



**CITY OF LIBERTY, MISSOURI**

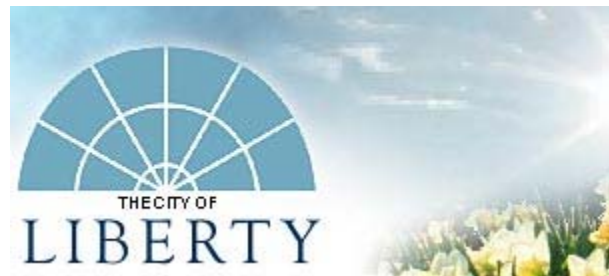
Comprehensive Annual Financial Report

For The Year Ended December 31, 2011

---

**CITY OF LIBERTY, MISSOURI**  
**COMPREHENSIVE ANNUAL**  
**FINANCIAL REPORT**  
*FOR THE YEAR ENDED DECEMBER 31, 2011*

---



---

*Report prepared and submitted by the  
Department of Finance*

# Contents

---

	Page
<b>Part I - Introductory Section:</b>	
Letter Of Transmittal.....	i - vi
Certificate Of Achievement For Excellence In Financial Reporting .....	vii
City Organizational Chart .....	viii
Principal Officials .....	ix
<b>Part II - Financial Section:</b>	
<b>Independent Auditors' Report</b> .....	1 - 2
<b>Management's Discussion And Analysis - Required Supplementary Information</b> .....	3 - 17
<b>Basic Financial Statements</b>	
Government-Wide Financial Statements:	
Statement Of Net Assets .....	18 - 19
Statement Of Activities .....	20
Fund Financial Statements:	
Governmental Funds:	
Balance Sheet.....	21
Reconciliation Of Total Governmental Fund Balances To Net Assets Of Governmental Activities .....	22
Statement Of Revenues, Expenditures And Changes In Fund Balances - Governmental Funds .....	23
Reconciliation Of The Statement Of Revenues, Expenditures And Changes In Fund Balances Of Governmental Funds To The Statement Of Activities .....	24
Proprietary Funds:	
Statement Of Net Assets - Enterprise Funds.....	25
Statement Of Revenues, Expenses And Changes In Net Assets - Enterprise Funds .....	26
Statement Of Cash Flows - Enterprise Funds .....	27
Fiduciary Funds:	
Statement Of Assets And Liabilities - Agency Funds.....	28
Notes To Basic Financial Statements.....	29 - 58

## Contents

---

	Page
<b>Required Supplementary Information - Budgetary Comparison Information</b>	
Schedule Of Revenues, Expenditures And Changes In Fund Balances - Budget And Actual - General Fund .....	59
Schedule Of Revenues, Expenditures And Changes In Fund Balances - Budget And Actual - Parks Fund.....	60
Note To Budgetary Comparison Information.....	61
Additional Required Supplementary Information .....	62 - 63
<b>Supplementary Information</b>	
Combining Balance Sheets:	
Nonmajor Governmental Funds .....	64
Nonmajor Special Revenue Funds .....	65
Nonmajor Capital Projects Funds.....	66
Nonmajor Debt Service Funds .....	67
Nonmajor Permanent Funds.....	68
Combining Statement Of Revenues, Expenditures And Changes In Fund Balances:	
Nonmajor Governmental Funds.....	69
Nonmajor Special Revenue Funds .....	70
Nonmajor Capital Projects Funds.....	71
Nonmajor Debt Service Funds .....	72
Nonmajor Permanent Funds.....	73
Schedule Of Revenues, Expenditures And Changes In Fund Balances - Budget And Actual:	
Capital Sales Tax Fund .....	74
Transportation Sales Tax Fund .....	75
Liberty TIF Fund .....	76
Cemetery Fund.....	77
Police Training Fund .....	78
Parks Capital Fund.....	79
Fire Sales Tax Fund.....	80
Cable Reserve Fund .....	81
Special Assessment Neighborhood Improvement Fund .....	82
Public Facilities Authority Fund.....	83
Frank Hughes Memorial Trust Fund .....	84
Mt. Memorial Cemetery Trust Fund .....	85
Fairview Cemetery Trust Fund.....	86
Statement Of Changes In Assets And Liabilities - Agency Funds .....	87 - 88

## Contents

---

	<b>Page</b>
<b>Part III - Statistical Section:</b>	
Net Assets By Component.....	89
Changes In Net Assets .....	90 - 91
Program Revenues By Function/Program.....	92
Fund Balances, Governmental Funds .....	93
Changes In Fund Balances, Governmental Funds .....	94 - 95
Tax Revenues By Source, Governmental Funds.....	96
Assessed Value And Estimated Actual Value Of Taxable Property .....	97
Direct And Overlapping Property Tax Rates .....	98
Principal Property Taxpayers .....	99
Property Tax Levies And Collections .....	100
Ratios Of Net General Bonded Debt Outstanding By Type .....	101
Direct And Overlapping Governmental Activities Debt.....	102
Legal Debt Margin Information.....	103
Pledged Revenue Coverage .....	104
Demographic And Economic Statistics.....	105
Principal Employers .....	106
Full-Time Equivalent City Government Employees By Functions/Programs .....	107 - 109
Operating Indicators By Function/Program .....	110
Capital Asset Statistics By Function/Program .....	111

---

## **Introductory Section**

---



June 27, 2012

To the Honorable Mayor, Members of the City Council,  
and Citizens of the City of Liberty, Missouri:

### **Management Responsibility**

The Comprehensive Annual Financial Report (CAFR) of the City of Liberty, Missouri (the City), for the fiscal year ended December 31, 2011, is hereby submitted for your review. This report was prepared by the Finance Department in close cooperation with the external auditor, RubinBrown LLP. The responsibility for the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with the City. We believe the data, as presented, is accurate in all material aspects, that it is presented in a manner designed to fairly set forth the financial activity of its various funds and that all disclosures necessary to enable the reader to gain the maximum understanding of the City's financial affairs have been included. Management's Discussion and Analysis ("MD&A") immediately follows the independent auditor's 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.

### **The Financial Reporting Entity**

This report is prepared in accordance with accounting principles generally in conformance with the standards of financial reporting set forth by the Governmental Accounting Standards Board (GASB), and the guidelines recommended by the Government Finance Officers Association (GFOA). This financial report includes all the funds of the City. The City provides a full range of services including police and fire protection; emergency medical services; water and sanitation services; traffic regulation and municipal court services; construction and maintenance of highways, streets, and bridges; recreational activities, and cultural events.

The Liberty, Missouri Public Facilities Authority is included in this report as a blended component unit. Blended component units, although legally separate entities, are in substance, part of the City's operations due to the level of control exercised by the City.

### **Accounting Controls**

Management of the City is responsible for establishing and maintaining an internal control designed to ensure that the 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. The internal control is 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 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, each of which is considered to be a separate accounting entity. The operations of each fund are accounted for by providing a separate set of self-balancing accounts, which comprise its assets, liabilities, equities, revenues and expenditures or expenses. The various funds are grouped by type in the basic financial statements.

Accounting records for the City's general governmental operations are maintained on an accrual basis with the revenues being recorded when measurable and available, and expenditures being recorded when the liability is incurred. The City's accounting records for proprietary funds are also maintained on the accrual basis.

### **Budgetary Controls**

The city administrator and the assistant city administrator/finance director are responsible for the annual preparation of a budget for the upcoming fiscal year based on estimated revenues and projected service level needs. The major focus of the budget is preparation of a financing plan based on available resources. The revenue forecast identifies the various revenue sources to be used in funding municipal services and forecasts the amount of revenue to be produced. City service levels are then established based on the revenue forecast.

The formal budget document is reviewed by the City Council and is formally adopted by the passage of a budget ordinance each December with the budget to become effective on January 1 of the next year. Once adopted, the finance department monitors the budget on a monthly basis. Operating budgets are monitored on a department level basis. Under this form of budget control, an individual division or department may exceed budgeted amounts for that division or department so long as the fund as a whole does not exceed budgeted funds. Any expenditure that will cause a fund to exceed the total fund budget must be approved by the City Council through a budget amendment ordinance.

Capital budgets are monitored on a project basis. Any expenditure, which would cause a project to exceed budgeted amounts, must be approved by the City Council through a budget amendment ordinance.

### **Government Structure**

Liberty was first settled in 1822 and in 1829 presented a petition to the Clay County Court requesting incorporation so that the citizens could be self-governing. On May 7, 2004 Liberty celebrated the 175th anniversary of that incorporation.



In 1851, Liberty was incorporated as a special charter city. That charter was amended in 1861 and, with few exceptions, provides the form of government enjoyed today. The City has operated under a council-administrator form of government since 1964.

Policymaking and legislative authority are vested in the City Council, which consists of a mayor and an eight-member council. The City Council is responsible for, among other things, passing ordinances, adopting the annual budget, appointing committees, hiring the City administrator, and approving the appointment of department heads. The Council also has the power by state statute to extend its corporate limits by annexation, which is done when deemed appropriate by the Council. The Council is elected on a nonpartisan basis. Council members are elected to four-year staggered terms with four council members elected every two years. The City is divided into four council wards, with two members in each ward. One Council member from each ward is up for election every two years. The Mayor is elected to a two-year term. The City Council meets on the second and fourth Monday of each month in regular session and on the first and third Monday in “study or work session”.

The City administrator is responsible for carrying out the policies and ordinances of the City Council, overseeing the day-to-day operations of the City, and, subject to confirmation by the Council, appointing the heads of the various City departments.

### **Economic Condition and Outlook**

The City of Liberty is a suburb located, 15 miles northeast of downtown Kansas City, Missouri encompassing approximately 29 square miles with a population of about 30,000 people. In the first century of its existence, the City experienced moderate growth and development. In recent years Liberty has become part of the mainstream of urban expansion along the Interstate 35 corridor running north and south along the west boundaries of Liberty, as well as the Highway 152 corridor to the west. Highway 291 is another main north/south corridor through the City. Additional demographic and economic information is included in the Statistical Section of this report.

The City of Liberty is home to William Jewell College. Founded in 1849 as the first four-year men’s college west of the Mississippi when a charter was granted by the Missouri legislature, it is now a nationally recognized co-ed, liberal arts college. The regional area is served by Liberty Hospital, which has emerged as a major health care provider in the metropolitan Kansas City area since its inception in the 1970s. The Liberty School District, recipient of numerous awards for excellence, serves 85 square miles of Clay County, which includes the entire City of Liberty, as well as sections of Kansas City North.

In 2009, *Money Magazine* named Liberty as one of the nation’s best places to live. Twenty-ninth on their list of America’s best small towns, *Money Magazine* commented on Liberty’s clean, tree-lined college town atmosphere with historical districts and buildings listed on the National Register of Historic places. In 2011, this declaration was further validated by *Family Circle Magazine* listing Liberty as the third Best Towns and Cities for Families, *Money Magazine/CNN* ranking Liberty as the seventh Best Places to Live and being sixth on *Missouri Life* Top 10 Town list.

In addition to more than 120 businesses located in the downtown area, including both retail and other businesses, Liberty has six shopping centers located along major highways within the City. Other area industry consists of printing, metal fabrication, auto parts and paperboard manufacturing, industrial wholesale and retail distribution. The 10 principal employers within the City are listed in the Statistical Section of this report.

Due to the recent economic downturn, residential and commercial construction showed decline from historical patterns as reflected in the decrease of building permits issued in 2011. However, retail development and construction has continued to experience moderate additions. Initiated in earlier years through a tax incremental financing plan, the City has three major retail project areas (Liberty Triangle, Roger's Plaza and Blue Jay Crossing) that are continuing to build out. 2011 saw opening of a 45,000 square foot Dick's Sporting Goods store in the Liberty Triangle. Roger's Plaza added an 83 room, 45,966 square foot hotel with a water theme park, as well as an urgent care medical facility. For 2012, the City will see within the Liberty Triangle development area the addition of Pizza Ranch, a regional restaurant serving nine upper Midwest states and the construction of a Discount Tire store, a national automotive supply and repair company serving 23 states.

Coupled with Council's focus on developing a 21<sup>st</sup> Century job base for the City through the select use of tax incentives and supporting City infrastructure investments, the City has secured a new \$100 million integrated Ford stamping plant in Liberty. The plant is under construction along Liberty's South Liberty Parkway and, when opened will generate 250 new, high paying jobs within Liberty. Additionally, the City authorized the issuance of \$46 million in industrial revenue bonds for Missouri Becknell LLC and LMV Automotive Systems to construct an auto-related supply plant that is expected to generate an additional 156 jobs.

The Liberty City Council has worked diligently over the past two year to create an environment for economic development with the intent to build a more diverse economic base and attract new jobs to the community. The City recently partnered with California-based BioRealty to market and develop Liberty's 42 acre Science and Technology Park.

Building permit activity for the past 10 years is detailed in the Statistical Section.

Binding the efforts of economic development, the City has previously developed and continues to implement a number of economic planning tools as resources allow. The Blueprint for Liberty Future Land Use Plan provides the direction for the growth and development of the community. The plan identifies the major goals and policies of the City Council relative to City services and infrastructure required to meet the demands of a growing city, while ensuring quality development and maintaining Liberty's special community character. The comprehensive plan addresses future land use, major street planning, parks and open space, and storm water management. The plan was amended in June 2006 to include the South Liberty Parkway Corridor Study. This study has components that will assist the City as it considers future roadway projects, land use proposals, or economic development throughout the corridor. Also included is the Public Utilities/Facilities Plan, which identifies the system requirements for sanitary sewer, water distribution and fire protection services.

## **Long-Term Financial Planning**

Fiscal Year 2011 proved to be a challenging, but promising year on the economic front. The City did experience a small turnaround on revenue declines, most importantly within our sales tax revenues. The strains and uncertainty of the economy still continue to impact major revenue categories such as property tax, licenses, permits and fees. To address this ongoing financial challenge, the City again focused on cost containment efforts in order to meet fiscal priorities and service requirements to its residents and prepare the City for long-term financial health and stability. These cost containment efforts began in 2008 are continuing through the current year. Vacant positions were carefully evaluated and approved and filled only when essential. Employee salaries were provided only a 2% across the board salary increase, the first salary adjustment in two years. Insurance benefit plans were subject to cost controls; planned studies were deferred; contractual expenditures were controlled; and capital purchases were deferred when possible.

Due to the need to treat the fiscal condition as an ongoing interactive process, staff developed and shared forecasts with the Budget Committee on a regular basis. This committee was formed in 2009 to better facilitate elected official communication and coordination. A multitude of meetings and work sessions were held with the Budget Committee/City Council during 2011 to keep Council informed on revenue trends and to partner with Council on prioritizing any additionally required expenditure adjustments that may have been required. The City is continuing these processes in fiscal year 2012.

The City of Liberty has a number of forecasting tools for long-term financial planning. Capital/infrastructure financial forecasting is segmented into near-term (3 to 5 years) and long-term models. Utility enterprise operating requirements are supported by a four-year utility forecasting model developed by consultants used to establish annual user rate assessments. Work has begun on a five-year General Fund model that will be finalized in 2013 and will be an important operating tool for the future. Further, staff and the Budget Committee have begun work on fund balance and debt level policies that will provide Council direction on these important operating elements.

## **Major Initiatives**

The City continues to work with its community partners at The Liberty Chamber of Commerce and the Local Partnership for Community Growth to make long-term investments for the public good. Complementing these efforts, the City's Economic Development Manager has focused on business development and retention. The City is making efforts to position itself in the expanding field of science and technology development, with priority on animal health sciences, and has approved selective tax incentive policies to assist in these endeavors.

## **Other Information**

### **Independent Audit**

City policy requires an annual audit to be made of financial statements of the various funds. The independent certified public accounting firm of RubinBrown LLP audited the financial statements contained in this report for the year ended December 31, 2011. The auditor's report on the basic financial statements is included in the financial section of this report.

### **Certificate Of Achievement**

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 Liberty, Missouri for its Comprehensive Annual Financial Report for the fiscal year ended December 31, 2010. The Certificate of Achievement of Excellence in Financial Reporting recognizes conformance with the highest standards for preparation of state and local government financial reports.

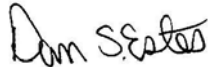
In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized Comprehensive Annual Financial Report (CAFR), whose contents conform to program standards established by the GFOA. Such CAFR must satisfy both accounting principles generally accepted in the United States of America and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. The City of Liberty, Missouri has received a Certificate of Achievement consecutively since December 1986. We believe our current report continues to conform to the Certificate of Achievement program requirements and is being submitted to the GFOA for review.

### **ACKNOWLEDGMENTS**

The services of a competent and dedicated finance department staff are responsible for preparing, reviewing and editing this report. Appreciation also is extended to the Mayor, City Council, City Administrator, and other City staff for contributing to sound financial planning and economic restraint throughout the year.

Respectfully submitted,



Dan Estes  
Assistant City Administrator/Finance Director

# Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Liberty  
Missouri

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended  
December 31, 2010

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.

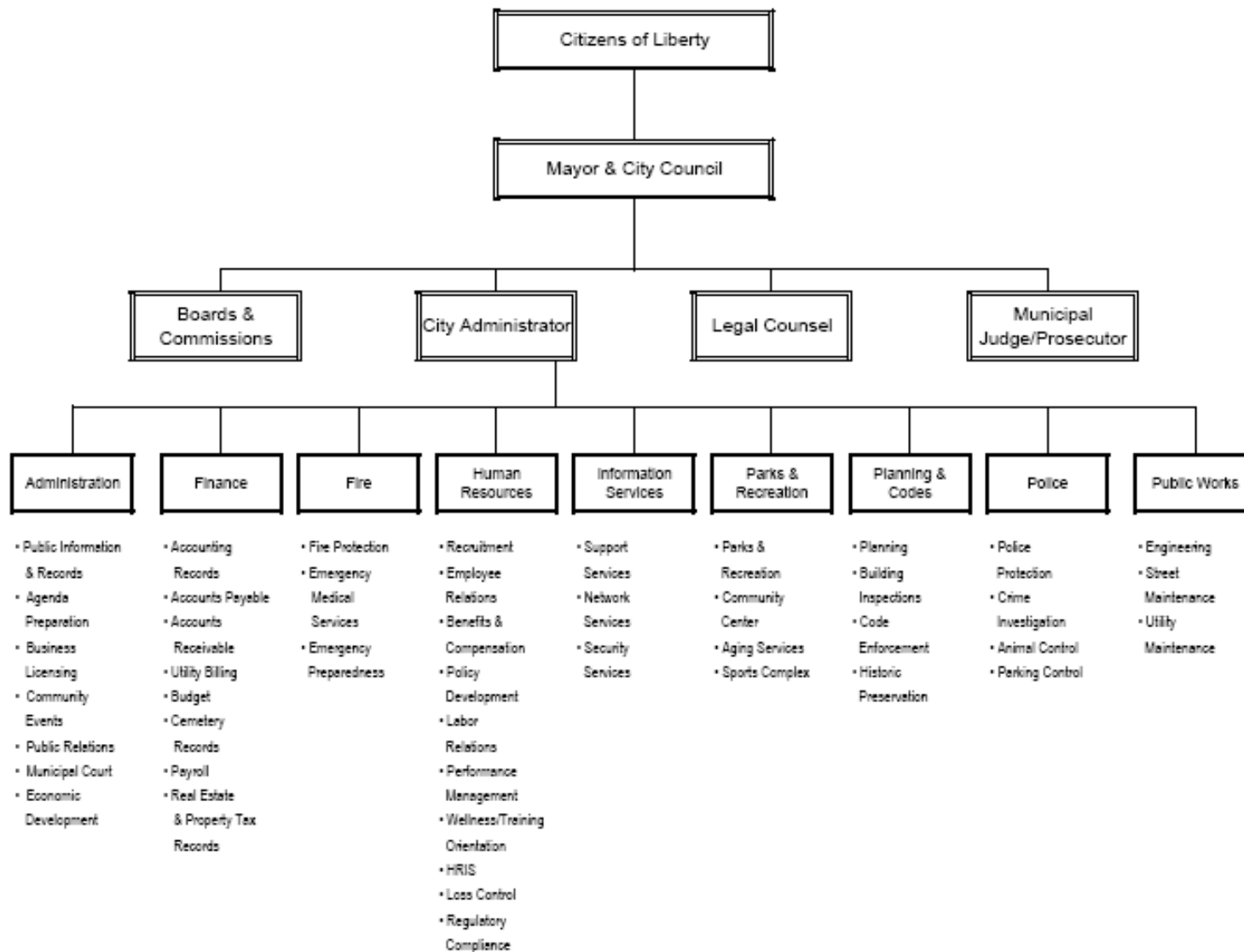


*Linda C. Dandson*

President

*Jeffrey R. Emer*

Executive Director



# CITY OF LIBERTY, MISSOURI

## LIST OF PRINCIPAL OFFICIALS

---

### Elected Officials

<b>Title</b>	<b>Name</b>
Mayor	Greg Canuteson
Council Member, First Ward	Paul M. Jenness
Council Member, First Ward	Harold A. Phillips
Council Member, Second Ward	Greg Duncan
Council Member, Second Ward	Jeff Moore
Council Member, Third Ward	Lyndell W. Brenton
Council Member, Third Ward	Jeff Watt
Council Member, Fourth Ward	Michael Hagan
Council Member, Fourth Ward	S. Nick King

### Appointed Officials

Municipal Court Judge	Thomas C. Capps
Municipal Prosecutor	Thomas C. McGiffin
City Administrator	Curtis C. Wenson
Assistant City Administrator/Finance Director	Dan Estes
Deputy City Clerk	Janet Pittman
Fire Chief	Mike Snider
Human Resources Director	Amy Brusven
Informational Services Director	Tony Sage
Parks and Recreation Director	Dennis Dovel
Police Chief	James Simpson
Public Works Director	Steven P. Hansen
Development Director	Vacant
Utilities Director	Charles Stevens

---

## **Financial Section**

---





RubinBrown LLP  
Certified Public Accountants  
& Business Consultants

10975 Grandview Drive  
Suite 600  
Overland Park, KS 66210

T 913.491.4144  
F 913.491.6821

W [rubinbrown.com](http://rubinbrown.com)  
E [info@rubinbrown.com](mailto:info@rubinbrown.com)

## Independent Auditors' Report

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of City of Liberty, Missouri (the City) as of and for the year ended December 31, 2011, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City's management. Our responsibility is to express 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our 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, each major fund, and the aggregate remaining fund information of the City as of December 31, 2011, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

As discussed in Note 1 to the financial statements, the City adopted the provisions of GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, in 2011.

The Management's Discussion and Analysis, the Budgetary Comparison Information, and the Schedule of Funding Progress, as listed in the table of contents, are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures 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.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory section, the combining and individual nonmajor fund financial statements and other schedules - supplementary information and the statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual nonmajor fund financial statements and schedules - supplementary information are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. This information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, this information 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.

*RubinBrown LLP*

June 27, 2012

---

## **Management's Discussion And Analysis**

---

---

**CITY OF LIBERTY, MISSOURI**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**December 31, 2011**

---

We offer those interested in the financial statements for the City of Liberty, Missouri (the City) this narrative overview and analysis of the financial activities of the City for the fiscal year ended December 31, 2011. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found in the introductory section of this report.

**FINANCIAL HIGHLIGHTS**

- The assets of the City exceeded its liabilities at the close of the fiscal year by \$79,011,576 (net assets). Of the assets that may be used to meet the government's ongoing obligations to citizens and creditors (unrestricted net assets), the City had a deficit amount of \$18,326,757. This is predominately due to the recording of certain Tax Incremental Financing (TIF) debt obligations in which the City must record the debt liability, but has no offsetting assets.
- The City's total net assets increased by \$2,800,439. Of this amount, \$2,186,138 was from the City's "governmental activities" and \$614,301 was from the "business-type activities".
- As of the close of this current fiscal year, the City's governmental funds reported combined ending fund balances of \$14,466,063; an increase of \$625,918 in comparison with the prior year.
- Approximately \$3,668,127 (25.4%) of the combined governmental fund balances of \$14,466,063 is available for spending at the government's discretion (unassigned fund balance).
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$3,668,127 or 23.9% percent of total General Fund expenditures.
- The City had debt service retirements totaling \$10,459,499 during the current fiscal year. Total debt service decreased by \$5,404,043 (10.3%) in 2011 in all categories of City held debt excluding capital leases for equipment.

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

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

**OVERVIEW OF THE FINANCIAL STATEMENTS**

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements comprise three components: 1) government-wide financial statements; 2) fund financial statements; and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements.

# CITY OF LIBERTY, MISSOURI

---

## Management's Discussion and Analysis (*Continued*)

### **GOVERNMENT-WIDE FINANCIAL STATEMENTS**

The government-wide financial statements include the statement of net assets and the statement of activities. These statements are designed to provide readers with a broad overview of the City's finances in a manner similar to a private-sector business. Both government and business type activities are included in this analysis of government-wide financial statements.

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

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

Both of the government-wide financial statements distinguish functions of the City 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 include general government, public safety, public works, culture and recreation, cemetery maintenance, and community development and improvement. The business-type activities of the City include water, sewer and sanitation.

The government-wide financial statements include not only the City itself (known as the primary government), but also a legally separate entity, the Liberty, Missouri Public Facilities Authority (PFA), for which the City is financially accountable. Financial information for this component unit is reported separately from the financial information presented for the primary government. The PFA, although legally separate, functions for all practical purposes as a department of the City, and therefore has been included because of its significant operational or financial relationship with the City.

### **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, 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 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 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.

# CITY OF LIBERTY, MISSOURI

---

## Management's Discussion and Analysis (*Continued*)

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

The City maintains a total of 20 individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, Parks Fund, Capital Sales Tax Fund, Transportation Sales Tax Fund and Liberty TIF Fund, all of which are considered to be major funds. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report.

### **Proprietary Funds**

The City maintains one type of proprietary fund. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City maintains three enterprise funds. Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Water Fund and Sewer Fund as these are considered to be major funds of the City. Data from the other enterprise fund, the Sanitation Fund, is in a single presentation as it is the only non-major fund.

### **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 statements because the resources of those funds are not available to support the City's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds. The City has one type of fiduciary fund: Agency Fund.

### **Notes To Basic 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.

### **Other Information**

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the City's budgetary comparison schedules.

The combining statements referred to earlier in connection with non-major governmental funds are presented immediately following the required supplementary information.

# CITY OF LIBERTY, MISSOURI

## Management's Discussion and Analysis (Continued)

### Government-Wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the City, assets exceeded liabilities by \$79,011,576 at the close of the fiscal year ended December 31, 2011. The following table reflects a condensed statement of net assets.

#### Net Assets

	Governmental Activities 2011	Business-Type Activities 2011	Total 2011	Governmental Activities 2010	Business-Type Activities 2010	Total 2010
Current and other assets	\$ 21,021,672	\$ 9,373,981	\$ 30,395,653	\$ 21,599,649	\$ 10,289,522	\$ 31,889,171
Capital assets, net	50,110,626	55,221,834	105,332,460	50,597,503	56,602,018	107,199,521
<b>Total Assets</b>	<b>71,132,298</b>	<b>64,595,815</b>	<b>135,728,113</b>	<b>72,197,152</b>	<b>66,891,540</b>	<b>139,088,692</b>
Current liabilities	8,760,605	2,222,753	10,983,358	10,828,205	3,048,034	13,876,239
Noncurrent liabilities	28,855,122	16,878,057	45,733,179	30,038,514	18,962,802	49,001,316
<b>Total Liabilities</b>	<b>37,615,727</b>	<b>19,100,810</b>	<b>56,716,537</b>	<b>40,866,719</b>	<b>22,010,836</b>	<b>62,877,555</b>
Net assets:						
Invested in capital assets, net of related debt	41,136,051	41,314,470	82,450,521	39,600,922	39,560,719	79,161,641
Restricted	9,889,748	4,998,064	14,887,812	6,656,505	6,372,833	13,029,338
Unrestricted	(17,509,228)	(817,529)	(18,326,757)	(14,926,994)	(1,052,848)	(15,979,842)
<b>Total Net Assets</b>	<b>\$ 33,516,571</b>	<b>\$ 45,495,005</b>	<b>\$ 79,011,576</b>	<b>\$ 31,330,433</b>	<b>\$ 44,880,704</b>	<b>\$ 76,211,137</b>

At the end of the current and prior fiscal years, the City is able to report a positive balance in the sum of all three categories of net assets for the government as a whole. There was one fund, the PFA Construction Fund, which did not have a positive balance in net assets due to a current, temporary loan from the General Fund. The PFA Construction Fund is a capital fund used to construct the Sports Complex. This fund makes a yearly payment to the General Fund until the loan is paid in full.

The City's combined net assets increased from \$76.2 million to \$79.0 million as a result of a decrease in expenditures. An additional portion of the City's net assets of \$14.8 million or 18.8% represents resources that are subject to external restrictions on how they may be used. The total unrestricted net assets resulted in a deficit of \$18.3 million (-23.2%). This is predominately due to the recording of certain Tax Incremental Financing (TIF) debt obligations in which the City must record the debt liability, but has no offsetting assets.

By far, the largest portion of the City's net assets, \$82,450,521 (104%), reflects its investment in capital assets (e.g., land, buildings, machinery, and equipment), less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its 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 LIBERTY, MISSOURI

## Management's Discussion and Analysis (Continued)

The City's \$79 million in net assets is comprised of \$82.4 million invested in capital assets, net of related debt; \$14.8 million in restricted assets to be used for capital projects, debt service and other purposes; and a deficit of \$18.3 million in unrestricted net assets. Total net assets increased \$2.8 million or 3.7% during the current fiscal year.

