



CITY OF LIBERTY, MISSOURI

Comprehensive Annual Financial Report

For The Year Ended December 31, 2015

CITY OF LIBERTY, MISSOURI
COMPREHENSIVE ANNUAL
FINANCIAL REPORT
FOR THE YEAR ENDED DECEMBER 31, 2015



*Report prepared and submitted by the
Department of Finance*

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Introductory Section



June 27, 2016

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, 2015, is hereby submitted for your review. This report was prepared by the Finance Department in close cooperation with the external auditor, **BKD, 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.

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, and if required, be accompanied with 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 a population of 66,000 and is 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.

More than 120 businesses located in the downtown area, including both retail and other business uses, will benefit from the current Downtown Reconstruction project. This project will include streetscape, sewer and water line replacement and pedestrian amenities as part of the continued revitalization of our Historic Downtown. Liberty has six shopping centers located along major highways within the City. Other area industry consists of printing, metal fabrication, auto parts assembly, paperboard manufacturing, industrial wholesale and retail distribution. The 10 principal employers within the City are listed in the Statistical Section of this report.

Residential construction has begun to show improvement since 2014 and has maintained that improvement in 2015, with additional growth to be enjoyed in 2016, as reflected in the increase of building permits issued. In 2015, a 292 luxury apartment complex was approved for an infill site close to 291 Highway, which has begun groundwork for construction. A 204 unit market-rate apartment complex and a 48 unit senior housing project were additional multi-family projects approved in 2016. A recent mixed use development, mostly consisting of residential development, was announced in May 2015. The development, Aviara, will consist of over 1,100 acres and 3,500 residential units. Start of construction for Aviara is expected in 2017 or 2018. Single family residential lots continue to be approved as well. Homestead of Liberty, a new residential subdivision approved in 2016, will add 126 lots to the southern portion of town.

The Liberty Hospital Healthy Living Community, Norterre, consisting of 22 acres in the north part of the City near Liberty Hospital, is a mixed-use development beginning construction in 2016. The project is a mix of residential, medical office, retail and service use consisting of a four-story assisted living residence building, a six-story independent living building containing 200 residential apartment units, a four-story skilled nursing residence, a short-term stay hotel, and a two-story Healthy Living Community Center. Additional medical office buildings and six attached residential row house buildings with four or five units each are also proposed.

Retail development is experiencing growth in the community during 2015, with further expansion to occur in 2016 and 2017. 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. In 2017, Blue Jay Crossing will see the addition of a new, a state of the art, expanded movie and event center owned by B&B Theaters. B&B Theaters will relocate from an older shopping center within the community. Further, North Haven Center, a newly created 7.5 acre commercial center on 291 Highway, gained approval in 2015 for 5 commercial lots and a 72 room hotel. In 2014, a new TIF District was created at the location of the former Sears/Kmart center called Liberty Commons. The City partnered with RED Legacy to complete Liberty Commons, a 270,000 square foot retail and restaurant shopping center that will also include a 110 room hotel and specialty grocery store. Construction began in the fall of 2015 and is expected to be completed in 2017, with the first round of store openings in late 2016. Once fully developed, the complex is forecasted to generate \$65M in new retail sales for the City.

As a result of the City's incentive programs, Ford Stamping Plant completed construction in 2012 and was fully operational by the end of 2013. LMV Automotive Systems, a supplier to Ford, has also completed construction on their 212,000 square foot facility and just completed a 250,000 square foot expansion to accommodate a GM auto supply contract. Holland 1916 relocated to an existing vacant industrial building in Liberty bringing their headquarters and two additional companies. An additional 400 jobs are expected to come to the Liberty Hallmark Distribution center. Combined, these plants will provide a total of 1,080 new jobs to the City.

The City is currently working with the Liberty Economic Development Corporation and the State of Missouri to designate an area within the City as a Certified Site. This will allow additional land for industrial and manufacturing development.

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

The City approved a Chapter 353 Tax Abatement program for the downtown commercial district as well as a program for the surrounding residential area. The program has resulted in over \$650,000 investment in the commercial area and over \$155,000 in the residential district.

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. The City recently finalized the Parks and Recreation Trail System Plan.

Long-Term Financial Planning

Fiscal Year 2015 proved to be a promising year on the economic front, but the City saw ongoing challenges within its General Fund. The City believes its revenue base within the General Fund is showing not only stabilization, but also providing growth opportunities within the Property and Sales Tax categories. This has allowed the City to provide modest employee adjustments, which is a positive occurrence after years of salary freezes. However, the City still must be focused on cost containment efforts in order to meet fiscal priorities and service requirements to its residents and further prepare the City for long-term financial health and stability. Certain cost containment efforts begun in 2008 are continuing through the current year. Select vacant positions were carefully evaluated, approved and filled only when essential. Insurance benefits are still subject to cost controls; planned studies have been deferred; contractual expenditures are being controlled; and capital purchases were deferred, when possible.

That being said, the 2015 General Fund was subject to significant turnover in its Public Safety departments, which caused an increase in overtime costs. These increases resulted in overall costs exceeding those respective budgets. This turnover was caused by uncompetitive salaries in the Public Safety sector when compared to other comparable cities. An initiative to combat this service level/budgetary concern is being addressed through the efforts to implement a dedicated Public Safety Sales Tax, whose funding would be used to enhance salary stability within Public Safety.

Further, 2015 Franchise Fee revenues for electricity and natural gas, being subject to weather fluctuations, did see actuals coming in under budget due to a cooler than normal summer and a milder than normal winter. Those impacts have been accounted for in the 2016 budget and the weather patterns are anticipated to be closer to annual averages with the ending of the current El Nino.

Lastly, in 2015 the State of Missouri implemented state-wide controls on how local municipal courts can issue tickets and collect associated fines. This has resulted in Court fines coming in less than budget in 2015. Adjustments for these State mandates have been accounted for in the 2016 budget.

Due to the need to treat the fiscal condition as an ongoing interactive process, staff develops and shares fiscal forecasts with the Budget Committee on a regular basis. This committee was formed in 2009 to better facilitate elected official communication and coordination. A number of meetings and work sessions were held with the Budget Committee/City Council during 2015 to keep Council informed on revenue trends and to partner with Council on prioritizing any additionally required expenditure adjustments. The City is continuing these processes in fiscal year 2016.

The City of Liberty developed long-term financial planning models for all of its major funds. These planning tools extend for a 20-year period, with the first 5 years of the forecasts being the element that establishes Council spending priorities. Capital/infrastructure financial forecasting is segmented into near-term and long-term models. Utility enterprise operating requirements are supported by a forecasting model developed by consultants used to establish annual user rate assessments. General Fund and Parks Fund models were finalized in 2013 and presented to the full Council during a strategic planning retreat. In 2013, the City formally adopted a fund balance policy that requires the maintenance of a General Fund unassigned fund balance range of 18% to 22%, a 12% Parks Fund balance, a minimum of \$1.0M to be held in the CIP funds, and utility funds are to maintain a minimum 45-day unrestricted cash reserve. These planning models and policy guidance have been used in 2015 to better predict long-term implications of budgetary decisions. The City Council is committed to maintain the long-term viability of city operations and services to the community through effective fiscal planning.

Staff and the Budget Committee have begun work on debt management and revised investment 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 Liberty Economic Development Corporation 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 advanced automotive supply services, and has approved selective tax incentive policies to assist in these endeavors.

Attached to the economic development initiatives, Liberty has partnered with the City of Kansas City, Missouri and the Missouri Department of Transportation to implement major interstate intersection rehabilitation projects. With construction completed in 2013, the City now has two new I-35 interchange improvements (the Flintlock Flyover and M291/I35 projects), that are both designed to improve connectivity over Interstate 35 into Liberty. In 2014, construction began on another Liberty/Missouri Department of Transportation cost-share partnership project that will make significant improvements to the Interstate 35/Missouri Highway 69 interchange.

In 2014, the citizens of Liberty approved a 3/8th cent Economic Development Sales Tax. Proceeds from this tax will be primarily used to finalize construction of the South Liberty Parkway. Once completed in 2017, this road system will link Interstate 35 on the west to Missouri Highway 291 on the east. This improvement, coupled with above mentioned items, will open up southern Liberty to significant development opportunities.

A substantial amount of work and review underpins the 2015 Water and Sewer Funds 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. One significant recommendation was to study the economics of building and operating a Liberty wastewater treatment plant.

The City has been studying the potential to build and operate its own wastewater treatment plant in 2012. This analysis has shown that long-term savings will accrue from Liberty treating its own sewage as opposed to continuing to rely on contract treatment from Kansas City, Missouri. The City put a ballot initiative before our voters in November 2013. They were asked to approve the issuance of up to \$95,000,000 in sewer revenue bonds to allow for the separation of Liberty from the Kansas City treatment system. This was approved by over 90% of the voters.

The City has been awarded federally subsidized low interest loan capacity through the Missouri Department of Natural Resources State Revolving Loan Program. This program is anticipated to save the City up to \$40 million in interest expenses and will further enhance the economics associated with building and operating a Liberty owned wastewater treatment plant. Current plans call for bond issuance and the start of construction in early 2015. This construction will not only build a new treatment plant, but also improve the collection system and provide for rehabilitation of older sewer collection lines. The new treatment plant is planned to be on-line prior to 2017.

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 **BKD, LLP** audited the financial statements contained in this report for the year ended December 31, 2015. 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, 2014. This was the 29th consecutive year that the government has achieved this prestigious award.


In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

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,

A handwritten signature in black ink that reads "Dan Estes". The signature is written in a cursive, slightly slanted style.

Dan Estes
Assistant City Administrator/Finance Director



Government Finance Officers Association

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

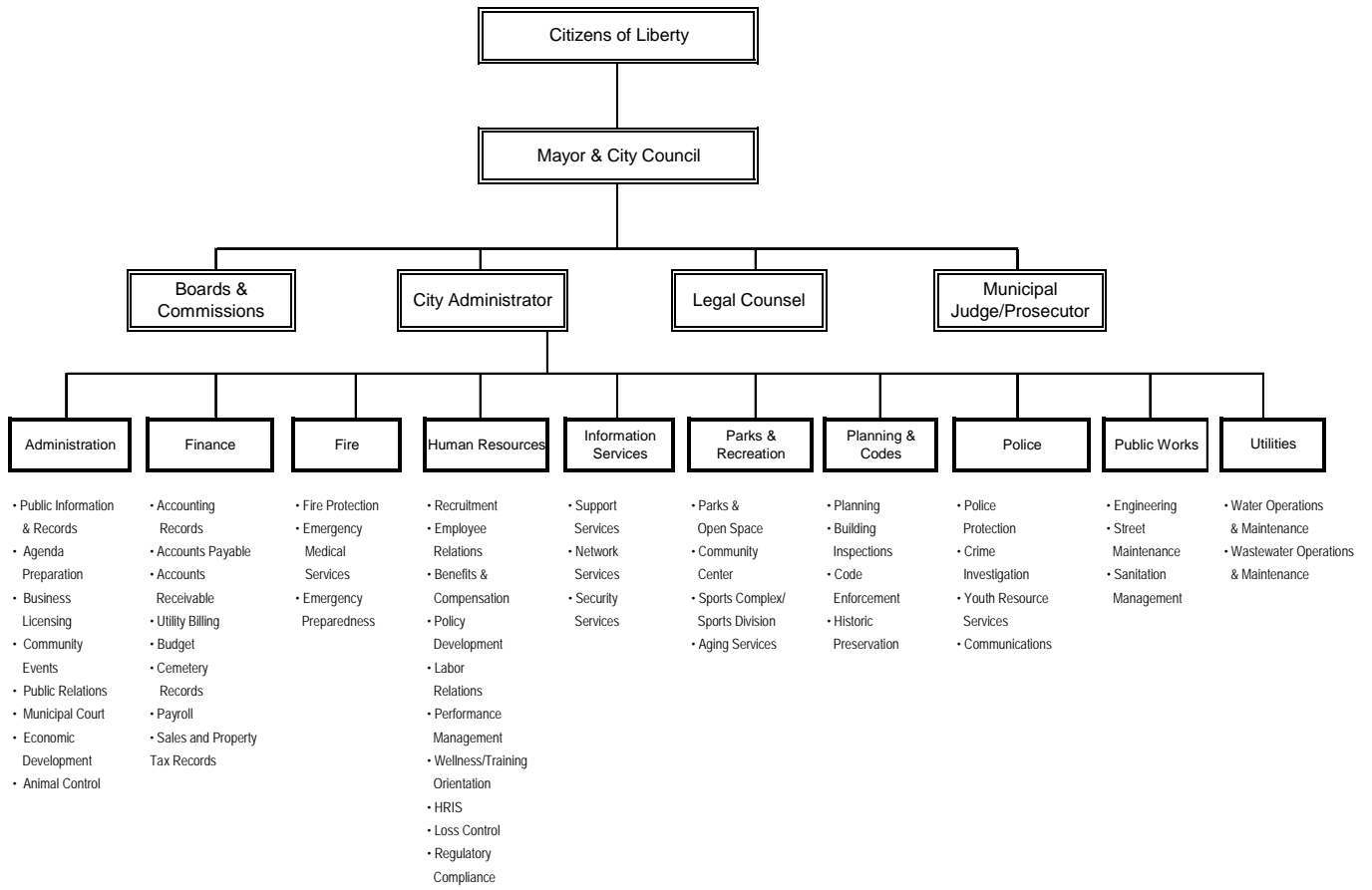
Presented to

**City of Liberty
Missouri**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

December 31, 2014

Executive Director/CEO



CITY OF LIBERTY, MISSOURI

LIST OF PRINCIPAL OFFICIALS

Elected Officials

Title	Name
Mayor	Lyndell Brenton
Council Member, First Ward	Paul Jenness
Council Member, First Ward	Harold Phillips
Council Member, Second Ward	Greg Duncan
Council Member, Second Ward	Jeff Moore
Council Member, Third Ward	Kevin Graham
Council Member, Third Ward	Jeff Watt
Council Member, Fourth Ward	Michael Hagan
Council Member, Fourth Ward	Gene Gentrup

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
Economic and Business Development Manager	Karan Johnson
Fire Chief	Mike Snider
Human Resources Director	Amy Brusven
Informational Services Director	Tony Sage
Parks and Recreation Director	Janet Snook Bartnik
Police Chief	James Simpson
Public Works Director	Steven P. Hansen
Utilities Director	Brian Hess

Financial Section

Independent Auditor's Report

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

Report On The Financial Statements

We have audited the accompanying basic financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of Liberty, Missouri as of and for the year ended December 31, 2015 and the related notes to the basic financial statements, which collectively comprise the City of Liberty, Missouri's basic financial statements listed in the table of contents.

Management's Responsibility for The Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City as of December 31, 2015, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matters

As discussed in *Note 6* to the financial statements, in 2015 the City adopted GASB Statement No. 68 *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27*, as amended by GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68*. Our opinions are not modified with respect to this matter.

The 2014 financial statements, before they were restated for the matter discussed in *Note 13*, were audited by other auditors and their report dated June 23, 2015, expressed an unmodified opinion. Our opinions are not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary and pension information listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's response 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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The Supplementary Information – Combining and Individual Fund Statements and Schedules listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, based on our audit and the reports of the other auditors, the information is fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Information

Our audit was conducted for the purpose of forming opinions on the basic financial statements as a whole. The introductory section and statistical section listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has 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 it.

Other Reporting Required By *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued a report dated June 27, 2016 on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

BKD, LLP

Kansas City, Missouri
June 27, 2016

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Management's Discussion And Analysis

CITY OF LIBERTY, MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2015

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, 2015. 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 and deferred outflows of the City exceeded its liabilities and deferred inflows at the close of the fiscal year by \$62,566,248 (net position). Of the assets that may be used to meet the government's ongoing obligations to citizens and creditors (unrestricted net position), the City had a deficit amount of \$29,579,854. 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 position decreased by \$28,070,138. Of this amount, \$27,194,085 was from the City's "governmental activities" and \$876,053 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 \$67,342,721; an increase of \$43,839,393 in comparison with the prior year.
- Approximately \$2,859,156 (4.24%) of the combined governmental fund balances of \$67,342,721 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 \$2,878,184 or approximately 18% percent of total General Fund revenues.
- The City had a net increase in debt totaling \$77,337,041 during the current fiscal year. Additions to debt totaled \$93,391,145. This increase was offset by 2015 retirements of \$12,940,204. In 2014, the City had a net decrease in debt of \$3,338,293.

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.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

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

CITY OF LIBERTY, MISSOURI

Management's Discussion and Analysis (*Continued*)

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

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. The PFA, although legally separate, functions for all practical purposes as a department of the City and, therefore, has been included in the PFA Fund and the PFA Construction Fund 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.

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

CITY OF LIBERTY, MISSOURI

Management's Discussion and Analysis (*Continued*)

The City maintains a total of 21 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, Liberty TIF Fund, Fire Sales Tax Fund, and the Economic Development Sales Tax 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 position may serve over time as a useful indicator of a government's financial position. In the case of the City, assets and deferred outflows exceeded liabilities and deferred inflows by \$62,566,248 at the close of the fiscal year ended December 31, 2015. The following table reflects a condensed statement of net position.

Net Position

	Governmental		Business-Type		Governmental		Business-Type	
	Activities		Activities		Activities		Activities	
	2015	2015	Total 2015	2014	2014	Total 2014		
Current and other assets	\$ 74,939,102	\$ 7,072,426	\$ 82,011,528	\$ 30,489,797	\$ 9,176,059	\$ 39,665,856		
Capital assets, net	55,877,090	73,446,558	129,323,648	58,651,396	58,523,292	117,174,688		
Total Assets	130,816,192	80,518,984	211,335,176	89,141,193	67,699,351	156,840,544		
Deferred Outflows Of Resources	2,444,215	380,961	2,825,176	26,106	232,380	258,486		
Current liabilities	7,730,033	6,085,748	13,815,781	6,037,256	3,615,334	9,652,590		
Noncurrent liabilities	106,456,201	24,943,645	131,399,846	37,134,010	13,611,198	50,745,208		
Total Liabilities	114,186,234	31,029,393	145,215,627	43,171,266	17,226,532	60,397,798		
Deferred Inflows Of Resources	6,337,071	41,406	6,378,477	6,064,846	-	6,064,846		
Net position:								
Net investment in capital assets	37,284,881	46,760,260	84,045,141	37,647,696	47,132,623	84,780,319		
Restricted	6,753,226	1,347,735	8,100,961	19,130,085	4,493,055	23,623,140		
Unrestricted	(31,301,005)	1,721,151	(29,579,854)	(16,846,594)	(920,479)	(17,767,073)		
Total Net Position	\$ 12,737,102	\$ 49,829,146	\$ 62,566,248	\$ 39,931,187	\$ 50,705,199	\$ 90,636,386		

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 position for the government as a whole.

The City's combined net position decreased by \$28 million in 2015 from \$90.6 million in 2014 to \$62.6 million. While the City did experience overall expenditure increases in all major funds, the primary reason for this decrease was due to the payment of \$20.1 million in TIF developer expenses related to the new Liberty Commons retail project. Additionally, the City saw an increase of \$2.0 million in expenses within its Business Activities, which is due to contractual sewer treatment costs and salary costs increases.

An additional portion of the City's net position of \$8.1 million or 12.9% of the total net position represents resources that are subject to external restrictions on how they may be used. The total unrestricted net position resulted in a deficit of \$29.6 million, representing an increase in the deficit of \$11.8 million. This is predominately due to the recording of certain 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 position, \$84,045,141 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

CITY OF LIBERTY, MISSOURI

Management's Discussion and Analysis (Continued)

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.

The City's \$62.6 million in net position is comprised of \$84.0 million of net investment in capital assets, \$8.1 million in restricted assets to be used for capital projects, debt service and other purposes, and a deficit of \$29.6 million in unrestricted net position. Total net position decreased \$28 million or 31% during the current fiscal year.

The following table reflects the changes in net position of the City's activities for the years ended December 31, 2015 and 2014:

City Of Liberty's Changes In Net Position

	Governmental Activities			Business-Type Activities		
	2015	2015	Total 2015	2014	2014	Total 2014
Revenues:						
Program revenues:						
Charges for services	\$ 4,395,872	\$ 14,061,407	\$ 18,457,279	\$ 4,605,255	\$ 13,752,415	\$ 18,357,670
Operating grants and contributions	657,109	-	657,109	527,651	-	527,651
Capital grants and contributions	319,606	254,533	574,139	900,480	75,320	975,800
General revenues:						
Property taxes	6,195,969	-	6,195,969	6,369,803	-	6,369,803
Franchise taxes	3,760,453	-	3,760,453	3,826,360	-	3,826,360
Sales taxes	13,892,525	-	13,892,525	12,320,585	-	12,320,585
Other taxes	1,415,863	-	1,415,863	1,241,758	-	1,241,758
Investment earnings	81,731	152,792	234,523	72,043	158,569	230,612
Other	869,258	6,649	875,907	729,515	38,387	767,902
Total Revenues	31,588,386	14,475,381	46,063,767	30,593,450	14,024,691	44,618,141
Expenses:						
General government	4,960,224	-	4,960,224	4,070,808	-	4,070,808
Community development and improvement	25,081,992	-	25,081,992	3,035,596	-	3,035,596
Public works	3,633,562	-	3,633,562	4,145,087	-	4,145,087
Culture and recreation	5,003,851	-	5,003,851	4,653,376	-	4,653,376
Cemetery maintenance	52,078	-	52,078	37,175	-	37,175
Public safety	12,481,003	-	12,481,003	11,173,782	-	11,173,782
Interest on long-term debt	1,840,593	-	1,840,593	1,636,145	-	1,636,145
Water	-	5,100,859	5,100,859	-	4,804,585	4,804,585
Sewer	-	8,494,147	8,494,147	-	6,764,802	6,764,802
Sanitation	-	1,515,339	1,515,339	-	1,465,455	1,465,455
Total Expenses	53,053,303	15,110,345	68,163,648	28,751,969	13,034,842	41,786,811
Change In Net Position	(21,464,917)	(634,964)	(22,099,881)	1,841,481	989,849	2,831,330
Net position, beginning of year, as originally reported	39,931,187	50,705,199	90,636,386	38,089,706	49,715,350	87,805,056
Adjustment for restatements	(5,729,168)	(241,089)	(5,970,257)	-	-	-
Net position, beginning of year, as restated	34,202,019	50,464,110	84,666,129	38,089,706	49,715,350	87,805,056
Net position, end of year	\$ 12,737,102	\$ 49,829,146	\$ 62,566,248	\$ 39,931,187	\$ 50,705,199	\$ 90,636,386

CITY OF LIBERTY, MISSOURI

Management’s Discussion and Analysis (*Continued*)

Governmental Activities

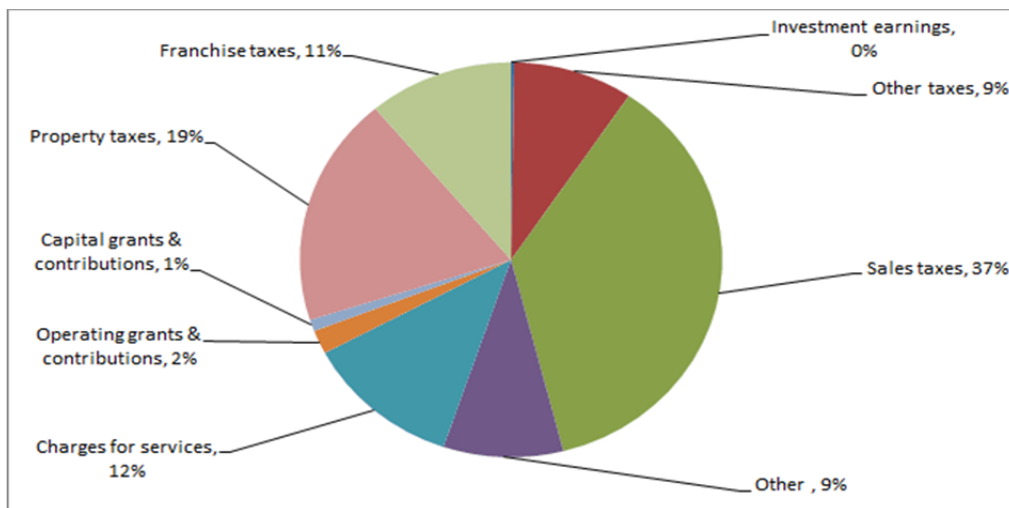
Governmental activities decreased the City’s net position by \$27,194,085, thereby accounting for 97% of the total decrease in the net position of the City.

