division	950,255	16,966	(733,824)
	<u>3,038,049</u>	<u>239,027</u>	<u>(2,028,800)</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, 2016. The Comprehensive Annual Financial Report can be obtained at [www.molagers.org](http://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

CITY OF RAYMORE, MISSOURI  
NOTES TO FINANCIAL STATEMENTS

NOTE 9. RISK MANAGEMENT (Continued)

and insurance program to cover health and dental, workers' compensation, and property and casualty claims for its members. MARCIT has been established as assessable pools, and accounting records are maintained for each line of coverage on a policy-year basis. The City pays annual premiums to MARCIT for all coverage types.

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

NOTE 10. FUND BALANCES

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			100,000
Pavement			333,000
Operations	6,342	20,000	65,029
Park and Recreation Fund			
Capital projects	5,265,316		
Operations			1,239,571
Transportation Fund			
Capital projects	1,341,621		
Operations			1,265,185
Debt Service Fund			
Debt service	613,628		
Transfers to other funds or for debt service			1,638,878
Capital Improvement Fund			
Capital projects			1,616,126
Nonmajor funds			
Capital projects	<u>48,248</u>	<u>          </u>	<u>4,365,495</u>
 Total	 <u>7,375,155</u>	 <u>20,000</u>	 <u>10,623,284</u>

CITY OF RAYMORE, MISSOURI  
NOTES TO FINANCIAL STATEMENTS

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	244,233
Annual general operating revenue	8,139,740
Fines and costs for traffic violations as a percentage of annual general operating revenue	3.04%

NOTE 12. LITIGATION

As of February 8, 2017, 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.

NOTE 13. COMMITMENTS

As of October 31, 2016, the City had outstanding commitments totaling \$4,179,588 for various contracts and/or purchase orders.

NOTE 14. SUBSEQUENT EVENTS

In preparing the financial statements, the City has evaluated events and transactions for potential recognition or disclosure through February 8, 2017, the date the financial statements were available to be issued.

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CITY OF RAYMORE, MISSOURI  
REQUIRED SUPPLEMENTARY INFORMATION

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CITY OF RAYMORE, MISSOURI  
REQUIRED SUPPLEMENTARY INFORMATION  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
YEAR ENDED OCTOBER 31, 2016

	General Fund			Variance Positive (Negative)
	Original Budget	Final Budget	Actual	
REVENUES				
Taxes				
Property taxes	1,297,253	1,297,253	1,296,508	(745)
Sales taxes	2,744,726	2,744,726	2,787,782	43,056
Franchise fees	2,345,761	2,345,761	2,199,361	(146,400)
Other taxes	524,610	524,610	513,574	(11,036)
Charges for services	173,333	173,333	219,587	46,254
Fines and forfeitures	444,856	444,856	424,649	(20,207)
Licenses, fees, and permits	287,977	287,977	520,835	232,858
Intergovernmental	63,722	63,722	71,797	8,075
Interest	20,543	20,543	49,074	28,531
Refunds and reimbursements	14,900	14,900	26,586	11,686
Miscellaneous	47,934	47,934	53,284	5,350
Total revenues	<u>7,965,615</u>	<u>7,965,615</u>	<u>8,163,037</u>	<u>197,422</u>
EXPENDITURES				
General Government				
Administrative	1,080,538	1,177,471	1,174,446	3,025
Information Technology	426,226	426,226	421,120	5,106
Economic Development	226,144	168,420	163,940	4,480
Community Development	550,041	550,041	509,271	40,770
Engineering	377,559	377,559	369,680	7,879
Streets and Roads	1,056,899	1,056,899	845,946	210,953
Building and Grounds	308,410	308,410	273,391	35,019
Storm water	282,293	282,293	254,774	27,519
Municipal Court	167,076	167,076	166,322	754
Finance	563,576	563,576	559,435	4,141
Police	3,661,960	3,667,960	3,334,526	333,434
Emergency Preparedness	122,163	122,163	109,938	12,225
Capital outlay	86,913	82,079	85,402	(3,323)
Total expenditures	<u>8,909,798</u>	<u>8,950,173</u>	<u>8,268,191</u>	<u>681,982</u>
EXCESS OF REVENUES OVER (UNDER)				
EXPENDITURES	<u>(944,183)</u>	<u>(984,558)</u>	<u>(105,154)</u>	<u>879,404</u>

CITY OF RAYMORE, MISSOURI  
REQUIRED SUPPLEMENTARY INFORMATION  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
YEAR ENDED OCTOBER 31, 2016

	General Fund			Variance Positive (Negative)
	Original Budget	Final Budget	Actual	
OTHER FINANCING SOURCES (USES)				
Transfers in	1,451,579	1,451,579	1,451,579	
Transfers out	<u>(3,325,553)</u>	<u>(3,325,553)</u>	<u>(3,325,553)</u>	
Total other financing sources (uses)	<u>(1,873,974)</u>	<u>(1,873,974)</u>	<u>(1,873,974)</u>	
NET CHANGE IN FUND BALANCE	<u>(2,818,157)</u>	<u>(2,858,532)</u>	(1,979,128)	<u>879,404</u>
FUND BALANCE, beginning of year			<u>5,478,760</u>	
FUND BALANCE, end of year			<u>3,499,632</u>	

CITY OF RAYMORE, MISSOURI  
REQUIRED SUPPLEMENTARY INFORMATION  
BUDGETARY COMPARISON SCHEDULE  
MAJOR SPECIAL REVENUE FUNDS  
YEAR ENDED OCTOBER 31, 2016