The following table reflects the changes in net assets of the City's activities for the years ending December 31, 2011 and 2010:

### City Of Liberty's Changes In Net Assets

	Governmental Activities 2011	Business-Type Activities 2011	Total 2011	Governmental Activities 2010	Business-Type Activities 2010	Total 2010
<b>Revenues:</b>						
Program revenues:						
Charges for services	\$ 5,080,948	\$ 11,579,486	\$ 16,660,434	\$ 5,563,585	\$ 11,601,497	\$ 17,165,082
Operating grants and contributions	229,030	—	229,030	359,560	—	359,560
Capital grants and contributions	417,785	170,025	587,810	2,069,324	68,998	2,138,322
General revenues:						
Property taxes	6,507,625	—	6,507,625	6,177,644	—	6,177,644
Franchise taxes	3,878,488	—	3,878,488	4,385,343	—	4,385,343
Sales taxes	8,945,418	—	8,945,418	8,446,974	—	8,446,974
Other taxes	1,210,748	—	1,210,748	1,235,186	—	1,235,186
Investment earnings	47,348	180,075	227,423	59,471	190,170	249,641
Other	687,515	—	687,515	725,288	—	725,288
<b>Total Revenues</b>	<b>27,004,905</b>	<b>11,929,586</b>	<b>38,934,491</b>	<b>29,022,375</b>	<b>11,860,665</b>	<b>40,883,040</b>
<b>Expenses:</b>						
General government	4,488,682	—	4,488,682	4,098,088	—	4,098,088
Community development and improvement	1,963,294	—	1,963,294	6,213,788	—	6,213,788
Public works	2,434,200	—	2,434,200	6,381,711	—	6,381,711
Culture and recreation	5,256,583	—	5,256,583	5,846,413	—	5,846,413
Cemetery maintenance	71,061	—	71,061	31,920	—	31,920
Public safety	9,039,729	—	9,039,729	8,755,802	—	8,755,802
Interest on long-term debt	1,565,218	—	1,565,218	1,755,580	—	1,755,580
Water	—	4,230,222	4,230,222	—	4,084,298	4,084,298
Sewer	—	5,788,305	5,788,305	—	5,530,579	5,530,579
Sanitation	—	1,296,758	1,296,758	—	1,240,494	1,240,494
<b>Total Expenses</b>	<b>24,818,767</b>	<b>11,315,285</b>	<b>36,134,052</b>	<b>33,083,302</b>	<b>10,855,371</b>	<b>43,938,673</b>
<b>Increase In Net Assets</b>	<b>2,186,138</b>	<b>614,301</b>	<b>2,800,439</b>	<b>(4,060,927)</b>	<b>1,005,294</b>	<b>(3,055,633)</b>
Net assets, beginning of year	31,330,433	44,880,704	76,211,137	35,391,360	43,875,410	79,266,770
Net assets, end of year	\$ 33,516,571	\$ 45,495,005	\$ 79,011,576	\$ 31,330,433	\$ 44,880,704	\$ 76,211,137



# CITY OF LIBERTY, MISSOURI

## Management's Discussion and Analysis (Continued)

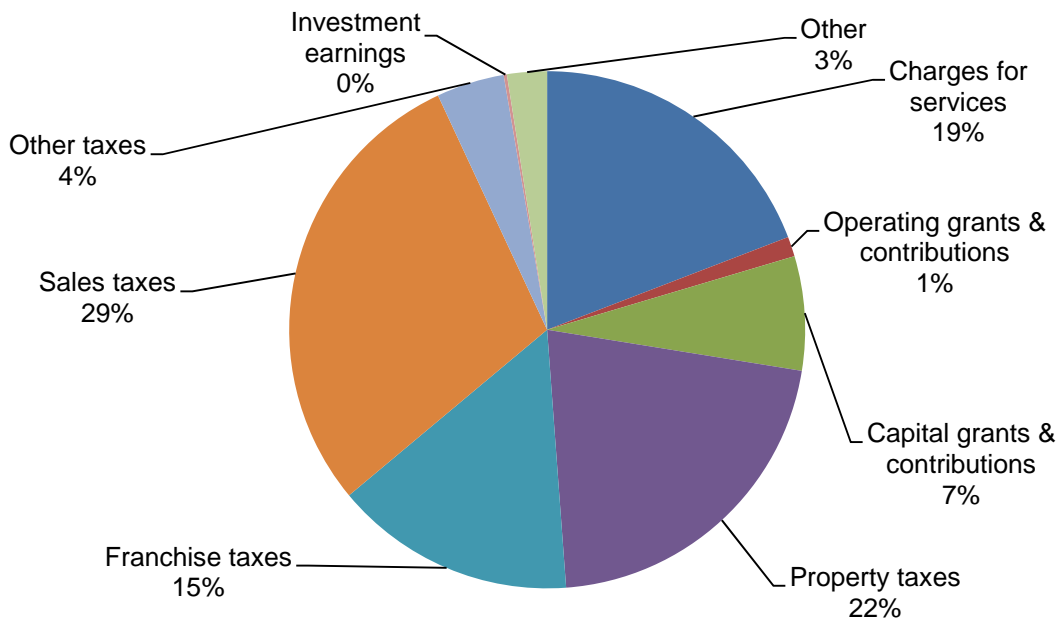
### Governmental Activities

Governmental activities increased the City's net assets by \$2,186,138 thereby accounting for 78% of the total increase in the net assets of the City. Although governmental assets increased, there was a decline in revenue. This decline was due primarily to one-time revenues received in 2010.

Property taxes totaled \$6.5 million which was an increase of approximately \$329,981 over the prior year due to the addition of properties in the Triangle TIF District. The City saw a decline in franchise fees of 11.6% due to some one time payments of telecom fees received in 2010. Sales taxes increased 5.9%, but charges for services declined 2.94%. Retail sales are showing stabilization and improvement due to new businesses opening in 2011.

Governmental activities expenses decreased \$8.3 million or 24.9% for the fiscal year 2011 when compared to fiscal year 2010. The decrease was due to one-time reimbursements for TIF development in the community development and improvement category and also decreased in the public works category with the completion of the sewer rehabilitation project in 2011.

The following table reflects the revenues by source for the City's governmental activities for the year ended December 31, 2011.



# CITY OF LIBERTY, MISSOURI

## Management's Discussion and Analysis (Continued)

Total governmental activities' revenue for the fiscal year was \$27,004,905. The largest single revenue source for the City was sales taxes of \$8,945,418 (33%). Sales taxes increased by \$498,444 (5.9%) from 2010. The increase was due to several factors. First and foremost was an increase in retail sales in the area. Other increases in sales included grocery stores, restaurants, and motor vehicle taxes.

Franchise fees account for 14% of the governmental activities' revenue and decreased \$506,855 (11.6%) under 2011 receipts. The reason for this decrease was due to one-time telecom payments received in 2011.

The 2011 General Fund budget did not include fee increases. Revenue received from charges for services decreased by \$482,637 or 8.7%. The decrease was due to the reduction in the lease revenue for the Sports Complex.

Operating grants, capital grants and contributions decreased by \$1,782,069 compared to the prior year. This was due to the neighborhood sewer rehab grant being almost completed in 2010.

Certain revenues are generated that are specific to governmental program activities (operating grants and contributions). These totaled \$229,030 in 2011 and \$359,560 in 2010; a decrease of \$130,530.

The following table shows expenses and program revenues of the governmental activities for the years ended December 31, 2011 and 2010:

### Net Cost Of Governmental Activities

	Total Cost Of Service		Net Cost Of Service	
	2011	2010	2011	2010
General government	\$ 4,488,682	\$ 4,098,088	\$ (3,917,686)	\$ (3,675,932)
Community development and improvement	1,963,294	6,213,788	(1,963,294)	(6,213,788)
Public works	2,434,200	6,381,711	(1,784,738)	(3,977,525)
Culture and recreation	5,256,583	5,846,413	(2,336,392)	(2,299,264)
Cemetery maintenance	71,061	31,920	(52,160)	(3,569)
Public safety	9,039,729	8,755,802	(7,471,516)	(7,165,175)
Interest on long-term debt	1,565,218	1,755,580	(1,565,218)	(1,755,580)
<b>Total</b>	<b>\$ 24,818,767</b>	<b>\$ 33,083,302</b>	<b>\$ (19,091,004)</b>	<b>\$ (25,090,833)</b>

Expenses from governmental activities totaled \$24,818,767; however, net costs of these services were \$19,091,004. The difference of \$5.7 million represents direct revenues received from charges for services (\$5.1 million), operating grants and contributions (\$0.2 million), and capital grants and contributions (\$0.4 million). Taxes and other revenues of \$21.2 million were collected to cover these net costs.

**CITY OF LIBERTY, MISSOURI**

Management’s Discussion and Analysis (*Continued*)

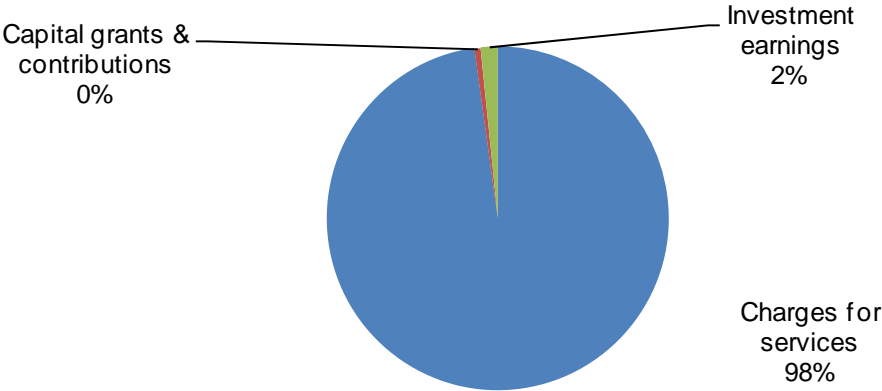
**Business-Type Activities**

Business-type activities increased the city’s net assets by \$614,301. Key elements of this increase are as follows:

- The Water Fund recorded an increase of \$755,289 (2.8%) in net assets for the year. Revenues from user fees increased 4.4% with a City implemented 4% water rate increase at the beginning of the year although water usage from consumers decreased 1.3%. Operating expenses increased 4.3% over 2010 expenses, due to increased distribution and transmission costs. The Water Fund’s operating income was \$1,021,597 in 2011, a 5.7% increase over operating income of \$966,892 in 2010.
- The Sewer Fund recorded a decrease of \$1,667 (.01%) in net assets for the year. Compared to the previous year, this was a decrease of \$173,956 (3.05%) in charges for services and was due primarily to not implementing a customer rate increase in 2011. Expenses increased \$277,411 or 5.5%. Although the City strived to keep expenses down in this fund, costs for sewer treatment supplied by Kansas City, Missouri increased 8.28% in the fiscal year. Operating income at December 31, 2011 was \$189,555 which is a 70% decrease over the \$640,922 operating income in 2010.
- The Sanitation Fund recorded a decrease in net assets of \$139,321 for the year. Revenues of \$1,156,496 decreased over the 2010 revenues of \$1,289,414. Expenses for 2011 increased \$56,264 or 4.54% over expenses for 2010. The decrease in revenue was due to a credit refund program for sanitation customers.

The following table reflects the revenues by source for the City’s business-type activities for the year ended December 31, 2011:

**Revenues By Source – Business-Type Activities**



## **CITY OF LIBERTY, MISSOURI**

---

### Management's Discussion and Analysis (*Continued*)

Total business-type activities' revenue for fiscal year 2011 was \$11,579,486 with charges for services (97.1%) being the major revenue source. All revenue, with the exception of \$180,075 received from investment earnings, was generated for specific business-type activity expenses. In the previous year, revenue for business-type activities was \$11,601,497 with all but \$190,170 generated for specific business-type activity expenses. This increase was due to rate adjustments. The total revenue increased by \$68,921 and total expenses increased by \$459,914 as compared to 2010.

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

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

#### **Governmental Funds**

The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of December 31, 2011, the City's governmental funds reported combined ending fund balances of \$14,466,063, an increase of \$625,918 from the previous year. Approximately 25% of this total amount (\$3,668,127) constitutes unassigned fund balance, which is available for spending at the government's discretion. The remainder of fund balance \$10,797,936 is as follows: (1) nonspendable (\$921,403) which is inventory, prepaid insurance and permanent fund principal; (2) restricted (\$9,482,771) which has externally imposed constraints such as laws and regulations; (3) assigned (\$393,762) which are funds constrained by written intent of the City Council or City Manager.

The General Fund is the chief operating fund of the City. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$3,668,127, while total fund balance was \$4,148,498. This represents an increase of \$961,230 over the previous fiscal year fund balance. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 23.9% of total General Fund expenditures, while total fund balance represents 27% of total General Fund expenditures.

The City recognizes the need for a fund balance that can adequately absorb any downturn in economic events to avoid changes and reductions in service levels. The City has a fiscal policy that calls for an annual review of fund balance. While a fund balance of at least 15% of annual expenditures is desirable, other financial circumstances may cause the rate to vary.

The Park Fund had a fund balance of \$262,769 at December 31, 2011. This represents an increase of \$244,050 over the previous year fund balance. Revenues decreased less than 2% and expenditures stayed stable when compared to 2010. Total fund balance increased from .5% over expenditures in 2010 to 8% of expenditures in 2011.

## CITY OF LIBERTY, MISSOURI

---

### Management's Discussion and Analysis (*Continued*)

The Capital Sales Tax Fund balance was \$4,129,933 at the 2011 fiscal year end; a decrease of \$64,988 over fiscal year 2010. Revenues and expenditures declined due to completion of some grant projects.

The Transportation Sales Tax Fund, the primary source for large road infrastructure projects, recorded an ending fund balance of \$489,539; a decrease of \$414,290 from the previous year's ending balance. This decrease was from the fund no longer having transfers from the General Fund. The major expenditure for this fund is the payback of general obligation bonds for the construction of South Liberty Parkway Phase I. The transportation sales tax is the primary revenue source for this fund. In November of 2008, citizens voted to increase the transportation sales tax from a quarter-cent to a half-cent.

The Liberty TIF Fund has a fund balance of \$3,927,265 at year end 2011 which is a increase (5.5%) from the 2010 balance of \$3,722,698. Revenues increased to \$2,570,289 from 2010 revenues of \$2,075,623. This is due primarily to additions of Project F and Project E-1 in the Triangle TIF. It is anticipated that the fund balance will vary from year to year depending on revenue inflows and developer reimbursements.

### **Proprietary Funds**

The City's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

Unrestricted net assets of the Water Fund at the end of the year were \$1,422,110; those for the Sewer Fund were a deficit of \$2,393,600; and those for the Sanitation Fund were \$153,961. The total growth in net assets over 2010 was \$755,289 for the Water Fund, (\$1,667) for the Sewer Fund, and (\$139,321) for the Sanitation Fund.

In 2009, the City engaged a consulting firm to review the Water and Sewer Funds. The consulting firm together with the City Council Budget Committee, worked with staff on fiscal matters concerning the Water and Sewer Funds. Over the past three years the Water and Sewer Funds have not met bond requirements which have put demands on the General Fund that could, if not addressed, impair future general governmental activities. It is understood by Council and staff that a five-step action program would be implemented over this and the next four years to correct problems. The steps include:

1. Achieve 100% bond coverage
2. Secure funding for infrastructure rehabilitation backlog
3. Comply with 120% bond covenant requirement
4. Implement depreciation component in rates for needed repairs
5. Maintain 45-day reserve balance for emergencies

This step approach will require a multi-year commitment by the City. Focus will be on setting appropriate user rates and finding operating efficiencies to reduce expenses.

## **CITY OF LIBERTY, MISSOURI**

---

### Management's Discussion and Analysis (*Continued*)

The City is responsible for water product and distribution. Sewer services reflect only collection, with treatment services provided by the City of Kansas City, Missouri. Kansas City is under a Justice Department/EPA consent decree to make improvements to its sewer treatment system. The City of Liberty has been subject to significant treatment cost increases over the last number of years. 2011 was no exception. The actual rate adjustment issued by Kansas City is made after the City establishes its annual budget and rate requirements. In 2011, there was a significant variance between the amount of cost adjustment issued by Kansas City and the level used by Liberty in its budget process. This is the primary reason for the unfavorable economic results experienced in 2011. However in 2012, the City implemented a 19.5% sewer rate increase and it is felt this adjustment will cause operations to be favorable in 2012.

The unfavorable variance in the Sanitation Fund was the result of a planned spend-down of accumulated fund balance. The City contracts for its solid waste disposal. Rates for that service have and will increase at approximately 3.5% a year and the City receives a significant rebate for recycling materials, the above described spend-down was an appropriate action to take for 2011.

The output of this multi-year commitment has been positive as shown in the improvement of net assets. In addition and as indicated in the accompanying footnotes, the City is able to report that required bond coverage levels were met in the Water Fund and not met in the Sewer Fund in 2011.

### **GENERAL FUND BUDGETARY HIGHLIGHTS**

Differences between the original and the final amended budget can be summarized as follows:

The final expenditure budget for the General Fund was \$15,916,042; an increase from the original budget of \$15,067,430. Differences are mainly due to the booking of lease-purchase transactions during 2011 and mid-year salary adjustments. Expenditures in total were \$564,329 or 3.5% under final budget. The public works category was over budget by 8.6% or \$183,503 due to increased costs in electric bills, cleaning of the air ducts in City Hall, and extra repairs to equipment.

Actual revenue for the General Fund was \$15,613,440 which is over the budgeted amount of \$14,780,630 by 5.3% or \$832,810. Revenue from taxes was 3.76% or \$453,519 over the budgeted amount of \$12,514,639. This is due to increases in sales tax revenues, franchise fees, and gas tax. Charges for services are over budget by 72% or \$185,914 caused an increase in building permits and occupational licenses.

### **CAPITAL ASSET AND DEBT ADMINISTRATION**

#### **Capital Assets**

The City's investment in capital assets for its governmental and business-type activities as of December 31, 2011, amounts to \$105,332,460 (net of accumulated depreciation). This investment in capital assets includes land, construction-in-progress, buildings and systems, improvements, vehicles, machinery and equipment, and infrastructure. The total decrease in the City's investment in capital assets for the current fiscal year was 1.74% (a .96% decrease for governmental activities and a 2.4% decrease for business-type activities).

# CITY OF LIBERTY, MISSOURI

## Management's Discussion and Analysis (Continued)

Major capital asset events during the current fiscal year included the following acquisitions:

- New computer networking equipment \$174,253
- Purchase of 8 new police cars \$206,348
- Water and Sewer upgrades 92,292

### City Of Liberty's Capital Assets

	Governmental Activities		Business-Type Activities		Total	
	2011	2010	2011	2010	2011	2010
Land	\$ 1,886,906	\$ 1,886,906	\$ 840,677	\$ 840,677	\$ 2,727,583	\$ 2,727,583
Construction-in-progress	4,007,969	3,868,794	274,687	309,111	4,282,656	4,177,905
Buildings and system	13,082,919	13,082,919	10,217,073	10,217,073	23,299,992	23,299,992
Vehicles	4,189,268	3,747,036	1,235,376	1,305,953	5,424,644	5,052,989
Improvements other than buildings	10,168,579	9,973,801	194,143	194,143	10,362,722	10,167,944
Machinery and equipment	8,848,979	8,581,082	9,309,959	9,260,524	18,158,938	17,841,606
Infrastructure	36,103,090	34,901,075	58,034,498	57,787,195	94,137,588	92,688,270
Accumulated depreciation	(28,177,084)	(25,444,110)	(24,884,579)	(23,312,658)	(53,061,663)	(48,756,768)
<b>Total</b>	<b>\$ 50,110,626</b>	<b>\$ 50,597,503</b>	<b>\$ 55,221,834</b>	<b>\$ 56,602,018</b>	<b>\$ 105,332,460</b>	<b>\$ 107,199,521</b>

These capital assets are funded by traditional bond financing, impact fees, and user charges. Additional information on the City's capital assets can be found in Note 3 of this report.

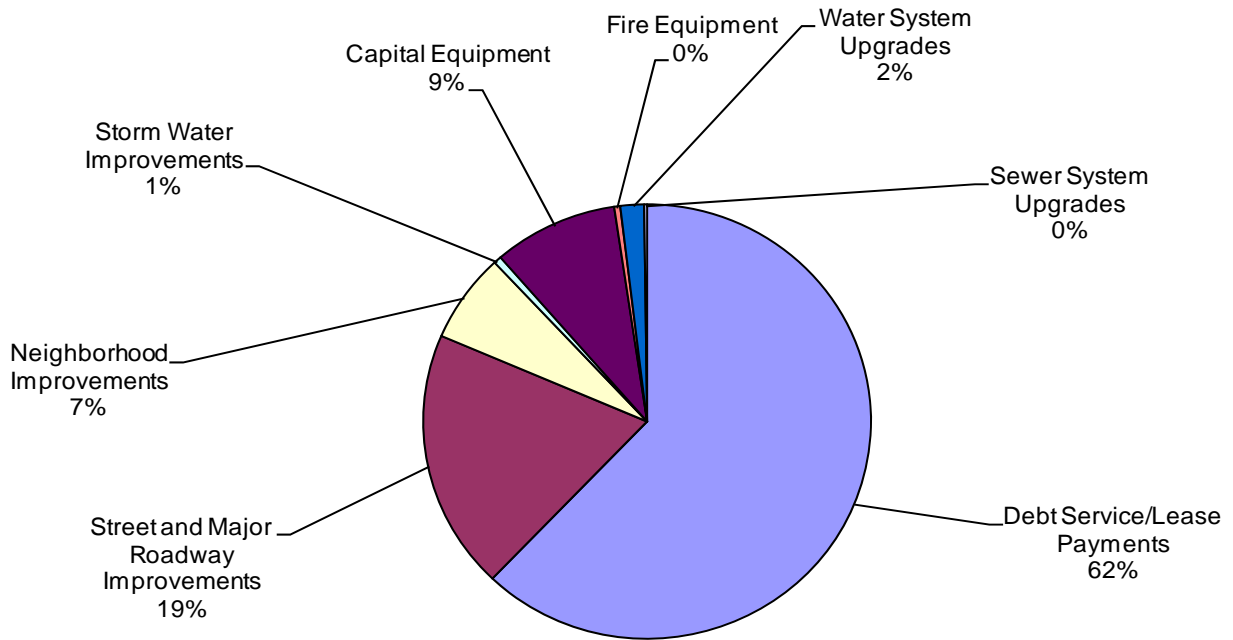
Other major capital asset expenditures during 2011 and 2010 include:

	2011	2010
Debt Service/Lease Payments	\$ 2,982,444	\$ 5,675,615
Street and Major Roadway Improvements	926,632	1,401,422
Neighborhood Improvements	317,918	60,101
Storm Water Improvements	26,909	33,456
Capital Equipment	432,283	3,068,026
Fire Equipment	20,875	5,750
Water System Upgrades	82,345	182,431
Sewer System Upgrades	9,947	1,234
	<b>\$ 4,799,353</b>	<b>\$ 10,428,035</b>

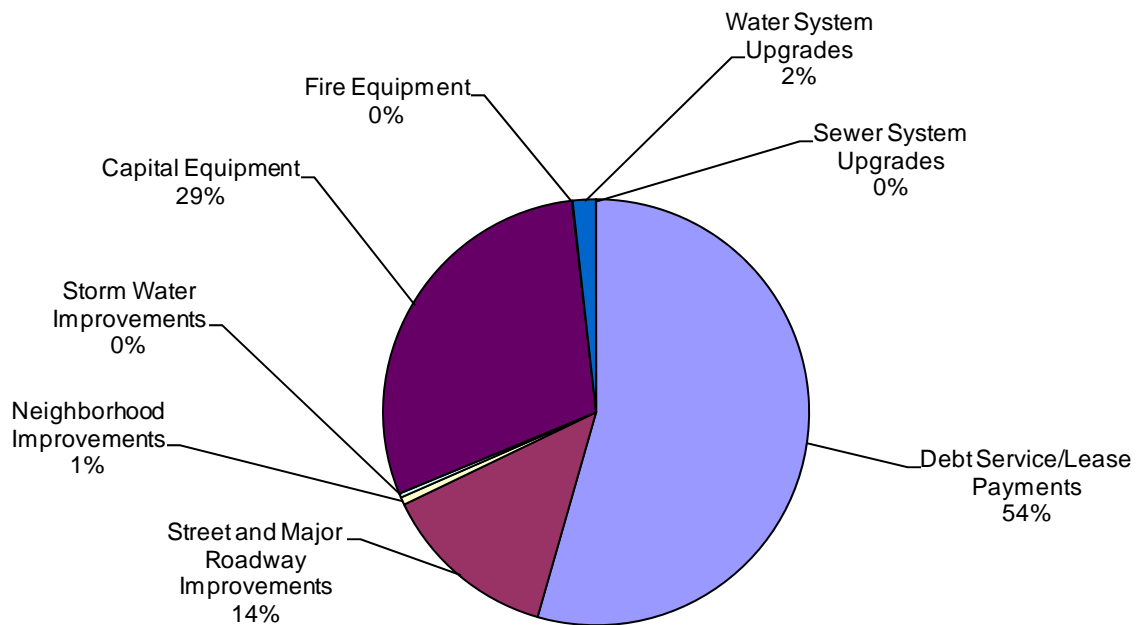
# CITY OF LIBERTY, MISSOURI

## Management's Discussion and Analysis (Continued)

### 2011 Capital Expenditures



### 2010 Capital Expenditures





# CITY OF LIBERTY, MISSOURI

## Management's Discussion and Analysis (Continued)

### Long-Term Debt

At the end of the current fiscal year, the City had total debt outstanding of \$46,877,244. Of this amount, \$6,500,000 comprises debt backed by the full faith and credit of the government. The remainder of the City's debt represents bonds secured solely by specified revenue sources (i.e., revenue bonds).

### City Of Liberty's Outstanding Debt, General Obligation And Revenue Bonds

	Governmental Activities		Business-Type Activities		Total	
	2011	2010	2011	2010	2011	2010
Special assessment bonds	\$ 2,605,000	\$ 2,685,000	\$ —	\$ —	\$ 2,605,000	\$ 2,685,000
Capital leases	895,125	375,355	—	—	895,125	375,355
General obligation bonds	6,500,000	8,085,000	—	—	6,500,000	8,085,000
TIF bonds	17,840,000	18,305,000	—	—	17,840,000	18,305,000
MDNR loan payable	65,214	74,890	—	—	65,214	74,890
SRF bonds	—	—	5,085,000	5,320,000	5,085,000	5,320,000
SRF note payable	—	—	3,661,905	3,831,041	3,661,905	3,831,041
Revenue bonds	1,345,000	2,120,000	8,880,000	11,485,000	10,225,000	13,605,000
<b>Total</b>	<b>\$ 29,250,339</b>	<b>\$ 31,645,245</b>	<b>\$ 17,626,905</b>	<b>\$ 20,636,041</b>	<b>\$ 46,877,244</b>	<b>\$ 52,281,286</b>

During the current fiscal year, the City's total debt decreased by \$5,404,042 or 10.34%. The City retired the 2001 GOB Roadway and Transportation Bonds in fiscal year 2011. Also, Waterworks refunding bonds were issued to refinance the 2002 and 2005 Waterworks Revenue Bonds. Additional information on the City's long-term debt can be found in Note 4 of this report.

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

Based on 2011 end-of-year activity, it is anticipated that 2012 core General Fund revenues will show stability and are conservatively budgeted. The 2012 core revenues will decrease slightly when compared to 2011 core revenues. Property taxes for 2012 are budgeted at \$4,084,220 or \$112,760 lower than 2011 revenues. This is due to the Council establishing the 2011 levy rate at 2010 levels which will be applied to a lower City assessed valuation. Sales Tax revenue is budgeted at \$3,233,000 slightly above the budget for 2011 and due to increased business in the Triangle with Projects E-1 and F. The City continues to lower the transfers from the Fire Sales Tax Fund from \$360,000 in 2011 to \$285,000 in 2012. The resources are retained within the Fire Sales to allow for the purchase of capital equipment and building maintenance. This reduction does not impact any Fire staffing levels within the General Fund. The utility overhead fee of \$265,000 that is paid from the water and sewer funds reflects calculations of actual non-allocated expense within the General Fund for support of the water and sewer funds.

## **CITY OF LIBERTY, MISSOURI**

---

### Management's Discussion and Analysis (*Continued*)

General Fund expenditures are projected to total \$15.5 million compared to the 2011 close-out of \$15.3 million. This represents a 1% increase. Employee salary and fringe benefit costs are budgeted approximately \$583,832 higher at \$11.4 million when compared to the 2011 close-out of \$10.8 million. This is due to a 1% increase in LAGERS, the City retirement program, along with an 8% increase in health insurance costs, and a 2% salary increase for employees. Non-salary expenses increased 3.2% in the 2012 budget due to anticipated increases in the street lighting operations and funding for further development expenses. In 2012 capital expenditures decreased 48% in the General Fund from \$651,868 to \$313,330. This was due to special pricing on police vehicles available in 2011 that provided savings by purchasing 2012 replacements in 2011 and also, fire equipment was fully funded from the Fire Sales Tax Fund.

Based on programmed actions for 2012, the City anticipates a balanced General Fund budget, with unassigned fund balance being maintained at 2011 levels. The City will continue to react to ongoing changes in the local economy and respond accordingly.

A substantial amount of work and review underpins the 2011 Water and Sewer budgets. The City Council decided in 2010 that it was appropriate to secure advice and guidance from knowledgeable Liberty residents in the form of a taskforce. The taskforce met for a 12-week period and offered recommendations to the City Council. Some of the recommendations accepted by council were to address aging water meters, repair and replace existing infrastructure, and take over water treatment operations of the water plant.

For 2012, Water rates were adjusted upward by 3%. As to the Sewer Fund, the City implemented a 19.5% rate increase in January 2012. Both of these adjustments are forecasted to provide favorable economic results in 2012. In 2012, discussions will focus on the economic possibility of the City building and operating its own sewer treatment plant. Building a plant would allow the City to maintain control over all Sewer Fund activities and result in more predictable fiscal outcomes.

The 2012 Park Department budget was developed with no expansion of services in mind. Although property tax and sales tax receipts have stayed relatively stagnant, program and membership fees are experiencing a minor decline. The department has been able to continue to streamline operation expenses to maintain a balanced budget. The Parks and Recreation Department's 2012 proposed budget reflects a 1.9% decrease in revenue and a .7% decrease in expenses with no fee increases.

All of these factors were considered in preparing the City's budget for the 2012 fiscal year.

### **REQUESTS FOR INFORMATION**

This financial report is designed to provide a general overview of the City's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to: Dan Estes, Assistant City Administrator/Finance Director, City of Liberty, P.O. Box 159, Liberty, Missouri 64069.