Revenues applicable to Governmental Activities increased by \$994,936 to \$31,588,386, representing a 3.2% increase from the prior year. This was predominately due the partial year collection of the new Economic Development Sales Tax. The tax was approved by the voters in 2014 and collections started in the spring of 2015. Property taxes totaled \$6,195,969 which was a decrease of \$173,834. Preliminary 2016 information shows a small increase in 2015 valuation in the amount of \$3.2 million, which would normally speak to increased collections. However, past due City taxes transferred to Clay County collections have been mostly collected. Future year property taxes will be more closely aligned with current collections. City franchise fees held relatively constant at \$3,760,453 with declines attributable to reduced weather related utility demand. Sales tax revenue increased by \$1,571,940 to \$13,892,525 and is attributable to retail growth and the inclusion of the new Economic Development Sales Tax discussed above. Charges for services decreased \$209,383 in 2015 for total revenues of \$4,395,872.

Governmental activities expenses increased \$24,301,334 for the 2015 fiscal year when compared to 2014. The increases were primarily due payment of development related expenses in the amount of \$20.1 million in connection with the Liberty Commons retail development. Additionally, the City implementation of a 3% salary adjustment and other compensation related items that impacted all Governmental Funds.

There was a negative restatement in the amount of \$5,729,168 that impacted 2015 Beginning Net Position. This was predominantly due to the reclassification of \$4.2 million in infrastructure assets booked in 2014. This item was a cost-share payment to Missouri Department of Transportation for the I-35/South Liberty interchange improvements and is not maintained by the City.

The following table reflects the revenues by source for the City’s governmental activities for the year ended December 31, 2015.



CITY OF LIBERTY, MISSOURI

Management's Discussion and Analysis (Continued)

The following table shows expenses and program revenues of the governmental activities for the years ended December 31, 2015 and 2014:

	Total Cost Of Service		Net Cost Of Service	
	2015	2014	2015	2014
General government	\$4,960,224	\$4,070,808	(\$3,993,513)	(\$3,111,872)
Community development and improvement	25,081,992	3,035,596	(25,081,992)	(3,035,596)
Public works	3,633,562	4,145,087	(3,313,956)	(3,244,607)
Culture and recreation	5,003,851	4,653,376	(2,467,734)	(2,096,612)
Cemetery maintenance	52,078	37,175	(10,383)	(1,294)
Public safety	12,481,003	11,173,782	(10,972,545)	(9,592,457)
Interest on long-term debt	1,840,593	1,636,145	(1,840,593)	(1,636,145)
Total	\$53,053,303	\$28,751,969	(\$47,680,716)	(\$22,718,583)

Expenses from governmental activities totaled \$53,053,303; however, net costs of these services were \$47,680,716. The difference of \$5.372 million represents direct revenues received from charges for services (\$4.396 million), operating grants and contributions (\$0.657 million), and capital grants and contributions (\$0.320 million). Taxes and other revenues in the amount of \$26,215,799 were collected to cover these net costs.

Business-Type Activities

Business-type activities decreased the City's net position by \$634,964. Additionally, a \$241,089 prior period adjustment was posted to Beginning Net Position. Combined this reflects a total decrease in net position of \$876,053.

The Water Fund recorded a decrease of \$237,704 in the net position for the year. Revenues from user fees were \$4,790,934 and showed a decrease by \$68,253 or -1.4% in 2015. The City implemented a 2% water rate increase at the beginning of 2015. Price sensitivity encouraged water conservation activities and when combined with above normal precipitation levels reducing irrigation usage, water demand was reduced from 2014. Operating expenses increased by \$309,574 and were \$5,009,114. Of that amount, \$102,112 was due to salary and benefit adjustments. Other operating expenditures showed favorable and unfavorable results (line maintenance - \$57,534 unfavorable; electricity - \$22,090 - unfavorable) resulted in other operating costs to increase by \$106,619 from prior year. Depreciation expense increased by \$100,843 and is due to additional capital investment in the system. The Water Fund's operating income loss was \$213,965 in 2015. This amount shows a reduction from the 2014 levels of \$198,034 and is due to lower water sales in 2015. To address this income loss, the City implemented a 6.9% water rate increase in 2016.

CITY OF LIBERTY, MISSOURI

Management’s Discussion and Analysis (*Continued*)

The Sewer Fund recorded a decrease of \$395,496 in net position for the year. Revenues from user fees increased by \$272,405 (3.6%) when compared to 2014 revenues. The City implemented a 5.92% sewer rate increase at the beginning of the year. Similar to trends found in the Water Fund, revenues are negatively impacted by conservation activities spurred by price sensitivity. Operating expenses increased \$1,182,446 or 18.5%. Of that amount, \$116,376 was due to increase salary and benefit costs. Treatment cost paid to Kansas City, Missouri saw an increase of \$694,565 and is the result of increased metered treatment volumes due to I&I and the KCMO treatment rate increase.

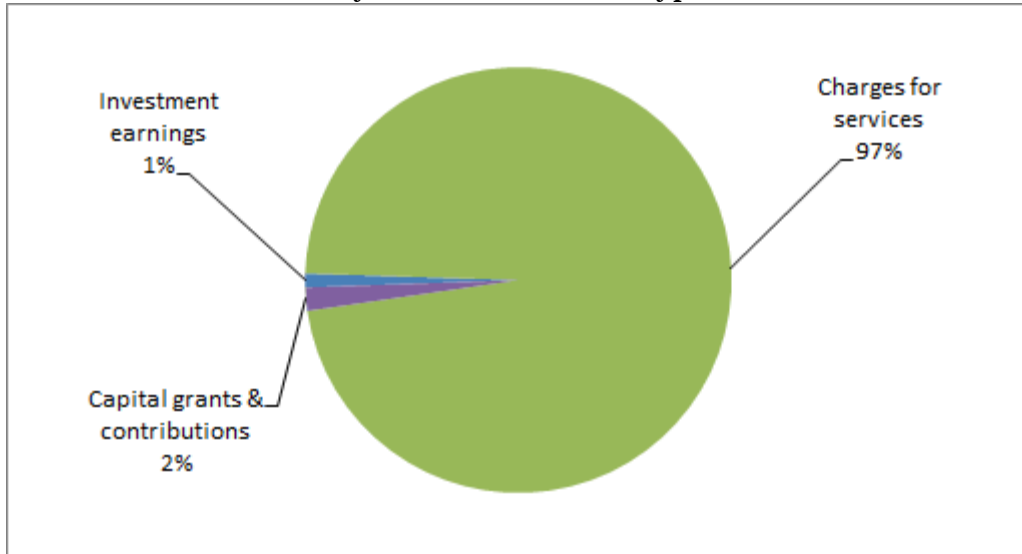
Depreciation expense increased by \$54,705 and is due to investments in line and equipment. Operating income at December 31, 2015 was \$186,792 a decrease over the \$1,094,399 earned in 2014.

Net position was further unfavorably impacted by cost of issuance in the amount of \$546,672 that is primarily associated with the debt issuance applicable to the Wastewater Treatment Plant build-out discussed in the Transmittal Letter. To address future income generation, the City implemented a 5.92% sewer rate increase in 2016.

The Sanitation Fund recorded a decrease in net position of \$1,764 for the year. Revenues of \$1,513,408 increased over the 2014 revenues of \$1,408,568. Expenses for 2015 increased \$49,884 or 3.4% over expenses for 2014 and is in line with sanitation hauler contract increases.

The following table reflects the revenues by source for the City’s business-type activities for the year ended December 31, 2015:

Revenues By Source - Business-Type Activities



CITY OF LIBERTY, MISSOURI

Management's Discussion and Analysis (*Continued*)

Total business-type activities' revenue for fiscal year 2015 was \$14,068,056, with charges for services (97.1%) being the major revenue source. All revenue in of \$14,475,381, with the exception of \$152,792 received from investment earnings and \$254,533 in Capital Contributions, was generated for specific business-type activity expenses. In the previous year, revenue for business-type activities was \$14,024,691.

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, 2015, the City's governmental funds reported combined ending fund balances of \$67,342,721 reflecting an increase of \$43,838,393 from the previous year. Of this total, approximately 4.3% of this total amount \$2,859,156 constitutes unassigned fund balance, which is available for spending at the government's discretion. The remaining \$64,483,565 of fund balance is as follows: (1) non-spendable (\$1,030,554) which is inventories, prepaid insurance and permanent fund principal, (2) restricted (\$63,341,871), (3) committed (\$73,259) and (4) assigned (\$37,881) which have externally imposed constraints such as laws and regulations. The primary item increasing the combined ending fund balance in the amount of \$28,961,550 results from the issuance of debt within the Economic Development Sales Tax Fund for certain infrastructure projects to be built in 2016 and 2017.

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 \$2,878,184 with total fund balance at \$3,537,341. Total fund balance decreased by \$459,585 over the previous fiscal year fund balance. Revenues decreased by \$295,894 in 2015 and are primarily the result of decreased past due property tax collections in the approximate amount of \$260,000. Offsetting the revenue reductions was a favorable \$103,332 variance in Other Financing Sources. Expenses were stable and showed a small favorable decrease of \$50,783.

The decrease in 2015 fund balance is not anticipated to be repeating in future fiscal years. The City will see improved sales tax revenues when the Liberty Commons retail center comes on line in 2016 and 2017. Additionally, the City plans to take to the voters a Public Safety Sales Tax, which will partially support public safety salaries in future years (starting in 2017).

There was a prior year adjustment to fund balance in the amount of \$181,471 and was the result of ambulance billing revenue accrual adjustments.

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 revenues. Unassigned fund balance represents 18.0% (rounded) of total General Fund revenues, while total fund balance represents 22.0% (rounded) of total General Fund revenues.

CITY OF LIBERTY, MISSOURI

Management's Discussion and Analysis (*Continued*)

The City recognizes the need for a fund balance that can adequately absorb any temporary downturns in economic events so as to avoid changes and reductions in service levels. The City revised its fiscal policy on fund balance in 2013. That policy established the requirement to maintain its General Fund unassigned fund balance at 20% of revenues, with normal fluctuations of said percentage to range from 18% to 22%. In 2015, the fund balance policy was maintained within the General Fund but impacted by the non-repeating previous year adjustment that was made.

The Park Fund had a fund balance of \$475,790 at December 31, 2015. This represents a decrease of \$123,670 over the previous year fund balance. Revenues decreased by \$107,431 or 3.4% and expenditures increased by \$290,920 or 8.3% when compared to 2014. Total fund balance represents 12.6% of 2015 revenues. This exceeds the level required by policy of 12%. Transfers in from the Park Sales Tax Fund increased by \$250,237 and was done so to support park operations in light of expanded parks program costs.

The Capital Sales Tax Fund balance was \$7,170,272 at the 2015 fiscal year end reflecting a decrease of \$994,699 over fiscal year 2014. The City issued \$6.145 million in general obligation bonds in 2012 and \$2.127 million in 2013 for street and road infrastructure improvements that occurred in 2013, 2014, 2015 and planned for 2016. As such, usage of these bond proceeds accounts for the planned reduction in fund balance shown at the end of 2015. Ongoing revenues within this fund saw a slight increase in 2015 of \$42,553. Sales Taxes revenues increased by \$49,983 when compared to 2014 collections, while intergovernmental revenues showed a decline of \$98,104 from 2014 and are a result of reduced County Road Fund receipts. Improvements in sales taxes are the result of improvement in Liberty's overall retail position.

The Transportation Sales Tax Fund, a secondary source for road infrastructure projects, recorded an ending fund balance of \$934,973 reflecting a decrease of \$127,689 from the previous year's ending balance. Total revenues of \$1,901,439 saw a reduction of \$42,374 from 2014. Total sales tax revenues of \$1,900,625 showed an improvement in 2015 by \$46,555. Total expenditures were recorded at \$1,770,108, reflecting a decrease of \$4,176,661 from 2014. In 2014, the City paid the Missouri Department of Transportation a \$4.2 million cost share payment. Ongoing expenses for debt service expenditures amounted to \$1,717,773 and are for the debt related to the construction of South Liberty Parkway Phase I and payment for Liberty's local share of the Missouri Department of Revenue project for the rebuild of the Interstate 35/Missouri Highway 69 Interchange.

The Economic Development Sales Tax Fund is categorized as a major fund in 2015 and is showing a fund balance of \$29,195,964. This special purpose sales tax of 3/8 cents was voter approved in 2014. It will support projects and Special/General Obligation Bond payments related to SLP Phase II and Downtown Reconstruction projects. The fund balance amount is primarily due to bonds issued in 2015 for those projects. Project expenditures are anticipated to occur in 2016 and 2017. Based on the level of ongoing sales tax collections, it is believed this fund will continue to be categorized as a major fund.

The Capital, Transportation and Economic Development Sales Tax Funds combine to provide the City with its Road Infrastructure Capital Improvement Plan. By policy, the fund balance requirement for the CIP is to maintain at least \$1.0 million balance. In 2015, and on a combined basis, this policy level was exceeded.

CITY OF LIBERTY, MISSOURI

Management's Discussion and Analysis (*Continued*)

The Liberty TIF Fund has a fund balance of \$22,455,613 at year end 2015, which is an increase of \$17,435,844 from the 2014 balance of \$5,019,769. This increase in fund balance is the result of the 2015 TIF bond issuance of \$40,160,000 less developer reimbursements of \$22,130,982 in regard to the Liberty Commons retail center. Revenues increased to \$4,271,851 from 2014 revenues of \$4,080,750.

The Fire Sales Tax Fund is categorized as a major fund in 2015 due to the carryover of the 2014 lease purchase funding in the amount of \$2,524,000. This funding provided 2015 capacity for the purchase of three fire pumpers (\$1.9 million) and certain fire station improvements (\$0.624 million).

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 position of the Water Fund at the end of the year was \$1,765,950. The Sewer Fund showed an unrestricted net position deficit of \$52,448 and the Sanitation Fund was positive at \$7,649. The total reduction in net position when compared to 2014 was \$237,704 for the Water Fund, \$395,496 for the Sewer Fund and a \$1,764 for the Sanitation Fund causing a total decrease for the proprietary funds of \$634,964. 2015 total ending net position is \$49,829,146.

In the past, the Water and Sewer Funds did not meet bond requirements, which put demands on the General Fund that would, if not addressed, impair future general governmental activities. 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. It was understood by Council and staff that a five-step action program would be implemented starting in 2009 to correct these operational 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 five-step approach has required a multi-year commitment by the City. Focus has been on setting appropriate user rates and finding operating efficiencies to reduce expenses. In 2011, the City met bond coverage requirements and started generating additional income for infrastructure improvements. Since 2011, the City has implemented necessary user rate increases and has maintained the necessary bond coverage requirements.

The City is responsible for water production and distribution. In 2015, the City implemented a 2% rate increase to its water user rates. In addition, the City maintained a flat \$2.00 per month "Infrastructure Improvement Maintenance Fee" that is billed to each customer. Due to reduced water demand and a wet year, these actions resulted in negative net operating income of \$213,965 in 2015. Taking corrective action, the City implemented a 6.9% water rate increase in 2016.

CITY OF LIBERTY, MISSOURI

Management's Discussion and Analysis (*Continued*)

Sewer services reflect only collection of sewage. Treatment services are provided by the City of Kansas City, Missouri. The City of Liberty has been subject to significant treatment cost increases over the last number of years. In some years, the increases were in excess of 14%.

To address these increased costs, Liberty has increased its sewer user rates, as required. In 2015, the City implemented a 5.92% increase. These actions generated \$7,759,499 in operating revenues. This reflects a \$274,839 increase over 2014 results of \$7,484,660. Total operating expenses were \$7,572,707 or \$1,182,446 above 2014 amounts of 6,390,261. Net operating income for 2015 was \$186,792 or \$907,607 less than 2014.

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. As rates for that service have and will increase at approximately 3.5% a year. To mitigate future rate demands, the City implemented a 7% rate increase in its Sanitation user rates. The City believes this will allow future rate increase to closely parallel the cost of service increase.

The output of this multi-year commitment has been positive as shown in the improvement of the Proprietary Funds' net position. In addition, and as indicated in the accompanying footnotes, the City is able to report that required bond coverage levels were met in both the Water Fund and Sewer Fund in 2015.

As indicated earlier, the City did conduct a feasibility study that indicates on a long-term basis it will be cost effective for Liberty to build and operate its own wastewater treatment facility. This action resulted in a voter question and the passage of a \$95 million revenue bond issue that has allowed the City to start the construction of its own wastewater treatment facility. When completed in early 2017, this will allow Liberty to trade the hard to predict rate increases implemented by Kansas City, Missouri with known debt service and operational treatment expenses.

GENERAL FUND BUDGETARY HIGHLIGHTS

Differences between the final budget and 2015 actual can be summarized as follows:

In 2015, final expenditures for the General Fund were \$17,744,561, representing a favorable \$432,141 variance from the final budget of \$18,176,702. The major contributor to the favorable variance is found in the general government, in the amount of \$366,988, and is primarily the result of under-expenditures within City non-salary and capital accounts. Additionally, the loss control insurance fund saw a favorable balance of \$65,163.

Actual revenue for the General Fund was \$16,227,594, representing an unfavorable \$494,583 variance from the final budget of \$16,720,180. Franchise Fee Taxes are a major contributor to the unfavorable variance and account for \$375,147 of the total variance. This was primarily due to a cooler than normal summer and a warmer than normal winter. Additionally, Municipal Court fines had an unfavorable balance of \$87,327 and are due to the State of Missouri implementing controls on municipal courts during the 2015 Fiscal Year.

Other financing sources closed out at \$1,057,382, with the 2015 budget set at \$1,057,384.

CITY OF LIBERTY, MISSOURI

Management's Discussion and Analysis *(Continued)*

Required Statutory Disclosure

State law requires the City to annually calculate the percentage of its general revenue that comes from traffic violations. In the current year, the City has reported fines of \$420,633, which includes traffic violations and other additional items. This amount is approximately 2.6% of total general fund revenues of \$16,227,594 and, accordingly, the City believes that they are in compliance with the requirements of the statute.

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, 2015 amounts to \$129,323,648 (net of accumulated depreciation). This investment in capital assets includes land, construction-in-progress, buildings and systems, improvements other than buildings, vehicles, machinery and equipment, and infrastructure. The total increase in the City's investment in capital assets for the current fiscal year was \$12.1 million or an increase of 10.3%. Capital assets for governmental activities decreased by \$2.8 million and those for business-type activities increased by \$14.9 million.

Major capital assets purchased during the current fiscal year included the following:

- Utility Water Treatment Plant Improvements Construction in Process - \$16.318 million
- Police Vehicles - \$0.129 million
- Liberty Drive Reconstruction - \$1.017 million
- South Liberty Parkway Phase II - \$25.4 million project - Construction in Progress - \$0.332 million
- Downtown Reconstruction Project - \$5.0 million project - Construction in Progress - \$0.180 million
- Fire Vehicles, Capital Equipment and Building Construction - \$2.523 million
- Parks Capital Equipment - \$0.187 million
- Public Works Capital Equipment and Vehicles - \$0.092 million
- City wide computer equipment - \$0.505 million

City Of Liberty's Capital Assets

	Governmental Activities		Business-Type Activities		Total	
	2015	2014	2015	2014	2015	2014
Land	\$ 1,969,467	\$ 1,937,752	\$ 840,677	\$ 840,677	\$ 2,810,144	\$ 2,778,429
Construction-in-progress	926,304	4,200,000	19,898,487	3,580,906	20,824,791	7,780,906
Buildings and system	13,646,857	13,337,453	10,315,455	10,315,455	23,962,312	23,652,908
Vehicles	7,505,791	5,878,526	1,942,979	2,016,620	9,448,770	7,895,146
Improvements other than buildings	10,850,297	10,491,045	194,143	194,143	11,044,440	10,685,188
Machinery and equipment	12,178,860	11,546,003	11,995,852	11,801,057	24,174,712	23,347,060
Infrastructure	49,209,706	48,062,097	60,349,352	59,589,306	109,559,058	107,651,403
Accumulated depreciation	(40,410,192)	(36,801,480)	(32,090,387)	(29,814,872)	(72,500,579)	(66,616,352)
Total	\$ 55,877,090	\$ 58,651,396	\$ 73,446,558	\$ 58,523,292	\$ 129,323,648	\$ 117,174,688

CITY OF LIBERTY, MISSOURI

Management's Discussion and Analysis (Continued)

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

Long-Term Debt

At the end of the current fiscal year, the City had total debt outstanding of \$130,268,397. Of this amount, \$25,390,000 comprises debt backed by the full faith and credit of the government. Please note: The City plans to pay the debt on these general obligation bonds through capital and transportation sales tax sources and does not expect to issue any property tax debt levies. 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	
	2015	2014	2015	2014	2015	2014
Special obligation bonds	\$ 20,976,920	\$ 4,345,410	\$ 133,080	\$ 164,590	\$ 21,110,000	\$ 4,510,000
Capital leases	3,864,355	4,115,456	208,400	257,825	4,072,755	4,373,281
General obligation bonds	25,390,000	14,260,000	-	-	25,390,000	14,260,000
TIF bonds	54,240,000	15,640,000	-	-	54,240,000	15,640,000
MDNR loan payable	23,120	34,175	-	-	23,120	34,175
SRF bonds	-	-	19,662,522	4,320,000	19,662,522	4,320,000
SRF note payable	-	-	-	3,113,900	-	3,113,900
Revenue bonds	-	-	5,770,000	6,680,000	5,770,000	6,680,000
Total	\$ 104,494,395	\$ 38,395,041	\$ 25,774,002	\$ 14,536,315	\$ 130,268,397	\$ 52,931,356

During the current fiscal year, the City's total debt increased by \$77,337,041 or 146.1%. In 2015, the total debt within the City's governmental activities saw a net increase of \$66,099,354. This increase is primarily due the issuance of \$29.0 million in Special Revenue/General Obligation bonds that will be used to construct road infrastructure projects in 2016 and 2017. Additionally, the City issued \$40.2 million in TIF bonds which are to support the development of the Liberty Commons retail shopping center that will open in 2016 and 2017. 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 2015 end-of-year activity, it is anticipated that 2016 General Fund revenues will show stability and has been conservatively budgeted. The overall 2016 General Fund budget shows total revenues of \$16,714,460. Other financing sources are established at \$585,000 and transfers in from other funds provide \$896,930, for a total available 2016 funding of \$18,196,390.

Property taxes for 2016 are budgeted at \$4,236,480 or \$44,797 higher than 2015 actual revenues. The City Council established the 2015 general levy rate at \$0.8287 per \$100 assessed valuation, which is \$0.0283 lower than the 2014 rate. This rate will be applied to a higher 2015 assessed valuation to produce an equal amount of current 2016 revenue as seen in 2015. Valuations for 2015 were calculated to be \$464,762,342 or \$19,217,146 higher than 2014.