	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	351,965	351,965	351,079	(886)					351,965	351,965	351,079	(886)
Road					337,694	337,694	350,874	13,180	337,694	337,694	350,874	13,180
Sale	625,116	625,116	589,692	(35,424)	1,250,234	1,250,234	1,179,385	(70,849)	1,875,350	1,875,350	1,769,077	(106,273)
Charges for services	367,213	382,318	400,582	18,264					367,213	382,318	400,582	33,369
Interest	5,281	5,281	20,896	15,615	3,411	3,411	10,510	7,099	8,692	8,692	31,406	22,714
Reimbursements			360	360							360	360
Miscellaneous			17,008	17,008							17,008	17,008
Total revenues	<u>1,349,575</u>	<u>1,364,680</u>	<u>1,379,617</u>	<u>14,937</u>	<u>1,591,339</u>	<u>1,591,339</u>	<u>1,540,769</u>	<u>(50,570)</u>	<u>2,940,914</u>	<u>2,956,019</u>	<u>2,920,386</u>	<u>(20,528)</u>
EXPENDITURES												
Parks and recreation	1,125,721	1,144,548	1,176,656	(32,108)					1,125,721	1,144,548	1,176,656	(32,108)
Streets and roads							896				896	(896)
Capital outlay	561,200	726,500	430,098	296,402	1,735,000	3,135,000	2,758,420	376,580	2,296,200	3,861,500	3,188,518	672,982
Debt service												
Principal	44,000	44,000	44,000						44,000	44,000	44,000	
Interest and fiscal fees	2,922	2,922	2,896	26					2,922	2,922	2,896	26
Total expenditures	<u>1,733,843</u>	<u>1,917,970</u>	<u>1,653,650</u>	<u>264,320</u>	<u>1,735,000</u>	<u>3,135,000</u>	<u>2,759,316</u>	<u>376,580</u>	<u>3,468,843</u>	<u>5,052,970</u>	<u>4,412,966</u>	<u>640,004</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(384,268)</u>	<u>(553,290)</u>	<u>(274,033)</u>	<u>279,257</u>	<u>(143,661)</u>	<u>(1,543,661)</u>	<u>(1,218,547)</u>	<u>325,114</u>	<u>(527,929)</u>	<u>(2,096,951)</u>	<u>(1,492,580)</u>	<u>604,371</u>
OTHER FINANCING SOURCES (USES)												
Bond proceeds			5,048,409	5,048,409			2,191,766				7,240,175	7,240,175
Bond premium			287,723	287,723			124,901				412,624	412,624
Bond issuance costs			(33,208)	(33,208)			(14,416)				(47,624)	(47,624)
Transfers in	319,000	319,000	319,000		568,000	568,000	568,000		887,000	887,000	887,000	
Transfers out	(56,126)	(56,126)	(56,127)	(1)	(411,035)	(411,035)	(428,035)	(17,000)	(467,161)	(467,161)	(484,162)	(17,001)
Total other financing sources (uses)	<u>262,874</u>	<u>262,874</u>	<u>5,565,797</u>	<u>5,302,923</u>	<u>156,965</u>	<u>156,965</u>	<u>2,442,216</u>	<u>2,285,251</u>	<u>419,839</u>	<u>419,839</u>	<u>8,008,013</u>	<u>(17,001)</u>
NET CHANGE IN FUND BALANCE	<u>(121,394)</u>	<u>(290,416)</u>	<u>5,291,764</u>	<u>5,582,180</u>	<u>13,304</u>	<u>(1,386,696)</u>	<u>1,223,669</u>	<u>2,610,365</u>	<u>(108,090)</u>	<u>(1,677,112)</u>	<u>6,515,433</u>	<u>8,192,545</u>
FUND BALANCE, beginning of year			<u>1,226,311</u>				<u>1,383,137</u>				<u>2,609,448</u>	
FUND BALANCE, end of year			<u>6,518,075</u>				<u>2,606,806</u>				<u>9,124,881</u>	

CITY OF RAYMORE, MISSOURI  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

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

Prior to October 1, the budget officer submits to the City Council a proposed operating budget for the fiscal year commencing the following November 1. The operating budget includes proposed expenditures and the means of financing them.

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

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

Any transfer of budgeted amounts between object levels within any fund or any revisions that alter the total expenditures of any fund must be approved by the City Council. Overspending of budgeted object levels within a department must be approved by the Finance Director and/or City Manager.

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

Actual expenditures may not legally exceed the budgeted fund.

CITY OF RAYMORE, MISSOURI  
SCHEDULE OF EMPLOYER'S CONTRIBUTIONS  
FOR THE YEAR ENDED OCTOBER 31, 2016

Fiscal Year Ending June 30,	Actuarially Determined Contribution (a)	Contribution in Relation (b)	Contribution Deficiency (Excess) (a-b)	Covered Employee Payroll (d)	Contributions as a Percentage of Covered Employee Payroll (b/d)
2006	426,320	426,320		4,002,432	10.65%
2007	450,853	450,853		4,220,742	10.68%
2008	475,868	475,868		4,632,440	10.27%
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%

CITY OF RAYMORE, MISSOURI  
SCHEDULE OF EMPLOYER'S SHARE OF NET PENSION LIABILITY  
YEAR ENDED OCTOBER 31, 2016

Fiscal Year Ending	Employer's Proportion (Percentage) of the Net Pension Liability (Asset)	Employer's Proportionate Share (Amount) of the Net Pension Liability (Asset) (a)	State's Proportionate Share (Amount) of the Net Pension Liability (Asset) Associated with Employer (b)	Total Proportionate Share of Net Pension Liability (a+b) (1)	Employer's Covered Employee Payroll (2)	Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of Its Covered Employee Payroll (1/2)	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
June 30, 2015	0.247846%	(1,396,562)		(1,396,562)	5,119,378	(27.28)%	109.69%
June 30, 2016	0.255010%	239,027		239,027	5,174,337	4.62%	6,723.82%

\* Schedule is to be provided prospectively beginning with the employer's fiscal year ended June 30, 2015, the Measurement Date.



CITY OF RAYMORE, MISSOURI  
OTHER SUPPLEMENTARY INFORMATION

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CITY OF RAYMORE, MISSOURI  
NONMAJOR GOVERNMENTAL FUNDS  
COMBINED BALANCE SHEET  
OCTOBER 31, 2016

	Special Revenue Funds		Capital Improvement Funds				Total
	Development Projects Fund	Storm Water Sales Tax Fund	Public Works Fund	Capital Projects Fund	V.E.R.P. Fund	B.E.R.P Fund	Nonmajor Governmental Funds
ASSETS							
ASSETS							
Cash and cash equivalents		141,962	1,105	330,394	79,296	350,252	903,009
Investments		90,743	557	982,767	860,704	1,302,408	3,237,179
Taxes receivable		103,265					103,265
Receivables, net	119,149						119,149
Restricted investments		48,248					48,248
Interest receivable		37		1,227		1,629	2,893
TOTAL ASSETS	<u>119,149</u>	<u>384,255</u>	<u>1,662</u>	<u>1,314,388</u>	<u>940,000</u>	<u>1,654,289</u>	<u>4,413,743</u>
LIABILITIES AND FUND BALANCES							
LIABILITIES	<u>- 0 -</u>	<u>- 0 -</u>	<u>- 0 -</u>	<u>- 0 -</u>	<u>- 0 -</u>	<u>- 0 -</u>	<u>- 0 -</u>
FUND BALANCES							
Restricted for capital projects		48,248					48,248
Assigned	119,149	336,007	1,662	1,314,388	940,000	1,654,289	4,365,495
Total fund balances	<u>119,149</u>	<u>384,255</u>	<u>1,662</u>	<u>1,314,388</u>	<u>940,000</u>	<u>1,654,289</u>	<u>4,413,743</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>119,149</u>	<u>384,255</u>	<u>1,662</u>	<u>1,314,388</u>	<u>940,000</u>	<u>1,654,289</u>	<u>4,413,743</u>

CITY OF RAYMORE, MISSOURI  
NONMAJOR GOVERNMENTAL FUNDS  
COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN  
FUND BALANCES  
YEAR ENDED OCTOBER 31, 2016

	Special Revenue Funds		Capital Improvement Funds				Total Nonmajor Governmental Funds
	Development Projects Fund	Storm Water Sales Tax Fund	Public Works Fund	Capital Projects Fund	V.E.R.P. Fund	B.E.R.P Fund	
REVENUES							
Taxes							
Sales		589,692					589,692
Other				314,985			314,985
Refunds and reimbursements		277					277
Investment income		299		8,280		10,391	18,970
Total revenues		<u>590,268</u>		<u>323,265</u>		<u>10,391</u>	<u>923,924</u>
EXPENDITURES							
Other expense		2,039					2,039
Debt service - principal		195,000					195,000
Debt service - interest		15,681					15,681
Capital outlay		<u>30,958</u>		<u>239,145</u>	<u>426,135</u>	<u>116,767</u>	<u>813,005</u>
Total expenditures		<u>243,678</u>		<u>239,145</u>	<u>426,135</u>	<u>116,767</u>	<u>1,025,725</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES		<u>346,590</u>		<u>84,120</u>	<u>(426,135)</u>	<u>(106,376)</u>	<u>(101,801)</u>
OTHER FINANCING SOURCES (USES)							
Proceeds from the sale of assets					26,428		26,428
Transfers in		57,000		91,035	418,499	340,000	906,534
Transfers out		<u>(258,115)</u>			<u>(108,194)</u>		<u>(366,309)</u>
Total other financing sources (uses)		<u>(201,115)</u>		<u>91,035</u>	<u>310,305</u>	<u>340,000</u>	<u>540,225</u>
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES		145,475		175,155	(115,830)	233,624	438,424
FUND BALANCE, beginning of year	<u>119,149</u>	<u>238,780</u>	<u>1,662</u>	<u>1,139,233</u>	<u>1,055,830</u>	<u>1,420,665</u>	<u>3,975,319</u>
FUND BALANCE, end of year	<u>119,149</u>	<u>384,255</u>	<u>1,662</u>	<u>1,314,388</u>	<u>940,000</u>	<u>1,654,289</u>	<u>4,413,743</u>