---

## **Basic Financial Statements**

---

# CITY OF LIBERTY, MISSOURI

## STATEMENT OF NET ASSETS

Page 1 Of 2

December 31, 2011

	Governmental Activities	Business-Type Activity	Total
<b>Assets</b>			
<b>Current Assets</b>			
Cash and investments	\$ 11,639,115	\$ 2,287,552	\$ 13,926,667
Receivables:			
Taxes	3,435,848	—	3,435,848
Accounts	401,372	1,562,786	1,964,158
Accrued interest	25,834	7,842	33,676
Due from other governments	216,470	—	216,470
Inventory	42,796	146,354	189,150
Prepaid expenses	471,630	87,863	559,493
Restricted assets:			
Cash and investments	189,011	—	189,011
Accrued interest	785	—	785
<b>Total Current Assets</b>	<b>16,422,861</b>	<b>4,092,397</b>	<b>20,515,258</b>
<b>Noncurrent Assets</b>			
Restricted assets:			
Cash and investments	4,029,761	4,998,064	9,027,825
Special assessment receivable	121,747	—	121,747
Bond issuance costs	447,303	283,520	730,823
Capital assets:			
Nondepreciable:			
Land	1,886,906	840,677	2,727,583
Construction in progress	4,007,969	274,687	4,282,656
Depreciable:			
Buildings and system	13,082,919	10,217,073	23,299,992
Improvements other than buildings	10,168,579	194,143	10,362,722
Vehicles	4,189,268	1,235,376	5,424,644
Machinery and equipment	8,848,979	9,309,959	18,158,938
Infrastructure	36,103,090	58,034,498	94,137,588
Less: Accumulated depreciation	(28,177,084)	(24,884,579)	(53,061,663)
<b>Total Noncurrent Assets</b>	<b>54,709,437</b>	<b>60,503,418</b>	<b>115,212,855</b>
<b>Total Assets</b>	<b>\$ 71,132,298</b>	<b>\$ 64,595,815</b>	<b>\$ 135,728,113</b>

# CITY OF LIBERTY, MISSOURI

## STATEMENT OF NET ASSETS

Page 2 Of 2

December 31, 2011

	Governmental Activities	Business-Type Activity	Total
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Accounts payable and accrued expenses	\$ 643,709	\$ 1,012,805	\$ 1,656,514
Deposits	108,547	—	108,547
Compensated absences	511,024	36,855	547,879
Accrued interest payable	455,042	265,421	720,463
Unearned revenue	5,234,303	144,919	5,379,222
Current maturities of capital leases	312,976	—	312,976
Current maturities of long-term debt	1,485,000	762,753	2,247,753
MDNR loan payable	10,004	—	10,004
<b>Total Current Liabilities</b>	<b>8,760,605</b>	<b>2,222,753</b>	<b>10,983,358</b>
<b>Noncurrent Liabilities</b>			
Compensated absences	991,988	71,541	1,063,529
Net pension obligation	283,739	—	283,739
Other post employment benefits	177,800	—	177,800
Capital lease obligation	582,149	—	582,149
MDNR loan payable	55,210	—	55,210
SRF note payable	—	3,479,152	3,479,152
Long-term debt - bonds	26,764,236	13,327,364	40,091,600
<b>Total Noncurrent Liabilities</b>	<b>28,855,122</b>	<b>16,878,057</b>	<b>45,733,179</b>
<b>Total Liabilities</b>	<b>37,615,727</b>	<b>19,100,810</b>	<b>56,716,537</b>
<b>Net Assets</b>			
Invested in capital assets, net of related debt	41,136,051	41,314,470	82,450,521
Restricted for:			
Expendable:			
Debt service	3,927,265	4,901,221	8,828,486
Capital improvements	4,129,933	—	4,129,933
Parks	496,485	—	496,485
Transportation	489,539	—	489,539
Public safety	336,693	—	336,693
Cemetery	70,999	—	70,999
Law enforcement	31,857	—	31,857
Kansas City sewer line	—	96,843	96,843
Nonexpendable:			
Cemetery trust corpus	406,977	—	406,977
Unrestricted	(17,509,228)	(817,529)	(18,326,757)
<b>Total Net Assets</b>	<b>\$ 33,516,571</b>	<b>\$ 45,495,005</b>	<b>\$ 79,011,576</b>

**CITY OF LIBERTY, MISSOURI**  
**STATEMENT OF ACTIVITIES**  
**For The Year Ended December 31, 2011**

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue And Changes In Net Assets		
		Charges For Services And Sales	Operating Grants And Contributions	Capital Grants And Contributions	Governmental Activities	Business- Type Activities	Total
<b>Primary Government</b>							
<b>Governmental Activities</b>							
General government	\$ 4,488,682	\$ 570,776	\$ 220	\$ —	\$ (3,917,686)	\$ —	\$ (3,917,686)
Community development and improvement	1,963,294	—	—	—	(1,963,294)	—	(1,963,294)
Public works	2,434,200	137,768	93,909	417,785	(1,784,738)	—	(1,784,738)
Culture and recreation	5,256,583	2,813,673	106,518	—	(2,336,392)	—	(2,336,392)
Cemetery maintenance	71,061	18,901	—	—	(52,160)	—	(52,160)
Public safety	9,039,729	1,539,830	28,383	—	(7,471,516)	—	(7,471,516)
Interest on long-term debt	1,565,218	—	—	—	(1,565,218)	—	(1,565,218)
<b>Total Governmental Activities</b>	<b>24,818,767</b>	<b>5,080,948</b>	<b>229,030</b>	<b>417,785</b>	<b>(19,091,004)</b>	<b>—</b>	<b>(19,091,004)</b>
<b>Business-Type Activities</b>							
Water	4,230,222	4,894,776	—	80,113	—	744,667	744,667
Sewer	5,788,305	5,528,214	—	89,912	—	(170,179)	(170,179)
Sanitation	1,296,758	1,156,496	—	—	—	(140,262)	(140,262)
<b>Total Business-Type Activities</b>	<b>11,315,285</b>	<b>11,579,486</b>	<b>—</b>	<b>170,025</b>	<b>—</b>	<b>434,226</b>	<b>434,226</b>
<b>Total Primary Government</b>	<b>\$ 36,134,052</b>	<b>\$ 16,660,434</b>	<b>\$ 229,030</b>	<b>\$ 587,810</b>	<b>(19,091,004)</b>	<b>434,226</b>	<b>(18,656,778)</b>
<b>General Revenues</b>							
Taxes:							
Property tax					6,507,625	—	6,507,625
Franchise taxes					3,878,488	—	3,878,488
Sales taxes					8,945,418	—	8,945,418
Other taxes					1,210,748	—	1,210,748
Investment income					47,348	180,075	227,423
Miscellaneous					687,515	—	687,515
<b>Total General Revenues And Transfers</b>					<b>21,277,142</b>	<b>180,075</b>	<b>21,457,217</b>
<b>Change In Net Assets</b>					<b>2,186,138</b>	<b>614,301</b>	<b>2,800,439</b>
<b>Net Assets - Beginning Of Year</b>					<b>31,330,433</b>	<b>44,880,704</b>	<b>76,211,137</b>
<b>Net Assets - End Of Year</b>					<b>\$ 33,516,571</b>	<b>\$ 45,495,005</b>	<b>\$ 79,011,576</b>

**CITY OF LIBERTY, MISSOURI**  
**BALANCE SHEET - GOVERNMENTAL FUNDS**  
**December 31, 2011**

	General	Parks	Capital Sales Tax	Transportation Sales Tax	Liberty TIF	Nonmajor Governmental Funds	Total
<b>Assets</b>							
Cash and investments	\$ 5,082,706	\$ 1,338,766	\$ 3,452,870	\$ 173,960	\$ 822,561	\$ 768,252	\$ 11,639,115
Receivables, net of allowance for uncollectibles:							
Taxes	2,299,611	163,428	315,308	315,487	26,575	315,439	3,435,848
Accounts	380,088	15,255	—	—	—	6,029	401,372
Special assessment	—	—	—	—	—	121,747	121,747
Accrued interest	14,782	2,700	6,262	87	381	1,622	25,834
Due from other funds	157,056	52	495,000	—	—	679	652,787
Due from other governments	187,851	28,619	—	—	—	—	216,470
Inventory	42,796	—	—	—	—	—	42,796
Prepaid insurance	437,575	33,315	—	—	—	740	471,630
Restricted assets:							
Cash and investments	—	—	385,163	—	3,346,167	89,768	3,821,098
Investments	—	—	—	—	—	397,674	397,674
Accrued interest	—	—	677	5	—	103	785
<b>Total Assets</b>	<b>\$ 8,602,465</b>	<b>\$ 1,582,135</b>	<b>\$ 4,655,280</b>	<b>\$ 489,539</b>	<b>\$ 4,195,684</b>	<b>\$ 1,702,053</b>	<b>\$ 21,227,156</b>
<b>Liabilities And Fund Balances</b>							
<b>Liabilities</b>							
Accounts payable and accrued liabilities	\$ 357,902	\$ 93,022	\$ 163,883	\$ —	\$ 16,411	\$ 12,491	\$ 643,709
Deposits	108,547	—	—	—	—	—	108,547
Due to other funds	—	495,000	—	—	98,031	59,756	652,787
Deferred and unearned revenue	3,987,518	731,344	361,464	—	153,977	121,747	5,356,050
<b>Total Liabilities</b>	<b>4,453,967</b>	<b>1,319,366</b>	<b>525,347</b>	<b>—</b>	<b>268,419</b>	<b>193,994</b>	<b>6,761,093</b>
<b>Fund Balances</b>							
Nonspendable:							
Inventory	42,796	—	—	—	—	—	42,796
Prepaid insurance	437,575	33,315	—	—	—	740	471,630
Permanent fund principal	—	—	—	—	—	406,977	406,977
Restricted for:							
Parks and recreation	—	229,454	—	—	—	267,031	496,485
Capital projects	—	—	4,129,933	—	—	—	4,129,933
Transportation projects	—	—	—	489,539	—	—	489,539
Public safety	—	—	—	—	—	336,693	336,693
Debt service	—	—	—	—	3,927,265	—	3,927,265
Cemetery	—	—	—	—	—	70,999	70,999
Law enforcement	—	—	—	—	—	31,857	31,857
Assigned to:							
Debt service	—	—	—	—	—	319,350	319,350
Other purposes	—	—	—	—	—	74,412	74,412
Unassigned	3,668,127	—	—	—	—	—	3,668,127
<b>Total Fund Balances</b>	<b>4,148,498</b>	<b>262,769</b>	<b>4,129,933</b>	<b>489,539</b>	<b>3,927,265</b>	<b>1,508,059</b>	<b>14,466,063</b>
<b>Total Liabilities And Fund Balances</b>	<b>\$ 8,602,465</b>	<b>\$ 1,582,135</b>	<b>\$ 4,655,280</b>	<b>\$ 489,539</b>	<b>\$ 4,195,684</b>	<b>\$ 1,702,053</b>	<b>\$ 21,227,156</b>

**CITY OF LIBERTY, MISSOURI**

**RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES  
TO NET ASSETS OF GOVERNMENTAL ACTIVITIES  
December 31, 2011**

**Total Fund Balance - Governmental Funds** \$ 14,466,063

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

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

Land	1,886,906
Construction in progress	4,007,969
Buildings and system	13,082,919
Improvements other than buildings	10,168,579
Vehicles	4,189,268
Machinery and equipment	8,848,979
Infrastructure	36,103,090
Accumulated depreciation	(28,177,084)

Some of the City's revenues will be collected after year end, are not available to pay for current period expenditures and, therefore, are deferred in the funds 121,747

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

Current:

Compensated absences	(511,024)
Accrued interest payable	(455,042)
Capital lease obligations	(312,976)
Leasehold revenue bonds	(140,000)
General obligation bonds	(700,000)
TIF bonds	(505,000)
MDNR loan payable	(10,004)
Special assessment bonds	(85,000)
Special obligation bonds	(55,000)

Noncurrent:

Compensated absences	(991,988)
Net pension obligation	(283,739)
Other post employment benefits	(177,800)
Bond issuance costs	447,303
Bond discounts and deferral on refunding	269,961
Bond premium	(229,197)
Capital lease obligations	(582,149)
Leasehold revenue bonds	(1,205,000)
General obligation bonds	(5,800,000)
TIF bonds	(17,335,000)
MDNR loan payable	(55,210)
Special assessment bonds	(125,000)
Special obligation bonds	(2,340,000)

**Total Net Assets - Governmental Activities** \$ 33,516,571



**CITY OF LIBERTY, MISSOURI**

**STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
For The Year Ended December 31, 2011**

	<b>General</b>	<b>Parks</b>	<b>Capital Sales Tax</b>	<b>Transportation Sales Tax</b>	<b>Liberty TIF</b>	<b>Nonmajor Governmental Funds</b>	<b>Total</b>
<b>Revenues</b>							
Taxes	\$ 12,514,639	\$ 742,100	\$ 1,535,130	\$ 1,648,264	\$ 2,557,541	\$ 1,544,605	\$ 20,542,279
Intergovernmental	254,030	—	417,785	—	—	—	671,815
Charges for services	1,748,771	2,509,902	—	—	—	36,199	4,294,872
Licenses and permits	443,914	—	—	—	—	—	443,914
Investment earnings	14,622	5,833	14,426	343	1,457	10,667	47,348
Lease	—	—	—	—	—	303,771	303,771
Miscellaneous	637,464	4,097	13,688	—	11,291	168,752	835,292
<b>Total Revenues</b>	<b>15,613,440</b>	<b>3,261,932</b>	<b>1,981,029</b>	<b>1,648,607</b>	<b>2,570,289</b>	<b>2,063,994</b>	<b>27,139,291</b>
<b>Expenditures</b>							
Current:							
General government	3,146,252	—	4,985	—	—	474,310	3,625,547
Community development and improvement	767,237	—	—	48,000	702,503	—	1,517,740
Public works	2,323,403	—	930,049	—	23,171	—	3,276,623
Culture and recreation	266,300	3,405,431	104,983	—	—	198,916	3,975,630
Cemetery maintenance	—	—	—	—	—	30,617	30,617
Public safety	8,462,587	—	—	—	—	49,971	8,512,558
Capital outlay	216,551	—	1,006,000	84,282	—	235,223	1,542,056
Debt service:							
Principal retirement	154,092	33,537	—	1,585,000	465,000	877,733	3,115,362
Interest and fiscal charges	15,291	3,339	—	345,615	1,175,048	98,403	1,637,696
<b>Total Expenditures</b>	<b>15,351,713</b>	<b>3,442,307</b>	<b>2,046,017</b>	<b>2,062,897</b>	<b>2,365,722</b>	<b>1,965,173</b>	<b>27,233,829</b>
<b>Revenues Over (Under) Expenditures</b>	<b>261,727</b>	<b>(180,375)</b>	<b>(64,988)</b>	<b>(414,290)</b>	<b>204,567</b>	<b>98,821</b>	<b>(94,538)</b>
<b>Other Financing Sources (Uses)</b>							
Capital lease	273,503	50,425	—	—	—	396,528	720,456
Transfers in	426,000	450,000	—	—	—	11,509	887,509
Transfers out	—	(76,000)	—	—	—	(811,509)	(887,509)
<b>Total Other Financing Sources (Uses)</b>	<b>699,503</b>	<b>424,425</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>(403,472)</b>	<b>720,456</b>
<b>Net Change In Fund Balances</b>	<b>961,230</b>	<b>244,050</b>	<b>(64,988)</b>	<b>(414,290)</b>	<b>204,567</b>	<b>(304,651)</b>	<b>625,918</b>
<b>Fund Balances - Beginning Of Year</b>	<b>3,187,268</b>	<b>18,719</b>	<b>4,194,921</b>	<b>903,829</b>	<b>3,722,698</b>	<b>1,812,710</b>	<b>13,840,145</b>
<b>Fund Balances - End Of Year</b>	<b>\$ 4,148,498</b>	<b>\$ 262,769</b>	<b>\$ 4,129,933</b>	<b>\$ 489,539</b>	<b>\$ 3,927,265</b>	<b>\$ 1,508,059</b>	<b>\$ 14,466,063</b>

## CITY OF LIBERTY, 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 December 31, 2011

**Net Change In Fund Balances - Total Governmental Funds** \$ 625,918

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

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. The following is the detail of the amount by which capital outlays exceeded depreciation in the current year:

Capital outlay	2,777,146
Depreciation:	
General government	(508,680)
Public safety	(388,582)
Public works	(960,970)
Culture and recreation	(1,262,089)
Loss on disposal of capital assets	(143,702)

Special assessment revenues in the statement of activities that do not provide current financial resources are not reported in the funds (82,768)

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

Changes in compensated absences:	
General government	(10,992)
Public safety	(80,226)
Public works	(17,905)
Culture and recreation	(2,972)
Changes in net pension obligation	(174,702)
Changes in other post employment benefits	(49,400)

Bond proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net assets. Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets:

Principal payments on long-term debt	3,115,362
Capital lease	(720,456)
Amortization of issuance costs and bond discounts	(44,604)
Amortization of bond premiums	51,255
Change in accrued interest	64,505

**Change In Net Assets Of Governmental Activities** \$ 2,186,138

# CITY OF LIBERTY, MISSOURI

## STATEMENT OF NET ASSETS ENTERPRISE FUNDS December 31, 2011

	Water	Sewer	Sanitation (Nonmajor)	Total
<b>Assets</b>				
<b>Current Assets:</b>				
Cash and investments	\$ 1,014,162	\$ 1,096,922	\$ 176,468	\$ 2,287,552
Receivables:				
Accounts	493,198	990,104	79,484	1,562,786
Accrued interest	4,705	2,743	394	7,842
Inventory	140,030	6,324	—	146,354
Prepays	31,000	56,863	—	87,863
<b>Total Current Assets</b>	<b>1,683,095</b>	<b>2,152,956</b>	<b>256,346</b>	<b>4,092,397</b>
<b>Noncurrent Assets:</b>				
Restricted assets, cash and investments	400,000	4,598,064	—	4,998,064
Bond issuance costs	71,336	212,184	—	283,520
Capital assets:				
Land	795,677	45,000	—	840,677
Construction in progress	42,855	231,832	—	274,687
Buildings and systems	9,004,014	1,213,059	—	10,217,073
Improvements other than buildings	143,116	51,027	—	194,143
Vehicles	669,843	565,533	—	1,235,376
Machinery and equipment	5,459,371	3,850,588	—	9,309,959
Infrastructure	29,909,607	28,124,891	—	58,034,498
Accumulated depreciation	(16,285,811)	(8,598,768)	—	(24,884,579)
<b>Total Noncurrent Assets</b>	<b>30,210,008</b>	<b>30,293,410</b>	<b>—</b>	<b>60,503,418</b>
<b>Total Assets</b>	<b>31,893,103</b>	<b>32,446,366</b>	<b>256,346</b>	<b>64,595,815</b>
<b>Liabilities</b>				
<b>Current Liabilities</b>				
Accounts payable and accrued expenses	200,487	710,820	101,498	1,012,805
Compensated absences	23,719	12,834	302	36,855
Accrued interest payable	62,072	203,349	—	265,421
Unearned revenue	—	144,919	—	144,919
Current maturities of long-term debt	—	762,753	—	762,753
<b>Total Current Liabilities</b>	<b>286,278</b>	<b>1,834,675</b>	<b>101,800</b>	<b>2,222,753</b>
<b>Noncurrent Liabilities:</b>				
Compensated absences	46,043	24,913	585	71,541
SRF note payable	—	3,479,152	—	3,479,152
Long-term debt - bonds	4,157,607	9,169,757	—	13,327,364
<b>Total Noncurrent Liabilities</b>	<b>4,203,650</b>	<b>12,673,822</b>	<b>585</b>	<b>16,878,057</b>
<b>Total Liabilities</b>	<b>4,489,928</b>	<b>14,508,497</b>	<b>102,385</b>	<b>19,100,810</b>
<b>Net Assets</b>				
Invested in capital assets, net of related debt	25,581,065	15,733,405	—	41,314,470
Restricted for:				
Debt service	400,000	4,501,221	—	4,901,221
Kansas City sewer line	—	96,843	—	96,843
Unrestricted	1,422,110	(2,393,600)	153,961	(817,529)
<b>Total Net Assets</b>	<b>\$ 27,403,175</b>	<b>\$ 17,937,869</b>	<b>\$ 153,961</b>	<b>\$ 45,495,005</b>

## CITY OF LIBERTY, MISSOURI

### STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS ENTERPRISE FUNDS

For The Year Ended December 31, 2011

		Water		Sewer	Sanitation (Nonmajor)	Total
<b>Operating Revenues</b>						
Charges for services	\$	4,886,858	\$	5,528,214	\$	1,156,496
Miscellaneous		7,918		—		7,918
<b>Total Operating Revenues</b>		4,894,776		5,528,214	1,156,496	11,579,486
<b>Operating Expenses</b>						
Pumping and treatment		1,546,767		3,645,913	—	5,192,680
Distribution and transmission		872,077		343,888	—	1,215,965
General and administrative		522,251		638,444	—	1,160,695
Sanitation		—		—	1,296,758	1,296,758
Depreciation		932,084		710,414	—	1,642,498
<b>Total Operating Expenses</b>		3,873,179		5,338,659	1,296,758	10,508,596
<b>Operating Income</b>		1,021,597		189,555	(140,262)	1,070,890
<b>Nonoperating Revenues (Expenses)</b>						
Investment earnings		10,622		168,512	941	180,075
Interest expense		(357,043)		(449,646)	—	(806,689)
<b>Total Nonoperating Revenues (Expenses)</b>		(346,421)		(281,134)	941	(626,614)
<b>Income (Loss) Before Transfers And Capital Contributions</b>		675,176		(91,579)	(139,321)	444,276
<b>Capital Contributions</b>		80,113		89,912	—	170,025
<b>Change In Net Assets</b>		755,289		(1,667)	(139,321)	614,301
<b>Net Assets - Beginning Of Year</b>		26,647,886		17,939,536	293,282	44,880,704
<b>Net Assets - End Of Year</b>	\$	27,403,175	\$	17,937,869	\$	153,961
					\$	45,495,005

**CITY OF LIBERTY, MISSOURI**

---

**STATEMENT OF CASH FLOWS**  
**ENTERPRISE FUNDS**  
**For The Year Ended December 31, 2011**

	Water	Sewer	Sanitation (Nonmajor)	Total
<b>Cash Flows From Operating Activities</b>				
Receipts from customers and users	\$ 4,950,136	\$ 5,553,868	\$ 1,161,483	\$ 11,665,487
Payments to suppliers	(2,397,810)	(4,051,432)	(1,329,895)	(7,779,137)
Payments to employees	(435,142)	(334,872)	(14,157)	(784,171)
<b>Net Cash Provided By Operating Activities</b>	<b>2,125,102</b>	<b>1,167,564</b>	<b>(182,569)</b>	<b>3,110,097</b>
<b>Cash Flows From Capital And Related Financing Activities</b>				
Purchase of capital assets	(86,323)	(5,967)	—	(92,290)
Interest payments	(498,392)	(463,568)	—	(961,960)
Principal payments on debt	(2,280,000)	(729,136)	—	(3,009,136)
<b>Net Cash Used In Capital And Related Financing Activities</b>	<b>(2,864,715)</b>	<b>(1,198,671)</b>	<b>—</b>	<b>(4,063,386)</b>
<b>Cash Flows Provided By Investing Activities</b>				
Interest and dividends received	9,837	167,830	1,176	178,843
<b>Increase In Cash And Cash Equivalents</b>	<b>(729,776)</b>	<b>136,723</b>	<b>(181,393)</b>	<b>(774,446)</b>
<b>Cash And Cash Equivalents - Beginning Of Year</b>	<b>2,143,938</b>	<b>5,558,263</b>	<b>357,861</b>	<b>8,060,062</b>
<b>Cash And Cash Equivalents - End Of Year</b>	<b>\$ 1,414,162</b>	<b>\$ 5,694,986</b>	<b>\$ 176,468</b>	<b>\$ 7,285,616</b>
Reconciliation of operating income to net cash provided by operating activities:				
Operating income	\$ 1,021,597	\$ 189,555	\$ (140,262)	\$ 1,070,890
Adjustments to reconcile operating income to net cash provided by operating activities:				
Depreciation	932,084	710,415	—	1,642,499
Amortization	—	13,779	—	13,779
Changes in assets and liabilities:				
Receivables	63,278	25,654	4,987	93,919
Inventory and other prepayments	(25,131)	(6,368)	—	(31,499)
Accounts payable and accrued expenses	90,520	227,143	(47,595)	270,068
Compensated absences	42,754	7,386	301	50,441
<b>Net Cash Provided By Operating Activities</b>	<b>\$ 2,125,102</b>	<b>\$ 1,167,564</b>	<b>\$ (182,569)</b>	<b>\$ 3,110,097</b>
<b>Noncash Investing And Financing Transactions</b>				
Refund of Series 2002 and 2005 bonds	\$ 4,335,000	\$ —	\$ —	\$ 4,335,000

**CITY OF LIBERTY, MISSOURI**

---

**STATEMENT OF ASSETS AND LIABILITIES  
AGENCY FUNDS  
December 31, 2011**

**Assets**

Cash and cash equivalents	\$ 131,731
Accrued interest	59
	<hr/>
	\$ 131,790
	<hr/> <hr/>

**Liabilities**

Protested taxes	\$ 8,323
Due to other entities	123,467
	<hr/>
	\$ 131,790
	<hr/> <hr/>

# CITY OF LIBERTY, MISSOURI

---

## NOTES TO BASIC FINANCIAL STATEMENTS

December 31, 2011

### 1. Summary Of Significant Accounting Policies

The following is a summary of significant accounting policies employed in the preparation of these financial statements.

#### **Nature Of Operations**

The City of Liberty, Missouri (the City) was incorporated in 1829 and covers an area of approximately 29 square miles in the northeast threshold of the Kansas City region. The City is a Special Charter City that operates under the Mayor-Council-Administrator form of government. The City provides services to its residents in many areas, including law enforcement, fire protection, water and sewer services, community enrichment and development and various social services.

#### **Reporting Entity**

In accordance with the Codification of Governmental Accounting and Financial Reporting Standards (the Codification), the basic financial statements include all funds, organizations, agencies, boards, commissions and authorities for which the City is financially accountable. The City has also considered all other potential organizations for which the nature and significance of their relationships with the City are such that exclusion would cause the City's financial statements to be misleading or incomplete. The Governmental Accounting Standards Board has set forth criteria to be considered in determining financial accountability. These criteria include appointing a majority of an organization's governing body, and (1) the ability of the City to impose its will on that organization or (2) the potential for that organization to provide specific benefits to or impose specific financial burdens on the City. Based on these criteria, the City is presented as a primary government and is financially accountable for the Liberty, Missouri Public Facilities Authority (PFA), a blended component unit.

Liberty, Missouri Public Facilities Authority (PFA): The PFA, a not-for-profit corporation, was incorporated under the laws of the State of Missouri. The PFA was established to acquire and construct facilities within the City of Liberty, Missouri, which are approved by the City Council for the benefit of the City and its citizens.

## **CITY OF LIBERTY, MISSOURI**

---

### Notes To Basic Financial Statements (*Continued*)

The Board of Directors of the PFA is comprised of seven members, five of which are approved by the City Council. The Mayor and Park Board President also serve as members of the board. The activities of the PFA include the financing through issuance of bonds and the construction of various facilities. The PFA has entered into an 11-year lease, renewable annually, for Liberty's Sports Complex. The PFA also has entered into a 20-year lease, renewable annually, for the Community Center. The City has an option to buy these facilities once the bonds are retired. Financial information for the PFA is recorded in the Public Facilities Authority Fund (a debt service fund) and the PFA Construction Fund (a capital projects fund). Although it is legally separate from the City, the PFA is reported as if it were part of the primary government because its sole purpose is to finance and construct facilities for the City.

Separately issued financial statements are not prepared for the PFA. The PFA has a December 31 year-end.

Government-wide and fund financial statements: The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the nonfiduciary activities of the City. For the most part, the effect of interfund activity has been removed from these statements. Interfund services provided and used are not eliminated from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, 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 expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not included among program revenues are reported as general revenues.

Separate financial statements are provided for governmental funds, proprietary funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. The focus of fund financial statements is on major funds. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements. Nonmajor funds are aggregated and presented in a single column.

Fund accounting: 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 providing a separate set of self-balancing accounts which comprise its assets, liabilities, reserves, fund balance/net assets, revenues and expenditures or expenses, as appropriate. The City has the following funds:



## CITY OF LIBERTY, MISSOURI

---

### Notes To Basic Financial Statements (*Continued*)

**Governmental Fund Types:** Governmental fund types are those funds through which most governmental functions typically are financed. Governmental fund reporting focuses on the sources, uses and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used; current liabilities are assigned to the fund from which they are paid; and the difference between governmental fund assets and liabilities, the fund equity, is referred to as “fund balance.” The measurement focus is upon determination of changes in financial position, rather than upon net income determination. The following are the City’s major governmental funds:

**General Fund:** The General Fund is the government’s primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

**Parks Fund:** This fund is a special revenue fund used to account for the maintenance and improvement of all City park facilities and the development and supervision of various recreation programs.

**Capital Sales Tax Fund:** This fund is a capital projects fund used to account for general governmental capital expenditures within the City. The City deposits 42% of the one-cent City sales tax and a ½ cent capital improvement sales tax into this fund for these projects.

**Transportation Sales Tax Fund:** This fund is a capital projects fund and was established in 2001 to account for the construction of new roads required by development growth. It is funded by a transportation sales tax. In November 2008, citizens voted to increase this tax from a quarter cent to a half cent which will sunset in December 2030.

**Liberty TIF Fund:** This fund is a capital projects fund. The Liberty TIF Fund was established to track the redevelopment of land between I-35, M-291 and 152 Hwy, I-35 and M-291 at A Hwy, and development along South Liberty Parkway. A \$7,795,000 bond was issued in late 2004 to pay for infrastructure costs of Phase One, Project A. A \$7,840,000 bond was issued in 2007 to pay for infrastructure costs for the 2007 Series Projects located in the Liberty Triangle. A \$5,710,000 bond was issued in 2010 to pay for infrastructure costs for the Roger’s Plaza Project located in the Liberty Triangle. A \$2,070,000 Special Obligation Bond was issued in 2007 for relocation of the Clay County Health Center from the Liberty Triangle. A \$2,395,000 Special Obligation Bond was issued in 2010 to refund the Clay County Health Center 2007 Series Special Obligation Bonds. The bonds will be paid from tax increment financing of increased revenue from sales tax and property tax.

The other governmental funds of the City are considered nonmajor and are as follows:

**Special Revenue Funds:** These funds are used to account for the proceeds of specific revenue sources (other than certain capital projects that are legally restricted to expenditures for specific projects).