CITY OF LIBERTY, MISSOURI

Management's Discussion and Analysis (*Continued*)

Sales tax revenue is budgeted at \$4,350,560, slightly above the budget for 2015 and due to increased business in the Liberty Triangle TIF areas and increased revenue from motor vehicle sales. Franchise fees have been budgeted at \$3,850,000 for 2016, a decrease of \$285,600 from 2015. The decrease in Franchise fees is primarily due to a decrease in Cell phone revenues. The budgeted amounts for Electrical Franchise fees are based on an anticipated normal summer temperature event and improvement in electrical franchise fee revenues to \$2.1 million. Fees attributable to charges for services are expected to increase by \$193,367 in 2016.

General Fund expenditures and transfers are projected to total \$18,165,740 compared to the 2015 close-out of \$17,792,311. This represents a \$373,429 increase from 2015. Employee salary and fringe benefit costs are budgeted at \$591,250 higher for a 2016 total of \$13,257,370. This is due to the City providing a 3% salary adjustment and anticipated increases in health insurance costs and does reflect full City staffing for the entire year. Non-salary expenditures increased less than 1% in the 2016 budget due to anticipated small increases for minor computer equipment purchases and funding for further development support expenditures. Capital acquisitions within the General Fund are budgeted at \$906,950. This reflects anticipated expenditures for City computer equipment and replacement of Police vehicles.

Based on programmed actions for 2016, the City anticipates a balanced General Fund budget, with unassigned fund balance being maintained within policy ranges. 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 2016 Water and Sewer Funds 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.

All improvements described earlier in this communication have been maintained and expanded in 2016. User rates were increased in both the Water and Sewer Funds. Water rates were increased by 6.90% and sewer rates were adjusted upward by 5.92% and sanitation rates were increased by 4.5%.

More significantly, the City has studied the positive long-term economics that will result from the City building and operating its own wastewater treatment plant. This analysis has shown that long-term savings will accrue from Liberty treating its own sewage as opposed to continuing to rely on contract treatment from Kansas City, Missouri. The City put a ballot initiative before the voters in November 2013. They were asked to approve the issuance of up to \$95,000,000 in sewer revenue bonds to allow for the separation of Liberty from the Kansas City treatment system. This was approved by a 90% plus approval mark. Bonds were issued for this project in 2015, along with the start of construction also beginning in 2015. The new treatment plant will be on-line prior to 2017.

CITY OF LIBERTY, MISSOURI

Management's Discussion and Analysis (*Continued*)

The 2016 Park Department budget was developed with no expansion of services in mind. Although property taxes have stayed relatively flat, sales tax revenues are anticipated to increase. To address declining program and membership fees, the cities of Liberty and Kansas City plan to form a Regional Community Center District, whose boundaries will be contiguous with the Liberty School District boundaries. It is believed that cooperative planning and resource sharing will provide for the revitalization of the current Liberty Community Center and mitigate further declines in operating revenues. The department has been able to continue to streamline operation expenditures to maintain a balanced budget.

All of these factors were considered in preparing the City's budget for the 2016 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 POSITION

Page 1 Of 2

December 31, 2015

	Governmental Activities	Business-Type Activity	Total
Assets			
Current Assets			
Cash and investments	\$ 41,973,348	\$ 3,595,403	\$ 45,568,751
Receivables:			
Taxes	8,525,908	—	8,525,908
Special assessments	—	284	284
Accounts	479,526	1,753,402	2,232,928
Accrued interest	73,779	6,971	80,750
Due from other governments	66,132	—	66,132
Inventory	42,156	155,447	197,603
Prepaid expenses	554,830	213,184	768,014
Restricted assets:			
Cash and investments	18,223,192	—	18,223,192
Accrued interest	453	—	453
Total Current Assets	69,939,324	5,724,691	75,664,015
Noncurrent Assets			
Restricted assets:			
Investments	4,999,778	1,347,735	6,347,513
Capital assets:			
Nondepreciable:			
Land	1,969,467	840,677	2,810,144
Construction in progress	926,304	19,898,487	20,824,791
Depreciable:			
Buildings and system	13,646,857	10,315,455	23,962,312
Improvements other than buildings	10,850,297	194,143	11,044,440
Vehicles	7,505,791	1,942,979	9,448,770
Machinery and equipment	12,178,860	11,995,852	24,174,712
Infrastructure	49,209,706	60,349,352	109,559,058
Less: Accumulated depreciation	(40,410,192)	(32,090,387)	(72,500,579)
Total Noncurrent Assets	60,876,868	74,794,293	135,671,161
Total Assets	130,816,192	80,518,984	211,335,176
Deferred Outflows Of Resources			
Pensions	2,294,231	332,043	2,626,274
Deferred loss on refunding	149,984	48,918	198,902
Total Assets And Deferred Outflows Of Resources	133,260,407	80,899,945	214,160,352

CITY OF LIBERTY, MISSOURI

STATEMENT OF NET POSITION

Page 2 Of 2

December 31, 2015

	Governmental Activities	Business-Type Activity	Total
Liabilities			
Current Liabilities			
Accounts payable and accrued liabilities	\$ 1,110,013	\$ 4,625,785	\$ 5,735,798
Deposits	79,053	—	79,053
Compensated absences	850,000	150,000	1,000,000
Accrued interest payable	868,898	193,605	1,062,503
Unearned revenue	30,474	13,913	44,387
Current maturities of long-term debt	4,791,595	1,102,445	5,894,040
Total Current Liabilities	7,730,033	6,085,748	13,815,781
Noncurrent Liabilities			
Compensated absences	826,083	90,404	916,487
Net pension liability	4,731,675	113,113	4,844,788
Other post employment benefits	441,359	—	441,359
Long-term debt	100,457,084	24,740,128	125,197,212
Total Noncurrent Liabilities	106,456,201	24,943,645	131,399,846
Total Liabilities	114,186,234	31,029,393	145,215,627
Deferred Inflows Of Resources			
Pensions	195,501	41,406	236,907
Property tax	6,141,570	—	6,141,570
Net Position			
Net investment in capital assets	37,284,881	46,760,260	84,045,141
Restricted for:			
Expendable:			
Debt service	4,705,239	1,225,597	5,930,836
Parks	1,541,782	—	1,541,782
Cemetery	72,637	—	72,637
Kansas City sewer line	—	122,138	122,138
Nonexpendable:			
Cemetery trust corpus	433,568	—	433,568
Unrestricted	(31,301,005)	1,721,151	(29,579,854)
Total Net Position	12,737,102	49,829,146	62,566,248
Total Liabilities, Deferred Inflows Of Resources and Net Position	\$ 133,260,407	\$ 80,899,945	\$ 214,160,352

CITY OF LIBERTY, MISSOURI

**STATEMENT OF ACTIVITIES
For The Year Ended December 31, 2015**

Functions/Programs	Program Revenues				Net (Expense) Revenue And Changes In Net Position		
	Expenses	Charges For Services And Sales	Operating Grants And Contributions	Capital Grants And Contributions	Primary Government		Total
					Governmental Activities	Business- Type Activities	
Primary Government							
Governmental Activities							
General government	\$ 4,960,224	\$ 539,447	\$ 427,264	\$ —	\$ (3,993,513)	\$ —	\$ (3,993,513)
Community development and improvement	25,081,992	—	—	—	(25,081,992)	—	(25,081,992)
Public works	3,633,562	—	—	319,606	(3,313,956)	—	(3,313,956)
Culture and recreation	5,003,851	2,314,001	222,116	—	(2,467,734)	—	(2,467,734)
Cemetery maintenance	52,078	41,695	—	—	(10,383)	—	(10,383)
Public safety	12,481,003	1,500,729	7,729	—	(10,972,545)	—	(10,972,545)
Interest on long-term debt	1,840,593	—	—	—	(1,840,593)	—	(1,840,593)
Total Governmental Activities	53,053,303	4,395,872	657,109	319,606	(47,680,716)	—	(47,680,716)
Business-Type Activities							
Water	5,100,859	4,790,934	—	59,305	—	(250,620)	(250,620)
Sewer	8,494,147	7,757,065	—	195,228	—	(541,854)	(541,854)
Sanitation	1,515,339	1,513,408	—	—	—	(1,931)	(1,931)
Total Business-Type Activities	15,110,345	14,061,407	—	254,533	—	(794,405)	(794,405)
Total Primary Government	\$ 68,163,648	\$ 18,457,279	\$ 657,109	\$ 574,139	(47,680,716)	(794,405)	(48,475,121)
General Revenues							
Taxes:							
Property tax					6,195,969	—	6,195,969
Franchise taxes					3,760,453	—	3,760,453
Sales taxes					13,892,525	—	13,892,525
Other taxes					1,415,863	—	1,415,863
Investment income					81,731	152,792	234,523
Miscellaneous					869,258	6,649	875,907
Total General Revenues And Transfers					26,215,799	159,441	26,375,240
Change In Net Position					(21,464,917)	(634,964)	(22,099,881)
Net Position - Beginning of Year, as originally reported					39,931,187	50,705,199	90,636,386
Restatement for change in accounting principle					(1,784,259)	118,903	(1,665,356)
Restatement for correction of errors					(3,944,909)	(359,992)	(4,304,901)
Net Position - Beginning Of Year, as restated					34,202,019	50,464,110	84,666,129
Net Position - End Of Year					\$ 12,737,102	\$ 49,829,146	\$ 62,566,248

CITY OF LIBERTY, MISSOURI

**BALANCE SHEET – GOVERNMENTAL FUNDS
December 31, 2015**

	General	Parks	Capital Sales Tax	Transportation Sales Tax	Liberty TIF	Fire Sales Tax	Economic Development Sales Tax	Nonmajor Governmental Funds	Total
Assets									
Cash and investments	\$ 2,235,131	\$ 645,857	\$ 6,633,327	\$ 645,199	\$ 979,113	\$ 1,020,063	\$ 29,178,745	\$ 635,913	\$ 41,973,348
Receivables									
Taxes	5,158,856	718,442	290,312	290,173	1,684,625	145,080	284,432	154,565	8,726,485
Accounts	639,789	1,309	15,764	—	—	—	574	17,223	674,659
Accrued interest	46,531	789	7,567	414	1	1,077	15,593	1,807	73,779
Allowance for uncollectible receivables	(365,664)	(30,046)	—	—	—	—	—	—	(395,710)
Due from other funds	117,056	30	95,000	—	—	—	—	457	212,543
Due from other governments	15,488	—	50,644	—	—	—	—	—	66,132
Inventory	42,156	—	—	—	—	—	—	—	42,156
Prepaid insurance	505,861	48,855	114	—	—	—	—	—	554,830
Restricted assets:									
Cash and investments	—	—	367,887	—	21,233,385	—	—	—	21,601,272
Investments	—	—	—	—	—	—	—	1,621,698	1,621,698
Accrued interest	—	—	419	—	—	—	—	34	453
Total Assets	\$ 8,395,204	\$ 1,385,236	\$ 7,461,034	\$ 935,786	\$ 23,897,124	\$ 1,166,220	\$ 29,479,344	\$ 2,431,697	\$ 75,151,645
Liabilities									
Accounts payable and accrued liabilities	\$ 451,433	\$ 77,181	\$ 276,075	\$ 813	\$ 17,936	\$ 738	\$ 283,380	\$ 2,457	\$ 1,110,013
Deposits	76,555	38	—	—	—	—	—	2,460	79,053
Due to other funds	16	95,000	—	—	98,033	—	—	19,494	212,543
Unearned revenue	—	15,787	14,687	—	—	—	—	—	30,474
Total Liabilities	528,004	188,006	290,762	813	115,969	738	283,380	24,411	1,432,083
Deferred Inflows Of Resources									
Charges for services	235,271	—	—	—	—	—	—	—	235,271
Property and special assessment taxes	4,094,588	721,440	—	—	1,325,542	—	—	—	6,141,570
Fund Balances									
Nonspendable:									
Inventory	42,156	—	—	—	—	—	—	—	42,156
Prepaid insurance	505,861	48,855	114	—	—	—	—	—	554,830
Permanent fund principal	—	—	—	—	—	—	—	433,568	433,568
Restricted for:									
Parks and recreation	—	426,935	—	—	—	—	—	1,774,670	2,201,605
Capital projects	—	—	7,170,158	—	—	—	29,195,964	—	36,366,122
Transportation projects	—	—	—	934,973	—	—	—	—	934,973
Public safety	—	—	—	—	—	1,165,482	—	—	1,165,482
Debt service	—	—	—	—	22,455,613	—	—	—	22,455,613
Cemetery	—	—	—	—	—	—	—	72,637	72,637
Law enforcement	—	—	—	—	—	—	—	4,881	4,881
Other purposes	—	—	—	—	—	—	—	140,558	140,558
Committed to:									
General government	73,259	—	—	—	—	—	—	—	73,259
Assigned to:									
General government	37,881	—	—	—	—	—	—	—	37,881
Unassigned	2,878,184	—	—	—	—	—	—	(19,028)	2,859,156
Total Fund Balances	3,537,341	475,790	7,170,272	934,973	22,455,613	1,165,482	29,195,964	2,407,286	67,342,721
Total Liabilities, Deferred Inflows Of Resources And Fund Balances	\$ 8,395,204	\$ 1,385,236	\$ 7,461,034	\$ 935,786	\$ 23,897,124	\$ 1,166,220	\$ 29,479,344	\$ 2,431,697	\$ 75,151,645

CITY OF LIBERTY, MISSOURI

**RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES
TO NET POSITION OF GOVERNMENTAL ACTIVITIES**

December 31, 2015

Total Fund Balance - Governmental Funds \$ 67,342,721

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

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

Land	1,969,467
Construction in progress	926,304
Buildings and system	13,646,857
Improvements other than buildings	10,850,297
Vehicles	7,505,791
Machinery and equipment	12,178,860
Infrastructure	49,209,706
Accumulated depreciation	(40,410,192)

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. 235,271

Deferred inflows and outflows of resources in the governmental activities related to pensions are not recorded in the fund statements. 2,098,730

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

Current:

Compensated absences	(850,000)
Accrued interest payable	(868,898)
Capital lease obligations	(701,848)
General obligations, special obligation, TIF bonds	(4,078,490)
MDNR loan payable	(11,257)

Noncurrent:

Compensated absences	(826,083)
Net pension liability	(4,731,675)
Other post employment benefits	(441,359)
Bond discounts and deferral on refunding	439,426
Bond premium	(1,043,726)
Capital lease obligations	(3,162,507)
General obligations, special obligation, TIF bonds	(96,528,430)
MDNR loan payable	(11,863)

Total Net Position - Governmental Activities \$ 12,737,102

CITY OF LIBERTY, MISSOURI

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES GOVERNMENTAL FUNDS For The Year Ended December 31, 2015

	General	Parks	Capital Sales Tax	Transportation Sales Tax	Liberty TIF	Fire Sales Tax	Economic Development Sales Tax	Nonmajor Governmental Funds	Total
Revenues									
Taxes	\$ 13,203,582	\$ 746,103	\$ 1,874,300	\$ 1,900,625	\$ 4,262,616	\$ 937,070	\$ 1,260,422	\$ 1,080,092	\$ 25,264,810
Intergovernmental	370,957	10,000	595,758	—	—	—	—	—	976,715
Charges for services	1,740,363	2,314,001	—	—	—	—	—	55,846	4,110,210
Licenses and permits	339,462	—	—	—	—	—	—	—	339,462
Investment earnings	14,786	3,715	28,790	814	958	4,407	23,017	5,244	81,731
Miscellaneous	558,444	14,965	122,993	—	8,277	85,000	—	79,579	869,258
Total Revenues	16,227,594	3,088,784	2,621,841	1,901,439	4,271,851	1,026,477	1,283,439	1,220,761	31,642,186
Expenditures									
Current:									
General government	4,567,131	—	—	—	22,284	—	—	58,134	4,647,549
Community development and improvement	628,390	—	—	43,220	22,130,982	—	—	—	22,802,592
Public works	2,361,012	—	1,439,286	9,115	129,030	—	146,882	—	4,085,325
Culture and recreation	335,457	3,661,642	—	—	—	—	—	208,194	4,205,293
Cemetery maintenance	—	—	—	—	—	—	—	52,078	52,078
Public safety	9,507,615	—	—	—	—	1,988,413	—	30,648	11,526,676
Capital outlay	—	90,910	1,551,321	—	—	598,111	458,296	222,829	2,921,467
Debt service:									
Principal retirement	299,405	35,521	393,357	1,510,000	1,134,987	429,931	—	160,000	3,963,201
Interest and fiscal charges	44,714	1,905	232,576	207,773	1,014,829	68,335	—	19,899	1,590,031
Bond issuance costs	837	—	—	—	1,807,615	—	443,847	21,949	2,274,248
Payment to refunding bond escrow agent	—	—	—	—	500,013	—	—	—	500,013
Total Expenditures	17,744,561	3,789,978	3,616,540	1,770,108	26,739,740	3,084,790	1,049,025	773,731	58,568,473
Revenues Over (Under) Expenditures	(1,516,967)	(701,194)	(994,699)	131,331	(22,467,889)	(2,058,313)	234,414	447,030	(26,926,287)
Other Financing Sources (Uses)									
Issuance of long-term debt	101,744	—	—	—	44,338,733	—	28,961,550	1,403,285	74,805,312
Payments to refunding escrow agent	—	—	—	—	(4,435,000)	—	—	—	(4,435,000)
Capital lease	395,368	—	—	—	—	—	—	—	395,368
Transfers in	608,020	656,524	—	—	903,762	—	—	62,500	2,230,806
Transfers out	(47,750)	(79,000)	—	(259,020)	(903,762)	(285,000)	—	(656,274)	(2,230,806)
Total Other Financing Sources	1,057,382	577,524	—	(259,020)	39,903,733	(285,000)	28,961,550	809,511	70,765,680
Net Change In Fund Balances	(459,585)	(123,670)	(994,699)	(127,689)	17,435,844	(2,343,313)	29,195,964	1,256,541	43,839,393
Fund Balances - Beginning Of Year, as originally reported	4,178,397	599,460	7,799,241	1,062,662	5,019,769	3,508,795	—	1,150,745	23,319,069
Restatement for correction of errors	(181,471)	—	365,730	—	—	—	—	—	184,259
Fund Balances - Beginning Of Year, as restated	3,996,926	599,460	8,164,971	1,062,662	5,019,769	3,508,795	—	1,150,745	23,503,328
Fund Balances - End Of Year	\$ 3,537,341	\$ 475,790	\$ 7,170,272	\$ 934,973	\$ 22,455,613	\$ 1,165,482	\$ 29,195,964	\$ 2,407,286	\$ 67,342,721

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, 2015**

Net Change In Fund Balances - Total Governmental Funds \$ 43,839,393

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	5,676,814
Depreciation	(4,114,362)
Loss on disposal of capital assets	(111,831)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds

Change in deferred inflows of resources	(91,199)
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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	(87,940)
Change in accrued interest payable	(55,470)
Change in deferred inflow and outflow - pensions	1,474,132
Changes in net pension liability and OPEB liability	(1,496,896)

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

Principal payments on long-term debt	3,963,201
Issuance of long-term debt, including premium/discount	(74,975,624)
Payments to refunding escrow agent	4,935,013
Capital lease	(395,368)
Amortization of bond premium and discounts	(8,115)
Amortization of deferred loss on refunding	(16,665)

Change In Net Position Of Governmental Activities \$ (21,464,917)

CITY OF LIBERTY, MISSOURI

STATEMENT OF NET POSITION ENTERPRISE FUNDS

December 31, 2015

	Water	Sewer	Sanitation (Nonmajor)	Total
Assets				
Current Assets:				
Cash and investments	\$ 1,778,896	\$ 1,767,855	\$ 48,652	\$ 3,595,403
Receivables:				
Special assessments	—	284	—	284
Accounts	476,583	1,197,732	79,087	1,753,402
Accrued interest	2,604	4,312	55	6,971
Inventory	149,318	6,129	—	155,447
Prepays	47,588	165,567	29	213,184
Total Current Assets	2,454,989	3,141,879	127,823	5,724,691
Noncurrent Assets:				
Restricted assets, cash and investments	541,521	806,214	—	1,347,735
Capital assets:				
Land	795,677	45,000	—	840,677
Construction in progress	228,823	19,669,664	—	19,898,487
Buildings and systems	9,064,644	1,250,811	—	10,315,455
Improvements other than buildings	143,116	51,027	—	194,143
Vehicles	936,599	1,006,380	—	1,942,979
Machinery and equipment	7,810,263	4,185,589	—	11,995,852
Infrastructure	31,156,765	29,192,587	—	60,349,352
Accumulated depreciation	(20,470,875)	(11,619,512)	—	(32,090,387)
Total Noncurrent Assets	30,206,533	44,587,760	—	74,794,293
Total Assets	32,661,522	47,729,639	127,823	80,518,984
Deferred Outflows of Resources				
Deferred loss on refunding	48,918	—	—	48,918
Pensions	202,976	124,844	4,223	332,043
Total Deferred Outflows of Resources	251,894	124,844	4,223	380,961
Total Assets and Deferred Outflows of Resources	\$ 32,913,416	\$ 47,854,483	\$ 132,046	\$ 80,899,945
Liabilities				
Current Liabilities:				
Accounts payable and accrued expenses	\$ 628,558	\$ 3,878,959	\$ 118,268	\$ 4,625,785
Compensated absences	92,349	55,055	2,596	150,000
Accrued interest payable	18,559	175,046	—	193,605
Unearned revenue	4,636	9,277	—	13,913
Current maturities of long-term debt	485,755	616,690	—	1,102,445
Total Current Liabilities	1,229,857	4,735,027	120,864	6,085,748
Noncurrent Liabilities:				
Compensated absences	55,657	33,180	1,567	90,404
Net pension liability	69,145	42,529	1,439	113,113
Long-term debt	2,647,467	22,092,661	—	24,740,128
Total Liabilities	4,002,126	26,903,397	123,870	31,029,393
Deferred Inflows Of Resources				
Pensions	25,311	15,568	527	41,406
Net Position				
Net investment in capital assets	26,578,508	20,181,752	—	46,760,260
Restricted for:				
Debt service	541,521	684,076	—	1,225,597
Kansas City sewer line	—	122,138	—	122,138
Unrestricted	1,765,950	(52,448)	7,649	1,721,151
Total Net Position	28,885,979	20,935,518	7,649	49,829,146
Total Liabilities, Deferred Inflows Of Resources and Net Position	\$ 32,913,416	\$ 47,854,483	\$ 132,046	\$ 80,899,945

CITY OF LIBERTY, MISSOURI

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION ENTERPRISE FUNDS For The Year Ended December 31, 2015