CITY OF RAYMORE, MISSOURI  
OTHER SUPPLEMENTARY INFORMATION  
BUDGETARY COMPARISON SCHEDULE  
MAJOR DEBT SERVICE FUND  
YEAR ENDED OCTOBER 31, 2016

	Debt Service Fund			Variance
	Original Budget	Final Budget	Actual	Positive (Negative)
REVENUES				
Taxes				
Property	1,991,493	1,991,493	2,000,436	8,943
Fines and forfeitures	13,940	13,940	11,748	(2,192)
Interest	4,302	4,302	12,513	8,211
Total revenues	<u>2,009,735</u>	<u>2,009,735</u>	<u>2,024,697</u>	<u>14,962</u>
EXPENDITURES				
Principal	870,000	870,000	870,000	
Interest and fiscal fees	378,765	378,765	386,515	(7,750)
Total expenditures	<u>1,248,765</u>	<u>1,248,765</u>	<u>1,256,515</u>	<u>(7,750)</u>
EXCESS OF REVENUES OVER EXPENDITURES	<u>760,970</u>	<u>760,970</u>	<u>768,182</u>	<u>7,212</u>
OTHER FINANCING SOURCES (USES)				
Bond proceeds			59,825	59,825
Bond issuance costs			(57,709)	(57,709)
Transfers out	(155,556)	(155,556)	(128,275)	27,281
Total other financing sources (uses)	<u>(155,556)</u>	<u>(155,556)</u>	<u>(126,159)</u>	<u>29,397</u>
NET CHANGE IN FUND BALANCE	<u>605,414</u>	<u>605,414</u>	642,023	<u>36,609</u>
FUND BALANCE, beginning of year			<u>1,610,483</u>	
FUND BALANCE, end of year			<u>2,252,506</u>	

An amended budget was not officially approved for the allocation issued debt into the Debt Service Fund. However, the City Council specifically approved of the transaction during the May 23, 2016, Council meeting.

CITY OF RAYMORE, MISSOURI  
OTHER SUPPLEMENTARY INFORMATION  
BUDGETARY COMPARISON SCHEDULE  
MAJOR CAPITAL IMPROVEMENT FUND  
YEAR ENDED OCTOBER 31, 2016

	Capital Improvement Fund			Variance
	Original Budget	Final Budget	Actual	Positive (Negative)
REVENUES				
Taxes				
Sales	1,250,234	1,250,234	1,179,385	(70,849)
Charges for services	2,800	2,800	2,863	63
Refunds and reimbursements	77,400	77,400	47,578	(29,822)
Miscellaneous			54	54
Interest	784	784	4,503	3,719
Total revenues	<u>1,331,218</u>	<u>1,331,218</u>	<u>1,234,383</u>	<u>(96,835)</u>
EXPENDITURES				
Streets and roads			8,605	(8,605)
Buildings and grounds			12,950	(12,950)
Capital outlay	2,128,402	2,139,970	2,626,649	(486,679)
Debt service				
Principal	235,000	235,000	2,590,000	(2,355,000)
Interest and fiscal fees	506,262	506,262	514,129	(7,867)
Total expenditures	<u>2,869,664</u>	<u>2,881,232</u>	<u>5,752,333</u>	<u>(2,849,546)</u>
DEFICIENCY OF REVENUES UNDER EXPENDITURES	<u>(1,538,446)</u>	<u>(1,550,014)</u>	<u>(4,517,950)</u>	<u>(2,967,936)</u>
OTHER FINANCING USES				
Bond proceeds			4,040,000	4,040,000
Bond issuance costs			(28,500)	(28,500)
Transfers in	2,078,002	2,078,002	2,078,002	
Transfers out	<u>(300,000)</u>	<u>(300,000)</u>	<u>(300,000)</u>	
Total other financing sources (uses)	<u>1,778,002</u>	<u>1,778,002</u>	<u>1,778,002</u>	
NET CHANGE IN FUND BALANCE	<u>239,556</u>	<u>227,988</u>	<u>(2,739,948)</u>	<u>1,043,564</u>
FUND BALANCE, beginning of year			<u>344,574</u>	
FUND BALANCE, end of year			<u>(2,395,374)</u>	

An amended budget was not officially approved for the issuance and use of special obligation bonds in the Capital Improvement Fund. However, the City Council specifically approved of the transaction during the May 23, 2016, Council meeting.

CITY OF RAYMORE, MISSOURI  
OTHER SUPPLEMENTARY INFORMATION  
BUDGETARY COMPARISON SCHEDULE  
NONMAJOR GOVERNMENTAL FUNDS  
YEAR ENDED OCTOBER 31, 2016

Development Projects Fund				Storm Water Sales Tax Fund				Public Works 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				625,116	625,116	589,692					
Property											
Interest				234	234	299	65				
Investment income											
Reimbursements				94	94	277	183				
Total revenues				625,444	625,444	590,268	248				
EXPENDITURES											
Other expenses						2,039	(2,039)				
Capital outlay				192,000	192,000	30,958	161,042				
Debt service											
Principal				195,000	195,000	195,000					
Interest and fiscal fees				12,376	12,376	15,681	(3,305)				
Total expenditures				399,376	399,376	243,678	155,698				
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES											
				226,068	226,068	346,590	120,522				
OTHER FINANCING USES (USES)											
Transfers in				57,000	57,000	57,000					
Transfers out				(258,115)	(258,115)	(258,115)					
Total other financing sources (uses)				(201,115)	(201,115)	(201,115)					
NET CHANGE IN FUND BALANCE											
				24,953	24,953	145,475	120,522				
FUND BALANCE, beginning of year											
		119,149				238,780				1,662	
FUND BALANCE, end of year											
		119,149				384,255				1,662	

CITY OF RAYMORE, MISSOURI  
OTHER SUPPLEMENTARY INFORMATION  
BUDGETARY COMPARISON SCHEDULE  
NONMAJOR GOVERNMENTAL FUNDS  
YEAR ENDED OCTOBER 31, 2016