## CITY OF LIBERTY, MISSOURI

---

### Notes To Basic Financial Statements (*Continued*)

Cemetery Fund: This fund is used for general maintenance of the municipal cemeteries. Revenues are derived from the sale of lots, burial permits and contributions from nonexpendable cemetery trust funds generated by investment earnings.

Police Training Fund: This fund reflects the revenue earned from the \$2 charge added to each moving violation issued by the Police Department. By law, the revenues must be used to finance the training of Police Department personnel.

***Debt Service Funds***: These funds are used to account for the servicing of the general long-term debt of the City.

Special Assessment Neighborhood Improvement Fund: To account for the payment of principal and interest on special assessment debt. This fund was established in 1994.

Public Facilities Authority Fund: This fund is used to account for the payment of principal and interest on leasehold revenue bonds.

***Capital Projects Funds***: These funds are used to account for all resources used in the acquisition and construction of capital facilities and other capital assets, with the exception of those that are financed through proprietary funds.

Parks Capital Fund: This fund is used to account for the operating and capital needs of the parks system. It is funded by the 1/4 cent park sales tax approved by voters in August 2000.

PFA Construction Fund: This fund was established in 1999 to account for the acquisition of funds and the construction of a Sports Complex for the City. It is funded by the transfer of bond proceeds from the Public Facilities Authority Debt Service Fund.

Fire Sales Tax Fund: This fund was established in 2001 to account for the operating and capital needs of the fire department. It is funded by a 1/4 cent sales tax approved by voters in August 2000.

Cable Reserve Fund: This fund was established to maintain and purchase capital equipment for the cable system. It is funded by a pass through fee from the cable franchise holder.

Limited Capital Fund: This fund was established to account for certain capital needs of the governmental departments. It is funded from the General Fund reserves.

***Permanent Funds***: Are used to report resources that are legally restricted to the extent that only earnings, and not principal, may be used to support programs of the City.

Fairview Cemetery Trust Fund: To account for trust funds given to the City for the development and maintenance of the City's Fairview Cemetery. The principal is nonexpendable. Interest on trust funds invested is transferred to the Cemetery Fund and used for maintenance of the cemetery.

## CITY OF LIBERTY, MISSOURI

---

### Notes To Basic Financial Statements (*Continued*)

Mt. Memorial Cemetery Trust Fund: This fund is similar to the Fairview Cemetery Trust Fund, except that it is for the benefit of the City's Mt. Memorial Cemetery.

Frank Hughes Memorial Trust Fund: This fund is similar to the Cemetery Trust funds in that the principal is nonexpendable. Interest on the trust funds invested is transferred to the Parks Maintenance Fund to be used for maintenance and repairs to the Frank Hughes Library.

**Proprietary Fund Types:** Proprietary fund types are used to account for a government's ongoing organizations and activities which are similar to those often found in the private sector. The measurement focus is upon income determination, financial position and cash flows.

**Enterprise Funds:** Are used to account for those operations that are financed and operated in a manner similar to private business or where the City has decided that the determination of revenues earned, costs incurred and/or net income is necessary for management accountability. In accordance with the Codification, the City has elected to apply all applicable Financial Accounting Standards Board (FASB) pronouncements, issued on or before November 30, 1989, except for those pronouncements which conflict with or contradict the Codification or GASB pronouncements and not to apply FASB pronouncements issued subsequent to November 30, 1989.

The following are the City's major enterprise funds:

Water Fund: Accounts for the cost of production, treatment and distribution of water throughout the City. Revenues are derived from charges to customers.

Sewer Fund: Accounts for cost of collection and treatment of wastewater. Effective August 1998, the City's system was connected with the Kansas City, Missouri sewerage system. Revenues are derived from charges to customers.

The other enterprise fund of the City is considered nonmajor and is as follows:

Sanitation Fund: Accounts for administering the contractual agreements with a trash hauler for the proper collection of trash and garbage throughout the City and its disposition.

**Fiduciary Fund Types:** Fiduciary fund types are used to account for assets held by a governmental unit in a trustee capacity or as an agent for individuals, private organizations, other governmental units and/or other funds. The City has the following fiduciary fund type:

**Agency Funds:** These are used to account for assets that the City holds for others in an agency capacity. The City has the following agency funds:

Tax Escrow Fund: To account for taxes paid under protest. The monies remain in this fund until final disposition of the protest.

## **CITY OF LIBERTY, MISSOURI**

---

### Notes To Basic Financial Statements (*Continued*)

Preservation And Development Fund: To account for contributions received by other entities for renovations of downtown and historic districts.

Triangle CID Sales Tax Fund: To account for sales tax paid with the Community Improvement District established as a separate entity that provides payment of the TIF debt.

Roger's Plaza CID Sales Fund: To account for sales tax paid within the Community Improvement District established as a separate government entity that provides payment of the TIF debt and improvements to the district.

Blue Jay CID Sales Fund: To account for sales tax paid within the Community Improvement District established as a separate government entity that provides payment of the TIF debt and improvements to the district.

Liberty Corners CID: To account for sales tax paid within the Community Improvement District established as a separate government entity that provides payment for improvements to the district.

### **Measurement Focus And Basis Of Accounting**

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund financial statements. The agency funds have no measurement focus. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the following year for which they are levied. 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 within 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 fiscal period, with the exception of sales tax which is 90 days. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

## CITY OF LIBERTY, MISSOURI

---

### Notes To Basic Financial Statements (*Continued*)

In applying the susceptible to accrual concept to intergovernmental revenues, the legal and contractual requirements of the numerous individual programs are used as guidance. There are, however, essentially two types of these revenues. In one, monies must be expended on the specific purpose or project before any amounts will be paid to the City; therefore, revenues are recognized based upon the expenditures recorded and the availability criteria. In the other, monies are virtually unrestricted as to purpose of expenditure and are usually revocable only for failure to comply with prescribed requirements. These resources are reflected as revenues at the time of receipt or earlier if the susceptible to accrual criteria are met.

Charges for sales and services (other than utility), and miscellaneous revenues are generally recorded as revenue when received in cash because they are generally not measurable until actually received. Investment earnings are recorded as earned since they are measurable and available.

Property taxes are recognized as a receivable at the time they become an enforceable legal claim. The current taxes receivable represent the 2011 levy plus any uncollected amounts from the 2010 levy. Property taxes that are not available for current year operations are shown as deferred revenue. Property taxes are levied each year on all taxable real and personal property in the City. The City's property tax is levied each September 1 on the assessed value as of the prior January 1. Property taxes are billed in total by November 1 following the levy date and considered delinquent after January 1. On January 1, a lien attaches to all property for which taxes are unpaid.

Taxes receivable represent property, sales and franchise taxes, including interest and penalties, reduced by an appropriate allowance for uncollectible taxes.

Amounts reported as program revenues include: 1) charges to customers or applicants for goods, services or privileges provided, 2) operating grants and contributions and 3) capital grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

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 a proprietary fund's principal ongoing operations. The principal operating revenues of the City's enterprise funds are charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

**Cash And Investments**

The City maintains a cash and investment pool to maximize investment opportunities. Income from investments purchased with pooled cash is allocated to individual funds based on the fund's average cash balance and legal requirements. Each fund's portion of total cash and investments is reported as such within this report. In addition, certain investments are separately held by several of the City's funds. Investments are reported at fair value. Securities traded on the national or international exchange are valued at the last reported sales price at current exchange rates.

**Statement Of Cash Flows**

For purposes of the statement of cash flows for proprietary funds, all highly liquid investments (including restricted assets) with a maturity of three months or less when purchased are considered to be cash equivalents.

**Accounts Receivable And Unbilled Usage**

Accounts receivable and unbilled usage results primarily from miscellaneous services provided to citizens in the governmental funds. Water, sewer and sanitation services are accounted for in the Water, Sewer and Sanitation Funds when billed. Unbilled usage for service consumed between periodic scheduled billing dates is recognized as revenue in the period in which service is provided. All are net of an allowance for uncollectibles.

**Inventory And Prepaids**

Inventory consists of materials and supplies held for consumption and are stated at cost, determined by the first-in, first-out method. Inventories of the governmental fund types are accounted for under the consumption method. Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements under the consumption method.

**Capital Assets**

Land, buildings, improvements, vehicles, machinery and equipment and infrastructure are reported in the applicable governmental or business-type activities columns in the government-wide and enterprise fund financial statements. Capital assets are defined by the City as assets with an initial, individual cost of more than \$5,000 and an initial useful life of one year or greater. Such assets are recorded at historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the life of the asset are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

## CITY OF LIBERTY, MISSOURI

---

### Notes To Basic Financial Statements (*Continued*)

Depreciation has been provided over the estimated useful lives of the respective assets using the straight-line method. The estimated useful lives for each capital asset type are as follows:

Buildings and systems	20 - 50 years
Improvements other than buildings	20 years
Vehicles	3 - 15 years
Machinery and equipment	5 - 20 years
Infrastructure	65 years

The City's collection of works of art, library books and other similar assets are not capitalized. These collections are unencumbered, held for public exhibition and education, protected, cared for and preserved and subject to the City policy that requires proceeds from the sale of these items to be used to acquire other collection items.

#### **Deferred And Unearned Revenues**

In addition, governmental funds report deferred revenue for amounts due, which are measurable, but not available. Unearned revenue in the statement of net assets and proprietary funds represents property tax levied for future fiscal years and receipts where the City has not met all eligibility requirements imposed by the provider.

#### **Interfund Transactions**

Transactions among the City funds that would be treated as revenues and expenditures or expenses if they involved organizations external to the City government are accounted for as revenues and expenditures or expenses in the funds involved.

Transactions, which constitute reimbursements to a fund for expenditures initially made from it which are properly applicable to another fund, are recorded as expenditures in the reimbursing fund and as reductions of expenditures in the reimbursed fund.

Transactions, which constitute the transfer of resources from a fund receiving revenues to a fund through which the revenues are to be expended, are separately reported in the respective funds' operating statements.

Activities between funds that are representative of lending/borrowing arrangements at the end of the fiscal year are referred to as "due to/from other funds." Those that are longer-term in nature are reported as advances to/from other funds. Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

#### **Compensated Absences**

Employees earn annual leave and can accumulate unused leave up to a maximum accumulation of 30 days. At termination, employees are paid for accumulated annual leave.

## CITY OF LIBERTY, MISSOURI

---

### Notes To Basic Financial Statements (*Continued*)

Employees earn one day of sick leave for each month worked and can accumulate unused sick leave up to a maximum of 120 days. At retirement, employees are reimbursed for 50% of unused sick leave, up to a maximum of 60 days.

For proprietary fund types and the government-wide statements, these accumulations are recorded as expenses and liabilities in the fiscal year earned. For governmental fund types, the amount of accumulated unpaid vacation and sick leave that is payable from available resources is recorded as a liability of the respective fund only if they have matured, for example, as a result of employee retirements and resignations.

#### **Fund Balance**

Effective January 1, 2011, the City adopted the provisions of GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. The new Statement changed how fund balances are classified and reported, and clarified the definitions of existing governmental fund types. The new fund balance classifications for the City are described below. There was no affect on the City's total reported fund balance.

In the fund financial statements, governmental funds report fund balance in five different classifications:

1. *Nonspendable* – Assets legally or contractually required to be maintained or are not in spendable form. Such constraint is binding until the legal requirement is repealed or the amounts become spendable.
2. *Restricted* – Assets with externally imposed constraints, such as those mandated by creditors, grantors, and contributors, or laws and regulations. Such constraint is binding unless modified or rescinded by the applicable external body, laws, or regulations.
3. *Committed* – Assets with a purpose formally imposed by resolution of the City Council, binding unless modified or rescinded by the City Council through a similar action.
4. *Assigned* – Assets constrained by the expressed written intent of the City Council, City Manager, Director of Resource Management, or designee. Encumbrances shall be considered as assigned unless they specifically meet the requirements to be restricted or committed.
5. *Unassigned* – All amounts not included in the other fund balance classifications. The general fund shall be the only fund to report positive unassigned fund balance. All other governmental funds may report negative unassigned fund balance.

For the classification of fund balances, the City considers restricted amounts to have been spent first when an expenditure is incurred for the purposes for which both restricted and unrestricted fund balance is available. Expenditures are to be spent from restricted fund balance first, followed by committed, assigned, and lastly unassigned.



## **CITY OF LIBERTY, MISSOURI**

---

### Notes To Basic Financial Statements (*Continued*)

#### **Net Assets**

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt, consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Net assets invested in capital assets, net of related debt, excludes unspent debt proceeds. Net assets are reported as restricted when there are limitations imposed on their use through enabling legislation or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. Net assets restricted consist of restrictions related to capital improvements, parks, transportation, TIF projects, debt service, fire, Kansas City sewer line and trust corpus.

The City first applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net assets are available.

#### **Bond Discount, Premium And Issuance Costs**

In the government-wide financial statements and the fund financial statements for proprietary fund types, long-term debt and other long-term obligations are reported as liabilities. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, in the period incurred. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, and debt principal payments are reported as debt service expenditures.

#### **Use Of Estimates**

The preparation of 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 financial statements and the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

## CITY OF LIBERTY, MISSOURI

### Notes To Basic Financial Statements (Continued)

## 2. Deposits And Investments

As of December 31, 2011, the City had the following investments and maturities:

Investment Type	Amount	Investment Maturities (In Years)			
		Less Than 1	1-3	3-5	More Than 5
Federal Farm Credit Bank	\$ 2,775,448	\$ —	\$ 2,775,448	\$ —	\$ —
Federal National Mortgage Association	6,529,645	—	6,529,645	—	—
Federal Home Loan Mortgage Corporation	662,629	—	662,629	—	—
Federal Home Loan Bank Repurchase Agreements	3,998,406	998,200	3,000,206	—	—
Money Market Funds:	1,619,281	1,619,281	—	—	—
Fidelity Treasury	3,760,010	3,760,010	—	—	—
Interest in State of Missouri SRF Program Investment Pool	3,661,905	—	—	—	3,661,905
	\$ 23,007,324	\$ 6,377,491	\$ 12,967,928	\$ —	\$ 3,661,905

### Authorized Investments

Missouri State Statutes authorize the City to invest in obligations of the U.S. Treasury and U.S. Agencies, obligations of state and local government entities, certificates of deposit and repurchase agreements. It is the City's policy to follow state statutes.

### 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 maturity of an investment means 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 limits investment maturities to three years, with the exception of funds invested in accordance with bond or other financing agreements.

## CITY OF LIBERTY, MISSOURI

---

### Notes To Basic Financial Statements (*Continued*)

#### **Credit Risk**

Generally, credit risk is the risk the 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. The City does not have a formal policy relating to credit risk. As of December 31, 2011, the City's investments were rated as follows:

<b>Investment Type</b>	<b>Rating</b>	<b>Company</b>	<b>Rating</b>	<b>Company</b>
Federal Farm Credit Bank	Aaa	Moody's	AA+	Standard & Poor's
Federal National Mortgage Association	Aaa	Moody's	AA+	Standard & Poor's
Federal Home Loan Mortgage Corporation	Aaa	Moody's	AA+	Standard & Poor's
Federal Home Loan Bank	Not Rated		AA+	Standard & Poor's
Repurchase Agreements	Not Rated		Not Rated	
Money Market Funds				
Fidelity Treasury	Not Rated		Not Rated	
Interest in State of Missouri SRF Program Investment Pool	Not Rated		Not Rated	

#### **Concentration Of Credit Risk**

The City's investment policy is to apply the prudent-person rule: investments shall be made with judgment and care, under 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 the probable safety of their capital, as well as the probable income to be derived. In addition, with the exception of U.S. Treasury securities, government pools collateralized by U.S. Treasury securities and repurchase agreements, it is the City's policy that no more than 50% of the City's total investment portfolio be deposited in a single financial institution/primary dealer. More than 5% of the City's portfolio is invested in Federal Farm Credit Bank (12.1%); Federal National Mortgage Association (28.4%); Federal Home Loan Mortgage Corporation (2.9%); Federal Home Loan Bank (17.4%); Repurchase Agreements (7.0%); and Interest in State of Missouri SRF Program Investment Pool (15.9%).

#### **Custodial Credit Risk**

Custodial credit risk is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment that are in the possession of another party. The City's investment policy requires all collateral securities pledged to be held by the City or a designated independent third-party custodian with whom the City has a current custodial agreement and requires the custodian holds the securities as pledged to the City in an account in the City's name.

# CITY OF LIBERTY, MISSOURI

## Notes To Basic Financial Statements (Continued)

A summary of deposits and investments, along with financial statement classifications, is as follows:

Deposits	\$ 267,910
Investments	<u>23,007,324</u>
	<u>\$ 23,275,234</u>
Cash and investments	\$ 13,926,667
Restricted assets:	
Cash and cash equivalents	3,971,920
Investments	5,244,916
Agency fund, cash and cash equivalents	<u>131,731</u>
	<u>\$ 23,275,234</u>

The City's investments during the year did not vary substantially from those at year end in amounts or level of risk.

### 3. Capital Assets

The following is a summary of changes in capital assets for the year ended December 31, 2011:

	Balance - January 1, 2011	Additions	Retirements	Balance - December 31, 2011
<b>Governmental Activities</b>				
Capital assets, not being depreciated:				
Land	\$ 1,886,906	\$ —	\$ —	\$ 1,886,906
Construction in progress	3,868,794	878,158	738,983	4,007,969
Total capital assets, not being depreciated	<u>5,755,700</u>	<u>878,158</u>	<u>738,983</u>	<u>5,894,875</u>
Capital assets being depreciated:				
Buildings and system	13,082,919	—	—	13,082,919
Improvements other than buildings	9,973,801	194,778	—	10,168,579
Vehicles	3,747,036	842,697	400,465	4,189,268
Machinery and equipment	8,581,082	398,481	130,584	8,848,979
Infrastructure	34,901,075	1,202,015	—	36,103,090
Total capital assets being depreciated	<u>70,285,913</u>	<u>2,637,971</u>	<u>531,049</u>	<u>72,392,835</u>
Less: Accumulated depreciation for:				
Buildings and system	4,330,788	305,170	—	4,635,958
Improvements other than buildings	5,165,715	434,637	—	5,600,352
Vehicles	2,557,751	249,017	272,541	2,534,227
Machinery and equipment	5,737,862	437,754	114,806	6,060,810
Infrastructure	7,651,994	1,693,743	—	9,345,737
Total accumulated depreciation	<u>25,444,110</u>	<u>3,120,321</u>	<u>387,347</u>	<u>28,177,084</u>
Total capital assets being depreciated, net	<u>44,841,803</u>	<u>(482,350)</u>	<u>143,702</u>	<u>44,215,751</u>
Governmental activities capital assets, net	<u>\$ 50,597,503</u>	<u>\$ 395,808</u>	<u>\$ 882,685</u>	<u>\$ 50,110,626</u>

# CITY OF LIBERTY, MISSOURI

## Notes To Basic Financial Statements (Continued)

	Balance - January 1, 2011	Additions	Retirements	Balance - December 31, 2011
<b>Business-Type Activities</b>				
Capital assets, not being depreciated:				
Land	\$ 840,677	\$ —	\$ —	\$ 840,677
Construction in progress	309,111	42,855	77,279	274,687
<b>Total capital assets, not being depreciated</b>	<b>1,149,788</b>	<b>42,855</b>	<b>77,279</b>	<b>1,115,364</b>
Capital assets being depreciated:				
Buildings and system	10,217,073	—	—	10,217,073
Improvements other than buildings	194,143	—	—	194,143
Vehicles	1,305,953	—	70,577	1,235,376
Machinery and equipment	9,260,524	49,435	—	9,309,959
Infrastructure	57,787,195	247,303	—	58,034,498
<b>Total capital assets being depreciated</b>	<b>78,764,888</b>	<b>296,738</b>	<b>70,577</b>	<b>78,991,049</b>
Less: Accumulated depreciation for:				
Buildings and system	2,837,625	204,341	—	3,041,966
Improvements other than buildings	163,426	7,825	—	171,251
Vehicles	752,258	83,492	70,577	765,173
Machinery and equipment	4,778,726	221,553	—	5,000,279
Infrastructure	14,780,623	1,125,287	—	15,905,910
<b>Total accumulated depreciation</b>	<b>23,312,658</b>	<b>1,642,498</b>	<b>70,577</b>	<b>24,884,579</b>
<b>Total capital assets being depreciated, net</b>	<b>55,452,230</b>	<b>(1,345,760)</b>	<b>—</b>	<b>54,106,470</b>
<b>Business-type activities capital assets, net</b>	<b>\$ 56,602,018</b>	<b>\$ (1,302,905)</b>	<b>\$ 77,279</b>	<b>\$ 55,221,834</b>

Depreciation expense was charged to functions of the government as follows:

### Governmental Activities

General government	\$ 508,680
Public safety	388,582
Culture and recreation	1,262,089
Public works	960,970
	<u>960,970</u>
	<u>\$ 3,120,321</u>

Depreciation expense was charged to functions of the government as follows:

### Business-Type Activities

Water	\$ 932,084
Sewer	710,414
	<u>710,414</u>
	<u>\$ 1,642,498</u>

**CITY OF LIBERTY, MISSOURI**

Notes To Basic Financial Statements *(Continued)*

**4. Long-Term Debt**

The following is a summary of changes in long-term debt for the year ended December 31, 2011:

	Balance - January 1, 2011	Additions	Retirements	Balance - December 31, 2011	Due Within One Year
<b>Governmental Activities</b>					
Special assessment bonds	\$ 290,000	\$ —	\$ 80,000	\$ 210,000	\$ 85,000
Special obligation bonds	2,395,000	—	—	2,395,000	55,000
Capital leases	375,356	720,456	200,687	895,125	312,976
General obligation bonds	8,085,000	—	1,585,000	6,500,000	700,000
Leasehold revenue bonds	2,120,000	—	775,000	1,345,000	140,000
TIF bonds	18,305,000	—	465,000	17,840,000	505,000
MDNR loan payable	74,890	—	9,676	65,214	10,004
Net pension obligation	109,037	949,419	774,717	283,739	—
Other post employment benefits	128,400	49,400	—	177,800	—
Compensated absences	1,390,917	841,791	729,696	1,503,012	511,024
Bond premiums	280,452	—	51,255	229,197	—
Bond discounts and deferred amount on refunding	(299,116)	—	(29,155)	(269,961)	—
	<b>\$ 33,254,936</b>	<b>\$ 2,561,066</b>	<b>\$ 4,641,876</b>	<b>\$ 31,174,126</b>	<b>\$ 2,319,004</b>
<b>Business-Type Activities</b>					
Revenue bonds	\$ 11,485,000	\$ 4,335,000	\$ 6,940,000	\$ 8,880,000	\$ 335,000
SRF bonds	5,320,000	—	235,000	5,085,000	245,000
SRF note payable	3,831,041	—	169,136	3,661,905	182,753
Compensated absences	57,955	91,347	40,906	108,396	36,855
Bond premiums	147,647	113,084	27,890	232,841	—
Bond discounts and deferred amount on refunding	(80,484)	(290,477)	(80,484)	(290,477)	—
	<b>\$ 20,761,159</b>	<b>\$ 4,248,954</b>	<b>\$ 7,332,448</b>	<b>\$ 17,677,665</b>	<b>\$ 799,608</b>

The accrued compensated absences, net pension obligation and other post employment benefits attributable to the governmental activities are generally liquidated by the General Fund.

# CITY OF LIBERTY, MISSOURI

---

## Notes To Basic Financial Statements (*Continued*)

Long-term debt (including the current portions) of the City is as follows:

<b>Nonmajor</b>	
<b>Governmental</b>	
2005 Roadway and Transportation Improvement Projects Bonds, 4%, due in varying amounts through 2016	\$ 6,500,000
Special assessment bonds:	
2002 Neighborhood Improvement District Refunding Bonds, 3.65% - 5.5%, due in varying amounts through 2014	210,000
Special obligation bonds:	
2010 Clay County Health Center Relocation Project Refunding Bonds, 2% - 4.35%, due in varying amounts through 2032	2,395,000
Leasehold revenue bonds:	
2003 Community Center Refunding Guaranteed Leasehold Revenue Bonds, 3.875% - 4.5%, due in varying amounts through 2013	1,345,000
MDNR loan payable	65,214
Tax increment revenue bonds:	
2004 Liberty Triangle Project Tax Increment Revenue Bonds, 4% - 5.875%, due in varying amounts through 2026	6,355,000
2007 Liberty Triangle Project Tax Increment Revenue Bonds, 5% - 5.875%, due in varying amounts through 2029	5,775,000
2010 Roger's Plaza Project Tax Increment Revenue Bonds, 6.75%, due in varying amounts through 2030	5,710,000
Compensated absences	1,503,012
Net pension obligation	283,739
Other post employment benefits	177,800
Capital leases	
Lease purchase of fitness equipment, 4.25% due in monthly installments of \$1,708 through 2013	28,131
Lease purchase of fitness equipment, 4.25% due in monthly installments of \$1,489 through 2014	35,752
Lease purchase of an ambulance, 3.43% due in semi-annual installments of \$24,333 through 2012	47,443
Lease purchase of an ambulance, 3.00% due in semi-annual installments between \$42,680 and \$43,310 through 2016	396,530

## CITY OF LIBERTY, MISSOURI

---

### Notes To Basic Financial Statements (*Continued*)

Lease purchase of police cars, 3.00% due in semi-annual installments between 17,292 and \$17,548 through 2014	\$ 99,248
Lease purchase of a network system, .00% due in annual installments of \$53084 through 2013	116,169
Lease purchase of an access bus, 3.44% due in semi-annual installments of \$8,776 through 2012	17,109
Lease purchase of phone system, 5.08% due in annual installments of \$56,910 through 2014	154,743
Total Governmental Activities	<u>\$ 31,214,890</u>
Business-Type Activities:	
Revenue bonds:	
2005 A Sewer System Revenue Bonds, 3.00% - 4.25%, due in varying amounts through 2025	\$ 4,545,000
2011 Waterworks Refunding Bonds, 1.75%-3.00%, due in varying amounts through 2021	4,335,000
2005 State Revolving Fund Program Bonds, 3.25% - 5.25%, due in varying amounts through 2026	5,085,000
SRF Note Payable related to 70% reserve funding as part of the Missouri State Revolving Fund Program, noninterest bearing, due in varying amounts through 2026	3,661,905
Compensated absences	108,396
Total Business-Type Activities	<u>\$ 17,735,301</u>

Revenue Bonds: During the fiscal year ended December 31, 2011, the City issued Waterworks Refunding Bonds, Series 2011 in the amount of \$4,335,000 with an interest rate of 1.75% to 3.00%. The bond proceeds along with existing reserve funds totaling \$1,358,749 are being used to advance refund \$4,971,144 of the Series 2002 Waterworks Revenue Bonds with an interest rate of 2.25% to 4.8% and to currently refund \$758,749 of the Series 2005 Waterworks Refunding Revenue Bonds with an interest rate of 4.0%. The net proceeds of \$4,371,144, after payment of \$76,940 of issuance costs and receipt of \$113,084 in premiums, were deposited in an irrevocable trust with an escrow agent to provide for the future payment of principal and interest of the aforementioned Series 2002 Waterworks Revenue Bonds and Series 2005 Waterworks Refunding Revenue Bonds. As a result, the Series 2002 and 2005 bonds are considered defeased and the liability for those bonds has been removed from the government-wide statement of net assets.



## CITY OF LIBERTY, MISSOURI

---

### Notes To Basic Financial Statements (*Continued*)

As a result of the refunding, the City increased its total debt service requirements by \$182,491, which resulted in an economic gain of \$73,114. Issuance and refunding costs of \$361,814 were capitalized and will be amortized over ten years. The Series 2005 Refunding Bonds were originally used to refund prior debt issuances. The Series 2002 Revenue Bonds were used to repair and replace existing Waterworks infrastructure.

Special Obligation Bonds: During the fiscal year ended December 31, 2010, the City issued Special Obligation Refunding Bonds, Series 2010 in the amount of \$2,395,000 with an interest rate of 2.0% to 4.35%. The bond proceeds were used to currently refund \$2,070,000 of the Series 2007 bond issuance with an interest rate of 4.0%. A \$213,000 reserve was established at the time of the bond sale. The net proceeds of \$2,111,400, after payment of \$52,426 of issuance costs, were deposited in an irrevocable trust with an escrow agent to provide for the future payment of principal and interest of the aforementioned Series 2007 bonds. As a result, the Series 2007 bonds are considered defeased and the liability for those bonds has been removed from the government-wide statement of net assets. The Series 2007 bonds that were defeased were also paid in full by the escrow agent during 2010.

State Revolving Fund Program Bonds: The City has issued \$6,180,000 of State Revolving Fund Program Bonds. In conjunction with this issuance, the City entered into an agreement with the Missouri Department of Natural Resources whereby the state of Missouri will advance monies to establish a reserve fund in an amount up to 70% of the outstanding bonds. This reserve fund will serve as collateral on the State Revolving Fund Program Bonds in the event of default and interest earnings on the reserve fund will be used to reduce the City's interest payment on the outstanding bonds. As of December 31, 2011, the reserve fund has approximately \$3,661,000.

Leasehold Revenue Bonds: The Leasehold Revenue Bonds Series 2003, issued to finance improvements to the Community Center, to refund the Series 1993 bonds and the Leasehold Revenue Bonds Series 1999, and to construct a Sports Complex require the City to establish various trust funds in the name of the Public Facilities Authority. Assets of these funds consist of cash and investments and are reported in the accompanying governmental fund balance sheet and statement of net assets as restricted accounts as follows:

	<b>Debt Service - Public Facilities Authority Restricted Assets</b>
Bond Fund, 2003 Community Center	\$ 8
Bond Reserve Fund, 2003 Community Center	229,500
	<hr/>
	\$ 229,508
	<hr/> <hr/>

The monies in the Bond Fund Account (consisting mainly of lease rental payments paid by the City) shall be expended for the payment of principal and interest on the bonds.

## CITY OF LIBERTY, MISSOURI

---

### Notes To Basic Financial Statements (*Continued*)

The Bond Reserve Fund Account is available to pay principal and interest in the event of a deficiency in the Bond Fund Account. In addition, monies in the Bond Reserve Fund shall be used to pay and retire the last outstanding bonds unless such bonds and all interest thereon are otherwise paid.