	Water	Sewer	Sanitation (Nonmajor)	Total
Operating Revenues				
Charges for services	\$ 4,790,934	\$ 7,757,065	\$ 1,513,408	\$ 14,061,407
Miscellaneous	4,215	2,434	—	6,649
Total Operating Revenues	4,795,149	7,759,499	1,513,408	14,068,056
Operating Expenses				
Pumping and treatment	2,193,038	5,074,170	—	7,267,208
Distribution and transmission	980,942	688,503	—	1,669,445
General and administrative	637,456	924,821	163	1,562,440
Sanitation	—	45,219	1,515,176	1,560,395
Depreciation	1,197,678	839,994	—	2,037,672
Total Operating Expenses	5,009,114	7,572,707	1,515,339	14,097,160
Operating Income (Loss)	(213,965)	186,792	(1,931)	(29,104)
Nonoperating Revenues (Expenses)				
Investment earnings	8,701	143,924	167	152,792
Interest expense	(91,745)	(374,768)	—	(466,513)
Other	—	(546,672)	—	(546,672)
Total Nonoperating Revenues (Expenses)	(83,044)	(777,516)	167	(860,393)
Income (Loss) Before Capital Contributions	(297,009)	(590,724)	(1,764)	(889,497)
Capital Contributions	59,305	195,228	—	254,533
Change in Net Position	(237,704)	(395,496)	(1,764)	(634,964)
Net Position - Beginning of Year, as originally reported	29,457,899	21,239,399	7,901	50,705,199
Restatement for correction of errors	(406,901)	46,909	—	(359,992)
Restatement for change in accounting principle	72,685	44,706	1,512	118,903
Net Position - Beginning of Year, as restated	29,123,683	21,331,014	9,413	50,464,110
Net Position - End of Year	\$ 28,885,979	\$ 20,935,518	\$ 7,649	\$ 49,829,146

CITY OF LIBERTY, MISSOURI

STATEMENT OF CASH FLOWS ENTERPRISE FUNDS For The Year Ended December 31, 2015

		Water		Sewer		Sanitation (Nonmajor)		Total
Cash Flows from Operating Activities								
Receipts from customers and users	\$	4,798,781	\$	7,672,784	\$	1,510,934	\$	13,982,499
Payment to suppliers		(2,116,918)		(4,920,672)		(1,480,565)		(8,518,155)
Payments to employees		(1,582,241)		(963,612)		(32,774)		(2,578,627)
Other receipts		4,215		2,434		—		6,649
Net Cash Provided by (Used in) Operating Activities		1,103,837		1,790,934		(2,405)		2,892,366
Cash Flows from Capital and Related Financing Activities								
Purchase of capital assets		(420,910)		(15,126,352)		—		(15,547,262)
Interest payments		(90,526)		(371,622)		—		(462,148)
Proceeds from issuance of revenue bonds, including premium		—		18,382,522		—		18,382,522
Refunding of bond principal		—		(2,765,000)		—		(2,765,000)
Principal payments on debt		(470,755)		(1,006,121)		—		(1,476,876)
Debt issuance costs		—		(546,672)		—		(546,672)
Net Cash Used in Capital and Related Financing Activities		(982,191)		(1,433,245)		—		(2,415,436)
Cash Flows from Investing Activities								
Interest and dividends received		8,701		143,924		167		152,792
Increase (Decrease) in Cash and Cash Equivalents		130,347		501,613		(2,238)		629,722
Cash and Cash Equivalents - Beginning of Year		2,190,070		2,072,456		50,890		4,313,416
Cash and Cash Equivalents - End of Year	\$	2,320,417	\$	2,574,069	\$	48,652	\$	4,943,138
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:								
Operating income (loss)	\$	(213,965)	\$	186,792	\$	(1,931)	\$	(29,104)
Adjustments to reconcile operating income to net cash provided by (used in) operating activities								
Depreciation		1,197,678		839,994		—		2,037,672
Changes in assets and liabilities:								
Receivables		7,847		(84,281)		(2,474)		(78,908)
Inventory and other prepayments		(17,355)		(98,273)		2		(115,626)
Accounts payable and accrued expenses		140,595		960,899		3,335		1,104,829
Net pension liability and related deferreds		24,872		7,844		(592)		32,124
Compensated absences		(35,835)		(22,041)		(745)		(58,621)
Net Cash Provided by (Used in) Operating Activities	\$	1,103,837	\$	1,790,934	\$	(2,405)	\$	2,892,366
Noncash Investing and Financing Transactions								
Accounts payable incurred for purchase of capital assets	\$	—	\$	1,514,907	\$	—	\$	1,514,907
Capital contributions		59,305		195,228		—		254,533

CITY OF LIBERTY, MISSOURI

**STATEMENT OF ASSETS AND LIABILITIES
AGENCY FUNDS
December 31, 2015**

Assets

Cash and cash equivalents	<u>\$ 187,028</u>
	<u><u>\$ 187,028</u></u>

Liabilities

Protested taxes	\$ 3,806
Due to other entities	<u>183,222</u>
	<u><u>\$ 187,028</u></u>

CITY OF LIBERTY, MISSOURI

NOTES TO BASIC FINANCIAL STATEMENTS

December 31, 2015

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, 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 a 20-year lease, renewable annually, for the Community Center. The City has an option to buy this facility once the bonds are retired. Financial information for the PFA is recorded in 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 position 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, deferred outflows, liabilities, deferred inflows, reserves, fund balance/net position, 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 the sum of governmental fund assets and deferred outflows and the sum of liabilities and deferred inflows, 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. It is funded primarily through charges for recreation programs.

Capital Sales Tax Fund: This fund is a capital projects fund used to account for general government construction bond projects and capital expenditures within the City. The City deposits the ½ cent capital improvement sales tax and applicable bond proceeds 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. Various bonds have been issued between 2004 and 2015 to finance redevelopment project expenses through payments in lieu of taxes and economic activity taxes. These bonds will be paid from tax increment financing of increased revenue from both payments in lieu of taxes and economic activity taxes.

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.

Economic Development Sales Tax: This fund was established in 2015 to account for the economic development, including costs related to construction of South Liberty Parkway Phase II and Downtown infrastructure rehabilitation, and which may include the retirement of financing obligations incurred for any such authorized purposes. It is funded by a 3/8 cent sales tax approved by voters in August 2014 and expires on March 31, 2035.

CITY OF LIBERTY, MISSOURI

Notes To Basic Financial Statements (*Continued*)

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).

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.

Preservation and Development Fund: This fund is used to record the contributions received by other entities for renovations of downtown and historic districts.

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.

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.

Transient Guest Tax Fund: This fund is used for tourism, including the marketing of festivals. It is funded by the transient guest tax.

Permanent Funds: These 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.

CITY OF LIBERTY, MISSOURI

Notes To Basic Financial Statements (*Continued*)

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.

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: These 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.

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 sewage 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. Agency funds are custodial in nature and do not involve the measurement of results of operations. Agency funds apply the accrual basis of accounting, however they do not have a measurement focus. 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*)

Triangle CID Sales Tax Fund: To account for sales tax paid within 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 and agency fund financial statements. 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.

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.

CITY OF LIBERTY, MISSOURI

Notes To Basic Financial Statements (*Continued*)

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 2015 levy plus any uncollected amounts from the 2014 levy. Property taxes that are not available for current year operations are shown as a deferred inflow. 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.

House Bill 103 amending RSMo Section 302.341 became effective August 28, 2013. The amendments to the statute now require the City to annually calculate the percentage of its general revenue that comes from traffic violations and to report an accounting of that calculation. Any such revenues that exceed 30% of total general revenues are required to be transferred to the Director of the Missouri Department of Revenue. In the current year, the City has reported fines of \$420,633, which includes traffic violations and other additional items. This amount is approximately 2.6% of total general revenues and, accordingly, the City believes that it is in compliance with the requirements of the statute.

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.

CITY OF LIBERTY, MISSOURI

Notes To Basic Financial Statements (Continued)

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.

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

CITY OF LIBERTY, MISSOURI

Notes To Basic Financial Statements (*Continued*)

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 Outflows Of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City only has two items that qualifies for reporting in this category. They are the deferred loss on refunding reported in the government-wide statement of net position and the deferred outflow related to pensions. A deferred loss on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. A deferred outflow related to pensions results from changes in the components of the net pension liability.

Unearned Revenues

Unearned revenues in the statement of net position represent 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

In the fund financial statements, governmental funds report fund balance in four 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. *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.

Net Position

Net position represents the difference between the sum of assets and deferred outflows and the sum of liabilities and deferred inflows. Net investment in capital assets 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 investment in capital assets excludes unspent debt proceeds. Net position is reported as restricted when there are limitations imposed on its use through enabling legislation or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

CITY OF LIBERTY, MISSOURI

Notes To Basic Financial Statements (*Continued*)

Net position, restricted consists of restrictions related to parks, 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 position are available.

Long-Term Liabilities

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 are deferred and amortized over the life of the bonds using a method which approximates 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.

Deferred Inflows Of Resources

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City has nonexchange revenue transactions where a receivable has been recorded because property taxes were levied, but the resources cannot be used until a future period. This item has been reported as a deferred inflow on the government-wide statement of net position. The City also has a deferred inflow related to pensions which resulted from changes in the components of the net pension liability.

On the modified accrual basis of accounting, the City has recorded certain receivables where the related revenue is unavailable. Unavailable revenues have been reported as deferred inflows of resources on the governmental fund balance sheet.

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, 2015, the City had the following investments and maturities:

Investment Type	Amount	Investment Maturity (In Years)			
		Less Than 1	1-3	3-5	More Than 5
Federal Farm Credit Bank Federal National Mortgage Association	\$ 1,500,000	\$ -	\$ 1,500,000	\$ -	\$ -
Federal National Mortgage Association	10,569,602	-	10,569,602	-	-
Federal Home Loan Mortgage Corporation	5,499,972	-	5,499,972	-	-
Federal Home Loan Bank	20,974,293	9,994,708	10,979,585	-	-
Certificates of Deposit	500,000	-	500,000	-	-
Repurchase Agreements	10,632,226	10,632,226	-	-	-
	<u>\$ 49,676,093</u>	<u>\$ 20,626,934</u>	<u>\$ 29,049,159</u>	<u>\$ -</u>	<u>\$ -</u>

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.

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, 2015, the City's investments were rated as follows:

CITY OF LIBERTY, MISSOURI

Notes To Basic Financial Statements (*Continued*)

<u>Investment Type</u>	<u>Rating</u>	<u>Company</u>	<u>Rating</u>	<u>Company</u>
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	Aaa	Moody's	AA+	Standard & Poor's
Repurchase Agreements	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 National Mortgage Association (21%); Federal Home Loan Mortgage Corporation (11%); Federal Home Loan Bank (42%); and Repurchase Agreements (21%).

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 investments 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 to hold the securities as pledged to the City in an account in the City's name. As of December 31, 2015, all deposits were adequately and fully collateralized except for the account at Commerce Bank, for which the City had a collateral deficiency of (\$5,049,765).

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	\$ 20,650,391
Investments	49,676,093
	<u>\$ 70,326,484</u>
Cash and investments	\$ 45,568,751
Restricted assets:	
Cash and investments	18,223,192
Investments	6,347,513
Agency fund, cash and cash equivalents	187,028
	<u>\$ 70,326,484</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, 2015:

	Balance - January 1, 2015 (as restated)	Additions	Retirements	Balance - December 31, 2015
Governmental Activities				
Capital assets, not being depreciated:				
Land	\$ 1,937,752	\$ 31,715	\$ —	\$ 1,969,467
Construction in progress	—	926,304	—	926,304
Total capital assets, not being depreciated	1,937,752	958,019	—	2,895,771
Capital assets being depreciated:				
Buildings and system	13,337,453	309,404	—	13,646,857
Improvements other than buildings	10,491,045	359,252	—	10,850,297
Vehicles	5,878,526	2,175,325	548,060	7,505,791
Machinery and equipment	11,546,003	727,205	94,348	12,178,860
Infrastructure	48,062,097	1,147,609	—	49,209,706
Total capital assets being depreciated	89,315,124	4,718,795	642,408	93,391,511
Less: Accumulated depreciation for:				
Buildings and system	5,565,994	315,464	—	5,881,458
Improvements other than buildings	6,885,369	430,717	—	7,316,086
Vehicles	2,543,643	585,474	492,949	2,636,168
Machinery and equipment	7,088,055	643,784	37,628	7,694,211
Infrastructure	14,743,346	2,138,923	—	16,882,269
Total accumulated depreciation	36,826,407	4,114,362	530,577	40,410,192
Total capital assets being depreciated, net	52,488,717	604,433	111,831	52,981,319
Governmental activities capital assets, net	\$ 54,426,469	\$ 1,562,452	\$ 111,831	\$ 55,877,090

CITY OF LIBERTY, MISSOURI

Notes To Basic Financial Statements (*Continued*)

	Balance - January 1, 2015 <i>(as restated)</i>	Additions	Retirements	Balance - December 31, 2015
Business-Type Activities				
Capital assets, not being depreciated:				
Land	\$ 840,677	\$ —	\$ —	\$ 840,677
Construction in progress	3,580,906	16,810,181	492,600	19,898,487
Total capital assets, not being depreciated	4,421,583	16,810,181	492,600	20,739,164
Capital assets being depreciated:				
Buildings and system	10,315,455	—	—	10,315,455
Improvements other than buildings	194,143	—	—	194,143
Vehicles	2,016,620	100,603	174,244	1,942,979
Machinery and equipment	11,801,057	194,795	—	11,995,852
Infrastructure	59,589,306	760,046	—	60,349,352
Total capital assets being depreciated	83,916,581	1,055,444	174,244	84,797,781
Less: Accumulated depreciation for:				
Buildings and system	3,659,571	210,206	—	3,869,777
Improvements other than buildings	192,381	641	—	193,022
Vehicles	922,391	195,080	117,924	999,547
Machinery and equipment	5,670,753	397,323	—	6,068,076
Infrastructure	19,725,543	1,234,422	—	20,959,965
Total accumulated depreciation	30,170,639	2,037,672	117,924	32,090,387
Total capital assets being depreciated, net	53,745,942	(982,228)	56,320	52,707,394
Business-type activities capital assets, net	\$ 58,167,525	\$ 15,827,953	\$ 548,920	\$ 73,446,558

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

Governmental Activities	
General government	\$ 181,825
Public safety	841,691
Culture and recreation	796,500
Community development	—
Public works	2,294,346
	\$ 4,114,362

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

Business-Type Activities	
Water	\$ 1,197,678
Sewer	839,994
	\$ 2,037,672

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, 2015:

	Balance - January 1, 2015 <i>(as restated)</i>	Additions	Retirements	Balance - December 31, 2015	Due Within One Year
Governmental Activities					
Special obligation bonds	\$ 4,345,410	\$ 17,055,000	\$ 423,490	\$ 20,976,920	\$ 1,153,490
Capital leases	4,115,456	373,623	624,724	3,864,355	701,848
General obligation bonds	14,260,000	12,985,000	1,855,000	25,390,000	2,225,000
TIF bonds	15,640,000	44,595,000	5,995,000	54,240,000	700,000
MDNR loan payable	34,175	—	11,055	23,120	11,257
Other post employment benefits	378,691	81,668	19,000	441,359	—
Compensated absences	1,588,143	942,154	854,214	1,676,083	850,000
Bond premiums	716,451	426,579	99,304	1,043,726	—
Bond discounts	(140,594)	(256,267)	107,419	(289,442)	—
	\$ 40,937,732	\$ 76,202,757	\$ 9,774,368	\$ 107,366,121	\$ 5,641,595
Business-Type Activities					
Revenue bonds	\$ 6,680,000	\$ 2,765,000	\$ 3,675,000	\$ 5,770,000	\$ 730,000
SRF bonds	4,320,000	15,617,522	275,000	19,662,522	290,000
Special obligation bonds	164,590	—	31,510	133,080	31,510
Capital leases	257,825	—	49,425	208,400	50,935
Compensated absences	208,280	177,636	145,510	240,406	150,000
Bond premiums	80,103	—	11,532	68,571	—
	\$ 11,710,798	\$ 18,560,158	\$ 4,187,977	\$ 26,082,979	\$ 1,252,445

The accrued compensated absences, 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)

Bonds, notes and lease purchase payables of the City at December 31, 2015 are as follows:

Governmental Activities

General obligation bonds:	
2013 General Obligation Bonds, 3-3.30%, due in varying amounts through 2030	\$ 6,225,000
2012 General Obligation Refunding & Improvement Bonds, 3-4%, due in varying amounts through 2016	6,180,000
2015 General Obligation Bonds, 2-5%, due in varying amounts through 2035	12,985,000
Special obligation bonds:	
2013 Special Obligation Refunding and Improvement Bonds, 3%, due in varying amounts through 2023	1,786,920
2010 Clay County Health Center Relocation Project Refunding Bonds, 2%-4.35%, due in varying amounts through 2032	2,135,000
2015 Special Obligation Bonds, 2-3.5%, due in varying amounts through 2035	17,055,000
MDNR loan payable	23,120
Tax increment revenue bonds:	
2007 Liberty Triangle Project Tax Increment Revenue Bonds, 5%-5.875%, due in varying amounts through 2029	4,995,000
2010 Roger's Plaza Project Tax Increment Revenue Bonds, 6.75%, due in varying amounts through 2030	5,150,000
2015 Liberty Triangle Project Tax Increment Revenue Bonds, 2.7%, due in 2021	3,935,000
Series 2015A Special Obligation Tax Increment and Special Districts Bonds, 5.125%-6%, due in varying amounts through 2046	31,065,000
Series 2015B Subordinate Special Obligation Tax Increment and Special Districts Bonds, 8.5%, due in 2046	9,095,000
Capital leases:	
Lease purchase of fitness equipment, 2.01% due in annual installments of \$34,000 to \$44,000 through 2017	87,000
Lease purchase of police cars, 2.01% due in annual installments between \$38,000 and \$49,000 through 2017	97,000
Lease purchase of fire pump truck, 2.01% due in annual installments between \$159,000 and \$236,000 through 2023	1,762,000
Lease purchase of roof and parking lot, 2.01% due in annual installments between \$50,000 and \$74,000 through 2023	553,000
Lease purchase of ambulance, 3.43% due in semi-annual installments between \$42,680 and \$43,310 through 2016	84,098
Lease purchase of a IT equipment, .00% due in annual installments of \$58,089 through 2013	294,549
Lease purchase of aerial fire truck, 2.97% due in annual installments of \$131,259 through 2022	837,286
Lease purchase of street sweeper, 2.97% due in annual installments of \$45,219 through 2017	87,372
Lease purchase of fire tanker truck, 2.97% due in annual installments of \$32,391 through 2017	62,050
Total Governmental Activities	<u>\$ 104,494,395</u>

Business-Type Activities

Revenue bonds:	
2011 Waterworks Refunding Bonds, 1.75%-3.00%, due in varying amounts through 2021	\$ 3,005,000
2015B Sewer System Refunding Revenue Bonds, 2.5% due in 2025	2,765,000
2005 State Revolving Fund Program Bonds, 3.25%-5.25%, due in varying amounts through 2026	4,045,000
2015 State Revolving Fund Program Bonds, 1.22%, due in varying amounts through 2037	15,617,522
Lease purchase of sewer vacuum truck, 2.97%, due in annual installments of \$55,346 through 2019	208,400
2013 Special Obligation Refunding and Improvement Bonds, 3%, due in varying amounts through 2023	133,080
	<u>\$ 25,774,002</u>

CITY OF LIBERTY, MISSOURI

Notes To Basic Financial Statements (*Continued*)

Tax Increment Revenue Bonds Refunding/Redemption: During the fiscal year ended December 31, 2015, the City issued the 2015 Liberty Triangle Project Tax Increment Revenue Bonds, in the amount of \$4,435,000 with an interest rate of 2.7%. The bond proceeds along with available funds of the City, were used to currently refund \$4,955,000 of the Series 2004 issuance with an interest rate of 5.00%-5.875%. A \$443,500 reserve was established at the time of the bond sale. The net proceeds along with the available funds totaling \$5,025,034, after payment of \$129,393 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 2004 bonds. As a result, the Series 2004 bonds are considered defeased and the liability for those bonds has been removed from the government-wide statement of net position. The Series 2004 bonds that were defeased were also paid in full by the escrow agent during 2015.

As a result of the refunding, the City decreased its total debt service requirements by \$1,733,470, which resulted in an economic gain of \$767,889. The Series 2004 bonds were originally used to fund the Liberty Triangle Project.

Business-Type Activities Revenue Bonds Refunding/Redemption: During the fiscal year ended December 31, 2015, the City issued the 2015B Sewer System Refunding Revenue Bonds, in the amount of \$2,765,000 with an interest rate of 2.5%. The bond proceeds along with available funds of the City, were used to currently refund \$2,960,000 of the Series 2005 issuance with an interest rate of 3.00%-4.25%. The net proceeds along with the available funds totaling \$2,990,415, after payment of \$63,000 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 2005 bonds. As a result, the Series 2005 bonds are considered defeased and the liability for those bonds has been removed from the enterprise funds statement of net position. The Series 2005 bonds that were defeased were also paid in full by the escrow agent during 2015.

As a result of the refunding, the City decreased its total debt service requirements by \$174,003, which resulted in an economic gain of \$176,526. The Series 2005 bonds were originally used to refund the 1995 series and to fund sewer improvement projects.

CITY OF LIBERTY, MISSOURI

Notes To Basic Financial Statements (*Continued*)

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 position as restricted accounts as follows:

	Restricted Assets
Water:	
Bond reserve account	\$ 135,872
Depreciation and replacement account	405,649
	<u>\$ 541,521</u>
Sewer:	
Bond reserve account	\$ 401,582
Depreciation and replacement account	96,595
Sewer, Shoal Creek upgrade	8,161
Sewer, Kansas City sewer line	122,138
Sewer:	
SRF trustee interest account	32,725
SRF trustee rebate account	2
SRF trustee principal	145,011
	<u>\$ 806,214</u>

In addition, these bonds have a rate covenant. The City is in compliance with this covenant, as 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.
 - 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.
 - Maintain a Debt Service Reserve Account of not less than \$546,593 for the Sewer Fund. As of December 31, 2015, this amount is \$546,593.

CITY OF LIBERTY, MISSOURI

Notes To Basic Financial Statements (*Continued*)

- o 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, 2015 are as follows:

For The Years Ended December 31,	Debt Service General Obligation Bonds		Debt Service Special Obligation Bonds	
	Principal	Interest	Principal	Interest
2016	\$ 2,225,000	\$ 804,912	\$ 1,153,490	\$ 597,039
2017	1,145,000	731,378	1,171,510	566,663
2018	1,180,000	689,153	1,185,000	539,488
2019	1,215,000	648,153	990,000	511,788
2020	1,345,000	607,178	1,015,000	489,275
2021-2025	6,730,000	2,389,288	5,035,000	2,081,047
2026-2030	7,415,000	1,274,814	5,095,000	1,375,322
2031-2035	4,135,000	342,313	5,331,920	470,981
	\$ 25,390,000	\$ 7,487,189	\$ 20,976,920	\$ 6,631,602

For The Years Ended December 31,	Enterprise Revenue Bonds		Enterprise Capital Leases	
	Principal	Interest	Principal	Interest
2016	\$ 730,000	\$ 123,580	\$ 50,935	\$ 4,866
2017	740,000	119,676	51,400	3,688
2018	760,000	98,599	52,421	2,483
2019	770,000	83,196	53,644	1,257
2020	785,000	65,913	—	—
2021-2025	1,985,000	107,144	—	—
2026-2030	—	—	—	—
	\$ 5,770,000	\$ 598,108	\$ 208,400	\$ 12,294

For The Years Ended December 31,	Governmental Capital Leases		Debt Service Tax Increment Revenue Bonds	
	Principal	Interest	Principal	Interest
2016	\$ 701,848	\$ 84,741	\$ 700,000	\$ 3,126,152
2017	629,815	68,702	405,000	3,279,109
2018	471,458	54,220	455,000	3,254,115
2019	481,332	44,958	825,000	3,217,309
2020	292,349	24,200	945,000	3,167,862
2021-2025	1,287,553	36,904	9,880,000	14,499,874
2026-2030	—	—	9,350,000	12,090,691
2031-2035	—	—	6,415,000	9,680,219
2036-2040	—	—	7,055,000	7,512,925
2041-2045	—	—	5,125,000	5,881,825
2046-2050	—	—	13,085,000	892,775
	\$ 3,864,355	\$ 313,725	\$ 54,240,000	\$ 66,602,855

CITY OF LIBERTY, MISSOURI

Notes To Basic Financial Statements (*Continued*)

For The Years Ended December 31,	Debt Service MDNR Loan Payable		Enterprise SRF Bonds		Enterprise Special Obligation	
	Principal	Interest	Principal	Interest	Principal	Interest
2016	\$ 11,257	\$ 692	\$ 290,000	\$ 314,607	\$ 31,510	\$ 2,000
2017	6,449	354	300,000	371,281	31,510	1,000
2018	5,414	130	1,869,500	389,435	31,510	700
2019	—	—	1,904,000	368,306	38,550	600
2020	—	—	1,938,500	346,338	—	—
2021-2025	—	—	12,900,522	1,344,099	—	—
2026-2030	—	—	460,000	21,160	—	—
	\$ 23,120	\$ 1,176	\$ 19,662,522	\$ 3,155,226	\$ 133,080	\$ 4,300

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 10 years of the bonds. The bonds are payable solely from water customer net revenues through 2021. Annual principal and interest payments on the 2011 bonds required 55% 2015 net revenues. The total principal and interest remaining to be paid on the 2011 bonds is \$3,257,526. Principal and interest paid during the current year and total customer net revenues were \$542,136 and \$992,414, respectively.

