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# CITIZENS SUMMARY

## Findings in the audit of the City of Raytown

<p><b>Restricted Monies</b></p>	<p>The city can improve its monitoring of the use of restricted city sales taxes used to subsidize the Tax Increment Financing (TIF) debt associated with the Raytown Live Redevelopment Area (Raytown Live). The city has not determined and does not monitor the restricted portions of the TIF debt to ensure the non-captured (city) portion of the restricted sales taxes contributed by the city to pay the TIF debt are used only for allowable purposes. The city is not monitoring the outstanding TIF debt related to transportation or stormwater projects and has not determined the outstanding portion of TIF debt related to capital improvements projects. The city provides accounting services for the Highway 350 Transportation Development District (TDD), but since the city is not tracking the balance of the TIF debt, the TDD sales tax could be improperly collected after the transportation portion of the TIF debt is retired. The contributions of the city portion of the Economic Activity Taxes collected within the Raytown Live TIF is not reported transparently in the budgets or financial statements. The city is not properly tracking the expenditures and balance of state motor-vehicle related monies. The city has no documentation to justify the allocation of salaries and fringe benefits of several city employees.</p>
<p><b>Disbursements</b></p>	<p>The city did not solicit bids or proposals for some goods and services purchased in accordance with the city's purchasing policy. The city made severance payments totaling \$70,161 to 9 Police department employees during the year ended October 31, 2017, that were not necessary and reasonable. One of these agreements was not formally approved by the Board of Aldermen (Board). The city rehired 4 of these employees by December 1, 2017. The city did not have affidavits from some vendors certifying no conflicts of interest existed with any city officer or employee, appointed or elected, as required by the city purchasing policy.</p>
<p><b>Budgets and Receipting Procedures</b></p>	<p>City budgets do not include all statutorily required elements. City personnel do not account for the numerical sequence of receipt slips issued from the financial accounting system.</p>
<p><b>Sunshine Law</b></p>	<p>The city did not ensure compliance with the Sunshine Law for closed meetings held by the Board, the Park Board, or the BMX Advisory Board. The Board and Park Board did not maintain meeting minutes for all closed meetings, and discussed some items in closed meeting that were either not allowed by state law or were not cited as the reason for closing the meeting. The Board cited the same reasons for closing many of its meeting, but either did not discuss, or did not adequately document discussion related to some topics cited as the reason for closing the meeting. Park Board minutes did not contain all information required by state law. The BMX Advisory Board does not hold Board meetings consistently.</p>
<p><b>Police Department Volunteers</b></p>	<p>The city does not have a contract or formal agreement with a local not-for-profit (NFP) organization that documents the duties and responsibilities of each party. The Police department did not have a method to ensure all expenses eligible for reimbursement from the NFP were requested as applicable. The department did not follow, or did not properly document,</p>

the screening procedures for citizens applying to work in the department's Volunteer Corp as established by department policy.

Parks and Recreation  
Department Policies and  
Procedures

Receipt slips are not issued for any payments received or amounts transmitted to the Parks and Recreation department and the composition (cash, check, or credit card) of payments received is not compared to the composition of deposits by an independent person. The Park Board has not adopted specific policies and procedures to provide oversight of the BMX Advisory Board.

In the areas audited, the overall performance of this entity was **Fair**.\*

\*The rating(s) cover only audited areas and do not reflect an opinion on the overall operation of the entity. Within that context, the rating scale indicates the following:

- Excellent:** The audit results indicate this entity is very well managed. The report contains no findings. In addition, if applicable, prior recommendations have been implemented.
- Good:** The audit results indicate this entity is well managed. The report contains few findings, and the entity has indicated most or all recommendations have already been, or will be, implemented. In addition, if applicable, many of the prior recommendations have been implemented.
- Fair:** The audit results indicate this entity needs to improve operations in several areas. The report contains several findings, or one or more findings that require management's immediate attention, and/or the entity has indicated several recommendations will not be implemented. In addition, if applicable, several prior recommendations have not been implemented.
- Poor:** The audit results indicate this entity needs to significantly improve operations. The report contains numerous findings that require management's immediate attention, and/or the entity has indicated most recommendations will not be implemented. In addition, if applicable, most prior recommendations have not been implemented.



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**Recommendations in the audit of the City of Raytown**

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**Restricted Monies**

The Board of Aldermen:

- 1.1 Determine the remaining portion of the overall Tax Increment Financing (TIF) debt being paid with restricted sales tax collections and develop procedures to monitor the amount of outstanding TIF debt associated with each restricted activity, for both the city and the transportation development district, to ensure compliance with state law.
- 1.2 Ensure the city portion of the economic activity taxes (EATS) collected on TIF projects are recorded in the appropriate fund and any contributions of these funds are budgeted transfers from the applicable funds.
- 1.3 Determine the balance of motor-vehicle related revenues in the General Fund and establish a separate fund or a separate accounting for these monies.
- 1.4 Ensure salaries are properly allocated to the applicable city funds and allocations are supported by adequate documentation.

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**Disbursements**

The Board of Aldermen:

- 2.1 Solicit competitive bids and proposals for all applicable purchases in accordance with the city purchasing policy.
- 2.2 Consider the necessity of severance packages in the future and if granted, ensure they are reasonable and authorized by the Board.
- 2.3 Ensure an affidavit is received from all vendors confirming no conflicts of interest exists with any officer or employee.

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**Budgets and Receipting Procedures**

The Board of Aldermen:

- 3.1 Prepare annual budgets that contain all information required by state law.
- 3.2 Account for the numerical sequence of receipt slips issued.

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**Sunshine Law**

The Board of Aldermen work with the Park Board and the BMX Advisory Board to ensure complete and accurate minutes are kept for all closed meetings and only allowable topics are discussed in closed meetings. In addition, ensure the specific section of law allowing the closure is announced publicly and recorded in the minutes, and ensure discussions in closed meetings are limited to only those specific reasons cited for closing the meeting. Also, ensure minutes are maintained for any work sessions.

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Police Department Volunteers

The Board of Aldermen:

- 5.1 Work with Police department personnel to establish a formal agreement with the not-for-profit that documents the duties and responsibilities of both parties. In addition, ensure applications for any future funding are maintained and grant agreements exist to specify requirements for reimbursement of costs.
- 5.2 Ensure screening procedures for applicants for the Volunteer Corp are performed and documented in accordance with existing policies.

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Parks and Recreation  
Department Policies and  
Procedures

The Board of Aldermen work with the Park Board to:

- 6.1 Ensure prenumbered receipt slips are issued for all monies received and account for the numerical sequence of receipt slips issued. In addition, the composition of receipts should be reconciled to the composition of transmittals by an independent person.
- 6.2 Establish policies and procedures for accounting records to be maintained by the BMX Advisory Board and provide adequate oversight to ensure all money received is transmitted to the Parks and Recreation department.