The Waterworks Refunding Revenue Bonds and Sewer System Revenue Bonds require the following accounts, consisting of cash and investments and are reported in the accompanying statement of net assets as restricted accounts as follows:

	<u>Restricted Assets</u>
Water:	
Depreciation and replacement account	\$ 400,000
	<hr/>
Sewer:	
Bond reserve account	\$ 574,000
Depreciation and replacement account	96,000
	<hr/>
	\$ 670,000
	<hr/>
Sewer, Shoal Creek upgrade	\$ 7,936
	<hr/>
Sewer, Kansas City sewer line	\$ 97,058
	<hr/>
Sewer:	
SRF reserve account	\$ 3,661,905
SRF trustee interest account	38,659
SRF trustee rebate account	2
SRF trustee principal	122,504
	<hr/>
	\$ 3,823,070
	<hr/>

In addition, these bonds have a rate covenant. The City is in compliance with this covenant, except where noted below.

- The City, in accordance with and subject to applicable legal requirements, will fix, establish, maintain and collect such rates and charges for the use and services furnished by or through the System as will produce revenues sufficient to:
  - Pay the costs of the operation and maintenance of the system,
  - Pay the principal of and interest on the bonds as and when the same become due at the maturity thereof or any interest payment date.
  - Enable the City to have in each fiscal year net revenues available for debt service from sewer system activities not less than 120% of the amount required to be paid in such fiscal year on account of both principal and interest on sewer system revenue bonds at the time outstanding. The City is not in compliance with this covenant

## CITY OF LIBERTY, MISSOURI

### Notes To Basic Financial Statements (Continued)

- Enable the City to have in each fiscal year net revenues available for debt service waterworks activity not less than 110% of the amount required to be paid in such fiscal year on account of both principal and interest on waterworks revenue bonds at the time outstanding. The City is in compliance with this covenant.
- Maintain a Debt Service Reserve Account of not less than \$571,818 for the Sewer Fund. As of December 31, 2011, this amount is \$574,000.
- Provide reasonable and adequate reserves for the payment of the bonds and the interest thereon and for the protection and benefit of the system as provided in the bond ordinance.

Annual debt service requirements to service all outstanding indebtedness as of December 31, 2011 are as follows:

For The Years Ended December 31,	Debt Service General Obligation Bonds		Debt Service Special Assessment Bonds		Debt Service Special Obligation Bonds	
	Principal	Interest	Principal	Interest	Principal	Interest
	2012	\$ 700,000	\$ 294,350	\$ 85,000	\$ 7,325	\$ 55,000
2013	1,400,000	248,850	85,000	3,659	60,000	87,425
2014	1,470,000	180,600	40,000	900	70,000	86,225
2015	1,530,000	106,925	—	—	75,000	84,825
2016	1,400,000	35,000	—	—	80,000	82,575
2017-2021	—	—	—	—	460,000	376,131
2022-2026	—	—	—	—	575,000	289,969
2027-2031	—	—	—	—	720,000	161,150
2032-3036	—	—	—	—	300,000	13,125
	\$ 6,500,000	\$ 865,725	\$ 210,000	\$ 11,884	\$ 2,395,000	\$ 1,269,950

For The Years Ended December 31,	Debt Service Leasehold Revenue Bonds		Enterprise Revenue Bonds	
	Principal	Interest	Principal	Interest
	2012	\$ 140,000	\$ 55,944	\$ 335,000
2013	145,000	50,509	780,000	221,353
2014	150,000	44,325	1,085,000	195,103
2015	160,000	37,350	715,000	170,428
2016	165,000	30,038	735,000	153,103
2017-2021	585,000	31,613	3,865,000	511,155
2022-2026	—	—	1,365,000	133,245
	\$ 1,345,000	\$ 249,779	\$ 8,880,000	\$ 1,647,579

# CITY OF LIBERTY, MISSOURI

## Notes To Basic Financial Statements (Continued)

For The Years Ended December 31,	Debt Service Capital Leases		Debt Service Tax Increment Revenue Bonds	
	Principal	Interest	Principal	Interest
2012	\$ 312,976	\$ 27,430	\$ 505,000	\$ 1,059,463
2013	245,290	17,873	555,000	1,031,469
2014	171,128	10,631	610,000	1,000,138
2015	81,631	4,360	660,000	966,288
2016	84,100	1,892	690,000	928,906
2017-2021	—	—	4,330,000	3,975,622
2022-2026	—	—	6,775,000	2,421,803
2027-2031	—	—	3,715,000	514,444
	\$ 895,125	\$ 62,186	\$ 17,840,000	\$ 11,898,133

For The Years Ended December 31,	Debt Service MDNR Loan Payable		Enterprise SRF Bonds	
	Principal	Interest	Principal	Interest
2012	\$ 10,004	\$ 2,118	\$ 245,000	\$ 326,398
2013	10,343	1,779	255,000	224,148
2014	10,693	1,429	265,000	213,948
2015	11,055	1,067	275,000	203,348
2016	11,257	692	290,000	192,348
2017-2021	11,862	484	1,655,000	488,910
2022-2026	—	—	2,100,000	199,318
	\$ 65,214	\$ 7,569	\$ 5,085,000	\$ 1,848,418

For The Years Ended December 31,	Enterprise SRF Note Payable	
	Principal	Interest
2012	\$ 182,753	\$ —
2013	179,974	—
2014	185,500	—
2015	192,500	—
2016	203,000	—
2017-2021	1,231,522	—
2022-2026	1,486,656	—
	\$ 3,661,905	\$ —

**Pledges Of Revenue On Outstanding Debt**

Utility revenues pledged: The City has pledged future water customer revenues, net of specified operating expenses, to repay a debt issuance originally totaling \$4,335,000 in Waterworks Refunding bonds. Proceeds from this 2011 issuance were used to refund the 2002 and 2005 bond issuance, reducing the interest rate to between 1.75% and 3.0% for the remaining ten years of the bonds. The bonds are payable solely from water customer net revenues through 2021. Annual principal and interest payments on the 2002 and 2005 bonds required 70% of 2011 net revenues. The total principal and interest remaining to be paid on the 2011 bonds is \$4,974,205. As the 2011 bonds were issued in December 2011, there was no interest or principal paid on these bonds in the current year. Principal and interest paid for the current year on the 2002 and 2005 bond series and total customer net revenues were \$1,423,888 and \$2,044,415, respectively. During 2008 and 2009 the City worked with a rate consultant to develop rates that are appropriate.

The City has pledged future sewer customer revenues, net of specified operating expenses, to repay two debt issues totaling \$12,475,000 in sewer system revenue bonds. Series 2005A were issued August 2005 in the amount of \$6,295,000. State Revolving Fund Bonds were issued November 2005 in the amount of \$6,180,000. Proceeds from the 2005A series bonds were used to refund the 1995 bond issue and provide additional funding for the completion of the Rush Creek Project. Proceeds from the State Revolving Fund bonds were used to construct the Rush Creek Project. The bonds are payable solely from the sewer customer net revenues and are payable through 2026. Annual principal and interest payments on the bonds currently require 86% of net revenues. The total principal and interest remaining to be paid on the bonds is \$11,877,082. Principal and interest paid for the current year and total customer net revenues were \$991,420 and \$1,158,393, respectively. During 2008 and 2009 the City worked with a rate consultant to develop rates that are appropriate.

TIF revenues pledged: The City has pledged a portion of future payments in lieu of taxes (PILOTS) and Economic Activity Tax (EATS) revenues to repay \$7,795,000 in Tax Increment Revenue Bonds issued in December 2004. The bonds were used to finance Project A of the Liberty Triangle Redevelopment Plan. The bonds are payable solely from the incremental property and sales taxes generated by increased development in the TIF district. Incremental PILOTS and EATS were projected to produce \$18,486,690 over the life of the bonds. Total principal and interest remaining on the bonds is \$9,757,081, payable through 2026. For the current year, principal and interest paid and total incremental PILOTS and EATS revenues were \$587,837 and \$741,518, respectively.

## CITY OF LIBERTY, MISSOURI

---

### Notes To Basic Financial Statements (*Continued*)

The City has pledged a portion of future PILOTS and EATS revenues to repay \$7,840,000 in Tax Increment Revenue Bonds issued in October 2007. The bonds were used to finance Projects B-2, C-3 and D-1 (The Series 2007 Projects), of the Liberty Triangle Redevelopment Plan. The bonds are payable solely from the incremental property, sales taxes, and CID sales tax generated by increased development in the TIF district. Incremental PILOTS, EATS and CID sales tax were projected to produce \$16,606,938 over the life of the bonds. Total principal and interest remaining on the bonds is \$9,520,069 payable through 2029. For the current year, principal and interest paid and total incremental PILOTS, EATS and CID revenues were \$471,725 and \$537,622, respectively.

The City has pledged a portion of future PILOTS and EATS revenues to repay \$5,710,000 in Tax Increment Revenue Bonds issued in May 2010. The bonds were used to finance the Roger's Plaza Project. The bonds are payable solely from the incremental property, sales taxes, and CID sales tax generated by increased development in the TIF district. Incremental PILOTS, EATS and CID sales tax were projected to produce \$13,172,019 over the life of the bonds. Total principal and interest remaining on the bonds is \$10,460,981 payable through 2030. For the current year, principal and interest paid and total incremental PILOTS, EATS, and CID revenues were \$385,425 and \$419,173, respectively.

Pledged revenue in connection with blended component unit debt, Public Facilities Authority: The City has pledged as security for bonds issued by the Liberty, Missouri Public Facilities Authority, a portion of the City's capital sales tax. The bonds issued by Liberty, Missouri Public Facilities Authority in the amount of \$5,525,000 in 1999 for the purpose of constructing Fountain Bluff Sports Complex are payable through 2011. The City has committed to appropriate each year, from the capital sales tax, amounts sufficient to cover the principal and interest requirements on the Liberty Missouri Public Facilities Authority debt. The Liberty Missouri Public Facilities Authority has pledged as sole security for the bonds the appropriation from the City. At year end, there is no principal or interest remaining on this debt. For the current year, principal and interest paid by the Liberty Missouri Public Facilities Authority and the total capital sales tax recognized by the City were \$657,120 and \$1,535,130, respectively.

The City has pledged as security for bonds issued by the Liberty, Missouri Public Facilities Authority, a portion of the City's parks capital sales tax. The bonds issued by Liberty, Missouri Public Facilities Authority in the amount of \$3,640,000 in 2003 for the purpose of refinancing the 1993 issue and expanding the Liberty Community Center are payable through 2018. The City has committed to appropriate each year, from the parks capital sales tax, amount sufficient to cover the principal and interest requirements on the Liberty Missouri Public Facilities Authority debt. The Liberty Missouri Public Facilities Authority has pledged as sole security for the bonds the appropriation from the City. Total principal and interest remaining on the debt is \$1,594,778. For the current year, principal and interest paid by the Liberty Missouri Public Facilities Authority and the total parks capital sales tax recognized by the City were \$195,999 and \$768,283, respectively.

## CITY OF LIBERTY, MISSOURI

---

### Notes To Basic Financial Statements (*Continued*)

#### 5. Interfund Transactions

Interfund receivables and payable balances as of year end were as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General	Liberty TIF	\$ 98,031
General	Nonmajor governmental funds	59,025
Parks	Nonmajor governmental funds	52
Capital sales tax	Parks	495,000
Nonmajor governmental funds	Nonmajor governmental funds	679
		<u>\$ 652,787</u>

Interfund balances result from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system and (3) payments between funds are made.

Interfund transfers for the year were as follows:

	<u>Transfers In</u>	<u>Transfers Out</u>
Governmental activities		
General	\$ 426,000	\$ —
Parks	450,000	76,000
Nonmajor governmental funds	11,509	811,509
	<u>\$ 887,509</u>	<u>\$ 887,509</u>

Transfers are used to (1) move revenues from the fund that statute or budget requires collecting them to the fund that statute or budget requires to expend them or (2) use unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

#### 6. Defined Benefit Pension Plan

##### Plan Description

The City participates in the Missouri Local Government Employees Retirement System (LAGERS), an agent multiple-employer public employee retirement system that acts as common investment and administrative agent for local government entities in Missouri.

## CITY OF LIBERTY, MISSOURI

---

### Notes To Basic Financial Statements (*Continued*)

LAGERS is a defined benefit pension plan which provides retirement, disability and death benefits to plan members and beneficiaries. LAGERS was created and is governed by statute, Section RSM0,70,600-70.755. As such, it is the system's responsibility to administer the law in accordance with the expressed intent of the General Assembly. The plan is qualified under the Internal Revenue Code Section 401(a) and it is tax exempt.

The Missouri Local Government Employees Retirement System issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to LAGERS, P.O. Box 1665, Jefferson City, Missouri 65102 or by calling 1.800.447.4334.

### **Funding Status**

The City's full-time employees do not contribute to the pension plan. The political subdivision is required to contribute at an actuarially determined rate; the current rate is 6.5% (general), 8.7% (police) and 13.1% (fire) of annual covered payroll. The governing body of the political subdivision determines the contribution requirements of plan members. State statute establishes the contribution provisions of the political subdivision.

### **Annual Pension Cost**

Annual required contribution	\$ 947,087
Interest on net pension obligation	8,178
Adjustment to annual required contribution	<u>(5,846)</u>
Annual pension cost	949,419
Actual contributions	<u>774,717</u>
Increase in net pension obligation	174,702
Net pension obligation - beginning of year	<u>109,037</u>
Net pension obligation - end of year	<u><u>\$ 283,739</u></u>

The required contribution was determined as part of the February 28, 2009 and February 28, 2010 annual actuarial valuation using the entry age actuarial cost method. The actuarial assumptions as of February 28, 2011 included (a) a rate of return on the investment of present and future assets of 7.25% per year, compounded annually, (b) projected salary increases of 3.5% per year, compounded annually, attributable to inflation, (c) additional projected salary increases ranging from zero to 6% per year, depending on age and division, attributable to seniority/merit, (d) pre-retirement mortality based on 75% of the RP-2000 Combined Healthy Table set back zero years for men and zero years for women and (e) post-retirement mortality based on 105% of the 1994 Group Annuity Mortality table set back zero years for men and zero years for women. The actuarial value of assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a five-year period. The unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on an open basis. The amortization period as of February 28, 2009 and February 28, 2010 was 30 years.



## CITY OF LIBERTY, MISSOURI

---

### Notes To Basic Financial Statements (Continued)

Fiscal Year Ending	Three-Year Trend Information		
	Annual Pension Cost (APC)	Percentage Of APC Contributed	Net Pension Obligation
6/30/2011	\$ 949,419	81.6%	\$ 283,739
6/30/2010	795,891	86.3%	109,037
6/30/2009	697,595	100%	—

### Funding Status And Funding Progress

As of February 28, 2011, the most recent actuarial valuation date, the City's participation in LAGERS was 80% funded. The actuarial accrued liability for benefits was \$17,928,046 and the actuarial value of assets was \$14,288,390, resulting in an unfunded actuarial accrued liability (UAAL) of \$3,639,656. The covered payroll was \$9,421,531, and the ratio of the UAAL to the covered payroll was 39%.

The schedule of funding progress, presented as RSI following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets are increasing or decreasing over time relative to the actuarial accrued liability for benefits.

## 7. 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. The deferred compensation is not available to employees until termination, retirement, death or unforeseeable emergency. The plan was amended to comply with IRC Section 457(g) which allowed for the plan to hold its assets in trust. Under these new requirements, the assets of the plan are no longer subject to the general creditors of the City, the City no longer owns the amount deferred by employees and, therefore, the liability and corresponding investment are not reflected in the financial statements.

## 8. Commitments And Contingent Liabilities

A summary of outstanding commitments on uncompleted construction contracts is as follows:

Capital projects:	
Capital Projects Fund	\$ 550,797
Roadway Development Fund	2,964
Sewer Fund	286,912
	<hr/>
	\$ 840,674
	<hr/>

## CITY OF LIBERTY, MISSOURI

---

### Notes To Basic Financial Statements (*Continued*)

The City participates in a number of federal and state programs that are fully or partially funded by grants received from other governmental units. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grant program regulations, the City may be required to reimburse the grantor government. As of December 31, 2011, significant amounts of grant expenditures have not been audited by grantor governments, but the City believes that disallowed expenditures, if any, based on subsequent audits will not have a material effect on any of the individual government funds or the overall financial position of the City.

### 9. Risk Management

The City is exposed to various risks of loss related to torts; theft of, damage to, destruction of assets; errors and omissions; injuries to employees; and natural disasters.

The City is a member of Midwest Public Risk (MPR) a not-for-profit corporation consisting of local governments and political subdivisions. MPR was formed as a public entity risk retention pool and covers medical and dental, workers' compensation and property and casualty claims for its members. The City maintains only workers' compensation and property and casualty coverage through MPR. MPR has been established as assessable pools and accounting records are maintained for each year of coverage on a policy-year basis. The City pays annual premiums to MPR for each coverage. The agreement with MPR provides that MPR will be self-sustained through member premiums. MPR has the authority to assess members for deficiencies of revenues under expenses for any single plan year. Likewise, MPR has the authority to declare refunds to members for excess revenues over expenses relating to any single plan year. MPR has not had deficiencies in any of the past three fiscal years. The City purchases commercial insurance for medical, dental, short-term disability and life insurance.

The City is self-insured for unemployment claims and accounts for the activity in the General Fund. Changes in the City's unemployment claims liability amounts in 2011 and 2010 were:

<u>Year</u>	<u>Beginning Of Year Liability</u>	<u>Current Year Claims And Changes In Estimates</u>	<u>Claims Payments</u>	<u>Balance Year Ended</u>
2011	\$ 19,035	\$ 17,881	\$ 6,916	\$ 30,000
2010	7,393	11,642	—	19,035

# CITY OF LIBERTY, MISSOURI

## Notes To Basic Financial Statements (Continued)

### 10. Other Post Employment Benefits

#### Program Description

In addition to providing the pension benefits described above, the City provides employees that retire under the plan, at the same time they end their service to the City, the opportunity for continuation of medical and dental insurance coverage offered through Midwest Public Risk as part of a single employer defined benefit OPEB plan.

Retirees who elect to continue coverage in the medical and dental plans offered through Midwest Public Risk are required to pay a contribution until the employee becomes eligible for Medicare. Since the retirees pay the premiums each year, the City share of any premium cost is determined on the basis of a blended rate or implicit rate subsidy calculation. A stand-alone financial report is not available regarding the OPEB benefits provided.

#### Funding Policy

The City does not pay retiree benefits directly; they are paid implicitly over time through employer subsidization of active premiums that would be lower if retirees were not part of the experience group. As of December 31, 2011, the City has not set aside assets in trust to pay future benefits and has not established a plan or equivalent arrangement that contains an irrevocable transfer of assets dedicated to providing benefits to retirees. Since no trust fund has been established for funding the OPEB obligation related to the implicit rate subsidy, the entire OPEB obligation is classified as unfunded. A schedule of funding progress is included as required supplementary information.

#### Annual OPEB Costs And Net OPEB Obligation

The City's annual OPEB cost and net OPEB obligation for the year ended December 31, 2011 are as follows:

For The Year Ended December 31,	Net OPEB Obligation Beginning Of Year	Annual Required Contribution	Interest On OPEB Obligation	Adjustment To Annual Required Contribution	Annual OPEB Cost	Actual Contribution	Net OPEB Obligation End Of Year
2011	\$ 128,400	\$ 123,700	\$ 3,000	\$ (2,500)	\$ 124,200	\$ 74,800	\$ 177,800
2010	76,000	123,700	3,000	(2,500)	124,200	71,800	128,400
2009	41,700	98,100	—	—	98,100	63,800	76,000

For The Year Ended December 31,	Annual OPEB Cost	Percentage Of Annual OPEB Cost Contributed	Net OPEB Obligation
2011	\$ 124,200	60%	\$ 177,800
2010	124,200	58%	128,400
2009	98,100	65%	76,000

## CITY OF LIBERTY, MISSOURI

---

### Notes To Basic Financial Statements (*Continued*)

As of December 31, 2011, the funded status of the plan is as follows:

Actuarial Accrued Liability	\$ 1,344,400
Actuarial Value Of Assets	<u>—</u>
Unfunded Actuarial Accrued Liability (UAAL)	<u>\$ 1,344,400</u>
Funded Ratio	0%
Covered Payroll	\$ 14,148,000
UAAL As Percentage Of Covered Payroll	9.5%

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

#### **Actuarial Methods And Assumptions**

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

The population valued is based on a closed group. Only current employees and retirees as of the valuation date are considered; no provision is made for future new hires.

As of the December 31, 2010 actuarial valuation (most recent available), the liabilities were computed using the projected unit credit cost method with a closed 30-year level dollar amortization of the unfunded actuarial accrued liability. The actuarial assumptions utilized a 4% discount and payroll inflation rate and a medical and dental inflation rate of 7.7% and 5.4%, respectively. A rate of return on investment was not used in this valuation since there are no plan assets and future funding for the plan is not expected at this time. The City is only required to get an actuarial valuation on a bi-annual basis.

## **11. Fund Balance Deficits**

As December 31, 2011, the PFA Construction Fund had a fund balance deficit of \$59,026.

---

**Required Supplementary Information**

---

**CITY OF LIBERTY, MISSOURI**

**REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCES - BUDGET AND ACTUAL - GENERAL FUND  
For The Year Ended December 31, 2011**

	<u>Budget</u>		<u>Variance</u>
	<u>Final</u>	<u>Actual</u>	<u>With Final</u>
			<u>Budget</u>
			<u>(Over) Under</u>
<b>Revenues</b>			
Taxes	\$ 12,061,120	\$ 12,514,639	\$ (453,519)
Intergovernmental	219,910	254,030	(34,120)
Charges for services	1,736,300	1,748,771	(12,471)
Licenses and permits	258,000	443,914	(185,914)
Investment earnings	17,500	14,622	2,878
Miscellaneous	487,800	637,464	(149,664)
<b>Total Revenues</b>	<b>14,780,630</b>	<b>15,613,440</b>	<b>(832,810)</b>
<b>Expenditures</b>			
Current:			
General government	3,443,360	3,146,252	297,108
Community development and improvement	784,486	767,237	17,249
Public works	2,139,900	2,323,403	(183,503)
Culture and recreation	280,360	266,300	14,060
Public safety	8,853,021	8,462,587	390,434
Capital outlay	227,595	216,551	11,044
Debt service:			
Principal retirement	181,850	154,092	27,758
Interest and fiscal charges	5,470	15,291	(9,821)
<b>Total Expenditures</b>	<b>15,916,042</b>	<b>15,351,713</b>	<b>564,329</b>
<b>Revenues Under Expenditures</b>	<b>(1,135,412)</b>	<b>261,727</b>	<b>(1,397,139)</b>
<b>Other Financing Sources</b>			
Capital lease	273,503	273,503	—
Transfers in	426,000	426,000	—
Transfers out	(6,300)	—	6,300
<b>Total Other Financing Sources (Uses)</b>	<b>693,203</b>	<b>699,503</b>	<b>(6,300)</b>
<b>Net Change In Fund Balances</b>	<b>\$ (442,209)</b>	<b>961,230</b>	<b>\$ (1,403,439)</b>
<b>Fund Balances - Beginning Of Year</b>		<b>3,187,268</b>	
<b>Fund Balances - End Of Year</b>		<b>\$ 4,148,498</b>	

**CITY OF LIBERTY, MISSOURI**

**REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCES - BUDGET AND ACTUAL - PARKS FUND  
For The Year Ended December 31, 2011**

	<u>Budget</u> <u>Final</u>	Actual	Variance With Final Budget (Over) Under
<b>Revenues</b>			
Taxes	\$ 717,770	\$ 742,100	\$ (24,330)
Charges for services	2,593,740	2,509,902	83,838
Investment earnings	—	5,833	(5,833)
Miscellaneous	850	4,097	(3,247)
<b>Total Revenues</b>	<b>3,312,360</b>	<b>3,261,932</b>	<b>50,428</b>
<b>Expenditures</b>			
Current:			
Culture and recreation	3,648,330	3,405,431	242,899
Debt service:			
Principal retirement	—	33,537	(33,537)
Interest and fiscal charges	—	3,339	(3,339)
<b>Total Expenditures</b>	<b>3,648,330</b>	<b>3,442,307</b>	<b>206,023</b>
<b>Revenues Under Expenditures</b>	<b>(335,970)</b>	<b>(180,375)</b>	<b>(155,595)</b>
<b>Other Financing Sources (Uses)</b>			
Capital lease	—	50,425	(50,425)
Transfers in	450,000	450,000	—
Transfers out	(76,000)	(76,000)	—
<b>Total Other Financing Sources (Uses)</b>	<b>374,000</b>	<b>424,425</b>	<b>(50,425)</b>
<b>Net Change In Fund Balances</b>	<b>\$ 38,030</b>	<b>244,050</b>	<b>\$ (206,020)</b>
<b>Fund Balances - Beginning Of Year</b>		<b>18,719</b>	
<b>Fund Balances - End Of Year</b>		<b>\$ 262,769</b>	

# **CITY OF LIBERTY, MISSOURI**

---

## **REQUIRED SUPPLEMENTARY INFORMATION NOTE TO BUDGETARY COMPARISON INFORMATION December 31, 2011**

### **Budgetary Data**

A legally adopted annual budget is prepared for governmental fund types, except for the PFA Construction and Blue Jay Crossing Capital Projects Funds, by the City Administrator and presented to City Council each year prior to the beginning of the year. This budget is officially adopted by the City Council each December through the passage of an ordinance, and all budget amendments are approved by the City Council. This budget uses the modified accrual basis of accounting. The City's legal level of budgetary control is at the fund level. Any expenditure that will cause a fund to exceed the total fund budget must be approved in advance by the City Council through a budget amendment ordinance. A review of the budget is done annually as part of the budget preparation process and any revisions needed are presented to the City Council for supplemental appropriation. Unencumbered appropriations lapse at year end.

### **Violation Of Budgetary Laws And Regulations**

Expenditures exceeded appropriations in the Liberty TIF Fund by \$59,211.



**CITY OF LIBERTY, MISSOURI**

**ADDITIONAL REQUIRED SUPPLEMENTARY INFORMATION**

**LAGERS**

**Schedule Of Funding Progress**

<b>Actuarial Valuation Date</b>	<b>Actuarial Value Of Assets (a)</b>	<b>Entry Age Actuarial Accrued Liability (b)</b>	<b>(Overfunded)/ Unfunded Accrued Liability (UAL) (b-a)</b>	<b>Funded Ratio (a/b)</b>	<b>Annual Covered Payroll (c)</b>	<b>UAL As A Percentage Of Covered Payroll [(b-a)/c]</b>
2/28/2006	14,315,378	14,497,122	181,744	99%	8,766,267	2.07%
2/28/2007	15,877,050	16,049,507	172,457	99%	9,166,503	1.88%
2/29/2008	17,983,401	17,210,734	(772,667)	104%	9,808,325	—
2/28/2009	14,329,334	17,450,360	3,121,026	82%	9,986,136	31%
2/28/2010	14,051,208	17,286,044	3,234,836	81%	9,510,295	34%
2/28/2011	14,288,390	17,928,046	3,639,656	80%	9,421,531	39%

Note: The above assets and actuarial liability do not include the assets and present value of benefits associated with the Benefit Reserve Fund and the Casualty Reserve Fund. The actuarial assumptions were changed in conjunction with the February 28, 2011 annual actuarial valuations. For a complete description of the actuarial assumptions used in the annual valuations, please contact the LAGERS office in Jefferson City.

**Schedule Of Employer Contributions**

<b>Year End</b>	<b>Annual Required Contribution (ARC) (a)</b>	<b>Total Contribution (b)</b>	<b>Percentage Of ARC Contributed (b/a)</b>
12/31/2006	692,723	692,723	100%
12/31/2007	704,412	704,412	100%
12/31/2008	710,901	710,901	100%
12/31/2009	697,595	697,595	100%
12/31/2010	795,891	686,854	86.3%
12/31/2011	949,419	774,717	81.6%

The information presented in the required supplementary schedules was determined as part of the actuarial valuation at the dates indicated.

**CITY OF LIBERTY, MISSOURI**

---

**ADDITIONAL REQUIRED SUPPLEMENTARY INFORMATION (Continued)**

**Other Post Employment Benefits**

**Schedule Of Funding Progress**

<b>Actuarial Valuation Date*</b>	<b>Actuarial Value Of Assets (a)</b>	<b>Actuarial Accrued Liability (AAL) (b)</b>	<b>Unfunded AAL (UAAL) (b-a)</b>	<b>Funded Ratio (a/b)</b>	<b>Covered Payroll (c)</b>	<b>UAAL As A Percentage Of Covered Payroll ((b-a)/c)</b>
1/1/2008	\$ —	\$ 1,011,000	\$ 1,011,000	0%	\$ 14,982,000	7%
12/31/2010	—	1,344,000	1,344,000	0%	14,148,000	9%

\* The information presented in this required supplementary schedule was determined as part of the actuarial valuation at the date indicated, which is the most recent valuation available. The City is only required to get an actuarial valuation on a bi-annual basis.