The City has pledged future sewer customer revenues, net of specified operating expenses, to repay three debt issues with outstanding principle of \$22,427,522 in sewer system revenue bonds. Series 2015 were issued October 2015 in the amount of \$2,765,000. State Revolving Fund Bonds were issued November 2005 and November 2015 in the total amount of \$21,912,522. Proceeds from the 2015 series bonds were used to refund the 2005A bond issue. Proceeds from the State Revolving Fund bonds were used to construct the Rush Creek Project and the wastewater treatment plant. The bonds are payable solely from the sewer customer net revenues and are payable through 2026. Annual principal and interest payments on the bonds required 201% of net revenues. The total principal and interest remaining to be paid on the bonds is \$25,928,330. Principal and interest paid for the current year and total customer net revenues were \$579,360 and \$1,170,710, respectively.

CITY OF LIBERTY, MISSOURI

Notes To Basic Financial Statements (*Continued*)

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 originally issued in December 2004 and refunded in 2015. 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 \$4,525,692, payable through 2026. For the current year, principal and interest paid and total incremental PILOTS and EATS revenues were \$538,484 and \$603,565, respectively.

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 community improvement district (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 \$7,426,873 payable through 2029. For the current year, principal and interest paid and total incremental PILOTS, EATS and CID revenues were \$493,277 and \$763,031, 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 \$8,420,379 payable through 2030. For the current year, principal and interest paid and total incremental PILOTS, EATS and CID revenues were \$515,727 and \$1,049,437, respectively.

The City has pledged a portion of future PILOTS and EATS revenues to repay \$40,160,000 in Tax Increment Revenue Bonds issued in September 2015. The bonds were used to finance the Liberty Commons Project. The bonds are payable solely from the incremental property, sales taxes, CID sales tax, TDD sales tax, and City Hotel Sales Tax Rebate generated by increased development in the TIF district. Incremental PILOTS, EATS and CID sales tax, TDD sales tax, and City Hotel Sales Tax Rebate were projected to produce \$94,520,800 over the life of the bonds. Total principal and interest remaining on the bonds is \$100,469,919 payable through 2046. For the current year, principal and interest paid and total incremental revenues were \$410,927 and \$0, respectively.

CITY OF LIBERTY, MISSOURI

Notes To Basic Financial Statements (*Continued*)

Conduit Debt

The City has issued industrial development bonds to provide financial assistance to private businesses for economic development purposes. The debt is payable solely from payments received from the private businesses involved. As of December 31, 2015, there were six issues of industrial revenue bonds outstanding. These issues have an aggregate original issue amount of approximately \$375 million and a balance as of December 31, 2015 of approximately \$362 million.

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	TIF	\$ 98,033
General	Nonmajor governmental funds	19,023
Capital sales tax	Parks	95,000
Parks	Nonmajor governmental funds	30
Nonmajor	General	16
Nonmajor	Nonmajor governmental funds	441
		<u>\$ 212,543</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	\$ 608,020	\$ 47,750
Parks	656,524	79,000
Transportation sales tax	—	259,020
TIF	903,762	903,762
Fire sales tax	—	285,000
Nonmajor governmental funds	62,500	656,274
	<u>\$ 2,230,806</u>	<u>\$ 2,230,806</u>

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect 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.

Payments to the general fund by the enterprise funds for certain administrative, accounting, legal and other services for the year ended December 31, 2015 were \$283,400.

6. Missouri Local Government Employees Retirement System (LAGERS)

General Information about the Pension Plan

Plan Description - The City of Liberty’s defined benefit pension plan provides certain retirement, disability and death benefits to plan members and beneficiaries. The City of Liberty participates in the Missouri Local Government Employees Retirement System (LAGERS). LAGERS is an agent multiple-employer, statewide public employee pension plan established in 1967 and administered in accordance with RSMo. 70.600-70.755. As such, it is LAGERS 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 responsibility for the operations and administration of LAGERS is vested in the LAGERS Board of Trustees consisting of seven persons. LAGERS issues a publicly available financial report that includes financial statements and required supplementary information. This report may be obtained by accessing the LAGERS website at www.molagers.org.

Benefits provided - LAGERS provides retirement, death and disability benefits. Benefit provisions are adopted by the governing body of the employer, within the options available in the state statutes governing LAGERS. All benefits vest after 5 years of credited service. Employees who retire on or after age 60 (55 for police and fire) with 5 or more years of service are entitled to an allowance for life based upon the benefit program information provided below. Employees may retire with an early retirement benefit with a minimum of 5 years of credited service and after attaining age 55 (50 for police and fire) and receive a reduced allowance.

Benefit Multiplier:	2%
Final Average Salary:	5 years
Member Contributions:	4%

Benefit terms provide for annual postretirement adjustments to each member’s retirement allowance subsequent to the member's retirement date. The annual adjustment is based on the increase in the Consumer Price Index and is limited to 4% per year.

Employees Covered by Benefit Terms at December 31, 2015, the following employees were covered by benefit terms:

	General	Police Officers	Firefighters	Total
Retirees and beneficiaries				
currently receiving benefits	71	21	28	120
Terminated vested members	60	13	15	88
Fully vested active members	126	36	43	205
Total	<u>257</u>	<u>70</u>	<u>86</u>	<u>413</u>

CITY OF LIBERTY, MISSOURI

Notes To Basic Financial Statements (*Continued*)

Contributions - The City is required to contribute amounts at least equal to the actuarially determined rate, as established by LAGERS. The actuarially determined rate is an estimated amount necessary to finance the cost of benefits earned by employees during the year, with an additional amount to finance an unfunded accrued liability. Full-time employees of the City contribute 4% of their gross pay to LAGERS. Employer contribution rates are 8.6% (General), 14.4% (Police) and 20.6% (Fire) of annual covered payroll.

Net Pension Liability

The City's net pension liability was measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of February 28, 2015. The roll-forward of total pension liability from February 28, 2015 to June 30, 2015, reflects expected service cost and interest reduced by actual benefit payments and administrative expenses.

Actuarial Assumptions - The total pension liability in the February 28, 2015, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial cost method	Entry age normal
Inflation	3.5% wage inflation, 3.0% price inflation
Salary increases	3.5% to 6.8%, including wage inflation
Net investment rate of return	7.25%
Retirement age	Experience-based table of rates that are specific to the type of eligibility condition.
Mortality	105% of the 1994 Group Annuity Mortality Table set back 0 years for men and 0 years for women. Based upon experience observed during the most recent 5 year period study, it appears that the current table provides for an approximate 13% margin for future mortality improvement.

The actuarial assumptions used in the February 28, 2015 valuation were based on the results of an actuarial experience study for the period March 1, 2005 through February 28, 2010.

CITY OF LIBERTY, MISSOURI

Notes To Basic Financial Statements (*Continued*)

The long-term expected rate of return on pension plan investments was determined using a model method in which the best-estimate ranges of expected future real rates of returns (expected returns, net of investment expenses and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Equity	48.50%	5.50%
Fixed Income	25.00%	2.25%
Real Assets	20.00%	4.50%
Strategic Assets	6.50%	7.50%

Discount Rate - The discount rate used to measure the total pension liability is 7.25%. The projection of cash flows used to determine the discount rate assumes that employer and employee contributions will be made at the rates agreed upon for employees and the actuarially determined rates for employers. Based on these assumptions, the pensions plan’s fiduciary net position was projected to be available to pay all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payment to determine the total pension liability.

Changes in the Net Pension Liability

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Changes in Net Pension Liability (Asset) (a) - (b)
Balances as of January 1, 2015	\$ 44,539,019	\$ 41,722,810	\$ 2,816,209
Changes for the year:			
Service cost	1,290,766	-	1,290,766
Interest on total pension liability	3,211,265	-	3,211,265
Difference between expected and actual experience	(95,628)	-	(95,628)
Benefit payments	(1,790,929)	(1,790,929)	-
Employer contributions	-	1,405,597	(1,405,597)
Employee contributions	-	442,608	(442,608)
Net investment income	-	822,220	(822,220)
Administrative expenses	-	(35,605)	35,605
Other (Net Transfer)	-	(256,996)	256,996
Net changes	<u>2,615,474</u>	<u>586,895</u>	<u>2,028,579</u>
Balances as of December 31, 2015	<u>\$ 47,154,493</u>	<u>\$ 42,309,705</u>	<u>\$ 4,844,788</u>

CITY OF LIBERTY, MISSOURINotes To Basic Financial Statements (*Continued*)

Sensitivity of the Net Pension Liability to Changes in the Discount Rate - The following sensitivity analysis presents the net pension liability of the City, calculated using the discount rate of 7.25% as well as what the City's net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.25%) or one percentage point higher (8.25%) than the current rate:

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Total pension liability	\$ 54,322,973	\$ 47,154,493	\$ 41,207,863
Fiduciary net position	<u>42,309,705</u>	<u>42,309,705</u>	<u>42,309,705</u>
Net pension liability (asset)	<u>\$ 12,013,268</u>	<u>\$ 4,844,788</u>	<u>\$ (1,101,842)</u>

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pension

For the year ended December 31, 2015, the City recognized pension expense of \$1,761,269 related to LAGERS. The City reported deferred outflows and inflows of resources related to LAGERS from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 154,772	\$ (236,907)
Net difference between projected and actual earnings	1,755,442	—
Contributions subsequent to the measurement date*	<u>716,060</u>	<u>—</u>
Total	<u>\$ 2,626,274</u>	<u>\$ (236,907)</u>

*The amount reported as deferred outflows of resources resulting from contributions subsequent to the measurement date will be recognized as a reduction in the net pension liability for the year ending December 31, 2016.

CITY OF LIBERTY, MISSOURI

Notes To Basic Financial Statements (*Continued*)

Amounts reported as deferred outflows and deferred inflows or resources related to LAGERS will be recognized in pension expense as follows:

Year ended December 31:	
2016	\$ 425,767
2017	425,767
2018	425,767
2019	425,769
2020	(13,093)
Thereafter	<u>(16,670)</u>
Total	<u>\$ 1,673,307</u>

Allocation of LAGERS Net Pension Liability

The City's full-time equivalents at December 31, 2015, was used to allocate the net pension liability and deferred inflows of resources and deferred outflows of resources related to pension.

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/encumbrances on uncompleted construction contracts is as follows:

Capital projects:	
General Fund	\$ 129,743
Capital Sales Tax	526,306
Transportation Sales Tax	35,000
NonMajor Funds	63,535
Water Capital	421,803
Wastewater Capital	16,348
WWTP	<u>46,845,138</u>
	<u>\$ 48,037,873</u>

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, 2015, 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. Reimbursement Projects

The City has entered into various Redevelopment Agreements (Agreements) with various redevelopers whereby the redeveloper has agreed to construct certain improvements under specific agreements approved by the City. Under the Agreements, the City reimburses the redeveloper, with interest, for project costs incurred by the redeveloper in an amount not to exceed the maximum reimbursable project costs specified in the Agreements. These reimbursements are payable solely from tax increment revenue (payment in lieu of taxes and economic activity taxes) generated by each project and are not a general obligation of the City. Tax increment revenue is based on the project's current property value and retail sales performance. The redevelopment agreements have original expiration terms of 23 years. Tax increment revenue received is paid to the developer monthly for reimbursable project costs. As of December 31, 2015, the City has the following open redevelopment agreements:

	Unpaid Reimbursable Project Costs	
Triangle (Areas B - H)	\$	13,210,852
Blue Jay Crossing		553,795
Rogers		130,945
	\$	<u>13,895,592</u>

The unpaid reimbursable project costs only become a liability to the City once developer reimbursement requests are received and approved by the City and applicable incremental sales and property taxes are received by the City. As of December 31, 2015, the City did not accrue a liability for these unpaid reimbursable project costs.

10. 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.

CITY OF LIBERTY, MISSOURI

Notes To Basic Financial Statements (*Continued*)

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 with the liability reported as part of accounts payable and accrued liabilities. Changes in the City's unemployment claims liability amounts in 2015 were:

Year	Beginning Of Year Liability	Current Year Claims And Changes In Estimates	Claims Payments	Balance Year Ended
2015	\$ 29,894	\$ 533	\$ -	\$ 29,361

11. 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's 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.

CITY OF LIBERTY, MISSOURI

Notes To Basic Financial Statements (Continued)

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, 2015, 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 years ended December 31, 2015, 2014 and 2013 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
2015	\$ 378,691	\$ 86,874	\$ 17,041	\$ 22,247	\$ 81,668	\$ 19,000	\$ 441,359
2014	308,053	86,874	13,862	18,098	82,638	12,000	378,691
2013	247,324	80,685	12,366	15,322	77,729	17,000	308,053

For The Year Ended December 31,	Annual OPEB Cost	Percentage Of Annual OPEB Cost Contributed	Net OPEB Obligation
2015	\$ 81,668	23%	\$ 441,359
2014	82,638	15%	378,691
2013	77,729	22%	308,053

As of December 31, 2015, the funded status of the plan is as follows:

Actuarial Accrued Liability	\$ 591,737
Actuarial Value Of Assets	—
Unfunded Actuarial Accrued Liability (UAAL)	\$ 591,737
Funded Ratio	0%
Covered Payroll	\$ 9,519,461
UAAL As Percentage Of Covered Payroll	6.2%

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

Calculations 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 are designed to reduce 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 July 1, 2013 actuarial valuation (most recent available), the liabilities were computed using the projected unit credit cost method with the unfunded actuarial accrued liability amortized over 30 years on a level-dollar, open period amortization basis. The actuarial assumptions utilized a 4.5% investment rate of return and a medical and dental inflation rate of 7% and 3.75%, respectively. The inflation rate assumption is 2.5% and there are no projected salary or post-retirement benefit increases used in this valuation. The City is only required to get an actuarial valuation on a bi-annual basis.

12. Fund Balance Deficits

As December 31, 2015, the PFA Construction Fund had a fund deficit of \$19,028 that will be resolved in future years by transfers from the Parks Capital Fund.

13. Restatement of Beginning Balances

Change in Accounting Principle

In 2015, the City implemented the provisions of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27 (GASB 68)*, which established accounting and financial reporting standards for pension plans. Adoption of GASB 68 changed the method the agent multiemployer defined benefit pension plan reported in both the governmental activities and proprietary funds.

Effective concurrently with GASB 68, GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date* (GASB 71) clarified that even if it is not practical to determine the amount of all deferred outflows and deferred inflows related to pensions at transition, pension contributions made by an employer between the measurement date and its fiscal year end should be reported as a deferred outflow of resources at transition to GASB 68. See *Note 6* for information about the pension plan.

CITY OF LIBERTY, MISSOURINotes To Basic Financial Statements (*Continued*)**Correction of Errors**

In 2015, the City determined that certain capital assets with a cost of \$52,190 in the governmental activities and \$1,375,716 in the proprietary activities were not being depreciated. These assets, which were placed in service in various years from 2005-2008, were overstated by \$24,927 in the governmental activities and \$355,764 in the business-type activities, due to not being depreciated appropriately.

In 2015, the City determined that an asset previously included in construction in progress of \$4,200,000 was not to be owned or maintained by the City going forward and that the moneys represented a contribution to the Missouri Highways and Transportation through a cost apportionment agreement. These assets should have been expensed on the statement of activities, resulting in a decrease in the beginning net position of the governmental activities of \$4,200,000.

The City determined in 2015 that certain premiums and discounts carried within long-term debt did not agree to the original amortization schedules for various bond issuances as well as a deferred loss on refunding was not amortized over the remaining life of the old debt or the life of the new debt, whichever is shorter. The correction of the items resulted in a decrease in the beginning net position of the governmental activities of \$85,712 and a decrease in the beginning net position of business-type activities of \$4,228.

In 2015, the City determined that certain development agreements entered into with developers had deposits that were historically recorded as long-term liabilities of the City should have been recorded as restricted cash and contribution revenue. The restatement resulted in an increase in the beginning net position on both the governmental activities and the Capital Sales Tax Fund of \$365,730.

As a result of the adoption of GASB 68, GASB 71 and the additional restatements of beginning balances, the following adjustments were made to opening net position as of December 31, 2015 on the government-wide financials:

	Government Activities	Business-Type Activities
Net position, beginning of year, as previously reported	\$ 39,931,187	\$ 50,705,199
Change in beginning net position for statement (GASB 68 & 71)	(1,784,259)	118,903
Restatement for assets not being depreciated	(24,927)	(355,764)
Restatement for assets not owned by the City	(4,200,000)	—
Restatement for premium/discount and deferred loss	(85,712)	(4,228)
Restatement for due to developer	365,730	—
Net position, beginning of year, as restated	<u>\$ 34,202,019</u>	<u>\$ 50,464,110</u>

CITY OF LIBERTY, MISSOURINotes To Basic Financial Statements (*Continued*)

	<u>Water</u>	<u>Sewer</u>	<u>Sanitation</u>
Net position, beginning of year, as previously reported	\$ 29,457,899	\$ 21,239,399	\$ 7,901
Change in beginning net position for statement (GASB 68 & 71)	72,685	44,706	1,512
Restatement for assets not being depreciated	(323,263)	(32,501)	—
Restatement for premium/discount and deferred loss	(83,638)	79,410	—
Net position, beginning of year, as restated	<u>\$ 29,123,683</u>	<u>\$ 21,331,014</u>	<u>\$ 9,413</u>

In addition to the government-wide financial restatements the governmental funds beginning fund balance was restated. The governmental funds use the current financial resources measurement focus and the modified accrual basis of accounting. In 2015, the City determined that certain revenues were not considered available as of the prior year, as they were not collected within 60 days of the end of the fiscal period. As a result of this and the restatement for due to developer, the following adjustments were made to opening fund balance as of December 31, 2015 on the governmental fund financial statements:

	<u>General Fund</u>	<u>Capital Sales Tax Fund</u>
Net position, beginning of year, as previously reported	\$ 4,178,397	\$ 7,799,241
Restatement for revenues not available	(181,471)	—
Restatement for due to developer	—	365,730
Net position, beginning of year, as restated	<u>\$ 4,178,397</u>	<u>\$ 8,164,971</u>

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, 2015**

	Budget Final	Actual	Variance With Final Budget (Over) Under
Revenues			
Taxes	\$ 13,436,340	\$ 13,203,582	\$ 232,758
Intergovernmental	364,520	370,957	(6,437)
Charges for services	1,922,220	1,740,363	181,857
Licenses and permits	389,800	339,462	50,338
Investment earnings	20,700	14,786	5,914
Miscellaneous	586,600	558,444	28,156
Total Revenues	16,720,180	16,227,594	492,586
Expenditures			
Current:			
General government	4,819,228	4,567,131	252,097
Community development and improvement	645,990	628,390	17,600
Public works	2,404,990	2,361,012	43,978
Culture and recreation	354,270	335,457	18,813
Public safety	9,607,964	9,507,615	100,349
Debt service:			
Principal retirement	299,410	299,405	5
Interest and fiscal charges	44,850	44,714	136
Bond issuance costs	-	837	(837)
Total Expenditures	18,176,702	17,744,561	432,141
Revenues Under Expenditures	(1,456,522)	(1,516,967)	60,445
Other Financing Sources			
Issuance of long-term debt	201,744	101,744	100,000
Capital lease	295,370	395,368	(99,998)
Transfers in	608,020	608,020	-
Transfers out	(47,750)	(47,750)	-
Total Other Financing Sources (Uses)	1,057,384	1,057,382	2
Net Change In Fund Balances	\$ (399,138)	(459,585)	\$ 60,447
Fund Balances - Beginning of Year, as restated		3,996,926	
Fund Balances - End of Year		\$ 3,537,341	

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, 2015**

	Budget Final	Actual	Variance With Final Budget (Over) Under
Revenues			
Taxes	\$ 723,740	\$ 746,103	\$ (22,363)
Intergovernmental	-	10,000	(10,000)
Charges for services	2,534,120	2,314,001	220,119
Investment earnings	100	3,715	(3,615)
Miscellaneous	10,250	14,965	(4,715)
Total Revenues	3,268,210	3,088,784	179,426
Expenditures			
Current:			
Culture and recreation	3,732,870	3,752,552	(19,682)
Debt service:			
Principal retirement	35,520	35,521	(1)
Interest and fiscal charges	2,210	1,905	305
Bond issuance costs	-	-	-
Total Expenditures	3,770,600	3,789,978	(19,378)
Revenues Under Expenditures	(502,390)	(701,194)	198,804
Other Financing Sources (Uses)			
Capital lease	-	-	-
Transfers in	530,910	656,524	(125,614)
Transfers out	(149,520)	(79,000)	(70,520)
Total Other Financing Sources (Uses)	381,390	577,524	(196,134)
Net Change In Fund Balances	\$ (121,000)	(123,670)	\$ 2,670
Fund Balances - Beginning of Year		599,460	
Fund Balances - End of Year		\$ 475,790	

CITY OF LIBERTY, MISSOURI

REQUIRED SUPPLEMENTARY INFORMATION NOTES TO BUDGETARY COMPARISON INFORMATION December 31, 2015

1. Budgetary Data

A legally adopted annual budget is prepared for governmental fund types, except for the PFA Construction and Tax Abatement Funds, by the City Administrator and presented to the 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.

2. Exceptions To Budgetary Laws And Regulations

Expenditures exceeded appropriations in the Parks Fund, Police Training Fund, Frank Hughes Memorial Trust Fund, Mt. Memorial Trust Fund and Fairview Cemetery Fund by \$19,378, \$648, \$14, \$257 and \$74, respectively.

CITY OF LIBERTY, MISSOURI

ADDITIONAL REQUIRED SUPPLEMENTARY INFORMATION Schedule of Changes in the City's Net Pension Liability and Related Ratio Missouri Local Government Employees Retirement System

Total Pension Liability	
Service cost	\$ 1,290,766
Interest on total pension liability	3,211,265
Difference between expected and actual experience	(95,628)
Effect of assumption changes or inputs	—
Benefit payments	<u>(1,790,929)</u>
Net Change in Total Pension Liability	2,615,474
Total Pension Liability - Beginning	<u>44,539,019</u>
Total Pension Liability - Ending (a)	<u>47,154,493</u>
Fiduciary Net Position	
Employer contributions	1,405,597
Employee contributions	442,608
Net investment income (loss)	822,220
Benefit payments	(1,790,929)
Administrative expenses	(35,605)
Other (net transfer)	<u>(256,996)</u>
Net Change in Fiduciary Net Position	586,895
Fiduciary Net Position - Beginning	<u>41,722,810</u>
Fiduciary Net Position - Ending (b)	<u>42,309,705</u>
Net Pension Liability, Ending = (a) - (b)	<u>\$ 4,844,788</u>
Fiduciary Net Position as a Percentage of Total Pension Liability	89.73%
Covered Payroll	\$ 10,833,407
Net Pension Liability as a Percentage of Covered Payroll	44.72%

This information is presented as of the measurement date (June 30). This schedule is intended to present 10 years of information. Additional years will be added as information becomes available.