		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												
	Property	176,452	176,452	314,985	138,533								
	Interest	2,600	2,600	8,280	5,680								
	Investment income												
	Reimbursements									2,084	2,084	10,391	8,307
	Total revenues	<u>179,052</u>	<u>179,052</u>	<u>323,265</u>	<u>144,213</u>					<u>2,084</u>	<u>2,084</u>	<u>10,391</u>	<u>8,307</u>
EXPENDITURES													
	Other expenses												
	Capital outlay	224,000	294,514	239,145	55,369	416,919	450,098	426,135	23,963	204,500	226,500	116,767	109,733
	Debt service												
	Principal												
	Interest and fiscal fees												
	Total expenditures	<u>224,000</u>	<u>294,514</u>	<u>239,145</u>	<u>55,369</u>	<u>416,919</u>	<u>450,098</u>	<u>426,135</u>	<u>23,963</u>	<u>204,500</u>	<u>226,500</u>	<u>116,767</u>	<u>109,733</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES		<u>(44,948)</u>	<u>(115,462)</u>	<u>84,120</u>	<u>88,844</u>	<u>(416,919)</u>	<u>(450,098)</u>	<u>(426,135)</u>	<u>23,963</u>	<u>(202,416)</u>	<u>(224,416)</u>	<u>(106,376)</u>	<u>(101,426)</u>
OTHER FINANCING SOURCES (USES)													
	Transfers in	91,035	91,035	91,035		418,499	418,499	418,499		340,000	340,000	340,000	
	Transfers out							(108,194)	(108,194)				
	Total other financing sources (uses)	<u>91,035</u>	<u>91,035</u>	<u>91,035</u>		<u>418,499</u>	<u>418,499</u>	<u>310,305</u>	<u>(108,194)</u>	<u>340,000</u>	<u>340,000</u>	<u>340,000</u>	
NET CHANGE IN FUND BALANCE		<u>46,087</u>	<u>(24,427)</u>	<u>175,155</u>	<u>199,582</u>	<u>1,580</u>	<u>(31,599)</u>	<u>(115,830)</u>	<u>(84,231)</u>	<u>137,584</u>	<u>115,584</u>	<u>233,624</u>	<u>118,040</u>
FUND BALANCE, beginning of year				<u>1,139,233</u>				<u>1,055,830</u>				<u>1,420,665</u>	
FUND BALANCE, end of year				<u>1,314,388</u>				<u>940,000</u>				<u>1,654,289</u>	





Statistical Section

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CITY OF RAYMORE, MISSOURI  
STATISTICAL SECTION  
(Unaudited)

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

Contents	Page
Financial Trends	
These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	81 - 85
Revenue Trends	
These schedules contain information to help the reader assess the City's most significant own-source revenue, the property tax.	86 - 91
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.	92 - 96
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.	97 - 98
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.	99 - 102

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

Note: Information presented in this section is required by GASB 44 to include current year plus nine years of previous data.

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

	Fiscal Year									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Governmental activities										
Net investment in										
capital assets	15,388,520	18,494,972	30,259,016	40,539,968	39,153,934	39,053,218	39,567,457	38,000,119	37,452,602	38,153,431
Restricted	17,230,635	18,293,358	8,542,671	4,113,386	2,315,880	1,799,602	553,071	624,827	535,620	7,375,155
Unrestricted	<u>5,470,600</u>	<u>4,834,098</u>	<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>
Total governmental										
activities	<u>38,089,755</u>	<u>41,622,428</u>	<u>43,626,989</u>	<u>49,612,303</u>	<u>50,024,030</u>	<u>49,736,013</u>	<u>48,961,580</u>	<u>49,633,198</u>	<u>52,530,511</u>	<u>53,462,779</u>
Business-type activities										
Net investment in										
capital assets	33,316,662	36,547,690	37,204,862	35,413,946	34,507,565	33,580,927	32,351,316	30,033,905	28,365,650	27,117,334
Restricted	1,506,076	1,948,711	1,089,846	1,562,478	1,166,923	246,938	84,638	86,122	87,689	85,179
Unrestricted	<u>8,834,620</u>	<u>7,018,411</u>	<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>
Total business-type										
activities	<u>43,657,358</u>	<u>45,514,812</u>	<u>43,577,000</u>	<u>41,860,304</u>	<u>40,989,866</u>	<u>39,318,375</u>	<u>37,948,459</u>	<u>35,879,644</u>	<u>34,207,084</u>	<u>33,088,198</u>
Primary government										
Net investment in										
capital assets	48,705,182	55,042,662	67,463,878	75,953,914	73,661,499	72,634,145	71,918,773	68,034,024	65,818,252	65,270,765
Restricted	18,736,711	20,242,069	9,632,517	5,675,864	3,482,803	2,046,540	637,709	710,949	623,309	7,460,334
Unrestricted	<u>14,305,220</u>	<u>11,852,509</u>	<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>
Total primary government										
net assets/position	<u>81,747,113</u>	<u>87,137,240</u>	<u>87,203,989</u>	<u>91,472,607</u>	<u>91,013,896</u>	<u>89,054,388</u>	<u>86,910,039</u>	<u>85,512,842</u>	<u>86,737,595</u>	<u>86,550,977</u>

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

	Fiscal Year										
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	
EXPENSES											
Governmental activities											
Administration	2,029,225	1,783,460	1,383,349	1,643,846	1,801,232	1,673,233	1,802,225	1,819,426	1,993,658	2,344,363	
Development	798,654	823,065	769,986	726,471	739,675	772,445	770,973	756,204	741,272	697,722	
Parks and property	508,468	1,044,180	1,183,045	1,501,150	1,670,554	1,753,973	1,743,964	1,829,441	1,801,745	2,057,035	
Public works	1,351,029	1,385,134	1,274,025	4,866,429	4,362,832	4,912,478	4,921,345	5,043,992	5,074,817	5,116,966	
Public safety	2,883,631	3,105,732	3,037,085	2,896,797	3,298,657	3,505,101	3,723,794	3,722,111	3,744,683	3,828,554	
Interest and fiscal charges	1,797,632	2,141,700	1,325,298	1,219,667	1,039,036	1,520,146	1,862,029	1,522,955	1,166,710	1,052,101	
Depreciation and amortization	2,368,793	3,036,210	3,421,006								
Total governmental activities expenses	11,737,432	13,319,481	12,393,794	12,854,360	12,911,986	14,137,376	14,824,330	14,694,129	14,522,885	15,096,741	
Business-type activities											
Water and sewer	5,395,132	6,145,864	6,145,487	7,266,387	7,393,722	7,913,766	7,875,853	8,193,599	8,285,704	8,581,972	
Total business-type activities expenses	5,395,132	6,145,864	6,145,487	7,266,387	7,393,722	7,913,766	7,875,853	8,193,599	8,285,704	8,581,972	
Total primary government expenses	17,132,564	19,465,345	18,539,281	20,120,747	20,305,708	22,051,142	22,700,183	22,887,728	22,808,589	23,678,713	
PROGRAM REVENUES											
Governmental activities											
Charges for services											
General government	758,811	940,127	790,456	498,181	451,868	549,896	599,857	647,747	664,683	755,033	
Parks and recreation	188,911	270,419	269,069	316,810	327,006	375,369	309,869	291,370	380,238	400,582	
Other activities	304,363	299,015	390,434	329,892	360,157	383,597	504,898	483,232	406,231	424,649	
Operating grants and contributions	270,572	77,266	91,701	590,145	211,951	255,394	82,360	61,192	67,126	71,797	
Capital grants and contributions	1,387,636	3,797,631	303,372	5,127,759		21,593					
Total governmental activities program revenues	2,910,293	5,384,458	1,845,032	6,862,787	1,350,982	1,585,849	1,496,984	1,483,541	1,518,278	1,652,061	
Business-type activities											
Charges for services:											
Water and sewer	5,605,051	5,286,038	4,846,651	5,902,537	6,207,730	6,744,467	6,880,197	6,781,226	7,059,295	8,131,367	
Capital grants and contributions	848,069	1,636,176			500,992						
Total business-type activities program revenues	6,453,120	6,922,214	4,846,651	5,902,537	6,708,722	6,744,467	6,880,197	6,781,226	7,059,295	8,131,367	
Total primary government program revenues	9,363,413	12,306,672	6,691,683	12,765,324	8,059,704	8,330,316	8,377,181	8,264,767	8,577,573	9,783,428	