---

**Supplementary Information**

**Combining And Individual Fund  
Financial Statements And Schedules**

---

**CITY OF LIBERTY, MISSOURI**

**COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
December 31, 2011**

	Special Revenue	Capital Projects	Debt Service	Permanent	Total
<b>Assets</b>					
Cash and investments	\$ 108,361	\$ 250,092	\$ 2,822	\$ 406,977	\$ 768,252
Receivables, net of allowance for uncollectibles:					
Taxes	—	315,439	—	—	315,439
Accounts	2,345	—	—	3,684	6,029
Special assessment	—	—	121,747	—	121,747
Accrued interest	216	619	57	730	1,622
Due from other funds	679	—	—	—	679
Prepaid items	—	740	—	—	740
Restricted assets:					
Cash and investments	—	—	89,768	—	89,768
Investments	—	168,166	229,508	—	397,674
Accrued interest	—	86	17	—	103
<b>Total Assets</b>	<b>\$ 111,601</b>	<b>\$ 735,142</b>	<b>\$ 443,919</b>	<b>\$ 411,391</b>	<b>\$ 1,702,053</b>

**Liabilities And Fund Balances**

<b>Liabilities</b>					
Accounts payable and accrued liabilities	\$ 8,745	\$ 924	\$ 2,822	\$ —	\$ 12,491
Due to other funds	—	59,026	—	730	59,756
Deferred and unearned revenue	—	—	121,747	—	121,747
<b>Total Liabilities</b>	<b>8,745</b>	<b>59,950</b>	<b>124,569</b>	<b>730</b>	<b>193,994</b>

**Fund Balances**

Nonspendable:					
Prepaid Insurance	—	740	—	—	740
Permanent fund principal	—	—	—	406,977	406,977
Restricted for:					
Parks and recreation	—	267,031	—	—	267,031
Public Safety	—	336,693	—	—	336,693
Cemetery	70,999	—	—	—	70,999
Law enforcement	31,857	—	—	—	31,857
Assigned to:					
Debt service	—	—	319,350	—	319,350
Other purposes	—	70,728	—	3,684	74,412
<b>Total Fund Balances</b>	<b>102,856</b>	<b>675,192</b>	<b>319,350</b>	<b>410,661</b>	<b>1,508,059</b>

**Total Liabilities And Fund Balances**      \$ 111,601    \$ 735,142    \$ 443,919    \$ 411,391    \$ 1,702,053

---

**CITY OF LIBERTY, MISSOURI**

---

**COMBINING BALANCE SHEET  
NONMAJOR  
SPECIAL REVENUE FUNDS  
December 31, 2011**

	<u>Cemetery</u>	<u>Police Training</u>	<u>Total</u>
<b>Assets</b>			
Cash and investments	\$ 76,560	\$ 31,801	\$ 108,361
Receivables, net of allowance for uncollectibles:			
Accounts	2,345	—	2,345
Accrued interest	160	56	216
Due from other funds	679	—	679
<b>Total Assets</b>	<b>\$ 79,744</b>	<b>\$ 31,857</b>	<b>\$ 111,601</b>

---

**Liabilities And Fund Balances**

<b>Liabilities</b>			
Accounts payable and accrued liabilities	\$ 8,745	\$ —	\$ 8,745
<b>Fund Balances</b>			
Restricted for:			
Cemetery	70,999	—	70,999
Law enforcement	—	31,857	31,857
<b>Total Fund Balances</b>	<b>70,999</b>	<b>31,857</b>	<b>102,856</b>
<b>Total Liabilities And Fund Balances</b>	<b>\$ 79,744</b>	<b>\$ 31,857</b>	<b>\$ 111,601</b>

---

**CITY OF LIBERTY, MISSOURI**

**COMBINING BALANCE SHEET  
NONMAJOR CAPITAL PROJECTS FUNDS  
December 31, 2011**

	<b>Parks Capital</b>	<b>PFA Constru- ction</b>	<b>Fire Sales Tax</b>	<b>Cable Reserve</b>	<b>Limited Capital</b>	<b>Total</b>
<b>Assets</b>						
Cash and investments	\$ —	\$ —	\$ 178,573	\$ 71,519	\$ —	\$ 250,092
Receivables, net of allowance for uncollectibles:						
Taxes	157,653	—	157,786	—	—	315,439
Accrued interest	152	—	334	133	—	619
Prepaid items	—	—	—	740	—	740
Restricted assets:						
Investments	168,166	—	—	—	—	168,166
Accrued interest	86	—	—	—	—	86
<b>Total Assets</b>	<b>\$ 326,057</b>	<b>\$ —</b>	<b>\$ 336,693</b>	<b>\$ 72,392</b>	<b>\$ —</b>	<b>\$ 735,142</b>

**Liabilities And Fund Balances**

**Liabilities**

Due to other funds	\$ —	\$ 59,026	\$ —	\$ —	\$ —	\$ 59,026
--------------------	------	-----------	------	------	------	-----------

**Fund Balances**

Nonspendable:						
Prepaid insurance	—	—	—	740	—	740
Restricted for:						
Parks and recreation	326,057	(59,026)	—	—	—	267,031
Public safety	—	—	336,693	—	—	336,693
Assigned to:						
Other purposes	—	—	—	70,728	—	70,728
<b>Total Fund Balances</b>	<b>326,057</b>	<b>(59,026)</b>	<b>336,693</b>	<b>71,468</b>	<b>—</b>	<b>675,192</b>

**Total Liabilities And  
Fund Balances**

	\$ 326,057	\$ —	\$ 336,693	\$ 72,392	\$ —	\$ 735,142
--	------------	------	------------	-----------	------	------------

---

**CITY OF LIBERTY, MISSOURI**

**COMBINING BALANCE SHEET  
NONMAJOR DEBT SERVICE FUNDS  
December 31, 2011**

	<b>Special Assessment Neighborhood Improvement</b>	<b>Public Facilities Authority</b>	<b>Total</b>
<b>Assets</b>			
Cash and investments	\$ —	\$ 2,822	\$ 2,822
Receivables, net of allowance for uncollectibles:			
Special assessment	121,747	—	121,747
Accrued interest	57	—	57
Restricted assets:			
Cash and investments	89,768	—	89,768
Investments	—	229,508	229,508
Accrued interest	17	—	17
<b>Total Assets</b>	<b>\$ 211,589</b>	<b>\$ 232,330</b>	<b>\$ 443,919</b>

**Liabilities And Fund Balances**

<b>Liabilities</b>			
Accounts payable and accrued liabilities	\$ —	\$ 2,822	\$ 2,822
Deferred and unearned revenue	121,747	—	121,747
<b>Total Liabilities</b>	<b>121,747</b>	<b>2,822</b>	<b>124,569</b>
<b>Fund Balances</b>			
Assigned to:			
Debt service	89,842	229,508	319,350
<b>Total Liabilities And Fund Balances</b>	<b>\$ 211,589</b>	<b>\$ 232,330</b>	<b>\$ 443,919</b>

---

**CITY OF LIBERTY, MISSOURI**

---

**COMBINING BALANCE SHEET  
NONMAJOR PERMANENT FUNDS  
December 31, 2011**

	Frank Hughes Memorial Trust	Mt. Memorial Cemetery Trust	Fairview Cemetery Trust	Total
<b>Assets</b>				
Cash and investments	\$ 30,000	\$ 33,755	\$ 343,222	\$ 406,977
Receivables, net of allowance for uncollectibles:				
Accounts	—	—	3,684	3,684
Accrued interest	52	59	619	730
<b>Total Assets</b>	<b>\$ 30,052</b>	<b>\$ 33,814</b>	<b>\$ 347,525</b>	<b>\$ 411,391</b>

**Liabilities And Fund Balances**

<b>Liabilities</b>				
Due to other funds	\$ 52	\$ 59	\$ 619	\$ 730
<b>Fund Balances</b>				
Nonspendable:				
Permanent fund principal	30,000	33,755	343,222	406,977
Assigned to:				
Other purposes	—	—	3,684	3,684
<b>Total Fund Balances</b>	<b>30,000</b>	<b>33,755</b>	<b>346,906</b>	<b>410,661</b>
<b>Total Liabilities And Fund Balances</b>	<b>\$ 30,052</b>	<b>\$ 33,814</b>	<b>\$ 347,525</b>	<b>\$ 411,391</b>



**CITY OF LIBERTY, MISSOURI**

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS  
For The Year Ended December 31, 2011**

	Special Revenue	Capital Projects	Debt Service	Permanent	Total
<b>Revenues</b>					
Taxes	\$ —	\$ 1,544,605	\$ —	\$ —	\$ 1,544,605
Charges for services	36,199	—	—	—	36,199
Investment earnings	532	1,238	7,269	1,628	10,667
Lease	—	—	303,771	—	303,771
Miscellaneous	—	85,501	83,251	—	168,752
<b>Total Revenues</b>	<b>36,731</b>	<b>1,631,344</b>	<b>394,291</b>	<b>1,628</b>	<b>2,063,994</b>
<b>Expenditures</b>					
Current:					
General government	—	474,191	—	119	474,310
Culture and recreation	—	198,794	122	—	198,916
Cemetery maintenance	30,617	—	—	—	30,617
Public safety	29,096	20,875	—	—	49,971
Capital outlay	40,445	194,778	—	—	235,223
Debt service:					
Principal retirement	—	22,733	855,000	—	877,733
Interest and fiscal charges	—	5,880	92,523	—	98,403
<b>Total Expenditures</b>	<b>100,158</b>	<b>917,251</b>	<b>947,645</b>	<b>119</b>	<b>1,965,173</b>
<b>Revenues Over (Under) Expenditures</b>	<b>(63,427)</b>	<b>714,093</b>	<b>(553,354)</b>	<b>1,509</b>	<b>98,821</b>
<b>Other Financing Sources (Uses)</b>					
Capital lease	—	396,528	—	—	396,528
Transfers in	1,509	10,000	—	—	11,509
Transfers out	—	(810,000)	—	(1,509)	(811,509)
<b>Total Other Financing Sources (Uses)</b>	<b>1,509</b>	<b>(403,472)</b>	<b>—</b>	<b>(1,509)</b>	<b>(403,472)</b>
<b>Net Change In Fund Balances</b>	<b>(61,918)</b>	<b>310,621</b>	<b>(553,354)</b>	<b>—</b>	<b>(304,651)</b>
<b>Fund Balances - Beginning Of Year</b>	<b>164,774</b>	<b>364,571</b>	<b>872,704</b>	<b>410,661</b>	<b>1,812,710</b>
<b>Fund Balances - End Of Year</b>	<b>\$ 102,856</b>	<b>\$ 675,192</b>	<b>\$ 319,350</b>	<b>\$ 410,661</b>	<b>\$ 1,508,059</b>

## CITY OF LIBERTY, MISSOURI

### COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - NONMAJOR SPECIAL REVENUE FUNDS For The Year Ended December 31, 2011

	Cemetery	Police Training	Total
<b>Revenues</b>			
Charges for services	\$ 18,901	\$ 17,298	\$ 36,199
Investment earnings	400	132	532
<b>Total Revenues</b>	<b>19,301</b>	<b>17,430</b>	<b>36,731</b>
<b>Expenditures</b>			
Cemetery maintenance	30,617	—	30,617
Public safety	—	29,096	29,096
Capital outlay	40,445	—	40,445
<b>Total Expenditures</b>	<b>71,062</b>	<b>29,096</b>	<b>100,158</b>
<b>Revenues Over (Under) Expenditures</b>	<b>(51,761)</b>	<b>(11,666)</b>	<b>(63,427)</b>
<b>Other Financing Sources</b>			
Transfers in	1,509	—	1,509
<b>Net Change In Fund Balances</b>	<b>(50,252)</b>	<b>(11,666)</b>	<b>(61,918)</b>
<b>Fund Balances - Beginning Of Year</b>	<b>121,251</b>	<b>43,523</b>	<b>164,774</b>
<b>Fund Balances - End Of Year</b>	<b>\$ 70,999</b>	<b>\$ 31,857</b>	<b>\$ 102,856</b>

## CITY OF LIBERTY, MISSOURI

### COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - NONMAJOR CAPITAL PROJECTS FUNDS For The Year Ended December 31, 2011

	Parks Capital	PFA Constru- ction	Fire Sales Tax	Cable Reserve	Limited Capital	Total
<b>Revenues</b>						
Taxes	\$ 768,283	\$ —	\$ 768,414	\$ 7,908	\$ —	\$ 1,544,605
Investment earnings	443	—	498	297	—	1,238
Miscellaneous	2,501	—	83,000	—	—	85,501
<b>Total Revenues</b>	<b>771,227</b>	<b>—</b>	<b>851,912</b>	<b>8,205</b>	<b>—</b>	<b>1,631,344</b>
<b>Expenditures</b>						
Current:						
General government	—	—	466,043	8,148	—	474,191
Culture and recreation	198,794	—	—	—	—	198,794
Public safety	—	—	20,875	—	—	20,875
Capital outlay	42,819	—	151,959	—	—	194,778
Debt service:						
Principal retirement	—	—	22,733	—	—	22,733
Interest and fiscal charges	—	—	5,880	—	—	5,880
<b>Total Expenditures</b>	<b>241,613</b>	<b>—</b>	<b>667,490</b>	<b>8,148</b>	<b>—</b>	<b>917,251</b>
<b>Revenues Over Expenditures</b>	<b>529,614</b>	<b>—</b>	<b>184,422</b>	<b>57</b>	<b>—</b>	<b>714,093</b>
<b>Other Financing Sources (Uses)</b>						
Capital lease	—	—	396,528	—	—	396,528
Transfers in	—	10,000	—	—	—	10,000
Transfers out	(450,000)	—	(360,000)	—	—	(810,000)
<b>Total Other Financing Sources (Uses)</b>	<b>(450,000)</b>	<b>10,000</b>	<b>36,528</b>	<b>—</b>	<b>—</b>	<b>(403,472)</b>
<b>Net Change In Fund Balances</b>	<b>79,614</b>	<b>10,000</b>	<b>220,950</b>	<b>57</b>	<b>—</b>	<b>310,621</b>
<b>Fund Balances - Beginning Of Year</b>	<b>246,443</b>	<b>(69,026)</b>	<b>115,743</b>	<b>71,411</b>	<b>—</b>	<b>364,571</b>
<b>Fund Balances - End Of Year</b>	<b>\$ 326,057</b>	<b>\$ (59,026)</b>	<b>\$ 336,693</b>	<b>\$ 71,468</b>	<b>\$ —</b>	<b>\$ 675,192</b>

# CITY OF LIBERTY, MISSOURI

## COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - NONMAJOR DEBT SERVICE FUNDS

For The Year Ended December 31, 2011

	Special Assessment Neighborhood Improvement	Public Facilities Authority	Total
<b>Revenues</b>			
Investment earnings	\$ 7,240	\$ 29	\$ 7,269
Lease	—	303,771	303,771
Miscellaneous	83,251	—	83,251
<b>Total Revenues</b>	<b>90,491</b>	<b>303,800</b>	<b>394,291</b>
<b>Expenditures</b>			
Current:			
Culture and recreation	—	122	122
Debt service:			
Principal retirement	80,000	775,000	855,000
Interest and fiscal charges	11,304	81,219	92,523
<b>Total Expenditures</b>	<b>91,304</b>	<b>856,341</b>	<b>947,645</b>
<b>Net Change In Fund Balances</b>	<b>(813)</b>	<b>(552,541)</b>	<b>(553,354)</b>
<b>Fund Balances - Beginning Of Year</b>	<b>90,655</b>	<b>782,049</b>	<b>872,704</b>
<b>Fund Balances - End Of Year</b>	<b>\$ 89,842</b>	<b>\$ 229,508</b>	<b>\$ 319,350</b>

## CITY OF LIBERTY, MISSOURI

---

### COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - NONMAJOR PERMANENT FUNDS For The Year Ended December 31, 2011

	Frank Hughes Memorial Trust	Mt. Memorial Cemetery Trust	Fairview Cemetery Trust	Total
<b>Revenues</b>				
Investment earnings	\$ 119	\$ 134	\$ 1,375	\$ 1,628
<b>Expenditures</b>				
Current:				
General government	119	—	—	119
<b>Revenues Over Expenditures</b>	—	134	1,375	1,509
<b>Other Financing Uses</b>				
Transfers out	—	(134)	(1,375)	(1,509)
<b>Net Change In Fund Balances</b>	—	—	—	—
<b>Fund Balances - Beginning Of Year</b>	30,000	33,755	346,906	410,661
<b>Fund Balances - End Of Year</b>	\$ 30,000	\$ 33,755	\$ 346,906	\$ 410,661

## CITY OF LIBERTY, MISSOURI

### SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL – CAPITAL SALES TAX FUND For The Year Ended December 31, 2011

	Final Budget	Actual	Variance With Final Budget - (Over) Under
<b>Revenues</b>			
Taxes	\$ 1,401,560	\$ 1,535,130	\$ (133,570)
Intergovernmental	227,650	417,785	(190,135)
Investment earnings	—	14,426	(14,426)
Miscellaneous	1,690,800	13,688	1,677,112
<b>Total Revenues</b>	<b>3,740,010</b>	<b>1,981,029</b>	<b>1,758,981</b>
<b>Expenditures</b>			
Current:			
General government	45,885	4,985	40,900
Public works	2,604,868	930,049	1,674,819
Culture and recreation	—	104,983	(104,983)
Capital outlay	1,826,846	1,006,000	820,846
Debt service:			
Principal retirement	—	—	—
Interest and fiscal charges	203,350	—	203,350
<b>Total Expenditures</b>	<b>4,680,949</b>	<b>2,046,017</b>	<b>2,634,932</b>
<b>Net Change In Fund Balances</b>	<b>\$ (940,939)</b>	<b>(64,988)</b>	<b>\$ (875,951)</b>
<b>Fund Balances - Beginning Of Year</b>		<b>4,194,921</b>	
<b>Fund Balances - End Of Year</b>		<b>\$ 4,129,933</b>	

---

## CITY OF LIBERTY, MISSOURI

---

### SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - TRANSPORTATION SALES TAX FUND For The Year Ended December 31, 2011

	Final Budget	Actual	Variance With Final Budget - (Over) Under
<b>Revenues</b>			
Taxes	\$ 1,501,560	\$ 1,648,264	\$ (146,704)
Investment earnings	—	343	(343)
<b>Total Revenues</b>	<u>1,495,260</u>	<u>1,648,607</u>	<u>(153,347)</u>
<b>Expenditures</b>			
Current:			
Community development and improvement	48,000	48,000	—
Capital outlay	348,008	84,282	263,726
Debt service:			
Principal retirement	1,585,000	1,585,000	—
Interest and fiscal charges	344,810	345,615	(805)
<b>Total Expenditures</b>	<u>2,325,818</u>	<u>2,062,897</u>	<u>262,921</u>
<b>Net Change In Fund Balances</b>	<u>\$ (830,558)</u>	<u>(414,290)</u>	<u>\$ (416,268)</u>
<b>Fund Balances - Beginning Of Year</b>		<u>903,829</u>	
<b>Fund Balances - End Of Year</b>		<u>\$ 489,539</u>	

**CITY OF LIBERTY, MISSOURI**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCES - BUDGET AND ACTUAL -  
LIBERTY TIF FUND**

**For The Year Ended December 31, 2011**

	<b>Final Budget</b>	<b>Actual</b>	<b>Variance With Final Budget - (Over) Under</b>
<b>Revenues</b>			
Taxes	\$ 2,182,950	\$ 2,557,541	\$ (374,591)
Investment earnings	340	1,457	(1,117)
Miscellaneous	—	11,291	(11,291)
<b>Total Revenues</b>	<b>2,183,290</b>	<b>2,570,289</b>	<b>(386,999)</b>
<b>Expenditures</b>			
Current:			
Community development and improvement	336,490	702,503	(366,013)
Public works	23,250	23,171	79
Capital outlay	4,811	—	4,811
Debt service:			
Principal retirement	465,000	465,000	—
Interest and fiscal charges	1,472,610	1,175,048	297,562
Bond issuance costs	4,350	—	4,350
<b>Total Expenditures</b>	<b>2,306,511</b>	<b>2,365,722</b>	<b>(59,211)</b>
<b>Revenues Over (Under) Expenditures</b>	<b>(123,221)</b>	<b>204,567</b>	<b>(327,788)</b>
<b>Other Financing Sources (Uses)</b>			
Payments to refunding escrow agent	(88,280)	—	(88,280)
Bond discount	(1,950)	—	(1,950)
Transfers in	427,350	—	427,350
Transfers out	(125,780)	—	(125,780)
<b>Total Other Financing Sources (Uses)</b>	<b>211,340</b>	<b>—</b>	<b>211,340</b>
<b>Net Change In Fund Balances</b>	<b>\$ 88,119</b>	<b>204,567</b>	<b>\$ (116,448)</b>
<b>Fund Balances - Beginning Of Year</b>		<b>3,722,698</b>	
<b>Fund Balances - End Of Year</b>		<b>\$ 3,927,265</b>	



# CITY OF LIBERTY, MISSOURI

## SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - CEMETERY FUND For The Year Ended December 31, 2011

	Final Budget	Actual	Variance With Final Budget - (Over) Under
<b>Revenues</b>			
Charges for services	\$ 36,000	\$ 18,901	\$ 17,099
Investment earnings	650	400	250
Miscellaneous	8,000	—	8,000
<b>Total Revenues</b>	<b>44,650</b>	<b>19,301</b>	<b>25,349</b>
<b>Expenditures</b>			
Current:			
Cemetery maintenance	42,500	30,617	11,883
Capital outlay	45,250	40,445	4,805
<b>Total Expenditures</b>	<b>87,750</b>	<b>71,062</b>	<b>16,688</b>
<b>Revenues Under Expenditures</b>	<b>(43,100)</b>	<b>(51,761)</b>	<b>8,661</b>
<b>Other Financing Sources</b>			
Transfers in	1,950	1,509	441
<b>Net Change In Fund Balances</b>	<b>\$ (41,150)</b>	<b>(50,252)</b>	<b>\$ 9,102</b>
<b>Fund Balances - Beginning Of Year</b>		<b>121,251</b>	
<b>Fund Balances - End Of Year</b>		<b>\$ 70,999</b>	

**CITY OF LIBERTY, MISSOURI**

---

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCES - BUDGET AND ACTUAL - POLICE TRAINING FUND  
For The Year Ended December 31, 2011**

	<b>Final Budget</b>	<b>Actual</b>	<b>Variance With Final Budget - (Over) Under</b>
<b>Revenues</b>			
Charges for services	\$ 20,400	\$ 17,298	\$ 3,102
Investment earnings	300	132	168
<b>Total Revenues</b>	<b>20,700</b>	<b>17,430</b>	<b>3,270</b>
<b>Expenditures</b>			
Current:			
Public safety	30,000	29,096	904
<b>Net Change In Fund Balances</b>	<b>\$ (9,300)</b>	<b>(11,666)</b>	<b>\$ 2,366</b>
<b>Fund Balances - Beginning Of Year</b>		<b>43,523</b>	
<b>Fund Balances - End Of Year</b>		<b>\$ 31,857</b>	

---

**CITY OF LIBERTY, MISSOURI**

---

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCES - BUDGET AND ACTUAL - PARKS CAPITAL FUND  
For The Year Ended December 31, 2011**

	<b>Final Budget</b>	<b>Actual</b>	<b>Variance With Final Budget - (Over) Under</b>
<b>Revenues</b>			
Taxes	\$ 700,780	\$ 768,283	\$ (67,503)
Investment earnings	—	443	(443)
Miscellaneous	2,500	2,501	(1)
<b>Total Revenues</b>	<b>686,330</b>	<b>771,227</b>	<b>(84,897)</b>
<b>Expenditures</b>			
Current:			
Culture and recreation	200,000	198,794	1,206
Capital outlay	42,840	42,819	21
<b>Total Expenditures</b>	<b>242,840</b>	<b>241,613</b>	<b>1,227</b>
<b>Revenues Over (Under) Expenditures</b>	<b>443,490</b>	<b>529,614</b>	<b>(86,124)</b>
<b>Other Financing Uses</b>			
Transfers out	(450,000)	(450,000)	—
<b>Net Change In Fund Balances</b>	<b>\$ (6,510)</b>	<b>79,614</b>	<b>\$ (86,124)</b>
<b>Fund Balances - Beginning Of Year</b>		<b>246,443</b>	
<b>Fund Balances - End Of Year</b>		<b>\$ 326,057</b>	

**CITY OF LIBERTY, MISSOURI**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCES - BUDGET AND ACTUAL - FIRE SALES TAX FUND  
For The Year Ended December 31, 2011**

	Final Budget	Actual	Variance With Final Budget - (Over) Under
<b>Revenues</b>			
Taxes	\$ 700,780	\$ 768,414	\$ (67,634)
Investment earnings	—	498	(498)
Miscellaneous	25,000	83,000	(58,000)
<b>Total Revenues</b>	725,780	851,912	(126,132)
<b>Expenditures</b>			
Current:			
General government	572,860	466,043	106,817
Public safety	—	20,875	(20,875)
Capital outlay	128,000	151,959	(23,959)
Debt service:			
Principal retirement	74,650	22,733	51,917
Interest and fiscal charges	16,020	5,880	10,140
<b>Total Expenditures</b>	791,530	667,490	124,040
<b>Revenues Over (Under) Expenditures</b>	(65,750)	184,422	(250,172)
<b>Other Financing Sources (Uses)</b>			
Capital lease	396,530	396,528	2
Transfers out	(360,000)	(360,000)	—
<b>Total Other Financing Sources (Uses)</b>	36,530	36,528	2
<b>Net Change In Fund Balances</b>	\$ (29,220)	220,950	\$ (250,170)
<b>Fund Balances - Beginning Of Year</b>		115,743	
<b>Fund Balances - End Of Year</b>		\$ 336,693	

# CITY OF LIBERTY, MISSOURI

## SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - CABLE RESERVE FUND For The Year Ended December 31, 2011

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget - (Over) Under</u>
<b>Revenues</b>			
Taxes	\$ 17,500	\$ 7,908	\$ 9,592
Investment earnings	400	297	103
<b>Total Revenues</b>	<u>17,900</u>	<u>8,205</u>	<u>9,695</u>
<b>Expenditures</b>			
Current:			
General government	15,000	8,148	6,852
<b>Net Change In Fund Balances</b>	<u>\$ 2,900</u>	<u>57</u>	<u>\$ 2,843</u>
<b>Fund Balances - Beginning Of Year</b>		<u>71,411</u>	
<b>Fund Balances - End Of Year</b>		<u>\$ 71,468</u>	

**CITY OF LIBERTY, MISSOURI**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCES - BUDGET AND ACTUAL - SPECIAL ASSESSMENT  
NEIGHBORHOOD IMPROVEMENT FUND  
For The Year Ended December 31, 2011**

	<b>Final Budget</b>	<b>Actual</b>	<b>Variance With Final Budget - (Over) Under</b>
<b>Revenues</b>			
Investment earnings	\$ 7,730	\$ 7,240	\$ 490
Miscellaneous	82,770	83,251	(481)
<b>Total Revenues</b>	<b>90,500</b>	<b>90,491</b>	<b>9</b>
<b>Expenditures</b>			
Current:			
Debt service:			
Principal retirement	80,000	80,000	—
Interest and fiscal charges	11,304	11,304	—
<b>Total Expenditures</b>	<b>91,304</b>	<b>91,304</b>	<b>—</b>
<b>Net Change In Fund Balances</b>	<b>\$ (804)</b>	<b>(813)</b>	<b>\$ 9</b>
<b>Fund Balances - Beginning Of Year</b>		<b>90,655</b>	
<b>Fund Balances - End Of Year</b>		<b>\$ 89,842</b>	

**CITY OF LIBERTY, MISSOURI**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCES - BUDGET AND ACTUAL -  
PUBLIC FACILITIES AUTHORITY FUND  
For The Year Ended December 31, 2011**

	<b>Final Budget</b>	<b>Actual</b>	<b>Variance With Final Budget - (Over) Under</b>
<b>Revenues</b>			
Investment earnings	\$ 150	\$ 29	\$ 121
Lease	860,000	303,771	556,229
<b>Total Revenues</b>	<b>860,150</b>	<b>303,800</b>	<b>556,350</b>
<b>Expenditures</b>			
Current:			
General government	1,840	—	1,840
Culture and recreation	10	122	(112)
Debt service:			
Principal retirement	775,000	775,000	—
Interest and fiscal charges	83,300	81,219	2,081
<b>Total Expenditures</b>	<b>860,150</b>	<b>856,341</b>	<b>3,809</b>
<b>Net Change In Fund Balances</b>	<b>\$ —</b>	<b>(552,541)</b>	<b>\$ 552,541</b>
<b>Fund Balances - Beginning Of Year</b>		<b>782,049</b>	
<b>Fund Balances - End Of Year</b>		<b>\$ 229,508</b>	

**CITY OF LIBERTY, MISSOURI**

---

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCES - BUDGET AND ACTUAL -  
FRANK HUGHES MEMORIAL TRUST FUND  
For The Year Ended December 31, 2011**

	Final Budget	Actual	Variance With Final Budget - (Over) Under
<b>Revenues</b>			
Investment earnings	\$ 850	\$ 119	\$ 731
<b>Expenditures</b>			
Current:			
General government	850	119	731
<b>Net Change In Fund Balances</b>	<u>\$ —</u>	<u>—</u>	<u>\$ —</u>
<b>Fund Balances - Beginning Of Year</b>		<u>30,000</u>	
<b>Fund Balances - End Of Year</b>		<u>\$ 30,000</u>	



**CITY OF LIBERTY, MISSOURI**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCES - BUDGET AND ACTUAL -  
MT. MEMORIAL CEMETERY TRUST FUND  
For The Year Ended December 31, 2011**

	<b>Final Budget</b>	<b>Actual</b>	<b>Variance With Final Budget - (Over) Under</b>
<b>Revenues</b>			
Investment earnings	\$ 200	\$ 134	\$ 66
<b>Other Financing Uses</b>			
Transfers out	(200)	(134)	66
<b>Net Change In Fund Balances</b>	<u>\$ —</u>	<u>—</u>	<u>\$ —</u>
<b>Fund Balances - Beginning Of Year</b>		<u>33,755</u>	
<b>Fund Balances - End Of Year</b>		<u>\$ 33,755</u>	

**CITY OF LIBERTY, MISSOURI**

---

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCES - BUDGET AND ACTUAL -  
FAIRVIEW CEMETERY TRUST FUND  
For The Year Ended December 31, 2011**

	Final Budget	Actual	Variance With Final Budget - (Over) Under
<b>Revenues</b>			
Investment earnings	\$ 1,750	\$ 1,375	\$ 375
<hr/>			
<b>Other Financing Sources (Uses)</b>			
Transfers out	(1,750)	(1,375)	375
<hr/>			
<b>Net Change In Fund Balances</b>	<u><u>\$ —</u></u>	<u><u>—</u></u>	<u><u>\$ —</u></u>
<b>Fund Balances - Beginning Of Year</b>		<u>346,906</u>	
<b>Fund Balances - End Of Year</b>		<u><u>\$ 346,906</u></u>	

**CITY OF LIBERTY, MISSOURI**

**STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
AGENCY FUNDS**

**Page 1 Of 2**

**For The Year Ended December 31, 2011**

	<b>Balance January 1, 2011</b>	<b>Additions</b>	<b>Deductions</b>	<b>Balance December 31, 2011</b>
<b>Tax Escrow Fund</b>				
<b>Assets</b>				
Cash and cash equivalents	\$ 7,816	\$ 507	\$ —	\$ 8,323
<b>Liabilities</b>				
Protested taxes	\$ 7,816	\$ 507	\$ —	\$ 8,323
<b>Preservation And Development Fund</b>				
<b>Assets</b>				
Cash and cash equivalents	\$ 32,837	\$ 1,154	\$ —	\$ 33,991
Accrued interest	59	—	—	59
<b>Total Assets</b>	<b>\$ 32,896</b>	<b>\$ 1,154</b>	<b>\$ —</b>	<b>\$ 34,050</b>
<b>Liabilities</b>				
Due to other entities	\$ 32,896	\$ 1,154	\$ —	\$ 34,050
<b>Triangle CID Sales Tax Fund</b>				
<b>Assets</b>				
Cash and cash equivalents	\$ 2,407	\$ 18,853	\$ —	\$ 21,260
<b>Liabilities</b>				
Due to other entities	\$ 2,407	\$ 26,405	\$ —	\$ 21,260

# CITY OF LIBERTY, MISSOURI

## STATEMENT OF CHANGES IN ASSETS AND LIABILITIES AGENCY FUNDS

Page 2 Of 2

For The Year Ended December 31, 2011

	Balance January 1, 2010	Additions	Deductions	Balance December 31, 2010
<b>Roger's Plaza CID</b>				
<b>Assets</b>				
Cash and cash equivalents	\$ 3,315	\$ —	\$ 4,885	\$ (1,570)
<b>Liabilities</b>				
Due to other entities	\$ 3,315	\$ —	\$ 4,885	\$ (1,570)
<b>Blue Jay Crossing CID</b>				
<b>Assets</b>				
Cash and cash equivalents	\$ 584	\$ —	\$ 817	\$ (233)
<b>Liabilities</b>				
Due to other entities	\$ 584	\$ —	\$ 817	\$ (233)
<b>Liberty Corners CID</b>				
<b>Assets</b>				
Cash and cash equivalents	\$ —	\$ 69,960	\$ —	\$ 69,960
<b>Liabilities</b>				
Due to other entities	\$ —	\$ 69,960	\$ —	\$ 69,960
<b>Total</b>				
<b>Assets</b>				
Cash and cash equivalents	\$ 46,959	\$ 90,474	\$ 5,702	\$ 131,731
Accrued interest	59	—	—	59
<b>Total Assets</b>	<b>\$ 47,018</b>	<b>\$ 90,474</b>	<b>\$ 5,702</b>	<b>\$ 131,790</b>
<b>Liabilities</b>				
Protested taxes	\$ 7,816	\$ 507	\$ —	\$ 8,323
Due to other entities	39,202	97,519	5,702	123,467
<b>Total Liabilities</b>	<b>\$ 47,018</b>	<b>\$ 98,026</b>	<b>\$ 5,702</b>	<b>\$ 131,790</b>

---

## Statistical Section

---

**CITY OF LIBERTY, MISSOURI**  
**Statistical Section**  
**December 31, 2011**

This part of the City of Liberty, Missouri's (the City) 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**

---

	<b>Page</b>
<b>Financial Trends</b>	
These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time. ....	89 - 95
<b>Revenue Capacity</b>	
These schedules contain information to help the reader assess the City's most significant local revenue sources, property and sales tax. ....	96 - 100
<b>Debt Capacity</b>	
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. ....	101 - 104
<b>Demographic And Economic Information</b>	
These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place. ....	105 - 106
<b>Operating Information</b>	
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. ....	107 - 111

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.