CITY OF LIBERTY, MISSOURI

ADDITIONAL REQUIRED SUPPLEMENTARY INFORMATION (Continued)

Schedule of City Contributions

Missouri Local Government Employees Retirement System

Fiscal Year Ending December 31	Actuarially Determined Contribution	Actual Employer Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contribution as a % of Covered Payroll
2006	\$ 779,704	\$ 739,662	\$ 40,042	\$ 9,137,509	8.09%
2007	681,750	681,751	(1)	9,363,873	7.28%
2008	744,216	736,513	7,703	10,011,811	7.36%
2009	653,476	653,476	—	9,858,988	6.63%
2010	959,902	728,251	231,651	9,504,304	7.66%
2011	990,573	832,250	158,323	9,672,270	8.60%
2012	1,082,418	976,076	106,342	10,261,441	9.51%
2013	1,084,760	1,392,354	(307,594)	10,631,361	13.10%
2014	1,426,079	1,426,081	(2)	11,022,687	12.94%
2015	1,449,446	1,413,118	36,328	11,302,557	12.50%

Notes to Schedule:

Actuarial cost method	Entry age normal
Amortization method	Level percentage of payroll, closed
Remaining amortization period	Multiple bases from 14 to 25 years
Asset valuation method	5 year smoothed market, 20% corridor
Inflation	3.5% wage inflation, 3.0% price inflation
Salary increases	3.5% to 8.6%, including wage inflation
Net investment rate of return	7.25%
Retirement age	Experience-based table of rates that are specific to the type of eligibility condition.
Mortality	105% of the 1994 Group Annuity Mortality Table set back 0 years for men and 0 years for women. Based upon experience observed during the most recent 5 year period study, it appears that the current table provides for an approximate 13% margin for future mortality improvement.

CITY OF LIBERTY, MISSOURI

ADDITIONAL REQUIRED SUPPLEMENTARY INFORMATION *(Continued)* December 31, 2015

Other Post-Employment Benefits

Schedule Of Funding Progress

Actuarial Valuation Date*	Actuarial Value Of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL As A Percentage Of Covered Payroll ((b-a)/c)
December 31, 2010	—	\$ 1,344,000	\$ 1,344,000	—	\$ 14,148,000	9%
July 1, 2011	—	539,777	539,777	—	9,337,615	6%
July 1, 2013	—	591,737	591,737	—	9,519,461	6%

* 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, 2015

	Special Revenue	Capital Projects	Permanent	Total
Assets				
Cash and investments	\$ 116,997	\$ 88,358	\$ 430,558	\$ 635,913
Receivables, net of allowance for uncollectibles:				
Taxes	-	154,565	-	154,565
Accounts	1,066	13,147	3,010	17,223
Accrued interest	139	1,202	466	1,807
Due from other funds	457	-	-	457
Restricted assets:				
Investments	-	1,621,698	-	1,621,698
Accrued interest	-	34	-	34
Total Assets	\$ 118,659	\$ 1,879,004	\$ 434,034	\$ 2,431,697
Liabilities				
Accounts payable and accrued liabilities	\$ 2,457	\$ -	\$ -	\$ 2,457
Deposits	2,460	-	-	2,460
Due to other funds	-	19,028	466	19,494
Total Liabilities	4,917	19,028	466	24,411
Fund Balances				
Nonspendable:				
Permanent fund principal	-	-	433,568	433,568
Restricted for:				
Parks and recreation	-	1,774,670	-	1,774,670
Cemetery	72,637	-	-	72,637
Law enforcement	4,881	-	-	4,881
Other purposes	36,224	104,334	-	140,558
Unassigned	-	(19,028)	-	(19,028)
Total Fund Balances	113,742	1,859,976	433,568	2,407,286
Total Liabilities and Fund Balances	\$ 118,659	\$ 1,879,004	\$ 434,034	\$ 2,431,697

CITY OF LIBERTY, MISSOURI

COMBINING BALANCE SHEET NONMAJOR SPECIAL REVENUE FUNDS December 31, 2015

	Cemetery	Police Training	Preservation & Development	Total
Assets				
Cash and investments	\$ 75,341	\$ 5,376	\$ 36,280	\$ 116,997
Receivables, net of allowance for uncollectibles:				
Accounts	1,066	-	-	1,066
Accrued interest	91	9	39	139
Due from other funds	457	-	-	457
Total Assets	\$ 76,955	\$ 5,385	\$ 36,319	\$ 118,659
Liabilities				
Accounts payable and accrued liabilities	\$ 1,858	\$ 504	\$ 95	\$ 2,457
Deposits	2,460	-	-	2,460
Total Liabilities	4,318	504	95	4,917
Fund Balances				
Restricted for:				
Cemetery	72,637	-	-	72,637
Law enforcement	-	4,881	-	4,881
Other purposes	-	-	36,224	36,224
Total Fund Balances	72,637	4,881	36,224	113,742
Total Liabilities And Fund Balances	\$ 76,955	\$ 5,385	\$ 36,319	\$ 118,659

CITY OF LIBERTY, MISSOURI

**COMBINING BALANCE SHEET
NONMAJOR CAPITAL PROJECTS FUNDS
December 31, 2015**

	Parks Capital	PFA Construction	Cable Reserve	Transient Guest Tax	Total
Assets					
Cash and investments	\$ (2,750)	\$ -	\$ 34,614	\$ 56,494	\$ 88,358
Receivables, net of allowance for uncollectibles:					
Taxes	154,565	-	-	-	154,565
Accounts	-	-	-	13,147	13,147
Accrued interest	1,123	-	40	39	1,202
Restricted assets:					
Investments	1,621,698	-	-	-	1,621,698
Accrued interest	34	-	-	-	34
Total Assets	\$ 1,774,670	\$ -	\$ 34,654	\$ 69,680	\$ 1,879,004
Liabilities					
Due to other funds	\$ -	\$ 19,028	\$ -	\$ -	\$ 19,028
Total Liabilities	-	19,028	-	-	19,028
Fund Balances					
Restricted for:					
Parks and recreation	1,774,670	-	-	-	1,774,670
Other purposes	-	-	34,654	69,680	104,334
Unassigned	-	(19,028)	-	-	(19,028)
Total Fund Balances	1,774,670	(19,028)	34,654	69,680	1,859,976
Total Liabilities And Fund Balances	\$ 1,774,670	\$ -	\$ 34,654	\$ 69,680	\$ 1,879,004

CITY OF LIBERTY, MISSOURI

COMBINING BALANCE SHEET NONMAJOR PERMANENT FUNDS December 31, 2015

	Frank Hughes Memorial Trust	Mt. Memorial Cemetery Trust	Fairview Cemetery Trust	Total
Assets				
Cash and investments	\$ 30,000	\$ 33,755	\$ 366,803	\$ 430,558
Receivables, net of allowance for uncollectibles:				
Accounts	-	-	3,010	3,010
Accrued interest	33	36	397	466
Total Assets	\$ 30,033	\$ 33,791	\$ 370,210	\$ 434,034
Liabilities				
Due to other funds	\$ 33	\$ 36	\$ 397	\$ 466
Fund Balances				
Nonspendable:				
Permanent fund principal	30,000	33,755	369,813	433,568
Total Liabilities And Fund Balances	\$ 30,033	\$ 33,791	\$ 370,210	\$ 434,034

CITY OF LIBERTY, MISSOURI

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS For The Year Ended December 31, 2015

	Special Revenue	Capital Projects	Permanent	Total
Revenues				
Taxes	\$ -	\$ 1,080,092	\$ -	\$ 1,080,092
Charges for services	55,846	-	-	55,846
Investment earnings	513	3,116	1,615	5,244
Miscellaneous	47,348	26,156	6,075	79,579
Total Revenues	103,707	1,109,364	7,690	1,220,761
Expenditures				
Current:				
General government	-	58,134	-	58,134
Culture and recreation	-	208,194	-	208,194
Cemetery maintenance	50,463	-	1,615	52,078
Public safety	30,648	-	-	30,648
Capital outlay	11,188	211,641	-	222,829
Debt service:				
Principal retirement	-	160,000	-	160,000
Interest and fiscal charges	-	19,899	-	19,899
Bond issuance costs	-	21,949	-	21,949
Total Expenditures	92,299	679,817	1,615	773,731
Revenues Over Expenditures	11,408	429,547	6,075	447,030
Other Financing Sources (Uses)				
Issuance of long-term debt	-	1,403,285	-	1,403,285
Transfers in	47,750	14,750	-	62,500
Transfers out	(47,750)	(608,524)	-	(656,274)
Total Other Financing Sources (Uses)	-	809,511	-	809,511
Net Change In Fund Balances	11,408	1,239,058	6,075	1,256,541
Fund Balances - Beginning of Year, as restated	102,334	620,918	427,493	1,150,745
Fund Balances - End of Year	\$ 113,742	\$ 1,859,976	\$ 433,568	\$ 2,407,286

CITY OF LIBERTY, MISSOURI

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - NONMAJOR SPECIAL REVENUE FUNDS
For The Year Ended December 31, 2015**

	Cemetery	Police Training	Preservation & Development	Total
Revenues				
Charges for services	\$ 41,695	\$ 13,996	\$ 155	\$ 55,846
Investment earnings	341	36	136	513
Miscellaneous	2,701	-	44,647	47,348
Total Revenues	44,737	14,032	44,938	103,707
Expenditures				
Current:				
Cemetery maintenance	50,463	-	-	50,463
Public safety	-	30,648	-	30,648
Capital outlay	11,188	-	-	11,188
Total Expenditures	61,651	30,648	-	92,299
Revenues Over (Under) Expenditures	(16,914)	(16,616)	44,938	11,408
Other Financing Sources (Uses)				
Transfers in	47,750	-	-	47,750
Transfers out	(47,750)	-	-	(47,750)
Total Other Financing Sources (Uses)	-	-	-	-
Net Change In Fund Balances	(16,914)	(16,616)	44,938	11,408
Fund Balances - Beginning of Year	89,551	21,497	(8,714)	102,334
Fund Balances - End of Year	\$ 72,637	\$ 4,881	\$ 36,224	\$ 113,742

CITY OF LIBERTY, MISSOURI

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - NONMAJOR CAPITAL PROJECTS FUNDS For The Year Ended December 31, 2015

	Parks Capital	PFA Construction	Cable Reserve	Transient Guest Tax	Total
Revenues					
Taxes	\$ 943,560	\$ -	\$ -	\$ 136,532	\$ 1,080,092
Intergovernmental	-	-	-	-	-
Investment earnings	2,907	-	146	63	3,116
Miscellaneous	26,159	(2)	-	(1)	26,156
Total Revenues	972,626	(2)	146	136,594	1,109,364
Expenditures					
Current:					
General government	-	-	8,994	49,140	58,134
Culture and recreation	192,420	-	-	15,774	208,194
Capital outlay	211,641	-	-	-	211,641
Debt service:					
Principal retirement	160,000	-	-	-	160,000
Interest and fiscal charges	19,899	-	-	-	19,899
Bond issuance costs	21,949	-	-	-	21,949
Total Expenditures	605,909	-	8,994	64,914	679,817
Revenues Over (Under) Expenditures	366,717	(2)	(8,848)	71,680	429,547
Other Financing Sources (Uses)					
Issuance of long-term debt	1,403,285	-	-	-	1,403,285
Transfers in	4,750	10,000	-	-	14,750
Transfers out	(606,524)	-	-	(2,000)	(608,524)
Total Other Financing Sources (Uses)	801,511	10,000	-	(2,000)	809,511
Net Change In Fund Balances	1,168,228	9,998	(8,848)	69,680	1,239,058
Fund Balances - Beginning of Year	606,442	(29,026)	43,502	-	620,918
Fund Balances - End of Year	\$ 1,774,670	\$ (19,028)	\$ 34,654	\$ 69,680	\$ 1,859,976

CITY OF LIBERTY, MISSOURI

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - NONMAJOR PERMANENT FUNDS For The Year Ended December 31, 2015

	Frank Hughes Memorial Trust	Mt. Memorial Cemetery Trust	Fairview Cemetery Trust	Total
Revenues				
Investment earnings	\$ 114	\$ 127	\$ 1,374	\$ 1,615
Miscellaneous	-	-	6,075	6,075
Total Revenues	114	127	7,449	7,690
Expenditures				
Current:				
Cemetery maintenance	114	127	1,374	1,615
Revenues Over Expenditures	-	-	6,075	6,075
Other Financing Uses				
Transfers out	-	-	-	-
Net Change In Fund Balances	-	-	6,075	6,075
Fund Balances - Beginning of Year	30,000	33,755	363,738	427,493
Fund Balances - End of Year	\$ 30,000	\$ 33,755	\$ 369,813	\$ 433,568

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, 2015**

	Final Budget	Actual	Variance With Final Budget - (Over) Under
Revenues			
Taxes	\$ 1,814,280	\$ 1,874,300	\$ (60,020)
Intergovernmental	367,280	595,758	(228,478)
Investment earnings	12,500	28,790	(16,290)
Miscellaneous	7,050	122,993	(115,943)
Total Revenues	2,201,110	2,621,841	(420,731)
Expenditures			
Current:			
Public works	934,220	1,439,286	(505,066)
Capital outlay	2,048,140	1,551,321	496,819
Debt service:			
Principal retirement	408,500	393,357	15,143
Interest and fiscal charges	233,760	232,576	1,184
Total Expenditures	3,624,620	3,616,540	8,080
Revenues Under Expenditures	(1,423,510)	(994,699)	(428,811)
Net Change In Fund Balances	<u>\$(1,423,510)</u>	<u>(994,699)</u>	<u>\$ (428,811)</u>
Fund Balance - Beginning of Year		<u>8,164,971</u>	
Fund Balance - End of Year		<u><u>\$ 7,170,272</u></u>	

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, 2015**

	Final Budget	Actual	Variance With Final Budget - (Over) Under
Revenues			
Taxes	\$ 1,854,280	\$ 1,900,625	\$ (46,345)
Investment earnings	6,000	814	5,186
Miscellaneous	-	-	-
Total Revenues	1,860,280	1,901,439	(41,159)
Expenditures			
Current:			
Community development and improvement	118,350	43,220	75,130
Public works	-	9,115	(9,115)
Debt service:			
Principal retirement	1,510,000	1,510,000	-
Interest and fiscal charges	207,560	207,773	(213)
Total Expenditures	1,835,910	1,770,108	65,802
Revenues Over (Under) Expenditures	24,370	131,331	(106,961)
Other Financing Sources (Uses)			
Transfers out	(254,020)	(259,020)	5,000
Net Change In Fund Balances	\$ (229,650)	(127,689)	\$ (101,961)
Fund Balance - Beginning of Year		1,062,662	
Fund Balance - End of Year		\$ 934,973	

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, 2015

	Final Budget	Actual	Variance With Final Budget - (Over) Under
Revenues			
Taxes	\$ 4,244,240	\$ 4,262,616	\$ (18,376)
Investment earnings	400	958	(558)
Miscellaneous	7,500	8,277	(777)
Total Revenues	4,252,140	4,271,851	(19,711)
Expenditures			
Current:			
General government	20,500	22,284	(1,784)
Community development and improvement	33,478,330	22,130,982	11,347,348
Public works	48,772	129,030	(80,258)
Debt service:			
Principal retirement	735,000	1,134,987	(399,987)
Interest and fiscal charges	1,055,840	1,014,829	41,011
Bond issuance costs	-	1,807,615	(1,807,615)
Payments to refunding bond escrow agent	-	500,013	(500,013)
Total Expenditures	35,338,442	26,739,740	10,906,330
Revenues Over (Under) Expenditures	(31,086,302)	(22,467,889)	(10,926,041)
Other Financing Sources (Uses)			
Issuance of long-term debt	40,160,000	44,338,733	(4,178,733)
Payments to refunding escrow agent	-	(4,435,000)	4,435,000
Transfers in	-	903,762	(903,762)
Transfers out	-	(903,762)	903,762
Total Other Financing Sources (Uses)	40,160,000	39,903,733	256,267
Net Change In Fund Balances	\$ 9,073,698	17,435,844	\$ (10,669,774)
Fund Balance - Beginning of Year		5,019,769	
Fund Balance - End of Year		\$ 22,455,613	

CITY OF LIBERTY, MISSOURI

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

CEMETERY FUND

For The Year Ended December 31, 2015

	Final Budget	Actual	Variance With Final Budget - (Over) Under
Revenues			
Charges for services	\$ 41,100	\$ 41,695	\$ (595)
Investment earnings	300	341	(41)
Miscellaneous	-	2,701	(2,701)
Total Revenues	41,400	44,737	(3,337)
Expenditures			
Current:			
Cemetery maintenance	53,180	50,463	2,717
Capital outlay	20,000	11,188	8,812
Total Expenditures	73,180	61,651	11,529
Revenues Under Expenditures	(31,780)	(16,914)	(14,866)
Other Financing Sources (Uses)			
Transfers in	49,180	47,750	1,430
Transfers out	(47,750)	(47,750)	-
Total Other Financing Sources (Uses)	1,430	-	1,430
Net Change In Fund Balances	\$ (30,350)	(16,914)	\$ (13,436)
Fund Balance - Beginning of Year		89,551	
Fund Balance - End of Year		\$ 72,637	

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, 2015**

	Final Budget	Actual	Variance With Final Budget - (Over) Under
Revenues			
Charges for services	\$ 17,900	\$ 13,996	\$ 3,904
Investment earnings	100	36	64
Total Revenues	18,000	14,032	3,968
Expenditures			
Current:			
Public safety	30,000	30,648	(648)
Net Change In Fund Balances	\$ (12,000)	(16,616)	\$ 4,616
Fund Balance - Beginning of Year		<u>21,497</u>	
Fund Balance - End of Year		<u><u>\$ 4,881</u></u>	

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, 2015**

	Final Budget	Actual	Variance With Final Budget - (Over) Under
Revenues			
Taxes	\$ 907,160	\$ 943,560	\$ (36,400)
Intergovernmental	58,500	-	58,500
Investment earnings	500	2,907	(2,407)
Miscellaneous	15,000	26,159	(11,159)
Total Revenues	981,160	972,626	8,534
Expenditures			
Current:			
Culture and recreation	371,700	192,420	179,280
Capital outlay	160,500	211,641	(51,141)
Debt service:			
Principal retirement	160,000	160,000	-
Interest and fiscal charges	19,800	19,899	(99)
Bond issuance costs	22,840	21,949	891
Total Expenditures	734,840	605,909	128,931
Revenues Over (Under) Expenditures	246,320	366,717	(120,397)
Other Financing Sources (Uses)			
Issuance of long-term debt	1,403,290	1,403,285	5
Transfers in	2,750	4,750	(2,000)
Transfers out	(415,390)	(606,524)	191,134
Total Other Financing Sources (Uses)	990,650	801,511	189,139
Net Change In Fund Balances	\$ 1,236,970	1,168,228	\$ 68,742
Fund Balance - Beginning of Year		606,442	
Fund Balance - End of Year		\$ 1,774,670	

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, 2015**

	Final Budget	Actual	Variance With Final Budget - (Over) Under
Revenues			
Taxes	\$ 827,510	\$ 937,070	\$ (109,560)
Investment earnings	500	4,407	(3,907)
Miscellaneous	135,000	85,000	50,000
Total Revenues	963,010	1,026,477	(63,467)
Expenditures			
Current:			
Public safety	1,236,710	1,988,413	(751,703)
Capital outlay	1,939,080	598,111	1,340,969
Debt service:			
Principal retirement	-	429,931	(429,931)
Interest and fiscal charges	-	68,335	(68,335)
Bond issuance costs	-	-	-
Total Expenditures	3,175,790	3,084,790	91,000
Revenues Under Expenditures	(2,212,780)	(2,058,313)	(154,467)
Other Financing Sources (Uses)			
Issuance of long-term debt	1,800,000	-	1,800,000
Transfers out	(285,000)	(285,000)	-
Total Other Financing Sources (Uses)	1,515,000	(285,000)	1,800,000
Net Change In Fund Balances	\$ (697,780)	(2,343,313)	\$ 1,645,533
Fund Balance - Beginning of Year		3,508,795	
Fund Balance - End of Year		\$ 1,165,482	

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, 2015**

	Final Budget	Actual	Variance With Final Budget - (Over) Under
Revenues			
Investment earnings	\$ 210	\$ 146	\$ 64
Expenditures			
Current:			
General government	43,600	8,994	34,606
Net Change In Fund Balances	<u>\$ (43,390)</u>	<u>(8,848)</u>	<u>\$ (34,542)</u>
Fund Balance - Beginning of Year		<u>43,502</u>	
Fund Balance - End of Year		<u>\$ 34,654</u>	

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, 2015**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget - (Over) Under</u>
Revenues			
Investment earnings	\$ 100	\$ 114	\$ (14)
Expenditures			
Current:			
Cemetery maintenance	100	114	(14)
Revenues Over (Under) Expenditures	-	-	-
Other Financing Uses			
Transfers out	-	-	-
Net Change In Fund Balances	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
Fund Balance - Beginning of Year		<u>30,000</u>	
Fund Balance - End of Year		<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, 2015**

	Final Budget	Actual	Variance With Final Budget - (Over) Under
Revenues			
Investment earnings	\$ 130	\$ 127	\$ 3
Expenditures			
Cemetery maintenance	(130)	127	(257)
Net Change In Fund Balances	<u>\$ -</u>	<u>-</u>	<u>\$ (254)</u>
Fund Balance - Beginning of Year		<u>33,755</u>	
Fund Balance - End of Year		<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, 2015**

	Final Budget	Actual	Variance With Final Budget - (Over) Under
Revenues			
Investment earnings	\$ 1,300	\$ 1,374	\$ (74)
Miscellaneous	5,600	6,075	(475)
Total Revenues	6,900	7,449	(549)
Expenditures			
Cemetery maintenance	1,300	1,374	(74)
Net Change In Fund Balances	<u>\$ 2,600</u>	6,075	<u>\$ (623)</u>
Fund Balance - Beginning of Year		<u>363,738</u>	
Fund Balance - End of Year		<u>\$ 369,813</u>	

CITY OF LIBERTY, MISSOURI

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL -
ECONOMIC DEVELOPMENT SALES TAX FUND
For The Year Ended December 31, 2015**

	Final Budget	Actual	Variance With Final Budget - (Over) Under
Taxes	\$ -	\$ 1,260,422	\$ (1,260,422)
Investment earnings	-	23,017	(23,017)
Miscellaneous	28,961,550	-	28,961,550
Total Revenues	28,961,550	1,283,439	27,678,111
Expenditures			
Current:			
Public works	-	146,882	(146,882)
Capital outlay	1,870,000	458,296	1,411,704
Debt service:			
Bond issuance costs	446,260	443,847	2,413
Total Expenditures	2,316,260	1,049,025	1,267,235
Revenues Over Expenditures	26,645,290	234,414	26,410,876
Other Financing Sources			
Issuance of long-term debt	-	28,961,550	(28,961,550)
Net Change In Fund Balances	<u>\$ 26,645,290</u>	29,195,964	<u>\$ (2,550,674)</u>
Fund Balance - Beginning Of Year		<u>-</u>	
Fund Balance - End Of Year		<u><u>\$ 29,195,964</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, 2015