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

	Fiscal Year									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
NET (EXPENSE) REVENUE										
Governmental activities	(7,935,023)	(10,548,762)	(5,991,573)	(11,561,004)	(12,551,527)	(13,327,346)	(13,327,346)	(13,210,588)	(13,004,607)	(13,444,680)
Business-type activities	776,350	(1,298,836)	(1,363,850)	(685,000)	(1,169,299)	(995,656)	(995,656)	(1,412,373)	(1,226,409)	(450,605)
Total primary government net expense	(7,158,673)	(11,847,598)	(7,355,423)	(12,246,004)	(13,720,826)	(14,323,002)	(14,323,002)	(14,622,961)	(14,231,016)	(13,895,285)
GENERAL REVENUES AND OTHER										
CHANGES IN NET ASSETS/POSITION										
Governmental activities										
Taxes										
Property taxes	2,738,283	3,139,336	3,358,679	3,407,529	3,496,621	3,445,862	3,508,997	3,429,392	3,556,910	3,648,361
Sales taxes	4,542,021	4,678,101	4,669,535	4,675,656	4,839,372	4,912,344	5,025,263	6,033,939	6,186,046	6,325,936
Franchise taxes	1,489,994	2,604,620	2,259,873	2,479,055	2,634,537	2,251,800	2,276,711	2,353,584	2,331,584	2,199,361
Other taxes	1,215,299	532,404	498,876	534,372	491,126	899,442	1,286,313	1,036,242	1,147,192	1,179,433
Investment earnings	968,713	873,841	323,373	56,963	69,938	22,103	49,156	64,282	83,632	116,466
Miscellaneous	1,918,018	292,137	595,530	323,977	220,403	138,423	211,769	259,492	253,952	188,575
Transfers	696,484	(652,743)	847,457	499,335	220,734	593,536	460,151	705,275	718,066	718,816
Total governmental activities	13,568,812	11,467,696	12,553,323	11,976,887	11,972,731	12,263,510	12,818,360	13,882,206	14,277,382	14,376,948
Business-type activities										
Investment earnings	660,406	428,361	208,481	146,489	114,550	91,344	88,231	48,833	54,074	50,535
Miscellaneous	7,605				20,078		21,500			
Transfers	(696,484)	652,743	(847,457)	(499,335)	(320,066)	(593,536)	(460,151)	(705,275)	(718,066)	(718,816)
Total business-type activities	(28,473)	1,081,104	(638,976)	(352,846)	(185,438)	(502,192)	(350,420)	(656,442)	(663,992)	(668,281)
Total primary government	13,540,339	12,548,800	11,914,347	11,624,041	11,787,293	11,761,318	12,467,940	13,225,764	13,613,390	13,708,667
CHANGE IN NET ASSETS/POSITION										
Governmental activities	5,633,789	918,934	6,561,750	415,883	(578,796)	(1,063,836)	(508,986)	671,618	1,272,775	932,268
Business-type activities	747,877	(217,732)	(2,002,826)	(1,037,846)	(1,354,737)	(1,497,848)	(1,346,076)	(2,068,815)	(1,890,401)	(1,118,886)
Total primary government	6,381,666	701,202	4,558,924	(621,963)	(1,933,533)	(2,561,684)	(1,855,062)	(1,397,197)	(617,626)	(186,618)

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

		Fiscal Year									
		2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
GENERAL FUND											
Nonspendable						118,115	148,543	132,664	134,966	145,425	190,428
Restricted						145,066	145,066	94,766	166,623	124,809	106,342
Committed						114,666	20,000	20,000	1,020,000	1,020,000	20,000
Assigned						99,044	99,044		27,000	1,021,510	498,029
Unassigned						4,445,004	4,710,296	3,363,347	3,214,700	3,167,016	2,684,833
Reserved		128,947	161,926	97,655	82,583						
Unreserved		2,805,888	2,866,224	3,852,162	4,425,631						
Total General Fund		2,934,835	3,028,150	3,949,817	4,508,214	4,921,895	5,122,949	3,610,777	4,563,289	5,478,760	3,499,632
ALL OTHER GOVERNMENTAL FUNDS											
Nonspendable						6,606	7,235	8,623	8,260	7,149	13,188
Restricted						2,170,814	1,654,536	15,320,180	15,018,611	467,691	7,268,813
Assigned						4,266,305	4,476,800	6,253,012	7,568,489	8,064,984	10,125,255
Reserved		20,906,336	18,236,754	8,554,270	6,538,157						
Unreserved, reported in:											
Special revenue funds		3,088,922	2,504,736	1,612,675	23,511						
Total all other governmental funds		23,995,258	20,741,490	10,166,945	6,561,668	6,443,725	6,138,571	21,581,815	22,595,360	8,539,824	17,407,256
TOTAL ALL GOVERNMENTAL FUNDS		26,930,093	23,769,640	14,116,762	11,069,882	11,365,620	11,261,520	25,192,592	27,158,649	14,018,584	20,906,888