# CITY OF LIBERTY, MISSOURI

## NET ASSETS BY COMPONENT

	2004	2005	2006	2007	2008	2009	2010	2011
Governmental activities:								
Invested in capital assets, net of related debt	\$ 17,653,062	\$ 25,727,620	\$ 30,606,456	\$ 32,693,499	\$ 36,347,646	\$ 37,716,660	\$ 39,600,922	\$ 41,136,051
Restricted	13,246,736	13,205,216	11,099,463	11,341,861	7,603,657	6,603,720	6,656,505	9,889,748
Unrestricted	2,981,309	2,176,847	1,049,219	1,415,824	(11,826,072)	(8,929,008)	(14,926,994)	(17,509,228)
<b>Total Governmental Activities Net Assets</b>	<b>\$ 33,881,107</b>	<b>\$ 41,109,683</b>	<b>\$ 42,755,138</b>	<b>\$ 45,451,184</b>	<b>\$ 32,125,231</b>	<b>\$ 35,391,372</b>	<b>\$ 31,330,433</b>	<b>\$ 33,516,571</b>
Business-type activities:								
Invested in capital assets, net of related debt	\$ 33,436,650	\$ 33,208,056	\$ 36,632,860	\$ 38,090,982	\$ 39,218,958	\$ 39,436,429	\$ 39,560,719	\$ 41,314,470
Restricted	2,441,079	2,341,553	2,601,005	2,699,150	6,854,108	6,511,688	6,372,833	4,998,064
Unrestricted	3,785,425	6,053,855	4,142,409	2,552,583	(3,184,583)	(2,072,707)	(1,052,848)	(817,529)
<b>Total Business-Type Activities Net Assets</b>	<b>\$ 39,663,154</b>	<b>\$ 41,603,464</b>	<b>\$ 43,376,274</b>	<b>\$ 43,342,715</b>	<b>\$ 42,888,483</b>	<b>\$ 43,875,410</b>	<b>\$ 44,880,704</b>	<b>\$ 45,495,005</b>
Primary government:								
Invested in capital assets, net of related debt	\$ 51,089,712	\$ 58,935,676	\$ 67,239,316	\$ 70,784,481	\$ 75,566,604	\$ 77,153,089	\$ 79,161,641	\$ 82,450,521
Restricted	15,687,815	15,546,769	13,700,468	14,041,011	14,457,765	13,115,408	13,029,338	14,887,812
Unrestricted	6,766,734	8,230,702	5,191,628	3,968,407	(15,010,655)	(11,001,715)	(15,979,842)	(18,326,757)
<b>Total Primary Government Net Assets</b>	<b>\$ 73,544,261</b>	<b>\$ 82,713,147</b>	<b>\$ 86,131,412</b>	<b>\$ 88,793,899</b>	<b>\$ 75,013,714</b>	<b>\$ 79,266,782</b>	<b>\$ 76,211,137</b>	<b>\$ 79,011,576</b>

GASB Statement No. 34 Implemented in Fiscal Year 2004

# CITY OF LIBERTY, MISSOURI

## CHANGES IN NET ASSETS

Page 1 Of 2

	2004	2005	2006	2007	2008	2009	2010	2011
<b>Expenses:</b>								
Governmental activities:								
General government	\$ 1,920,908	\$ 2,025,212	\$ 2,470,105	\$ 2,307,516	\$ 3,316,763	\$ 3,315,775	#####	\$ 4,488,682
Community development	695,813	809,519	1,128,375	1,100,673	2,057,328	1,335,337	6,213,788	1,963,294
Public works	3,357,185	3,735,164	4,905,388	3,559,623	5,807,510	3,541,594	6,381,711	2,434,200
Culture and recreation	5,129,972	5,072,303	5,245,366	5,700,504	5,872,958	6,584,138	5,846,413	5,256,583
Cemetery maintenance	49,045	43,787	38,527	35,903	37,104	40,370	31,920	71,061
Public safety	7,451,964	7,880,751	8,380,805	8,698,281	9,688,707	8,654,817	8,755,802	9,039,729
Interest on long-term debt	773,236	1,293,272	1,366,984	1,345,901	1,642,311	1,535,865	1,755,580	1,565,218
<b>Total Governmental Activities Expenses</b>	<b>19,378,123</b>	<b>20,860,008</b>	<b>23,535,550</b>	<b>22,748,401</b>	<b>28,422,681</b>	<b>25,007,896</b>	<b>33,083,302</b>	<b>24,818,767</b>
Business-type activities:								
Water	3,373,787	3,486,029	3,506,383	4,173,039	4,057,237	3,887,962	4,084,298	4,230,222
Sewer	3,855,233	4,139,694	4,218,863	5,138,788	5,328,147	5,314,243	5,530,579	5,788,305
Sanitation	1,097,480	1,160,099	1,221,536	1,299,474	1,363,000	1,437,803	1,240,494	1,296,758
<b>Total Business-Type Activities Expenses</b>	<b>8,326,500</b>	<b>8,785,822</b>	<b>8,946,782</b>	<b>10,611,301</b>	<b>10,748,384</b>	<b>10,640,008</b>	<b>10,855,371</b>	<b>11,315,285</b>
<b>Total Primary Government Expenses</b>	<b>27,704,623</b>	<b>29,645,830</b>	<b>32,482,332</b>	<b>33,359,702</b>	<b>39,171,065</b>	<b>35,647,904</b>	<b>43,938,673</b>	<b>36,134,052</b>
<b>Program revenue:</b>								
Governmental activities:								
Charges for services								
General government	461,500	437,457	373,149	420,539	370,478	485,778	416,234	570,776
Public Works	278,386	166,363	136,738	214,968	280,375	1,067,170	101,212	137,768
Culture and recreation	3,152,848	3,318,922	3,350,635	3,477,997	3,715,924	3,423,899	3,445,210	2,813,673
Cemetery maintenance	33,032	45,113	53,793	36,450	34,650	37,399	28,351	18,901
Public safety	1,313,619	1,200,923	1,405,930	1,520,423	2,561,983	1,621,760	1,572,578	1,539,830
Operating grants and contributions	322,806	234,643	433,541	600,645	1,481,832	414,473	359,560	229,030
Capital grants and contributions	1,044,977	1,496,320	428,486	466,913	762,267	2,452,265	2,069,324	417,785
<b>Total Governmental Activities Program Revenue</b>	<b>6,607,168</b>	<b>6,899,741</b>	<b>6,182,272</b>	<b>6,737,935</b>	<b>9,207,509</b>	<b>9,502,744</b>	<b>7,992,469</b>	<b>5,727,763</b>
Business-type activities:								
Charges for services:								
Water	4,179,674	4,469,403	4,217,493	4,150,119	3,821,493	3,851,743	4,609,913	4,894,776
Sewer	4,311,617	4,463,162	4,421,418	4,424,439	4,494,668	4,951,824	5,702,170	5,528,214
Sanitation	1,110,246	1,201,091	1,267,305	1,345,744	1,420,096	1,427,468	1,289,414	1,156,496
Capital grants and contributions:								
Water	165,970	183,649	61,676	48,080	116,611	269,563	68,998	80,113
Sewer	232,695	211,443	156,692	22,800	100,026	205,251	—	89,912
<b>Total Business-Type Activities Program Revenues</b>	<b>10,001,502</b>	<b>10,528,748</b>	<b>10,124,584</b>	<b>9,991,182</b>	<b>9,952,894</b>	<b>10,705,849</b>	<b>11,670,495</b>	<b>11,749,511</b>
<b>Total Primary Government Program Revenues</b>	<b>16,608,670</b>	<b>17,428,489</b>	<b>16,306,856</b>	<b>16,729,117</b>	<b>19,160,403</b>	<b>20,208,593</b>	<b>19,662,964</b>	<b>17,477,274</b>
<b>Net (expense) revenue:</b>								
Governmental activities	(12,770,955)	(13,960,267)	(17,353,278)	(16,010,466)	(19,215,172)	(15,505,152)	(25,090,833)	(19,091,004)
Business-type activities	1,675,002	1,742,926	1,177,802	(620,119)	(795,490)	65,841	815,124	434,226
<b>Total Primary Government Net Expense</b>	<b>(11,095,953)</b>	<b>(12,217,341)</b>	<b>(16,175,476)</b>	<b>(16,630,585)</b>	<b>(20,010,662)</b>	<b>(15,439,311)</b>	<b>(24,275,709)</b>	<b>(18,656,778)</b>



# CITY OF LIBERTY, MISSOURI

## CHANGES IN NET ASSETS

Page 2 Of 2

	2004	2005	2006	2007	2008	2009	2010	2011
General revenues and other changes in net assets:								
Governmental activities:								
Taxes:								
Property taxes	\$ 3,927,978	\$ 4,052,093	\$ 4,454,329	\$ 4,580,046	\$ 4,968,036	\$ 5,497,483	#####	\$ 6,507,625
Franchise taxes	2,356,277	2,492,911	2,567,518	3,075,617	4,327,161	3,844,459	4,385,343	3,878,488
Sales taxes	6,442,538	7,709,037	8,461,337	8,316,447	8,312,753	7,995,060	8,446,974	8,945,418
Other taxes	1,795,691	1,531,505	1,498,315	1,528,764	1,385,860	1,362,775	1,235,186	1,210,748
Investment earnings	253,451	430,554	703,417	873,996	433,980	157,135	59,471	47,348
Miscellaneous	509,832	326,531	1,313,817	281,642	740,686	590,848	725,288	687,515
Transfers	—	15,000	—	50,000	—	(676,467)	—	—
Gain on sale of capital assets	—	16,029	—	—	—	—	—	—
<b>Total Governmental Activities</b>	<b>15,285,767</b>	<b>16,573,660</b>	<b>18,998,733</b>	<b>18,706,512</b>	<b>20,168,476</b>	<b>18,771,293</b>	<b>21,029,906</b>	<b>21,277,142</b>
Business-type activities:								
Investment earnings	96,521	212,384	595,008	569,860	338,239	244,619	190,170	180,075
Miscellaneous	—	—	—	66,700	3,019	—	—	—
Transfers	—	(15,000)	—	(50,000)	—	676,467	—	—
<b>Total Business-Type Activities</b>	<b>96,521</b>	<b>197,384</b>	<b>595,008</b>	<b>586,560</b>	<b>341,258</b>	<b>921,086</b>	<b>190,170</b>	<b>180,075</b>
<b>Total Primary Government</b>	<b>15,382,288</b>	<b>16,771,044</b>	<b>19,593,741</b>	<b>19,293,072</b>	<b>20,509,734</b>	<b>19,692,379</b>	<b>21,220,076</b>	<b>21,457,217</b>
Changes in net assets:								
Governmental activities	2,514,806	2,613,393	1,645,455	2,696,046	953,304	3,266,141	(4,060,927)	2,186,138
Business-type activities	1,771,523	1,940,310	1,772,810	(33,559)	(454,232)	986,927	1,005,294	614,301
<b>Total Primary Government</b>	<b>\$ 4,286,329</b>	<b>\$ 4,553,703</b>	<b>\$ 3,418,265</b>	<b>\$ 2,662,487</b>	<b>\$ 499,072</b>	<b>\$ 4,253,068</b>	<b>\$ (3,055,633)</b>	<b>\$ 2,800,439</b>

GASB Statement No. 34 implemented in Fiscal Year 2004

**CITY OF LIBERTY, MISSOURI**  
**PROGRAM REVENUES BY FUNCTION/PROGRAM**

Function / Program	Fiscal Year								
	2004	2005	2006	2007	2008	2009	2010	2011	
Governmental activities:									
General government	\$ 514,402	\$ 440,754	\$ 383,601	\$ 431,878	\$ 385,191	\$ 508,981	\$ 422,156	\$ 570,996	
Community development and improvement	—	—	—	98,346	946,629	—	—	—	
Public works	927,384	1,662,683	754,083	901,131	1,322,205	3,753,085	2,404,186	649,462	
Culture and recreation	3,629,433	3,434,236	3,466,993	3,595,086	3,857,536	3,535,391	3,547,149	2,920,191	
Cemetery maintenance	33,032	45,113	53,793	36,450	34,650	37,399	28,351	18,901	
Public safety	1,502,917	1,316,955	1,523,802	1,675,044	2,661,298	1,667,888	1,590,627	1,568,213	
Interest on long-term debt	—	—	—	—	—	—	—	—	
<b>Total Governmental Activities</b>	<b>6,607,168</b>	<b>6,899,741</b>	<b>6,182,272</b>	<b>6,737,935</b>	<b>9,207,509</b>	<b>9,502,744</b>	<b>7,992,469</b>	<b>5,727,763</b>	
Business-type activities:									
Water	4,345,644	4,653,052	4,279,169	4,198,199	3,938,104	4,121,306	4,678,911	4,974,889	
Sewer	4,544,312	4,674,605	4,578,110	4,447,239	4,594,694	5,157,075	5,702,170	5,618,126	
Sanitation	1,111,546	1,201,091	1,267,305	1,345,744	1,420,096	1,427,468	1,289,414	1,156,496	
<b>Total Business-Type Activities</b>	<b>10,001,502</b>	<b>10,528,748</b>	<b>10,124,584</b>	<b>9,991,182</b>	<b>9,952,894</b>	<b>10,705,849</b>	<b>11,670,495</b>	<b>11,749,511</b>	
<b>Total Government</b>	<b>\$ 16,608,670</b>	<b>\$ 17,428,489</b>	<b>\$ 16,306,856</b>	<b>\$ 16,729,117</b>	<b>\$ 19,160,403</b>	<b>\$ 20,208,593</b>	<b>\$ 19,662,964</b>	<b>\$ 17,477,274</b>	

GASB Statement No. 34 implemented in fiscal year 2004.

Source: City records.

**CITY OF LIBERTY, MISSOURI**  
**FUND BALANCES, GOVERNMENTAL FUNDS**

	Fiscal Year									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
General Fund:										
Reserved	\$ 558,277	\$ 1,218,109	\$ 589,686	\$ 475,471	\$ 453,688	\$ 417,101	\$ 402,214	\$ 410,559	\$ 689,406	\$ —
Unreserved	2,432,146	2,225,153	2,237,902	1,988,685	1,716,601	1,935,964	2,243,914	2,055,644	2,497,862	—
Nonspendable	—	—	—	—	—	—	—	—	—	480,371
Restricted	—	—	—	—	—	—	—	—	—	—
Assigned	—	—	—	—	—	—	—	—	—	—
Unassigned	—	—	—	—	—	—	—	—	—	3,668,127
<b>Total General Fund</b>	<b>\$ 2,990,423</b>	<b>\$ 3,443,262</b>	<b>\$ 2,827,588</b>	<b>\$ 2,464,156</b>	<b>\$ 2,170,289</b>	<b>\$ 2,353,065</b>	<b>\$ 2,646,128</b>	<b>\$ 2,466,203</b>	<b>\$ 3,187,268</b>	<b>\$ 4,148,498</b>
All Other Governmental Funds:										
Reserved	\$ 12,589,424	\$ 2,495,766	\$ 6,738,349	\$ 8,840,067	\$ 6,015,584	\$ 8,876,787	\$ 7,335,807	\$ 9,287,943	\$ 4,379,751	\$ —
Unreserved, reported in:										
Special revenue funds	—	147,475	105,135	86,461	86,803	212,015	414,893	(197,996)	137,393	—
Capital projects funds	12,547	10,818,016	6,475,723	4,260,317	5,006,949	4,535,316	3,599,281	1,670,811	5,725,072	—
Permanent fund	—	357,592	359,817	361,755	44,278	—	404,361	406,836	410,661	—
<b>Fund Balances</b>										
<b>Nonspendable</b>										
Prepaid insurance	—	—	—	—	—	—	—	—	—	34,055
Permanent fund principal	—	—	—	—	—	—	—	—	—	406,977
<b>Restricted for</b>										
Parks and recreation	—	—	—	—	—	—	—	—	—	496,485
Capital projects	—	—	—	—	—	—	—	—	—	4,129,933
Transportation projects	—	—	—	—	—	—	—	—	—	489,539
Public safety	—	—	—	—	—	—	—	—	—	336,693
Debt service	—	—	—	—	—	—	—	—	—	3,927,265
Cemetery	—	—	—	—	—	—	—	—	—	70,999
Law enforcement	—	—	—	—	—	—	—	—	—	31,857
<b>Assigned to:</b>										
Debt service	—	—	—	—	—	—	—	—	—	319,350
Other purposes	—	—	—	—	—	—	—	—	—	74,412
<b>Unassigned</b>	—	—	—	—	—	—	—	—	—	—
<b>Total All Other Governmental Funds</b>	<b>\$ 12,601,971</b>	<b>\$ 13,818,849</b>	<b>\$ 13,679,024</b>	<b>\$ 13,548,600</b>	<b>\$ 11,153,614</b>	<b>\$ 13,624,118</b>	<b>\$ 11,754,342</b>	<b>\$ 11,167,594</b>	<b>\$ 10,652,877</b>	<b>\$ 10,317,565</b>

Source: City records

# CITY OF LIBERTY, MISSOURI

## CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS

Page 1 Of 2

	Fiscal Year									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
<b>Revenues:</b>										
Taxes	\$ 12,507,287	\$ 13,873,518	\$ 14,522,484	\$ 15,785,546	\$ 16,981,499	\$ 17,500,874	\$ 18,993,810	\$ 18,608,689	\$ 20,154,888	\$ 20,542,279
Intergovernmental	2,099,794	1,228,971	1,034,760	1,148,099	862,027	1,080,660	2,244,099	1,552,867	2,519,143	671,815
Licenses and permits	329,180	—	—	—	—	376,236	370,478	389,111	316,961	443,914
Charges for services	2,249,996	4,169,865	4,864,298	4,861,068	4,960,066	4,165,979	4,951,234	5,366,460	4,375,101	4,294,872
Investment earnings	—	402,236	253,451	430,554	703,417	873,996	433,980	157,135	59,471	47,348
Lease	947,292	725,982	1,052,819	1,082,937	1,090,410	1,083,859	1,158,108	863,059	862,023	303,771
Reimbursement of services provided	595,209	—	—	—	—	—	—	—	—	—
Fines and forfeitures	353,706	—	—	—	—	—	—	—	—	—
Contributions	68,025	340,198	15,000	—	—	—	—	—	—	—
Interest	392,134	—	—	—	—	—	—	—	—	—
Special assessments	90,733	—	—	—	—	—	—	—	—	—
Miscellaneous	308,367	329,753	246,087	335,928	1,377,110	1,110,387	849,147	686,123	803,330	835,292
<b>Total Revenues</b>	<b>19,941,723</b>	<b>21,070,523</b>	<b>21,988,899</b>	<b>23,644,132</b>	<b>25,974,529</b>	<b>26,191,991</b>	<b>29,000,856</b>	<b>27,623,444</b>	<b>29,090,917</b>	<b>27,139,291</b>
<b>Expenditures:</b>										
General government	2,265,696	1,909,967	2,400,769	2,607,204	2,631,925	2,909,155	3,142,783	2,920,813	3,186,676	3,625,547
Community development and improvement	1,098,031	592,545	701,483	806,345	1,056,563	1,090,028	1,291,386	1,095,806	5,905,370	1,517,740
Public works	—	2,235,218	2,150,904	2,300,908	3,929,263	3,131,286	3,957,941	3,693,908	6,066,133	3,276,623
Culture and recreation	2,561,585	3,870,785	4,410,034	4,326,742	4,779,873	4,886,143	5,080,716	4,513,774	4,528,504	3,975,630
Cemetery maintenance	50,918	54,199	49,045	43,787	38,527	35,903	37,104	40,370	31,920	30,617
Public safety	5,982,407	6,467,853	7,119,166	7,535,159	7,753,758	8,154,847	8,466,182	8,245,818	8,248,571	8,512,558
Highway and streets	1,690,940	—	—	—	—	—	—	—	—	—
Sanitation	—	—	—	—	—	—	—	—	—	—
City wide programs	276,263	—	—	—	—	—	—	—	—	—
Capital outlay	4,073,305	4,792,594	11,585,816	10,575,983	4,618,392	9,261,303	3,951,534	2,850,274	1,009,967	1,542,056
<b>Debt service:</b>										
Principal	1,676,666	3,252,410	2,070,150	2,104,858	2,399,874	2,521,106	2,959,207	2,768,453	4,547,331	3,115,362
Bond issuance costs	—	130,437	79,215	108,838	—	241,599	—	—	229,126	—
Interest	990,142	912,597	801,321	1,056,123	1,455,207	1,276,769	1,690,716	1,584,434	1,639,777	1,637,696
<b>Total Expenditures</b>	<b>20,665,953</b>	<b>24,218,605</b>	<b>31,367,903</b>	<b>31,465,947</b>	<b>28,663,382</b>	<b>33,508,139</b>	<b>30,577,569</b>	<b>27,713,650</b>	<b>35,393,375</b>	<b>27,233,829</b>
<b>Excess Of Revenues Under Expenditures</b>	<b>(724,230)</b>	<b>(3,148,082)</b>	<b>(9,379,004)</b>	<b>(7,821,815)</b>	<b>(2,688,853)</b>	<b>(7,316,148)</b>	<b>(1,576,713)</b>	<b>(90,206)</b>	<b>(6,302,458)</b>	<b>(94,538)</b>

# CITY OF LIBERTY, MISSOURI

## CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS

Page 2 Of 2

	Fiscal Year									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Other financing sources (uses):										
Transfers in	\$ 1,183,739	\$ 3,081,079	\$ 2,311,834	\$ 1,041,732	\$ 1,275,453	\$ 1,414,937	\$ 1,550,512	\$ 1,400,432	\$ 1,717,821	\$ 887,509
Transfers out	(1,000,497)	(3,081,079)	(2,311,834)	(1,026,732)	(1,275,453)	(1,364,937)	(1,550,512)	(2,076,899)	(1,717,821)	(887,509)
Issuance of long-term debt	—	3,640,000	7,795,000	6,790,842	—	9,960,560	—	—	8,105,000	—
Discount on debt issuance	—	—	(177,125)	—	—	(48,874)	—	—	(15,469)	—
Premium on debt issuance	—	97,344	—	481,242	—	7,742	—	—	—	—
Proceeds of refunding bonds	825,000	—	—	—	—	—	—	—	—	—
Payment to refunded bond escrow agent	(829,281)	—	—	—	—	—	—	—	(2,111,400)	—
Proceeds from capital leases	156,940	—	—	—	—	—	—	—	—	—
Lease proceeds	—	—	—	—	—	—	—	—	—	—
Capital contributions	—	44,675	70,550	—	—	—	—	—	530,687	720,456
Proceeds from sale of property	4,865	—	—	40,875	—	—	—	—	—	—
<b>Total Other Financing Sources (Uses)</b>	<b>340,766</b>	<b>3,782,019</b>	<b>7,688,425</b>	<b>7,327,959</b>	<b>—</b>	<b>9,969,428</b>	<b>—</b>	<b>(676,467)</b>	<b>6,508,818</b>	<b>720,456</b>
<b>Net Changes In Fund Balance</b>	<b>(383,464)</b>	<b>633,937</b>	<b>(1,690,579)</b>	<b>(493,856)</b>	<b>(2,688,853)</b>	<b>2,653,280</b>	<b>(1,576,713)</b>	<b>(766,673)</b>	<b>206,360</b>	<b>625,918</b>
Fund balances (deficits), beginning of year	17,946,718	17,563,254	18,197,191	16,506,612	16,012,756	13,323,903	15,977,183	14,400,470	13,633,785	13,840,145
Fund balances (deficits), end of year	<b>\$ 17,563,254</b>	<b>\$ 18,197,191</b>	<b>\$ 16,506,612</b>	<b>\$ 16,012,756</b>	<b>\$ 13,323,903</b>	<b>\$ 15,977,183</b>	<b>\$ 14,400,470</b>	<b>\$ 13,633,797</b>	<b>\$ 13,840,145</b>	<b>\$ 14,466,063</b>
Debt service as a percentage of noncapital expenditures	16.07%	21.44%	14.52%	15.13%	16.03%	15.66%	16.76%	17.55%	18.05%	19.43%

# CITY OF LIBERTY, MISSOURI

## TAX REVENUES BY SOURCE, GOVERNMENTAL FUNDS

Fiscal Year	Property	Local Option Sales Tax	Franchise Fees	Other Tax	Total
2002	\$ 3,855,914	\$ 6,292,106	\$ 2,079,748	\$ 279,519	\$ 12,507,287
2003	3,803,766	6,546,300	2,190,702	1,332,750	13,873,518
2004	3,927,979	6,442,538	2,373,036	1,778,931	14,522,484
2005	4,052,093	7,709,037	2,492,911	1,531,505	15,785,546
2006	4,454,329	8,461,337	2,567,518	1,498,315	16,981,499
2007	4,580,046	8,316,447	3,075,617	1,528,764	17,500,874
2008	4,968,036	8,312,753	4,327,161	1,385,860	18,993,810
2009	5,497,483	7,995,060	3,844,459	1,362,775	18,699,777
2010	5,058,730	8,763,669	3,958,095	2,112,197	19,892,691
<b>2011</b>	<b>5,071,047</b>	<b>8,727,836</b>	<b>3,886,396</b>	<b>1,086,671</b>	<b>18,771,950</b>
Change 2002-2011	45.03%	42.88%	94.50%	659.28%	66.68%

**Source:** City records.

As set out in Section 32.057 of the Missouri Revised State Statutes, it is a violation to make known in any manner the tax returns or departmental records derived from the Missouri Department of Revenue, including sales taxes, franchise fees and other tax sources. Due to the confidentiality of earnings information, the above alternative information is provided to assist the users in understanding these revenue sources, including sales taxes, the City's largest own-source revenue.

# CITY OF LIBERTY, MISSOURI

## ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY

Fiscal Year	Residential Property Assessed	Residential Property Estimated	Agriculture Property	Commercial/Industrial Property	Personal Property	Railroad Utility Real Property	Railroad Utility Personal Property	Total Taxable Assessed Value	CPI Per Year	Estimated Actual Taxable Value	Taxable Assessed Value As A Percentage Of Actual Taxable Value	Total Direct Tax Rate
2002	\$ 203,994,030	\$ 1,073,652,789	\$ 4,776,083	\$ 185,048,625	\$ 251,715,539	\$ 25,943,288	\$ 10,021,725	\$ 358,457,869	1.6%	\$ 1,551,158,049	23.11%	0.9898
2003	231,469,200	1,218,258,947	5,579,167	191,721,594	248,994,033	22,876,706	8,654,385	385,834,134	2.2%	1,696,084,832	22.75%	0.9952
2004	239,464,400	1,260,338,947	5,347,083	197,747,344	239,301,536	22,906,685	9,639,300	392,865,815	2.3%	1,735,280,895	22.64%	0.9688
2005	264,174,105	1,390,390,026	4,730,000	222,373,375	262,669,661	21,587,816	9,067,703	432,482,616	3.5%	1,910,818,581	22.63%	0.9783
2006	270,691,280	1,424,690,947	8,289,750	223,826,063	277,210,355	21,219,162	9,431,797	444,692,432	3.5%	1,964,668,074	22.63%	0.9676
2007	284,539,230	1,497,574,895	17,003,500	289,116,406	283,133,318	21,765,597	10,415,657	482,933,053	2.6%	2,130,359,313	22.67%	0.9676
2008	287,785,260	1,514,659,263	19,598,417	299,017,563	290,213,364	20,775,625	10,432,676	491,684,083	3.9%	2,154,696,907	22.82%	0.9358
2009	284,219,490	1,495,892,053	20,043,000	307,905,375	255,701,315	20,762,634	9,755,364	479,399,117	0.1%	2,110,059,741	22.72%	0.9715
2010	285,370,000	1,501,947,368	19,750,583	315,738,344	213,223,100	26,243,916	9,878,818	470,798,026	2.7%	2,086,782,129	22.56%	0.9957
<b>2011</b>	<b>278,008,900</b>	<b>1,463,204,737</b>	<b>15,253,667</b>	<b>303,710,906</b>	<b>223,209,764</b>	<b>31,310,491</b>	<b>8,367,576</b>	<b>463,466,709</b>	<b>1.5%</b>	<b>2,045,057,140</b>	<b>22.66%</b>	<b>0.9957</b>

Source: City records

Note: Personal property and real property are taxed. The above information presents the information for each period for which it is levied. A tax levy provides taxes remitted in the following year. The agriculture value is based upon productivity instead of actual market value.