	Balance January 1, 2015	Additions	Deductions	Balance December 31, 2015
Tax Escrow Fund				
Assets				
Cash and cash equivalents	\$ 3,806	\$ -	\$ -	\$ 3,806
Liabilities				
Protested taxes	\$ 3,806	\$ -	\$ -	\$ 3,806
Due to other entities	-	-	-	-
Total Liabilities	\$ 3,806	\$ -	\$ -	\$ 3,806
Triangle CID Sales Tax Fund				
Assets				
Cash and cash equivalents	\$ 49,783	\$ 10,629	\$ -	\$ 60,412
Liabilities				
Due to other entities	\$ 49,783	\$ 10,629	\$ -	\$ 60,412
Total				
Assets				
Cash and cash equivalents	\$ 53,589	\$ 10,629	\$ -	\$ 64,218
Accrued interest	-	-	-	-
Total Assets	\$ 53,589	\$ 10,629	\$ -	\$ 64,218
Liabilities				
Protested taxes	\$ 3,806	\$ -	\$ -	\$ 3,806
Due to other entities	49,783	10,629	-	60,412
Total Liabilities	\$ 53,589	\$ 10,629	\$ -	\$ 64,218

CITY OF LIBERTY, MISSOURI

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

Page 2 Of 2

For The Year Ended December 31, 2015

	Balance January 1, 2015	Additions	Deductions	Balance December 31, 2015
Roger's Plaza CID				
Assets				
Cash and cash equivalents	\$ 57,500	\$ 30,000	\$ -	\$ 87,500
Liabilities				
Due to other entities	\$ 57,500	\$ 30,000	\$ -	\$ 87,500
Blue Jay Crossing CID				
Assets				
Cash and cash equivalents	\$ (1,322)	\$ -	\$ 420	\$ (1,742)
Liabilities				
Due to other entities	\$ (1,322)	\$ -	\$ 420	\$ (1,742)
Liberty Corners CID				
Assets				
Cash and cash equivalents	\$ 36,939	\$ 113	\$ -	\$ 37,052
Liabilities				
Due to other entities	\$ 36,939	\$ 113	\$ -	\$ 37,052
Total				
Assets				
Cash and cash equivalents	\$ 146,706	\$ 40,742	\$ 420	\$ 187,028
Accrued interest	-	-	-	-
Total Assets	\$ 146,706	\$ 40,742	\$ 420	\$ 187,028
Liabilities				
Protested taxes	\$ 3,806	\$ -	\$ -	\$ 3,806
Due to other entities	142,900	40,742	420	183,222
Total Liabilities	\$ 146,706	\$ 40,742	\$ 420	\$ 187,028

Statistical Section

CITY OF LIBERTY, MISSOURI
Statistical Section
December 31, 2015

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

	Page
Financial Trends	
These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	93 - 99
Revenue Capacity	
These schedules contain information to help the reader assess the City's most significant local revenue sources, property and sales tax.	100 - 104
Debt Capacity	
These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.	105 - 108
Demographic And Economic Information	
These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.	109 - 110
Operating Information	
These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.	111 - 115

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

CITY OF LIBERTY, MISSOURI
NET POSITION BY COMPONENT

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Governmental activities:										
Net investment in capital assets	\$ 30,606,456	\$ 32,693,499	\$ 36,347,646	\$ 37,716,660	\$ 39,600,922	\$ 41,136,051	\$ 37,403,710	\$ 31,343,975	\$ 37,647,696	\$ 37,284,881
Restricted	11,099,463	11,341,861	7,603,657	6,603,720	6,656,505	9,889,748	16,637,160	22,830,476	19,130,085	6,753,226
Unrestricted	1,049,219	1,415,824	(11,826,072)	(8,929,008)	(14,926,994)	(17,509,228)	(17,477,207)	(16,084,745)	(16,846,594)	(31,301,005)
Total Governmental Activities Net Position	\$ 42,755,138	\$ 45,451,184	\$ 32,125,231	\$ 35,391,372	\$ 31,330,433	\$ 33,516,571	\$ 36,563,663	\$ 38,089,706	\$ 39,931,187	\$ 12,737,102
Business-type activities:										
Net investment in capital assets	\$ 36,632,860	\$ 38,090,982	\$ 39,218,958	\$ 39,436,429	\$ 39,560,719	\$ 41,314,470	\$ 42,053,574	\$ 43,833,948	\$ 47,132,623	\$ 46,760,260
Restricted	2,601,005	2,699,150	6,854,108	6,511,688	6,372,833	4,998,064	4,832,099	4,665,531	4,493,055	1,347,735
Unrestricted	4,142,409	2,552,583	(3,184,583)	(2,072,707)	(1,052,848)	(817,529)	707,214	1,215,871	(920,479)	1,721,151
Total Business-Type Activities Net Position	\$ 43,376,274	\$ 43,342,715	\$ 42,888,483	\$ 43,875,410	\$ 44,880,704	\$ 45,495,005	\$ 47,592,887	\$ 49,715,350	\$ 50,705,199	\$ 49,829,146
Primary government:										
Net investment in capital assets	\$ 67,239,316	\$ 70,784,481	\$ 75,566,604	\$ 77,153,089	\$ 79,161,641	\$ 82,450,521	\$ 79,457,284	\$ 75,177,923	\$ 84,780,319	\$ 84,045,141
Restricted	13,700,468	14,041,011	14,457,765	13,115,408	13,029,338	14,887,812	21,469,259	27,496,007	23,623,140	8,100,961
Unrestricted	5,191,628	3,968,407	(15,010,655)	(11,001,715)	(15,979,842)	(18,326,757)	(16,769,993)	(14,868,874)	(17,767,073)	(29,579,854)
Total Primary Government Net Position	\$ 86,131,412	\$ 88,793,899	\$ 75,013,714	\$ 79,266,782	\$ 76,211,137	\$ 79,011,576	\$ 84,156,550	\$ 87,805,056	\$ 90,636,386	\$ 62,566,248

GASB Statement No. 34 Implemented in Fiscal Year 2004

CITY OF LIBERTY, MISSOURI

CHANGES IN NET POSITION

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	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Expenses:										
Governmental activities:										
General government	\$ 2,470,105	\$ 2,307,516	\$ 3,316,763	\$ 3,315,775	\$ 4,098,088	\$ 4,488,682	\$ 5,578,298	\$ 4,409,570	\$ 4,070,808	\$ 4,960,224
Community development and improvement	1,128,375	1,100,673	2,057,328	1,335,337	6,213,788	1,963,294	3,077,802	2,440,676	3,035,596	25,081,992
Public works	4,905,388	3,559,623	5,807,510	3,541,594	6,381,711	2,434,200	2,234,374	3,374,941	4,145,087	3,633,562
Culture and recreation	5,245,366	5,700,504	5,872,958	6,584,138	5,846,413	5,256,583	5,301,867	5,230,004	4,653,376	5,003,851
Cemetery maintenance	38,527	35,903	37,104	40,370	31,920	71,061	45,600	43,454	37,175	52,078
Public safety	8,380,805	8,698,281	9,688,707	8,654,817	8,755,802	9,039,729	9,331,920	10,569,376	11,073,782	12,481,003
Interest on long-term debt	1,366,984	1,345,901	1,642,311	1,535,865	1,755,580	1,565,218	1,924,369	1,790,466	1,636,145	1,840,593
Total Governmental Activities Expenses	23,535,550	22,748,401	28,422,681	25,007,896	33,083,302	24,818,767	27,494,230	27,858,487	28,751,969	53,053,303
Business-type activities:										
Water	3,506,383	4,173,039	4,057,237	3,887,962	4,084,298	4,230,222	4,683,122	4,647,033	4,804,585	5,100,859
Sewer	4,218,863	5,138,788	5,328,147	5,314,243	5,530,579	5,788,305	6,019,808	6,362,039	6,764,802	8,494,147
Sanitation	1,221,536	1,299,474	1,363,000	1,437,803	1,240,494	1,296,758	1,346,538	1,404,386	1,465,455	1,515,339
Total Business-Type Activities Expenses	8,946,782	10,611,301	10,748,384	10,640,008	10,855,371	11,315,285	12,049,468	12,413,458	13,034,842	15,110,345
Total Primary Government Expenses	32,482,332	33,359,702	39,171,065	35,647,904	43,938,673	36,134,052	39,543,698	40,271,945	41,786,811	68,163,648
Program revenue:										
Governmental activities:										
Charges for services:										
General government	373,149	420,539	370,478	485,778	416,234	570,776	416,114	467,610	655,384	199,985
Public Works	136,738	214,968	280,375	1,067,170	101,212	137,768	148,575	-	-	-
Culture and recreation	3,350,635	3,477,997	3,715,924	3,423,899	3,445,210	2,813,673	2,761,851	2,326,010	2,346,377	2,314,001
Cemetery maintenance	53,793	36,450	34,650	37,399	28,351	18,901	31,110	55,675	35,881	41,695
Public safety	1,405,930	1,520,423	2,561,983	1,621,760	1,572,578	1,539,830	1,664,281	1,677,637	1,567,613	1,500,729
Operating grants and contributions	433,541	600,645	1,481,832	414,473	359,560	229,030	-	-	-	-
General Government	-	-	-	-	-	-	8,143	17,016	303,552	427,264
Public Works	-	-	-	-	-	-	228,950	-	-	-
Culture and Recreation	-	-	-	-	-	-	101,006	212,301	210,387	222,116
Public Safety	-	-	-	-	-	-	10,761	13,687	13,712	7,729
Capital grants and contributions	428,486	466,913	762,267	2,452,265	2,069,324	417,785	2,683,237	1,130,664	900,480	319,606
Total Governmental Activities Program Revenue	6,182,272	6,737,935	9,207,509	9,502,744	7,992,469	5,727,763	8,054,028	5,900,600	6,033,386	5,033,125
Business-type activities:										
Charges for services:										
Water	4,217,493	4,150,119	3,821,493	3,851,743	4,609,913	4,894,776	5,584,656	4,970,330	4,859,187	4,790,934
Sewer	4,421,418	4,424,439	4,494,668	4,951,824	5,702,170	5,528,214	6,439,371	7,432,110	7,484,660	7,757,065
Sanitation	1,267,305	1,345,744	1,420,096	1,427,468	1,289,414	1,156,496	1,317,865	1,342,422	1,408,568	1,513,408
Capital grants and contributions:										
Water	61,676	48,080	116,611	269,563	68,998	80,113	387,731	276,174	313,448	59,305
Sewer	156,692	22,800	100,026	205,251	-	89,912	248,825	334,925	43,972	195,228
Total Business-Type Activities Program Revenues	10,124,584	9,991,182	9,952,894	10,705,849	11,670,495	11,749,511	13,978,448	14,355,961	13,827,735	14,315,940
Total Primary Government Program Revenues	16,306,856	16,729,117	19,160,403	20,208,593	19,662,964	17,477,274	22,032,476	20,256,561	19,861,121	19,349,065
Net (expense) revenue:										
Governmental activities	(17,353,278)	(16,010,466)	(19,215,172)	(15,505,152)	(25,090,833)	(19,091,004)	(19,440,202)	(21,957,887)	(22,718,583)	(48,020,178)
Business-type activities	1,177,802	(620,119)	(795,490)	65,841	815,124	434,226	1,928,980	1,942,503	792,893	(794,405)
Total Primary Government Net Expense	(16,175,476)	(16,630,585)	(20,010,662)	(15,439,311)	(24,275,709)	(18,656,778)	(17,511,222)	(20,015,384)	(21,925,690)	(48,814,583)

CITY OF LIBERTY, MISSOURI

CHANGES IN NET POSITION

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	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
General revenues and other changes in net assets:										
Governmental activities:										
Taxes:										
Property taxes	\$ 4,454,329	\$ 4,580,046	\$ 4,968,036	\$ 5,497,483	\$ 6,177,644	\$ 6,507,625	\$ 7,147,343	\$ 6,098,618	\$ 6,369,803	\$ 6,362,431
Franchise taxes	2,567,518	3,075,617	4,327,161	3,844,459	4,385,343	3,878,488	3,731,525	3,761,816	3,826,360	3,760,453
Sales taxes	8,461,337	8,316,447	8,312,753	7,995,060	8,446,974	8,945,418	9,877,630	11,211,196	12,320,585	12,373,730
Other taxes	1,498,315	1,528,764	1,385,860	1,362,775	1,235,186	1,210,748	1,411,627	1,241,394	1,241,758	3,107,658
Investment earnings	703,417	873,996	433,980	157,135	59,471	47,348	51,651	212,866	72,043	81,731
Miscellaneous	1,313,817	281,642	740,686	590,848	725,288	687,515	679,995	725,523	729,515	869,258
Transfers	—	50,000	-	(676,467)	-	-	-	-	-	-
Gain on sale of capital assets	—	—	-	-	-	-	-	-	-	-
Total Governmental Activities	18,998,733	18,706,512	20,168,476	18,771,293	21,029,906	21,277,142	22,899,771	23,251,413	24,560,064	26,555,261
Business-type activities:										
Investment earnings	595,008	569,860	338,239	244,619	190,170	180,075	167,902	162,017	158,569	152,792
Miscellaneous	—	66,700	3,019	-	-	-	1,000	17,943	38,387	6,649
Transfers	—	(50,000)	-	676,467	-	-	-	-	-	-
Total Business-Type Activities	595,008	586,560	341,258	921,086	190,170	180,075	168,902	179,960	196,956	159,441
Total Primary Government	19,593,741	19,293,072	20,509,734	19,692,379	21,220,076	21,457,217	23,068,673	23,431,373	24,757,020	26,714,702
Changes in net assets:										
Governmental activities	1,645,455	2,696,046	953,304	3,266,141	(4,060,927)	2,186,138	3,459,569	1,293,526	1,841,481	(21,464,917)
Business-type activities	1,772,810	(33,559)	(454,232)	986,927	1,005,294	614,301	2,097,882	2,122,463	989,849	(634,964)
Total Primary Government	\$ 3,418,265	\$ 2,662,487	\$ 499,072	\$ 4,253,068	\$ (3,055,633)	\$ 2,800,439	\$ 5,557,451	\$ 3,415,989	\$ 2,831,330	\$ (22,099,881)

GASB Statement No. 34 implemented in Fiscal Year 2004

CITY OF LIBERTY, MISSOURI
CHARGES FOR SERVICES BY FUNCTION/PROGRAM

Function / Program	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Governmental activities:												
General government	\$ 514,402	\$ 440,754	\$ 383,601	\$ 431,878	\$ 385,191	\$ 508,981	\$ 422,156	\$ 570,996	\$ 416,114	\$ 467,610	\$ 958,936	\$ 627,249
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	148,575	-	900,480	319,606
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	2,761,851	2,326,010	2,556,764	2,536,117
Cemetery maintenance	33,032	45,113	53,793	36,450	34,650	37,399	28,351	18,901	31,110	55,675	35,881	41,695
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	1,664,281	1,677,637	1,581,325	1,508,458
Total Governmental Activities	6,607,168	6,899,741	6,182,272	6,737,935	9,207,509	9,502,744	7,992,469	5,727,763	5,021,931	4,526,932	6,033,386	5,033,125
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	5,584,656	4,970,330	4,890,535	4,850,239
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	6,439,371	7,432,110	7,528,632	7,952,293
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	1,317,865	1,342,422	1,408,568	1,513,408
Total Business-Type Activities	10,001,502	10,528,748	10,124,584	9,991,182	9,952,894	10,705,849	11,670,495	11,749,511	13,341,892	13,744,862	13,827,735	14,315,940
Total Government	\$ 16,608,670	\$ 17,428,489	\$ 16,306,856	\$ 16,729,117	\$ 19,160,403	\$ 20,208,593	\$ 19,662,964	\$ 17,477,274	\$ 18,363,823	\$ 18,271,794	\$ 19,861,121	\$ 19,349,065

GASB Statement No. 34 implemented in fiscal year 2004.

Source: City records.

CITY OF LIBERTY, MISSOURI
FUND BALANCES, GOVERNMENTAL FUNDS

	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
General Fund:										
Reserved	\$ 453,688	\$ 417,101	\$ 402,214	\$ 410,559	\$ 689,406	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	1,716,601	1,935,964	2,243,914	2,055,644	2,497,862	-	-	-	-	-
Nonspendable	-	-	-	-	-	480,371	377,301	456,208	538,830	548,017
Restricted	-	-	-	-	-	-	-	-	-	73,259
Assigned	-	-	-	-	-	-	-	-	-	37,881
Unassigned	-	-	-	-	-	3,668,127	3,918,515	4,039,995	3,639,567	2,878,184
Total General Fund	\$ 2,170,289	\$ 2,353,065	\$ 2,646,128	\$ 2,466,203	\$ 3,187,268	\$ 4,148,498	\$ 4,295,816	\$ 4,496,203	\$ 4,178,397	\$ 3,537,341
All Other Governmental Funds:										
Reserved	\$ 6,015,584	\$ 8,876,787	\$ 7,335,807	\$ 9,287,943	\$ 4,379,751	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved, reported in:										
Special revenue funds	86,803	212,015	414,893	(197,996)	137,393	-	-	-	-	-
Capital projects funds	5,006,949	4,535,316	3,599,281	1,670,811	5,725,072	-	-	-	-	-
Permanent fund	44,278	-	404,361	406,836	410,661	-	-	-	-	-
Fund Balances										
Nonspendable										
Inventory	-	-	-	-	-	42,796	55,034	-	-	-
Prepaid Ins	-	-	-	-	-	471,630	374,975	41,489	48,327	48,969
Permanent fund principal	-	-	-	-	-	406,977	412,477	420,533	427,493	433,568
Restricted for										
Parks and Recreation	-	-	-	-	-	496,485	749,885	747,039	1,157,575	2,201,605
Capital projects funds	-	-	-	-	-	4,129,933	9,309,726	10,260,396	7,799,241	36,366,122
Transportation projects	-	-	-	-	-	489,539	1,382,576	5,663,166	1,062,662	934,973
Public Safety	-	-	-	-	-	336,693	480,403	622,555	3,508,795	1,165,482
Debt Service	-	-	-	-	-	3,927,265	4,603,767	5,002,339	5,019,769	22,455,613
Cemetery	-	-	-	-	-	70,999	75,083	88,917	89,551	72,637
Law Enforcement	-	-	-	-	-	31,857	35,720	25,531	21,497	4,881
Assigned to:										
Debt Service	-	-	-	-	-	319,350	313,661	1,069,451	-	-
Other Purposes	-	-	-	-	-	74,412	59,728	58,775	43,502	140,558
Unassigned	-	-	-	-	-	3,668,127	3,905,515	-	(37,740)	(19,028)
Total All Other Government Funds	\$ 11,153,614	\$ 13,624,118	\$ 11,754,342	\$ 11,167,594	\$ 10,652,877	\$ 14,466,063	\$ 21,758,550	\$ 24,000,191	\$ 19,140,672	\$ 63,805,380

Source: City records

The primary item increasing the combined ending fund balance in the stated amount results from the issuance of debt within the Economic Development Sales Tax Fund for certain infrastructure projects to be built in 2016 and 2017.

CITY OF LIBERTY, MISSOURI

CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS

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	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Revenues:										
Taxes	\$ 16,981,499	\$ 17,500,874	\$ 18,993,810	\$ 18,608,689	\$ 20,154,888	\$ 20,542,279	\$ 22,034,017	\$ 22,313,024	\$ 23,758,506	\$ 25,264,810
Intergovernmental	862,027	1,080,660	2,244,099	1,552,867	2,519,143	671,815	3,216,205	1,373,668	1,428,131	976,715
Licenses and permits	—	376,236	370,478	389,111	316,961	443,914	270,115	318,505	394,857	339,462
Charges for services	4,960,066	4,165,979	4,951,234	5,366,460	4,375,101	4,294,872	4,519,972	4,208,427	4,210,398	4,110,210
Investment earnings	703,417	873,996	433,980	157,135	59,471	47,348	51,651	50,849	72,043	81,731
Lease	1,090,410	1,083,859	1,158,108	863,059	862,023	303,771	198,744	-	-	-
Reimbursement of services provided	—	—	—	—	—	—	—	—	—	—
Fines and forfeitures	—	—	—	—	—	—	—	—	—	—
Contributions	—	—	—	—	—	—	—	—	—	—
Interest	—	—	—	—	—	—	—	—	—	—
Special assessments	—	—	—	—	—	—	—	—	—	—
Miscellaneous	1,377,110	1,110,387	849,147	686,123	803,330	835,292	772,620	707,580	729,515	824,547
Total Revenues	25,974,529	26,191,991	29,000,856	27,623,444	29,090,917	27,139,291	31,063,324	28,972,053	30,593,450	31,597,475
Expenditures:										
General government	2,631,925	2,909,155	3,142,783	2,920,813	3,186,676	3,625,547	4,894,141	3,637,245	3,704,333	4,647,549
Community development and improvement	1,056,563	1,090,028	1,291,386	1,095,806	5,905,370	1,517,740	2,840,988	2,440,676	3,029,070	22,802,592
Public works	3,929,263	3,131,286	3,957,941	3,693,908	6,066,133	3,276,623	5,878,187	5,203,950	3,539,989	4,085,325
Culture and recreation	4,779,873	4,886,143	5,080,716	4,513,774	4,528,504	3,975,630	3,980,267	3,909,162	3,820,234	4,160,582
Cemetery maintenance	38,527	35,903	37,104	40,370	31,920	30,617	36,687	43,454	37,175	52,078
Public safety	7,753,758	8,154,847	8,466,182	8,245,818	8,248,571	8,512,558	8,881,333	10,041,922	10,525,034	11,526,676
Highway and streets	—	—	—	—	—	—	—	—	—	—
Sanitation	—	—	—	—	—	—	—	—	—	—
City wide programs	—	—	—	—	—	—	—	—	—	—
Capital outlay	4,618,392	9,261,303	3,951,534	2,850,274	1,009,967	1,542,056	1,829,211	826,465	7,645,933	2,921,467
Debt service:										
Principal	2,399,874	2,521,106	2,959,207	2,768,453	4,547,331	3,115,362	1,825,010	3,256,863	3,540,139	3,963,201
Bond issuance costs	—	241,599	—	—	229,126	—	—	104,197	14,111	2,274,248
Interest	1,455,207	1,276,769	1,690,716	1,584,434	1,639,777	1,637,696	1,449,484	1,671,255	1,620,977	1,590,031
Payment to refunding bond escrow agent	1,455,207	1,276,769	1,690,716	1,584,434	1,639,777	1,637,696	1,449,484	1,671,255	1,620,977	500,013
Total Expenditures	28,663,382	33,508,139	30,577,569	27,713,650	35,393,375	27,233,829	31,615,308	31,135,189	37,476,995	58,523,762
Excess Of Revenues Under Expenditures	(2,688,853)	(7,316,148)	(1,576,713)	(90,206)	(6,302,458)	(94,538)	(551,984)	(2,163,136)	(6,883,545)	(26,926,287)