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									
		2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
REVENUES											
Taxes											
Property		2,912,790	3,139,336	3,358,679	3,407,529	3,496,621	3,387,102	3,500,391	3,461,091	3,550,541	3,648,023
Franchise		1,489,994	2,604,620	2,259,873	2,479,055	2,634,537	2,251,800	2,276,711	2,353,584	2,331,584	2,199,361
Sales		5,508,137	4,678,101	4,669,535	4,675,656	4,839,372	4,912,344	5,025,263	6,033,939	6,186,046	6,325,936
Other		599,142	532,404	498,876	534,372	491,126	899,442	1,286,313	1,036,242	1,147,192	1,179,433
Fees and permits		947,723	1,196,195	1,041,586	798,432	762,800	909,980	892,039	928,177	1,033,176	1,143,867
Municipal court		304,363	313,366	408,373	346,451	376,231	398,882	522,585	494,172	417,976	436,397
Miscellaneous		1,495,457	1,018,768	1,313,976	959,885	502,292	437,513	320,402	384,966	404,710	333,410
Total revenues		<u>13,257,606</u>	<u>13,482,790</u>	<u>13,550,898</u>	<u>13,201,380</u>	<u>13,102,979</u>	<u>13,197,063</u>	<u>13,823,704</u>	<u>14,692,171</u>	<u>15,071,225</u>	<u>15,266,427</u>
EXPENDITURES											
General government		1,375,950	1,773,711	1,413,311	1,522,387	1,690,864	1,544,528	1,675,899	1,675,117	1,857,499	2,161,840
Public safety		2,932,059	3,081,156	3,037,085	2,848,533	3,138,478	3,361,929	3,552,210	3,567,792	3,609,597	3,610,786
Public works		1,533,114	1,378,383	1,274,025	1,506,969	1,425,662	1,443,554	1,515,057	1,563,520	1,532,564	1,476,701
Parks and property		640,878	1,048,886	1,180,864	1,219,764	1,247,237	1,329,439	1,255,718	1,326,753	1,274,017	1,461,397
Planning and development		798,654	816,418	769,985	720,680	731,660	754,188	752,424	749,222	725,383	673,211
Capital outlay and other charges		5,597,629	6,373,624	9,811,888	6,523,829	2,300,517	2,514,250	3,454,001	1,683,150	2,907,287	6,713,574
Debt service											
Principal		6,617,134	2,391,049	6,772,029	1,142,840	1,251,348	1,533,000	3,604,000	1,249,000	15,381,373	3,699,000
Interest		1,201,985	1,682,137	1,428,966	1,273,793	1,242,209	1,413,811	1,557,370	1,616,835	1,641,636	919,221
Total expenditures		<u>20,697,403</u>	<u>18,545,364</u>	<u>25,688,153</u>	<u>16,758,795</u>	<u>13,027,975</u>	<u>13,894,699</u>	<u>17,366,679</u>	<u>13,431,389</u>	<u>28,929,356</u>	<u>20,715,730</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES		<u>(7,439,797)</u>	<u>(5,062,574)</u>	<u>(12,137,255)</u>	<u>(3,557,415)</u>	<u>75,004</u>	<u>(697,636)</u>	<u>(3,542,975)</u>	<u>1,260,782</u>	<u>(13,858,131)</u>	<u>(5,449,303)</u>
OTHER FINANCING SOURCES (USES)											
Transfers in		736,093	3,194,677	2,316,725	2,182,838	2,980,679	2,289,615	4,351,668	2,272,709	2,543,555	5,323,115
Transfers out			(3,847,420)	(1,469,268)	(1,683,503)	(2,759,945)	(1,696,079)	(3,891,517)	(1,567,434)	(1,825,489)	(4,604,299)
Bond proceeds		18,718,627	2,515,000	1,640,000				16,485,000			11,340,000
Bond issuance costs			(40,901)	(45,674)				(289,046)			(133,833)
Premium on bonds issued			62,642					817,942			412,624
Sale of capital assets			18,123	42,594	11,200						
Total other financing sources (uses)		<u>19,454,720</u>	<u>1,902,121</u>	<u>2,484,377</u>	<u>510,535</u>	<u>220,734</u>	<u>593,536</u>	<u>17,474,047</u>	<u>705,275</u>	<u>718,066</u>	<u>12,337,607</u>
NET CHANGES IN FUND BALANCES		<u>12,014,923</u>	<u>(3,160,453)</u>	<u>(9,652,878)</u>	<u>(3,046,880)</u>	<u>295,738</u>	<u>(104,100)</u>	<u>13,931,072</u>	<u>1,966,057</u>	<u>(13,140,065)</u>	<u>6,888,304</u>
DEBT SERVICE AS A PERCENTAGE OF NONCAPITAL EXPENDITURES		51.78%	33.46%	51.66%	23.61%	23.24%	25.89%	37.10%	24.39%	65.42%	32.98%

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

Fiscal Year	Property Tax	Sales Tax	Franchise Tax	Other Taxes	Total
2007	2,912,790	3,494,888	1,489,994	599,142	8,496,814
2008	3,139,336	4,678,101	2,604,620	532,404	10,954,461
2009	3,358,679	4,669,535	2,259,873	498,876	10,786,963
2010	3,407,529	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

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

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

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				
2007	177,899,820	14,917,070	325,977	33,716,535	2,012,289	228,871,691	1.3068	1,094,106,882	20.95%
2008	192,072,335	18,079,880	330,390	35,585,238	1,953,997	248,021,840	1.3068	1,184,100,196	20.97%
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%

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		
2007	0.4647	0.7170	0.1251	1.3068	0.0300	0.1335	0.1525	0.0381	0.2480	0.6636	0.3694	5.0397		7.9816	
2008	0.4647	0.7170	0.1251	1.3068	0.0300	0.1335	0.1500	0.0381	0.2480	0.6638	0.3696	5.0397		7.9795	
2009	0.4647	0.7170	0.1251	1.3068	0.0300	0.1351	0.1500	0.0385	0.2509	0.6607	0.3673	5.0397	0.6000	7.9790	
2010	0.4647	0.7170	0.1251	1.3068	0.0300	0.1351	0.1500	0.0500	0.2520	0.6684	0.3729	5.0397	0.6000	8.0049	
2011	0.4647	0.7170	0.1251	1.3068	0.0300	0.1357	0.1500	0.0500	0.2520	0.6997	0.3766	5.0397	0.6000	8.0405	
2012	0.4647	0.7170	0.1251	1.3068	0.0300	0.1357	0.1500	0.0500	0.2520	0.6997	0.3766	5.0397	0.6000	8.0405	
2013	0.4647	0.7170	0.1251	1.3068	0.0300	0.1360	0.1500	0.0500	0.2300	0.7091	0.3834	5.0397	0.6000	8.0350	
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	

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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	2016			2006		
	Taxable Assessed Value	Rank	Percentages of Total Assessed Valuation	Taxable Assessed Value	Rank	Percentages of Total Assessed Valuation
Sam's Club	4,027,210	1	1.38			
Wal-Mart	3,069,340	2	1.06	3,404,300	1	1.49
Launch Raymore, LLC (Manor Homes Apts.)	2,991,270	3	1.03			
Lowe's (Jemsite Development)	2,354,020	4	0.81			
Raymore Group, LLC (Raymore Mkt. Ctr.)	2,221,390	5	0.76			
Foxwood Springs	1,339,000	6	0.46	902,140	2	0.39
Missouri Gas Energy	1,088,590	7	0.37	619,420	3	0.27
MBSR Raymore MO, LLC (Walgreens)	736,010	8	0.25			
Willowind LLC	717,540	9	0.25			
Rsymore Health Care & Rehab, Inc. (East )	703,800	10	0.24	402,470	7	0.18
Raymore Galleria, LLC				219,780	10	0.10
Bauer Development				342,960	9	0.15
Community Bank of Raymore				382,990	8	0.17
Comcast of Missouri				437,088	6	0.19
Ryan's Steak House				520,420	5	0.23
Ladd, Glenn W. Trust				540,450	4	0.24
TOTALS	<u>19,248,170</u>		<u>6.62</u>	<u>7,772,018</u>		<u>3.39</u>
Total Commercial Real Property Assessed Value for Year	21,789,220			14,917,070		
Total Real, Personal, and Other Property Assessed Value for Year	290,902,454			229,197,668		

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
91	2007	2,995,155	2,857,661	95.409%	137,494	2,995,155	100.000%
	2008	3,245,467	2,944,747	90.734%	300,720	3,245,467	100.000%
	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%	65,085	3,218,345	94.197%
	2012	3,506,421	3,357,699	95.628%	57,978	3,415,677	97.412%
	2013	3,520,413	3,440,452	97.729%	45,256	3,485,708	99.014%
	2014	3,592,637	3,399,903	94.635%	43,655	3,443,558	95.850%
	2015	3,700,642	3,518,468	95.077%	44,514	3,562,982	96.280%
	2016	3,798,313	3,516,570	92.582%		3,516,570	92.582%

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	Certificates of Participation	Revenue Bonds	General Obligation Bonds			
2007	25,382,373	4,160,000	2,170,000	3,365,000	1,330,000	36,407,373	9.93%	2,384.24
2008	26,107,565	3,995,000	2,020,000	2,980,000		35,102,565	9.08%	2,152.74
2009	21,725,563	3,820,000	1,640,000	2,575,000		29,760,563	5.57%	1,732.48
2010	20,960,723	3,645,000	1,455,000	2,145,000		28,205,723	5.49%	1,556.18
2011	20,357,373	3,445,000	1,265,000	1,685,000		26,752,373	4.96%	1,392.92
2012	19,219,373	3,245,000	1,070,000	1,240,000		24,774,373	4.29%	1,282.45
2013	36,046,675	3,035,000	870,000	765,000		40,716,675	7.00%	2,082.69
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

Note: The per capita ratios are calculated using personal income and population data see page 97.