# CITY OF LIBERTY, MISSOURI

## DIRECT AND OVERLAPPING PROPERTY TAX RATES

Tax Year Levied	City Direct Rates				Overlapping Rates				
	General Fund	Parks Fund	Debt Service Fund	Total City Tax Rate	School District Tax Rate	County Tax Rate	Hospital Tax Rate	State Tax Rate	Total Tax Rate
2002	0.8459	0.1493	—	0.9952	5.1100	0.6495	0.0968	0.0300	6.8815
2003	0.8235	0.1453	—	0.9688	5.6400	0.6495	0.0968	0.0300	7.3851
2004	0.8316	0.1467	—	0.9783	5.6400	0.6955	0.1265	0.0300	7.4703
2005	0.8225	0.1451	—	0.9676	5.6400	0.6884	0.1265	0.0300	7.4525
2006	0.8225	0.1451	—	0.9676	5.6400	0.6918	0.1269	0.0300	7.4563
2007	0.7955	0.1403	—	0.9358	5.6400	0.9260	0.1343	0.0300	7.6661
2008	0.7955	0.1403	—	0.9358	5.6400	0.9263	0.1349	0.0300	7.6670
2009	0.8259	0.1456	—	0.9715	5.9069	0.9253	0.1444	0.0300	7.9781
2010	0.8465	0.1492	—	0.9957	6.0950	0.9253	0.1500	0.0300	8.1960
<b>2011</b>	<b>0.8465</b>	<b>0.1492</b>	<b>—</b>	<b>0.9957</b>	<b>6.0950</b>	<b>0.8953</b>	<b>0.1500</b>	<b>0.0300</b>	<b>8.1660</b>

Source: Office of Clay County Clerk

**Notes:**

Overlapping rates are those of local and county governments that apply to property owners within the City. Not all overlapping rates apply to all City property owners, although the County property tax rates apply to all City property owners; the Hospital rates apply to the property owners within that Authority's geographic boundaries.



**CITY OF LIBERTY, MISSOURI**  
**PRINCIPAL PROPERTY TAXPAYERS**

Taxpayer	2011			2002		
	Taxable Assessed Value	Rank	Percentage Of Total City Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage Of Total City Taxable Assessed Value
Hallmark Cards	\$ 8,182,662	1	1.77%	\$ 8,767,899	1	2.45%
Hy-Vee Food Stores, Inc.	4,877,991	2	1.05%			
Star Development	3,245,502	3	0.70%			
Lowe's Home Centers, Inc.	2,695,387	4	0.58%			
Centro Bradley SPE 5 LLC	2,239,490	5	0.48%			
RR Donnelley	1,754,385	6	0.38%			
American Central Transport	1,746,979	7	0.38%			
Southern Union Company	1,657,250	8	0.36%			
Clark Printing Company, Inc.	1,625,630	9	0.35%	8,616,782	2	2.40%
Continental Disc Corporation	1,589,690	10	0.34%	2,413,386	3	0.67%
Stone Container Corporation	—	—	—	2,307,035	4	0.64%
Professional Metals	—	—	—	2,266,928	5	0.63%
Ferrell Companies	—	—	—	2,030,170	6	0.57%
Bradley Operating LP	—	—	—	1,947,560	7	0.54%
Monmouth Real Estate Inv	—	—	—	1,618,530	8	0.45%
O'Dell Publishing	—	—	—	1,564,196	9	0.44%
S&D Holding	—	—	—	1,521,280	10	0.42%
<b>Total</b>	<b>\$ 29,614,966</b>		<b>6.39%</b>	<b>\$ 33,053,766</b>		<b>9.21%</b>

Source: City records

**CITY OF LIBERTY, MISSOURI**  
**PROPERTY TAX LEVIES AND COLLECTIONS**

Year Ended December 31,	<u>Collected Within the Fiscal Year Of The Levy</u>				<u>Total Collections To Date</u>		Ratio Of Outstanding Taxes To Total Levy	
	Current Tax Levy	Current Tax Collections	% Of Current Collections	Delinquent Tax Collections	Total Tax Collections	% Of Total Current Collections*		Outstanding Taxes Receivable
2002	\$ 3,567,373.00	\$ 2,916,346.00	81.75%	\$ 369,462.00	\$ 3,285,808.00	92.11%	\$ 870,031.00	24.39%
2003	3,645,889	3,093,990	84.86%	611,009	3,704,999	101.62%	810,921	22.24%
2004	3,737,699	3,443,614	92.13%	625,310	4,068,924	108.86%	538,806	14.42%
2005	4,096,721	3,815,540	93.14%	361,765	4,177,305	101.97%	543,247	13.26%
2006	4,302,844	3,785,934	87.99%	249,853	4,035,787	93.79%	810,304	18.83%
2007	4,519,288	4,064,024	89.93%	481,493	4,545,517	100.58%	784,074	17.35%
2008	4,601,180	4,182,202	90.89%	397,596	4,579,798	99.54%	805,456	17.51%
2009	4,603,135	4,169,701	90.58%	470,683	4,640,383	100.80%	768,208	16.68%
2010	4,592,237	4,168,359	90.77%	593,401	4,761,760	103.69%	598,685	13.04%
<b>2011</b>	<b>4,478,756</b>	<b>4,055,486</b>	<b>90.55%</b>	<b>431,413</b>	<b>4,486,899</b>	<b>100.18%</b>	<b>590,542</b>	<b>13.19%</b>

Source: City records

**Note:**

Includes personal property, real estate, and railroad taxes.

The above information presents the information for each period for which it is levied.

A tax levy provides taxes remitted for the following year.

\*For purposes of this schedule, delinquent taxes are not allocated to the year in which they were originally levied.

# CITY OF LIBERTY, MISSOURI

## RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING BY TYPE

Fiscal Year	General Bonded Debt			Other Governmental Activities Debt				Business Type Activities					Total Primary Government	Percentage Of Personal Income	Debt Per Capita
	General Special Assessment Bonds	Percentage Of Actual Taxable Value Of Property	Debt Per Capita	MDNR Loan Payable	Capital Leases	Leasehold Revenue Bonds	TIF Bonds	Loan Payable	State Revolving Fund	Revenue Bonds	Capital Leases				
2002	\$ 10,725,000	0.69%	405	\$ —	\$ 2,176,546	\$ 6,615,000	\$ —	\$ 50,000	\$ —	\$ 18,070,000	\$ —	\$ 37,636,546	6.66%	1,421	
2003	10,200,000	0.60%	390	—	1,764,136	7,940,000	—	1,025,000	—	17,075,000	—	38,004,136	7.07%	1,455	
2004	9,305,000	0.54%	341	—	1,318,986	7,210,000	7,795,000	1,050,843	—	16,025,000	50,865	42,755,694	7.62%	1,568	
2005	14,755,000	0.77%	539	118,341	1,236,629	6,410,000	7,795,000	—	6,180,000	17,975,000	25,843	54,495,813	9.39%	1,991	
2006	13,705,000	0.70%	501	110,527	929,569	5,565,000	7,605,000	—	6,180,000	16,780,000	—	50,875,096	8.77%	1,858	
2007	12,555,000	0.59%	416	102,058	722,491	4,685,000	7,380,000	—	5,975,000	15,525,000	—	46,944,549	8.09%	1,555	
2008	11,290,000	0.53%	374	93,302	427,041	3,560,000	14,955,000	—	5,765,000	14,230,000	—	50,320,343	8.67%	1,667	
2009	11,970,000	0.56%	411	84,249	147,641	2,855,000	14,570,000	—	9,533,541	12,885,000	—	52,045,431	5.77%	1,785	
2010	10,770,000	0.51%	369	74,890	375,355	2,120,000	18,305,000	—	9,151,041	11,485,000	—	52,281,286	6.24%	1,794	
2011	<b>9,105,000</b>	<b>0.43%</b>	<b>312</b>	<b>65,214</b>	<b>895,125</b>	<b>1,345,000</b>	<b>17,840,000</b>	<b>—</b>	<b>8,746,905</b>	<b>8,880,000</b>	<b>—</b>	<b>46,877,244</b>	<b>5.60%</b>	<b>1,608</b>	

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

# CITY OF LIBERTY, MISSOURI

## DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Amount Applicable To City</u>
Overlapping:			
Liberty Hospital District	\$ —	0.00%	\$ —
Liberty School District	144,065,000	61.09%	88,009,309
Clay County	—	0.00%	—
City Direct Debt	6,710,000	100.00%	<u>6,710,000</u>
<b>Total Direct And Overlapping Debt</b>			<u><u>\$ 94,719,309</u></u>

**Sources:** Individual Governmental entity and City records

(1) Determined by ratio of assessed value in overlapping unit compared to the value of taxable assessed value the value of taxable assessed value within the corporate limits of the City of Liberty

(2) Individual Governmental entity and City records

**Note:** Liberty School District's amount is as of 6/30/2011

**CITY OF LIBERTY, MISSOURI**  
**LEGAL DEBT MARGIN INFORMATION**

Legal Debt Margin Calculation for Fiscal Year 2011	
Assessed value	\$ 463,466,709
Debt limit (20% of assessed value)	<u>92,693,342</u>
City Debt applicable to debt limit:	
General obligation bonds	\$ 6,500,000
Special assessment bonds	210,000
Less-amount available debt service fund, Special Assessment Neighborhood Improvement Fund	<u>89,767</u>
Total net debt applicable to limit	<u>6,799,767</u>
Legal debt margin	<u><u>\$ 85,893,574</u></u>

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Debt limit	\$ 71,691,574	\$ 75,266,085	\$ 76,412,130	\$ 84,671,982	\$ 75,325,156	\$ 96,586,611	\$ 84,976,817	\$ 84,587,251	\$ 94,159,605	\$ 92,693,342
Total net debt applicable to limit	<u>10,620,035</u>	<u>9,384,167</u>	<u>9,209,300</u>	<u>14,659,200</u>	<u>13,613,330</u>	<u>14,530,775</u>	<u>13,360,000</u>	<u>11,970,000</u>	<u>10,969,345</u>	<u>6,799,767</u>
Legal debt margin	<u>\$ 61,071,539</u>	<u>\$ 65,881,918</u>	<u>\$ 67,202,830</u>	<u>\$ 70,012,782</u>	<u>\$ 61,711,826</u>	<u>\$ 82,055,836</u>	<u>\$ 71,616,817</u>	<u>\$ 72,617,251</u>	<u>\$ 83,190,260</u>	<u>\$ 85,893,574</u>
<b>Total Net Debt Applicable To The Limit As A Percentage Of Debt Limit</b>	17.39%	14.24%	13.70%	20.94%	22.06%	17.71%	18.65%	16.48%	13.19%	7.92%

Source: City records

# CITY OF LIBERTY, MISSOURI

## PLEDGE REVENUE COVERAGE

Waterworks and Sewer System Bonds								
Fiscal Year	Operating Revenue (1)	Operating Expenses (2)	Net Revenues		Debt Service		Total Debt Payments	Coverage
			Available For Debt Services		Principal	Interest		
2002	\$ 7,498,977	\$ 5,408,161	\$ 2,090,817	\$ 835,000	\$ 868,146	\$ 1,703,146	1.23	
2003	9,171,063	5,353,718	3,817,345	995,000	666,048	1,661,048	2.30	
2004	8,587,500	5,603,770	2,983,730	1,050,000	897,730	1,947,730	1.53	
2005	9,136,832	5,887,587	3,249,246	1,095,000	607,451	1,702,451	1.91	
2006	9,228,682	6,151,620	3,077,062	1,195,000	511,803	1,706,803	1.80	
2007	9,196,650	7,063,977	2,132,673	1,460,000	832,942	2,292,942	0.93	
2008	9,196,650	7,048,861	2,147,789	1,038,747	900,681	1,939,428	1.11	
2009	9,752,369	6,774,550	2,977,819	1,565,000	879,507	2,444,507	1.22	
2010	10,569,620	7,140,809	3,428,811	1,625,000	620,792	2,245,792	1.53	
<b>2011</b>	<b>10,602,124</b>	<b>7,569,340</b>	<b>3,032,784</b>	<b>1,690,000</b>	<b>729,751</b>	<b>2,419,751</b>	1.25	

(1) Operating revenue includes interest earnings

(2) Operating expenses excludes interest expense and depreciation expense

**CITY OF LIBERTY, MISSOURI**

---

**DEMOGRAPHIC AND ECONOMIC STATISTICS**

Fiscal Year Ended December 31,	Population	Personal Income <sup>(1)</sup>	Per Capita Income <sup>(1)</sup>	Median Age <sup>(1)</sup>	School Enrollment <sup>(2)</sup>	Unemployment Rate <sup>(3)</sup>
2002	\$ 27,345	\$ 718,749,018	26,284	35.4	7,650	3.7%
2003	27,920	739,742,307	26,495	34.9	7,867	4.1%
2004	28,506	780,906,994	27,394	34.8	8,129	4.2%
2005	28,962	810,508,065	27,985	35.0	8,463	4.5%
2006	29,570	858,766,473	29,042	36.4	9,230	4.6%
2007	30,191	883,569,806	29,266	36.7	9,555	4.8%
2008	30,200	888,438,908	29,419	36.5	9,987	5.3%
2009	30,568	901,756,000	29,500	36.2	10,000	5.5%
2010	29,149	837,188,429	28,721	35.1	11,000	7.6%
<b>2011</b>	<b>29,149</b>	<b>853,045,485</b>	<b>29,265</b>	<b>36.4</b>	<b>11,400</b>	<b>7.8%</b>

**Sources:**

- (1) MARC website
- (2) Liberty Public School District
- (3) US Department of Labor Bureau

# CITY OF LIBERTY, MISSOURI

## PRINCIPAL EMPLOYERS

Employer	2011			2002		
	Employees	Rank	Percentage Of Total County Employment	Employees	Rank	Percentage Of Total County Employment
Liberty Hospital	1,372	1	1.26%	783	2	0.94%
Liberty School District	1,299	2	1.20%	634	4	0.76%
Hallmark Cards	1,265	3	1.16%	1,181	1	1.42%
Clay County	600	4	0.55%	460	5	0.55%
RR Donnelley	370	5	0.34%	—	—	—
Ferrell Corp	292	6	0.27%	366	6	0.44%
William Jewell	235	7	0.22%	315	7	0.38%
City of Liberty	198	8	0.18%	169	8	0.20%
Continental Disc	183	9	0.17%	—	—	—
RockTenn	170	10	0.16%	—	—	—
Guys Foods	—	—	—	650	3	0.78%
Price Chopper	—	—	—	50	10	0.06%
HyVee	—	—	—	100	9	0.12%
	<b>5,984</b>		<b>5.51%</b>	<b>4,708</b>		<b>5.67%</b>

Sources: Individual employer records and MARC website



# CITY OF LIBERTY, MISSOURI

## FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTIONS/PROGRAMS

Functions/Program	Full-Time Equivalent Employees As Of December 31									
	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
<b>Administration</b>										
City Administrator	1	1	1	1	1	1	1	1	1	1
Assistant City Administrator	—	—	—	1	1	1	1	1	1	1
Deputy City Clerk	1	1	1	1	1	1	1	1	1	1
Management Analyst	—	—	—	—	—	—	1	1	1	1
Communication Manager	1	1	1	1	1	1	1	1	1	1
Executive Assistant	—	—	—	1	1	1	1	1	—	—
Court Administrator	1	1	1	1	1	1	1	1	1	—
Municipal Court Technician	2	2	2	1	1	1	1	1	2	2
Assistant to the City Administrator	1	1	1	1	1	1	—	—	—	—
Asst. to the City Administrator HR	—	—	—	—	—	—	—	—	1	—
Management Assistant	—	—	—	—	—	—	—	—	—	1
Administrative Secretary	2	2	2	—	—	—	—	—	1	1
Economic & Business Development Mgr	1	1	1	—	—	—	—	—	—	—
Information Services Director	1	1	1	1	1	1	1	1	1	1
Information Systems Manager	—	—	—	—	—	—	—	1	—	1
Information Systems Specialist III	2	2	2	2	2	3	3	1	3	1
Information Systems Specialist II	1	1	1	1	1	—	—	—	—	—
Information Systems Specialist I	—	—	—	—	1	—	—	—	—	—
Information Support Specialist	—	—	—	—	—	—	—	—	1	1
GIS Specialist II	1	1	1	1	1	—	—	—	—	—
<b>Human Resources</b>										
Human Resources Director	1	1	1	1	1	1	1	1	—	1
Human Resources Manager	—	—	—	1	1	1	1	1	—	—
Administrative Assistant	1	1	1	1	1	1	1	1	—	—
<b>Finance</b>										
Finance Director/Assistant City Administrator	1	1	1	1	1	1	1	1	1	1
Finance Manager	—	—	—	—	1	2	2	2	2	2
Assistant Finance Director	1	1	1	1	1	—	—	—	—	—
Finance Analyst	1	1	1	1	1	2	2	2	2	1
Payroll Specialist	1	1	1	1	1	1	1	1	1	1
Finance Technician	4	4	4	3	3	3	3	3	3	2
Utility Technician	—	—	—	—	—	—	—	—	—	2
Part time Account Clerk	—	—	—	—	—	—	—	—	—	—
Finance Assistant	—	—	—	1	1	1	1	1	1	—
Cashier	—	—	—	—	—	—	—	—	—	1
Receptionist	—	—	—	1	1	1	1	1	1	1
Accountant	1	1	1	—	—	—	—	—	—	—
Meter Service Technician	1	1	1	1	1	1	1	1	1	1
Lead Meter Technician	1	1	1	1	1	1	1	1	1	1
Accounting Manager	1	1	1	1	1	—	—	—	—	—
Administrative Assistant	—	—	—	1	—	—	—	—	—	—
Office Supervisor	1	1	1	1	—	—	—	—	—	—
<b>Fire</b>										
Fire Chief	1	1	1	1	1	1	1	1	1	1
Deputy Fire Chief	1	1	1	1	1	1	1	1	—	—
Administrative Assistant	1	1	1	1	1	1	1	1	—	—
Shift Commanders	3	3	3	3	3	4	4	4	5	5

# CITY OF LIBERTY, MISSOURI

## FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTIONS/PROGRAMS *(Continued)*

	Full-Time Equivalent Employees as of December 31									
	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
<i>Fire (Continued)</i>										
Training Officer	—	—	—	1	1	1	1	1	—	—
Fire Captain	9	9	9	9	9	9	8	8	3	3
Company Officers	—	—	—	—	—	—	—	—	—	—
Firefighter/Paramedic	22	22	22	23	22	23	20	20	22	22
Firefighter/EMT	9	9	9	10	11	4	6	6	8	8
Fire Prevention Officer	1	1	1	1	1	—	—	—	—	—
<i>Police</i>										
Police Chief	1	1	1	1	1	1	1	1	1	1
Deputy Police Chief	1	1	1	1	1	1	—	—	—	—
Police Captain	1	1	1	1	1	1	2	2	2	2
Police Lieutenant	4	4	4	5	5	5	6	6	6	6
Police Sergeant	6	6	6	4	4	4	3	3	3	3
Detectives	—	—	—	—	—	—	—	—	—	—
Master Police Officer	4	4	4	3	3	3	—	—	—	—
Community Service Officer	—	—	—	—	—	—	—	—	—	1
Police Officer	23	23	23	24	24	25	27	27	27	26
School Resource Officer	—	—	—	—	—	—	—	—	—	—
Communications Supervisor	1	1	1	1	1	1	1	1	1	1
Communications Officer	8	8	8	9	9	7	8	8	8	7
Animal Control Officer	2	2	2	2	2	2	2	2	1	1
Animal Control Shelter Attendant	—	—	—	—	—	—	—	—	1	1
Parking Control Officer	—	—	—	1	1	1	1	1	1	1
Administrative Assistant	—	1	1	1	1	1	1	1	1	1
Records Technician	3	3	3	3	3	3	3	3	3	3
<i>Public Works</i>										
Public Works Director	1	1	1	1	1	1	1	1	1	1
City Engineer/Assistant Public Works Director	1	1	1	1	1	1	1	1	1	1
Capital Projects Engineer	—	—	—	—	—	—	—	—	—	1
Development Review Engineer	—	—	—	—	—	—	—	—	—	1
Engineer	1	1	1	2	2	2	2	2	2	—
Public Works Superintendent	1	1	1	1	1	1	1	1	1	1
Senior Engineering Technician	—	—	—	—	—	1	1	1	1	1
Engineering Technician	—	—	—	—	1	1	1	1	1	1
Senior Project Inspector	2	2	2	2	2	2	1	1	1	1
Project Inspector	1	1	1	1	1	1	2	2	2	2
Chief Building Official	—	—	—	—	—	—	—	—	—	—
Building Inspection Manager	—	—	—	—	—	—	—	—	1	1
Building Inspector	—	—	—	—	—	—	—	—	3	3
Building Maintenance Technician	2	2	2	2	1	1	1	1	1	1
Administrative Assistant	2	2	2	2	2	2	1	1	3	3
Public Works Maintenance Worker I	6	6	6	10	11	10	10	10	11	11
Public Works Maintenance Supervisor	—	—	—	2	2	2	1	2	1	1
Public Works Maintenance Worker II	9	9	9	6	6	7	7	7	7	7

# CITY OF LIBERTY, MISSOURI

## FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTIONS/PROGRAMS *(Continued)*

	Full-Time Equivalent Employees as of December 31									
	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
Development Services										
Development Director	—	1	1	1	1	1	1	1	1	—
Assistant Director of Planning & Development	—	—	—	—	—	—	1	1	1	—
Community Development Manager	1	1	1	1	1	—	—	—	—	—
Planning and Economic Development Manager	—	—	—	1	1	—	—	—	1	1
Planner	1	1	1	2	2	2	3	3	2	—
Chief Building Official	1	1	1	1	1	1	1	1	1	—
Senior Building Inspector	1	1	1	1	1	2	3	3	3	—
Building Inspector	1	1	1	1	2	1	—	—	—	—
Code Enforcement Officer	1	1	1	1	1	1	1	1	1	—
Administrative Assistant	1	1	1	2	2	2	2	2	2	—
Project Manager	—	—	—	—	—	1	—	—	—	—
Historic Preservation Planner	—	—	—	—	—	1	—	—	—	—
Parks & Recreation										
Parks Director	1	1	1	1	1	1	1	1	1	1
Parks & Open Spaces Manager	1	1	1	1	1	1	1	1	1	1
Recreation Coordinator	2	2	2	3	3	2	6	6	1	1
Program Coordinator	—	—	—	—	—	—	—	—	—	—
Parks Crew Chief	3	3	3	2	2	1	1	1	1	—
Parks Maintenance Worker II	3	3	3	4	3	3	1	1	1	—
Parks Maintenance Worker I	4	4	4	4	5	5	8	8	9	9
Administrative Assistant	1	1	1	1	1	1	1	1	—	1
Sports Complex Manager	1	1	1	1	1	1	1	1	1	1
Sports Complex Maintenance Worker	—	—	—	—	—	—	—	—	—	2
Sport Complex Coordinator	—	—	—	—	—	—	—	—	—	1
Athletic Fields Ground Keeper	2	2	2	2	2	2	2	2	3	—
Community Center Manager	1	1	1	1	1	1	1	1	1	1
Facility Rental Supervisor	—	—	—	—	1	1	1	1	1	1
Office Supervisor	1	1	1	1	1	1	1	1	1	1
Account Clerk	—	—	—	—	—	—	—	—	—	—
Office Assistant	1	1	1	1	1	1	1	1	1	1
Custodian	1	1	1	2	2	2	2	2	2	2
Community Center Coordinator	—	—	—	—	—	—	—	—	—	—
Senior Building Supervisor	—	—	—	—	—	—	—	—	—	—
Building Maintenance Technician	1	1	1	2	2	2	2	2	1	1
Theater Coordinator	1	1	1	1	1	1	1	1	1	1
Lead Theater Technician	1	1	1	1	1	1	1	1	1	1
Marketing/Special Events Coordinator	1	1	1	1	1	1	1	1	1	—
Senior Services Coordinator	1	1	1	1	1	1	1	1	1	1
Administrative Secretary	—	—	—	—	—	—	—	—	—	1
Nutrition Site Coordinator	—	—	—	—	—	—	—	—	—	—
Senior Recreation Coordinator	3	3	3	3	3	4	1	1	1	—
Part time Driver	—	—	—	—	—	—	—	—	—	—
Bus Driver	1	1	1	2	2	2	2	2	2	2
Senior Center Technician	1	1	1	1	1	1	—	—	—	1
Parks Supervisor	—	—	—	1	1	1	—	—	—	1
Assistant Parks & Recreation Director	1	1	1	1	—	—	—	—	—	—
<b>Totals City-Wide</b>	<b>198</b>	<b>196</b>	<b>196</b>	<b>212</b>	<b>214</b>	<b>205</b>	<b>200</b>	<b>200</b>	<b>199</b>	<b>190</b>

Source: City records

**CITY OF LIBERTY, MISSOURI**  
**OPERATING INDICATORS BY FUNCTION/PROGRAM**

Function/Program	Calendar Year									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
<b>Police:</b>										
Calls for service	30,152	31,280	32,438	37,168	42,015	35,970	33,925	37,613	33,333	<b>30,441</b>
Adult arrest	5,235	4,913	4,980	5,071	4,979	1,473	1,493	1,331	746	<b>1,514</b>
Speeding citations only	1,696	2,427	2,240	1,769	1,861	1,689	2,303	2,066	1,760	<b>1,710</b>
Traffic citations	4,999	5,679	5,239	5,248	6,140	5,133	5,223	5,361	5,975	<b>5,620</b>
<b>Fire:</b>										
Total fire runs	**	**	**	**	2,940	3,070	3,134	2,897	3,366	<b>3,338</b>
Total rescue runs	**	**	**	**	3,087	3,343	3,235	3,138	3,299	<b>3,232</b>
Property loss	**	**	**	**	505,850	501,450	637,250	436,300	250,100	<b>452,250</b>
Property saved	**	**	**	**	2,884,650	1,039,000	6,019,750	3,353,700	11,504,400	<b>9,982,750</b>
<b>Building permits:</b>										
<b>Commercial:</b>										
Total building permits	11	13	13	24	18	12	17	8	2	<b>5</b>
Total value all permits	\$ 19,058,670	\$ 15,982,839	\$ 17,221,041	\$ 39,569,732	\$ 13,601,096.00	29,333,289	20,960,559	9,873,810	7,149,100	<b>61,155,184</b>
<b>Residential:</b>										
Total building permits	220	233	185	162	51	61	36	11	15	<b>17</b>
Total value all permits	\$ 23,633,063	\$ 29,725,423	\$ 30,711,938	\$ 23,573,523	\$ 9,515,452	11,572,869	6,632,480	3,365,544	31,824,093	<b>4,221,266</b>
<b>Parks and Recreation:</b>										
Recreation program attendance	**	**	**	**	22,250	25,110	13,239	1,733	3,794	<b>3,511</b>
Aquatics program attendance	**	**	**	**	1,807	3,811	2,163	3,919	4,340	<b>3,839</b>
Community Center Memberships	**	**	**	**	20,252	20,755	23,384	22,138	17,513	<b>2,496</b>
Rentals	**	**	**	**	1,843	1,064	994	854	411	<b>421</b>
Street trees maintained (1)	**	**	**	**	741	685	700	625	430	<b>675</b>

**Source: City Records**

**Note: \*\* Indicator Not Available**

(1) Boundary for trees maintained is I-35 to the West & North  
M291 Hwy to the South and Highway 33 to the East.

**CITY OF LIBERTY, MISSOURI**  
**CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM**

Function/Program	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Transfers Out	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
Major Roadway	—	—	—	—	—	—	—	—	—	—
Public Safety	—	—	—	—	—	—	—	—	—	—
Debt Service/Lease Payments	1,413,317	2,101,417	2,681,472	2,828,390	5,823,968	6,365,294	5,838,710	5,292,048	5,675,615	<b>2,982,444</b>
Street and Major Roadway Improvements	1,189,541	1,000,093	3,500,376	8,175,455	2,752,262	2,443,903	2,295,492	1,765,991	1,401,422	<b>926,632</b>
Community Center Expansion	—	1,959,769	96,771	—	—	—	—	—	—	—
Remodel Fire Station #1	—	562,347	2,691	18,250	—	—	—	—	—	—
Storm Water Improvements	471,475	533,233	200,462	835,419	774	28,962	254,845	81,846	33,456	<b>26,909</b>
Parks & Recreation	518,840	380,598	190,134	284,130	174,861	77,983	—	—	—	—
Capital Equipment	685,954	333,532	517,868	564,123	194,755	301,889	615,659	585,419	3,068,026	<b>432,283</b>
Fire Equipment	67,683	145,598	391,495	155,733	523,725	132,949	11,437	5,610	5,750	<b>20,875</b>
Sports Complex Construction	474,283	—	—	—	—	—	—	—	—	—
Neighborhood Improvements	613,071	—	—	—	310,527	109,110	510,512	8,274	60,101	<b>317,918</b>
Water System Upgrades	—	—	—	—	1,089,220	981,841	—	—	182,431	<b>82,345</b>
Sewer System Upgrades	—	—	—	—	6,661,091	1,393,805	—	—	1,234	<b>9,947</b>

**Source:** City records