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
2007	26,712,373	(5,057,557)	21,654,816	1.98%	1,260.61
2008	26,107,565	(4,874,464)	21,233,101	1.79%	1,199.41
2009	21,725,563	(1,063,712)	20,661,851	1.69%	1,139.96
2010	20,357,373	(910,021)	19,447,352	1.56%	1,012.57
2011	19,815,000	(743,481)	19,071,519	1.56%	1,033.61
2012	18,695,000	(556,619)	18,138,381	1.51%	996.91
2013	32,005,000	(15,805,877)	16,199,123	1.25%	820.04
2014	31,931,745	(15,769,505)	16,162,240	1.25%	818.18
2015	17,249,815	(9,450)	17,240,365	1.29%	863.62
2016	23,998,001	(613,628)	23,384,373	1.70%	1,147.76

Notes: See page 88 for property value data  
See page 97 for population data  
(A) See page 26 for Debt Service Fund Balance

CITY OF RAYMORE, MISSOURI  
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT  
AS OF OCTOBER 31, 2016

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable	Estimated Share of Overlapping Debt
Debt repaid with property taxes Raymore-Peculiar School District	67,443,271	82.69%	55,770,797
City of Raymore, Missouri, Direct Debt			<u>28,414,001</u>
Total direct and overlapping debt			<u>84,184,798</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									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Debt Limit	45,839,534	49,670,446	51,615,882	52,188,000	52,114,828	53,664,235	53,950,202	54,983,726	56,684,408	58,180,491
Total net debt applicable to limit	<u>24,273,458</u>	<u>23,622,565</u>	<u>20,220,324</u>	<u>20,050,702</u>	<u>19,851,519</u>	<u>19,071,519</u>	<u>35,471,371</u>	<u>20,133,613</u>	<u>18,844,332</u>	<u>26,161,495</u>
Legal debt margin	<u>21,566,076</u>	<u>26,047,881</u>	<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>
Total net debt applicable to the limit as a percentage of the debt limit	52.95%	47.56%	39.17%	38.42%	38.09%	35.54%	65.75%	36.62%	33.24%	44.97%

Legal Debt Margin Calculation for Fiscal Year 2016

Assessed value	290,902,454
Add back: exempt real property	- 0 -
Total assessed value	<u>290,902,454</u>
Debt limit (20% of total assessed value)	58,180,491
Debt applicable to limit:	
Governmental long-term debt	28,414,001
Less: Amount set aside for repayment of general obligation debt	<u>(2,252,506)</u>
Total net debt applicable to limit	<u>26,161,495</u>
Legal debt margin	<u>32,018,996</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	Revenue Bonds			Sales Tax Revenues	Certificates of Participation and Special Obligation Bonds		
				Debt Service				Debt Service		
				Principal	Interest	Coverage		Principal	Interest	Coverage
2007	5,478,576	3,122,828	2,355,748	425,000	137,780	1,792,968	1,165,116	305,000	252,932	607,184
2008	5,145,077	3,407,794	1,737,283	1,659,644	223,998	(146,359)	1,255,734	315,000	285,414	655,320
2009	4,659,919	3,375,281	1,284,638	405,000	200,570	679,068	1,343,472	555,000	183,030	605,441
2010	5,902,537	4,358,066	1,544,471	430,000	165,203	949,268	1,545,588	360,000	208,138	977,450
2011	6,207,730	4,821,005	1,386,725	420,000	126,456	840,269	1,839,424	390,000	196,320	1,253,104
2012	6,744,467	5,139,786	1,604,681	445,000	109,829	1,049,852	1,833,982	395,000	183,346	1,255,636
2013	6,880,197	5,066,488	1,813,709	475,000	69,819	1,268,890	1,878,039	410,000	164,579	1,303,460
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

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

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

Fiscal Year	(1) Population	(1) Personal Income	(1) Per Capita Personal Income	(1) Median Age	(4) Percentage of Over 25 Population with Formal Education Beyond High School	(2) Public Primary School Enrollment	(3) Unemployment Rate
2007	17,178	62,135	22,496	35.6	57.3	5,640	4.0
2008	17,703	62,135	22,496	35.6	57.3	5,798	4.9
2009	18,125	73,825	29,474	37.2	57.3	5,875	7.8
2010	19,206	70,334	28,242	37.0	59.6	5,910	8.2
2011	19,206	78,778	28,060	36.5	68.9	5,907	7.2
2012	19,318	74,512	29,890	36.1	68.4	6,009	5.7
2013	19,550	73,864	29,753	36.1	66.9	5,975	5.7
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

Data Sources:

- 1 U.S. Census Bureau - QuickFacts - Date 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

Employer	2016			2007		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Foxwood Springs	357	1	2.64	275	3	3.41
Wal-Mart	340	2	2.51	500	2	6.21
Raymore-Peculiar School District **	324	3	2.39	263	1	3.26
Cosentino's Price Chopper	173	4	1.28			
Sam's Club	165	5	1.22			
Lowe's Home Improvement	130	6	0.96	130	4	1.61
Rehabilitation Center of Raymore	120	7	0.89	120	5	1.49
City of Raymore	103	8	0.76	112	6	1.39
Golden Corral	51	9	0.38			
Minsky's Pizza	32	10	0.24			
McDonald's				40	9	0.50
Ryan's Steakhouse				75	7	0.93
Community Bank of Raymore				43	8	0.53
South Metro Fire District				37	10	0.46
Totals	<u>1,795</u>		<u>13.27</u>	<u>1,595</u>		<u>19.79</u>
Total estimated workforce over age of 16	<u>13,528</u>			<u>8,058</u>		

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

\*\*Raymore-Peculiar School District - Number of employees for the entire district is 809; the number of employees employed within the City of Raymore is 357 - 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									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
General Government										
Administration	6.00	5.50	5.50	6.00	6.00	6.00	6.00	6.00	6.40	7.00
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	2.00	2.00	2.00	2.00
Community Development	10.00	8.00	8.00	6.50	6.50	6.50	6.50	6.50	6.00	6.00
Buildings and Grounds	2.00	2.20	2.20	2.20	2.20	2.20	2.30	2.30	2.30	2.20
Municipal Court	1.50	1.50	1.50	1.50	1.50	1.65	1.60	1.73	1.73	1.73
Finance	6.38	6.00	6.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
Police										
Law Enforcement	39.25	39.50	39.50	39.50	39.50	42.50	43.50	43.30	43.30	43.30
Emergency Management	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.20	1.20	1.20
Public Works										
Engineering	5.75	4.45	4.45	4.45	4.45	4.45	4.45	4.45	4.05	3.97
Streets	5.25	3.12	3.12	3.12	3.12	3.12	3.12	3.12	3.12	3.46
Storm water		2.92	2.92	2.92	2.92	2.92	2.92	2.92	3.32	3.25
Water	5.48	5.75	5.75	5.75	5.75	5.75	5.75	5.75	5.75	6.09
Sewer	5.52	5.75	5.75	5.75	5.75	5.75	5.75	5.75	5.75	6.08
Parks and Recreation										
Parks	3.45	3.75	5.15	5.15	5.15	6.00	6.20	6.20	6.20	6.02
Recreation	3.55	4.05	2.65	2.65	2.65	2.80	3.00	3.00	3.00	2.92
Total	<u>99.13</u>	<u>97.49</u>	<u>97.49</u>	<u>95.49</u>	<u>95.49</u>	<u>99.64</u>	<u>101.09</u>	<u>101.22</u>	<u>101.12</u>	<u>102.22</u>

Source: Annual budget

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

Function	Fiscal Year									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Development										
Building permits issued	870	652	675	678	678	1,284	889	990	1,151	1,510
Inspections completed	4,470	3,150	3,032	3,223	3,223	4,288	3,822	4,988	4,704	6,148
Code enforcement complaints	n/a	364	434	410	410	318	296	252	275	492
Code enforcement cases	307	352	435	425	425	372	302	219	229	424
Development plans reviewed	392	286	352	251	251	252	288	269	261	534
Police										
911 calls taken	8,127	8,137	8,454	8,114	8,114	8,350	9,133	8,810	9,836	10,439
Arrests made	870	832	1,014	925	925	996	1,211	965	661	747
Citations issued	1,749	2,467	1,956	2,508	2,508	3,062	4,770	2,631	2,363	3,308
Animal control cases	432	463	487	344	344	352	353	349	380	403
Streets and highways										
Street resurfacing (sq yds)	17,242	37,985	159,058	106,958	106,958	115,731	121,229	3,025	15,477	39,980
Street reconstruction (sq yds)	54,725	44,653	4,000	12,855	12,855	1,588	32,590	33,678		
Street micro/cip seal (sq yds)									46,743	73,947
New roads (sq yds)	30,573	56,336	57,952			6,461	8,775	8,433	9,898	14,740
Potholes repaired (sq yds)			3,686	2,100	2,100	1,095	662	350	693	699
Trail reconstruction (sq yds)									2,261	5,737
Property										
Buildings maintained (sq ft)	63,632	63,632	63,632	67,132	67,162	67,132	69,532	69,532	69,532	69,532
Land (acres)	256	285	285	285	285	285	285	285	285	285
Recreation										
Recreation programs offered	72	50	45	93	93	165	164	159	148	156
Recreation programs' participation	3,571	3,381	3,913	3,800	3,800	3,700	4,086	4,387	4,616	4,449
Special events	13	13	13	14	14	12	12	12	11	13
Shelter rentals	74	97	102	110	110	121	114	161	159	116
Park house rentals	115	110	116	116	116	205	237	380	304	269
Theme park tickets sold	175	102	111	92	92	169	123	122	74	141



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

Function	Fiscal Year									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Court										
Completed court cases	2,705	3,534	2,785	3,148	3,148	2,986	4,206	4,177	3,365	3,179
Water										
New connections	98	34	60	68	68	54	82	98	96	179
Line breaks repaired	9	7	6	7	7	10	6	11	10	11
Meters replaced	1,165	512	157	269	269	311	374	378	344	108
Replaced pipe (lf)									300	4,335
Sewer										
New residential connections	107	87	63	66	66	58	84	93	116	213
New commercial connections	29	32	n/a	2	2	5	4	1	2	2
Line breaks repaired	2	2	n/a	n/a	n/a	n/a	n/a	n/a	n/a	1
Replaced/lined pipe (lf)									5,036	6,228
Storm Water										
Storm sewer replaced (lf)	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	382	n/a

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

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

Function	Fiscal Year									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Public safety										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol units	9	9	9	9	9	10	10	10	10	10
Highways and streets										
Streets (miles)	119.3	121.4	121.4	123.1	123.1	123.6	124.2	124.8	125.5	126.4
*Streetlights	1,233	1,253	1,262	1,288	1,293	1,364	1,364	1,364	1,364	1,364
Culture and recreation										
Parks acreage - developed	173.65	202.01	202.01	205.89	205.89	205.89	205.89	205.89	205.89	205.9
Parks acreage - undeveloped	4	83	83	79	79	79	79	79	79	79
Parks - developed	6	5	6	7	7	7	8	8	8	8
Parks - undeveloped	1	2	2	1	1	1	1	1	1	1
Multi-purpose trails (miles)	6.1	10.4	10.4	10.0	10.0	10.0	10.0	10.0	10.0	10.0
Tennis courts	6	6	6	6	6	6	6	6	6	6
Baseball fields	8	8	10	8	8	8	8	8	8	8
Picnic tables	48	48	48	48	48	48	49	49	49	49
Playgrounds	3	3	3	3	4	6	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	6	6	7	7	7	7	7	7	7	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
Water										
Water mains (miles)	100.1	103.5	103.5	103.9	103.9	104.4	105.6	106.1	106.8	107.6
Fire hydrants	902	910	921	921	921	930	942	948	957	969
Sewer										
Storm sewers (miles)	47.9	49.9	50.5	53.9	54.0	54.5	54.9	55.4	56.0	56.4
Sanitary sewers (miles)	98.1	100.9	101.9	102.2	102.2	102.5	102.5	103.0	103.1	103.7



**DANA F. COLE  
& COMPANY<sup>LLP</sup>**  
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, 2016, and have issued our report thereon dated February 8, 2017.

**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 2016-001.

## 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 8, 2017

CITY OF RAYMORE, MISSOURI  
SCHEDULE OF FINDINGS AND RESPONSES  
YEAR ENDED OCTOBER 31, 2016

2016-001 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 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, budgetary comparison schedules, and other supplemental information.

CITY OF RAYMORE, MISSOURI  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
YEAR ENDED OCTOBER 31, 2016

2015-001 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 2016-001 for the year ending October 31, 2016.

## **APPENDIX C**

### **PROPOSED FORM OF OPINION OF BOND COUNSEL**

City of Raymore, Missouri  
Raymore, Missouri

Commerce Bank  
Kansas City, Missouri

Re:     \$2,750,000 City of Raymore, Missouri General Obligation Bonds, Series 2017

Ladies and Gentlemen:

We have acted as bond counsel in connection with the issuance by the City of Raymore, Missouri (the “City”), of the above-captioned bonds (the “Bonds”).

We have examined the law and such certified proceedings and other documents as we deem necessary to render this opinion. As to questions of fact material to our opinion, we have relied upon the certified proceedings and other certifications of public officials furnished to us without undertaking to verify the same by independent investigation.

Based upon the foregoing, we are of the opinion, under existing law, as follows:

1.     The Bonds are valid and legally binding general obligations of the City, payable as to both principal and interest from ad valorem taxes which may be levied without limitation as to rate or amount upon all the taxable tangible property, real and personal, within the territorial limits of the City.

2.     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 imposed on individuals and corporations, but is taken into account in determining adjusted current earnings for the purpose of computing the alternative minimum tax imposed on certain corporations. The opinions set forth in this paragraph are subject to the condition that the City complies with all requirements of the Internal Revenue Code of 1986, as amended (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 have been designated as “qualified tax-exempt obligations” within the meaning of Section 265(b) 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. 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,