CITY OF LIBERTY, MISSOURI

CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS

Page 2 Of 2

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Other financing sources (uses):										
Transfers in	\$ 1,275,453	\$ 1,414,937	\$ 1,550,512	\$ 1,400,432	\$ 1,717,821	\$ 887,509	\$ 671,667	\$ 1,872,124	\$ 1,332,392	\$ 2,230,806
Transfers out	(1,275,453)	(1,364,937)	(1,550,512)	(2,076,899)	(1,717,821)	(887,509)	(671,667)	(1,872,124)	(1,332,392)	(2,230,806)
Issuance of long-term debt	—	9,960,560	—	—	8,105,000	—	10,230,000	8,644,690	—	74,805,312
Discount on debt issuance	—	(48,874)	—	—	(15,469)	—	—	—	—	—
Premium on debt issuance	—	7,742	—	—	—	—	658,963	256,290	—	—
Proceeds of refunding bonds	—	—	—	—	—	—	—	—	—	—
Payment to refunded bond escrow agent	—	—	—	—	(2,111,400)	—	(4,613,824)	—	(1,073,780)	(4,435,000)
Proceeds from capital leases	—	—	—	—	—	—	—	—	2,780,000	395,368
Lease proceeds	—	—	—	—	—	—	—	—	—	—
Capital contributions	—	—	—	—	530,687	720,456	1,571,160	—	—	—
Proceeds from sale of property	—	—	—	—	—	—	—	—	—	—
Total Other Financing Sources (Uses)	—	9,969,428	—	(676,467)	6,508,818	720,456	7,846,299	8,900,980	1,706,220	70,765,680
Net Changes In Fund Balance	(2,688,853)	2,653,280	(1,576,713)	(766,673)	206,360	625,918	7,294,315	6,737,844	(5,177,325)	43,839,393
Fund balances (deficits), beginning of year	16,012,756	13,323,903	15,977,183	14,400,470	13,633,785	13,840,145	14,466,063	21,758,550	28,496,394	23,503,328
Fund balances (deficits), end of year	\$ 13,323,903	\$ 15,977,183	\$ 14,400,470	\$ 13,633,797	\$ 13,840,145	\$ 14,466,063	\$ 21,760,378	\$ 28,496,394	\$ 23,319,069	\$ 67,342,721
Debt service as a percentage of noncapital expenditures	16.03%	15.66%	17.46%	17.51%	17.99%	18.50%	10.99%	16.26%	17.30%	9.99%

CITY OF LIBERTY, MISSOURI

TAX REVENUES BY SOURCE, GOVERNMENTAL FUNDS

Fiscal Year	Property	Local Option Sales Tax	Franchise Fees	Other Tax	Total
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
2011	5,071,047	8,727,836	3,886,396	1,086,671	18,771,950
2012	7,147,343	9,877,630	3,731,525	1,411,627	22,168,125
2013	6,098,618	11,211,196	3,761,816	1,241,394	22,313,024
2014	6,746,251	12,255,994	3,826,361	1,241,758	24,070,364
2015	6,362,431	12,373,730	3,760,453	3,107,658	25,604,272
Change 2006-2015	42.84%	46.24%	46.46%	107.41%	50.78%

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
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
2011	278,008,900	1,463,204,737	15,253,667	303,710,906	223,209,764	31,310,491	8,367,576	463,466,709	1.5%	2,045,057,140	22.66%	0.9957
2012	278,558,900	1,466,099,474	13,729,333	302,005,094	226,871,027	35,052,525	9,392,736	466,031,900	3.0%	2,053,150,189	22.70%	0.9900
2013	269,959,220	1,420,838,000	6,460,583	290,584,281	231,588,164	42,964,266	10,373,939	457,317,519	1.7%	2,002,809,233	22.83%	1.0084
2014	271,096,770	1,426,825,105	6,238,833	290,530,031	235,396,803	46,420,919	11,653,173	461,196,226	1.5%	2,017,064,864	22.86%	1.0080
2015	282,091,190	1,484,690,474	6,238,833	290,530,031	235,396,803	97,218,138	15,849,615	480,513,732	0.8%	2,129,923,894	22.56%	0.9747

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
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
2011	0.8465	0.1492	—	0.9957	6.0950	0.8953	0.1500	0.0300	8.1660
2012	0.8417	0.1483	—	0.9900	6.0950	0.8953	0.1500	0.0300	8.1603
2013	0.8573	0.1511	—	1.0084	6.0950	0.8824	0.1500	0.0300	8.1658
2014	0.8570	0.1510	—	1.0080	6.4550	0.8693	0.1500	0.0300	8.5123
2015	0.8287	0.1460	—	0.9747	6.4550	0.8374	0.1483	0.0300	8.4454

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	2015			2006		
	Taxable Assessed Value	Rank	Percentage Of Total City Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage Of Total City Taxable Assessed Value
Hallmark Cards	\$ 5,176,900	1	1.08%	\$ 12,689,178	1	2.85%
Star Development	2,816,820	2	0.59%	2,813,332	3	0.63%
Triangle Land Reserve, LLC	2,683,240	3	0.56%	—	—	—
Legacy Liberty, LLC	2,673,250	4	0.56%	—	—	—
Lowe's Home Centers, Inc.	2,211,520	5	0.46%	—	—	—
Hy-Vee Food Stores, Inc.	2,113,020	6	0.44%	—	—	—
Centro Bradley SPE 5 LLC	2,014,400	7	0.42%	—	—	—
LTD Enterprises, LLC	1,597,800	8	0.33%	—	—	—
Clark Printing Company, Inc.	1,444,990	9	0.30%	8,682,810	2	1.95%
Rogers Sporting Goods	1,429,730	10	0.30%	—	—	—
Continental Disc Corporation	—	—	—	1,798,398	7	0.40%
Bradley Operating LP	—	—	—	2,175,780	5	0.49%
Stone Container Corporation	—	—	—	2,310,126	4	0.52%
Monmouth Real Estate Inv	—	—	—	1,734,460	8	0.39%
Crossroads West Assoc. LP	—	—	—	1,553,950	9	0.35%
Metals USA Specialty	—	—	—	1,934,929	6	—
S&D Holding	—	—	—	1,521,280	10	0.34%
Total	\$ 24,161,670		5.03%	\$ 37,214,243		7.93%

Source: City records

CITY OF LIBERTY, MISSOURI
PROPERTY TAX LEVIES AND COLLECTIONS

Fiscal Year	Taxes Levied for Fiscal Year	Collected Within the Fiscal Year Of The Levy		Collections in Subsequent Years	Total Collections To Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2006	4,302,844	3,785,934	87.99%	356,705	4,142,639	96.28%
2007	4,519,288	4,064,024	89.93%	349,737	4,413,761	97.66%
2008	4,601,180	4,182,202	90.89%	381,024	4,563,226	99.18%
2009	4,603,135	4,169,701	90.58%	297,604	4,467,305	97.05%
2010	4,592,237	4,168,359	90.77%	276,835	4,445,194	96.80%
2011	4,478,756	4,055,486	90.55%	273,537	4,329,023	96.66%
2012	4,492,368	4,199,817	93.49%	379,732	4,579,549	101.94%
2013	4,470,089	170,416	3.81%	4,318,635	4,489,051	100.42%
2014	4,491,096	326,153	7.26%	4,161,670	4,487,823	99.93%
2015	4,530,039	161,404	3.56%	-	161,404	3.56%

Source: City records

Note:

Includes personal property, real estate, and railroad & utility taxes. Does not include TIF, surtax, or assessment adjustments made after billing. The City contracted with Clay County beginning in 2013 to bill and collect property taxes. The above stats reflect tax payments collected by Clay County in December which are not received by the City until January of the following year. If reporting collection in the year paid by the taxpayer, collection for the fiscal year would total \$4,844,249. Of that total \$3,472,975 are 2014 levy year (current) taxes used for 2015 revenue and \$1,371,275 are delinquent taxes.

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				
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	5.92%	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	5.31%	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	5.66%	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	6,710,000	0.31%	230	65,214	895,125	1,345,000	17,840,000	—	8,746,905	8,880,000	—	44,482,244	5.21%	1,526	
2012	11,679,083	0.57%	417	55,211	1,615,809	975,491	13,661,392	—	3,135,390	3,876,911	—	34,999,287	4.27%	1,248	
2013	16,100,000	0.80%	533	44,868	1,699,960	1,060,000	16,610,000	—	4,585,000	7,765,000	306,124	48,170,952	5.35%	1,595	
2014	14,260,000	0.71%	462	34,175	4,115,456	-	15,640,000	—	4,320,000	6,680,000	257,825	45,307,456	4.88%	1,467	
2015	25,390,000	1.19%	831	23,120	3,864,355	-	54,240,000	—	19,662,522	5,770,000	208,400	109,158,397	11.77%	3,575	

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

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable	Amount Applicable To City
Overlapping:			
Liberty Hospital District	\$ —	0.00%	\$ —
Liberty School District	113,290,000	57.20%	64,801,880
Clay County	—	0.00%	—
Subtotal, Overlapping Debt			
City Direct Debt	25,390,000	100.00%	25,390,000
Bond Premiums	1,043,726	100.00%	1,043,726
Bond Discounts	(289,442)	100.00%	<u>(289,442)</u>
Total Direct And Overlapping Debt			<u><u>\$ 90,946,164</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 6/30/2014

CITY OF LIBERTY, MISSOURI
LEGAL DEBT MARGIN INFORMATION

Legal Debt Margin Calculation for Fiscal Year 2012

Assessed value	\$ 480,513,732
Debt limit (20% of assessed value)	96,102,746
City Debt applicable to debt limit:	
General obligation bonds	\$ 25,390,000
Special assessment bonds	61,136,920
Less-amount available debt service fund, Special Assessment Neighborhood Improvement Fund	-
Total net debt applicable to limit	86,526,920
Legal debt margin	\$ 9,575,826

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Debt limit	\$ 75,325,156	\$ 96,586,611	\$ 84,976,817	\$ 84,587,251	\$ 94,159,605	\$ 93,206,380	\$ 93,206,380	\$ 91,463,504	\$ 92,239,245	\$ 96,102,746
Total net debt applicable to limit	13,613,330	14,530,775	13,360,000	11,970,000	10,969,345	6,799,767	14,095,000	20,799,690	18,605,410	9,575,826
Legal debt margin	\$ 61,711,826	\$ 82,055,836	\$ 71,616,817	\$ 72,617,251	\$ 83,190,260	\$ 86,406,613	\$ 79,111,380	\$ 70,663,814	\$ 73,633,835	\$ 86,526,920
Total Net Debt Applicable To The Limit As A Percentage Of Debt Limit	22.06%	17.71%	18.65%	16.48%	13.19%	7.87%	17.82%	29.43%	25.27%	11.07%

Source: City records

CITY OF LIBERTY, MISSOURI
PLEDGED REVENUE COVERAGE

Waterworks and Sewer System Bonds							
Fiscal Year	Operating Revenue (1)	Operating Expenses (2)	Net Revenues Available For Debt Services	Debt Service		Total Debt Payments	Coverage
				Principal	Interest		
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
2011	10,602,124	7,569,340	3,032,784	1,690,000	729,751	2,419,751	1.25
2012	12,034,578	8,494,390	3,540,188	1,485,000	747,877	2,232,877	1.59
2013	12,420,383	10,502,809	1,917,574	780,000	278,046	1,058,046	1.81
2014	12,540,633	11,569,387	971,246	1,085,000	245,346	1,330,346	0.73
2015	12,707,273	13,595,006	(887,733)	715,000	213,996	928,996	(0.96)

(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⁽¹⁾	Per Capita Income⁽¹⁾	Median Age⁽¹⁾	School Enrollment⁽²⁾	Unemployment Rate⁽³⁾
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%
2011	29,149	853,045,485	29,265	36.4	11,400	7.8%
2012	29,243	819,856,748	28,036	36.4	11,213	7.1%
2013	29,811	900,471,066	30,206	36.4	11,194	7.1%
2014	30,096	929,214,000	30,875	36.4	11,427	5.2%
2015	30,376	927,561,536	30,536	38.6	11,745	4.4%

Sources:

- (1) City-Data.com
- (2) Liberty Public School District
- (3) US Department of Labor Bureau

CITY OF LIBERTY, MISSOURI

PRINCIPAL EMPLOYERS

Employer	2015			2006		
	Employees	Rank	Percentage Of Total County Employment	Employees	Rank	Percentage Of Total County Employment
Liberty School District	2,109	1	1.73%	878	2	0.81%
Liberty Hospital	1,400	2	1.15%	1,097	1	1.01%
Hallmark Cards	820	3	0.67%	895	3	0.82%
RR Donnelley	350	4	0.29%	565	4	0.52%
Clay County	350	5	0.29%	520	5	0.48%
City of Liberty	325	6	0.27%	214	9	0.20%
Ferrellgas	263	7	0.22%	280	6	0.26%
Ford Stamping Plant	256	8	0.21%	—	—	—
William Jewell	235	9	0.19%	275	7	0.25%
LMV	185	10	0.15%	—	—	—
Continental Disc	—	—	—	150	8	0.14%
HyVee	—	—	—	98	10	0.09%
	6,293		5.15%	4,972		4.58%

Sources: Liberty Economic Development Council

CITY OF LIBERTY, MISSOURI

FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTIONS/PROGRAMS

Functions/Program	Full-Time Equivalent Employees as of December 31									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Administration										
City Administrator	1	1	1	1	1	1	1	1	1	1
Assistant City Administrator	1	1	1	1	1	—	—	1	1	1
Assistant Deputy City Clerk	1	1	1	1	—	—	—	—	—	—
Deputy City Clerk	1	1	1	1	1	1	1	1	1	1
Communication Manager	1	1	1	1	1	1	1	1	1	1
Communication/Public Relations Specialist	1	1	1	1	—	—	—	—	—	—
Animal Control Officer	2	—	—	—	—	—	—	—	—	—
Animal Shelter Attendant	0.5	—	—	—	—	—	—	—	—	—
Executive Assistant	—	—	—	—	—	—	—	1	1	1
Court Administrator	1	1	1	1	1	1	1	1	1	1
Municipal Court Technician	2	2	2	2	2	2	2	1	1	1
Assistant to the City Administrator	1	1	1	1	1	1	1	1	1	1
Administrative Assistant	0.5	—	—	2	2	2	2	—	—	—
Economic & Business Development Mgr	1	1	1	1	1	1	1	—	—	—
Information Services										
Information Technology Services Director	1	1	1	1	1	1	1	1	1	1
Information Systems Specialist III	1	—	2	2	2	2	2	2	2	3
Information Systems Specialist II	1	2	1	1	1	1	1	1	1	—
Information Systems Specialist I	1	1	2	2	—	—	—	—	1	—
Information Security Officer	1	—	—	—	—	—	—	—	—	—
Senior Information System Specialist	1	2	—	—	—	—	—	—	—	—
GIS Specialist II	1	1	1	1	1	1	1	1	1	—
GIS Specialist III	1	1	—	—	—	—	—	—	—	—
Human Resources										
Human Resources Director	1	1	1	1	1	1	1	1	1	1
Human Resources Manager	1	—	—	—	—	—	—	—	—	—
Human Resources Coordinator	—	1	1	1	—	—	—	1	1	1
Administrative Assistant	—	—	—	—	1	1	1	1	1	1
Finance										
Finance Director/Assistant City Administrator	1	1	1	1	1	1	1	1	1	1
Finance Manager	—	—	1	—	—	—	—	—	1	2
Assistant Finance Director	1	1	1	1	1	1	1	1	1	—
Finance Analyst	1	1	1	1	1	1	1	1	1	2
Payroll Specialist	1	1	1	1	1	1	1	1	1	1
Finance Technician	3	4	4	4	4	4	4	3	3	3
Lead Finance Technician	1	—	—	—	—	—	—	—	—	—
Finance Assistant	—	—	—	—	—	—	—	1	1	1
Receptionist	—	—	—	—	—	—	—	1	1	1
Accountant	1	1	1	1	1	1	1	—	—	—
Meter Service Technician	2	2	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	1	1	1	1	—
Administrative Assistant	—	—	—	—	—	—	—	1	—	—
Office Supervisor	1	1	1	1	1	1	1	1	—	—
Fire										
Fire Chief	1	1	1	1	1	1	1	1	1	1
Deputy Fire Chief	—	—	—	1	1	1	1	1	1	1
Administrative Assistant	0.5	0.5	0.5	1	1	1	1	1	1	1
Assisant Chief - Shift Commanders	3	3	3	3	3	3	3	3	3	4

CITY OF LIBERTY, MISSOURI

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

	Full-Time Equivalent Employees as of December 31									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Fire <i>(Continued)</i>										
Training Officer	—	—	—	—	—	—	—	1	1	1
Fire Captain	9	9	9	9	9	9	9	9	9	9
Division Chief-Fire Marshal	1	1	1	—	—	—	—	—	—	—
Division Chief-Training	1	1	1	—	—	—	—	—	—	—
Firefighter/Paramedic	28	24	24	24	22	22	22	23	22	23
Firefighter/EMT	8	12	9	9	9	9	9	10	11	4
Fire Prevention Officer	—	—	—	1	1	1	1	1	1	—
Aging Services										
Administrative Assistant	1	1	1	1	—	—	—	—	—	—
Bus Driver	1	1	1	1	—	—	—	—	—	—
Recreation Program Coordinator	1	1	—	—	—	—	—	—	—	—
Senior Center Technician	1	1	1	1	—	—	—	—	—	—
Senior Services Manager	1	1	1	1	—	—	—	—	—	—
Police										
Police Chief	1	1	1	1	1	1	1	1	1	1
Deputy Police Chief	—	—	—	1	1	1	1	1	1	1
Evidence & Property Technician	0.5	0.5	—	—	—	—	—	—	—	—
Police Captain	2	2	2	1	1	1	1	1	1	1
Police Lieutenant	2	2	2	4	4	4	4	5	5	5
Police Sergeant	6	6	6	6	6	6	6	4	4	4
Police Corporal	4	4	4	4	4	4	4	3	3	3
Police Officer	25	25	25	25	23	23	23	24	24	25
Communications Supervisor	1	1	1	1	1	1	1	1	1	1
Communications Officer	9	9	9	8	8	8	8	9	9	7
Animal Control Officer	—	2	2	2	2	2	2	2	2	2
Animal Control Shelter Attendant	—	0.5	0.5	—	—	—	—	—	—	—
Parking Control Officer	—	—	—	—	—	—	—	1	1	1
Administrative Assistant	1	0.5	0.5	—	—	1	1	1	1	1
Support Services Supervisor	1	1	1	1	—	—	—	—	—	—
Records Technician	3	3	3	3	3	3	3	3	3	3
Public Works										
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
Facilities Management Supervisor	1	1	1	1	2	—	—	—	—	—
Capital Review Engineer	1	1	1	1	1	1	1	2	2	2
Public Works Operations Manager	1	1	1	1	1	1	1	1	1	1
Senior Engineering Technician	—	—	—	—	—	—	—	—	—	1
Engineering Technician	—	—	—	—	—	—	—	—	—	1
Senior Project Inspector	1	2	2	2	2	2	2	2	2	2
Project Inspector	1	—	—	—	1	1	1	1	1	1
Building Maintenance Technician	—	—	1	1	2	2	2	2	1	1
Administrative Assistant	2	2	2	2	2	2	2	2	2	2
Public Works Crew Chief	2	—	—	—	—	—	—	—	—	—
Public Works Maintenance Worker I	—	7	7	7	6	6	6	10	11	10
Public Works Maintenance Supervisor	—	—	—	—	—	—	—	2	2	2
Public Works Maintenance Worker II	9	5	5	5	9	9	9	6	6	7
Mechanic I	1	—	—	—	—	—	—	—	—	—
Mechanic II	—	—	—	—	1	1	1	1	1	1

CITY OF LIBERTY, MISSOURI

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

	Full-Time Equivalent Employees as of December 31									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Development Services										
Development Director	—	—	—	—	—	1	1	1	1	1
Community Development Manager	1	1	1	1	1	1	1	1	1	—
Planning and Economic Development Manager	—	—	—	—	—	—	—	1	1	—
Planner	1	1	1	1	1	1	1	2	2	2
City Planner	1	1	1	1	—	—	—	—	—	—
Chief Building Official	1	1	1	1	1	1	1	1	1	1
Senior Building Inspector	1	1	1	1	1	1	1	1	1	2
Building Inspector	1	1	1	1	1	1	1	1	2	1
Rental Inspector	0.5	—	—	—	—	—	—	—	—	—
Code Enforcement Officer	1	1	1	1	1	1	1	1	1	1
Administrative Assistant	1	1	1	1	1	1	1	2	2	2
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	3	3	3	2	2	2	3	3	2
Parks Crew Chief	1	2	2	2	3	3	3	2	2	1
Maintenance Supervisor	1	—	—	—	—	—	—	—	—	—
Parks Maintenance Worker II	3	3	3	3	3	3	3	4	3	3
Parks Maintenance Worker I	1	—	—	—	4	4	4	4	5	5
Events Coordinator	—	1	1	1	—	—	—	—	—	—
Horticulturist	1	1	1	1	—	—	—	—	—	—
Administrative Assistant	—	—	—	—	1	1	1	1	1	1
Recreation Program (Sports Complex) Manager	1	1	1	1	1	1	1	1	1	1
Athletic Fields Ground Keeper	2	2	1	1	2	2	2	2	2	2
Membership Services (LCC) Manager	1	1	1	1	1	1	1	1	1	1
Senior Recreation Coordinator	3	3	3	3	—	—	—	—	—	—
Facility Rental Supervisor	—	—	—	—	—	—	—	—	1	1
Office Supervisor	1	1	1	1	1	1	1	1	1	1
Office Assistant	1	1	1	1	1	1	1	1	1	1
Custodian	—	—	—	—	1	1	1	2	2	2
Building Maintenance Technician	1	1	1	1	1	1	1	2	2	2
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
Senior Services Coordinator	—	—	—	—	1	1	1	1	1	1
Mechanic	1	1	1	1	—	—	—	—	—	—
Mechanical Systems Specialist	—	1	1	1	—	—	—	—	—	—
Senior Recreation Coordinator	—	—	—	—	3	3	3	3	3	4
Bus Driver	—	—	—	—	1	1	1	2	2	2
Senior Center Technician	—	—	—	—	1	1	1	1	1	1
Parks Supervisor	2	1	1	1	—	—	—	—	—	—
Assistant Parks & Recreation Director	1	1	1	1	1	1	1	1	—	—
Full-Time Equivalent Employees as of December 31										
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Utilities										
Construction Manager-Wastewater Collection	1	1	1	1	—	—	—	—	—	—
Construction Manger-Water Distibution	1	1	1	1	—	—	—	—	—	—
Construction Worker I	1	1	1	2	—	—	—	—	—	—
Constnuction Worker II (New Position)	1	—	—	—	—	—	—	—	—	—
Crew Chief	—	2	2	2	—	—	—	—	—	—
Collection Manager (Previous Crew Chief)	1	—	—	—	—	—	—	—	—	—
Collection Worker I (Previous Maintenance Worker I)	3	—	—	—	—	—	—	—	—	—
Collection Worker II (Previous Maintenance Worker II)	1	—	—	—	—	—	—	—	—	—
Distribution Manager (Previous Crew Chief)	1	—	—	—	—	—	—	—	—	—
Distribution Worker I (Previous Maintenance Worker I)	5	—	—	—	—	—	—	—	—	—
Distribution Worker II (Previous Maintenance Worker II)	2	—	—	—	—	—	—	—	—	—
Lead Operator-Water Treatment Operations	—	1	1	1	—	—	—	—	—	—
Maintenance Mecahnic-Water Tratment Operations	—	1	1	1	—	—	—	—	—	—
Maintenance Supervisor-Water Treatment Operations	—	1	1	1	—	—	—	—	—	—
Maintenance Worker I	—	8	8	8	—	—	—	—	—	—
Maintenance Worker II	—	2	2	2	—	—	—	—	—	—
Operator-Water Treatment Operations	—	4	4	4	—	—	—	—	—	—
Production Manager	1	—	—	—	—	—	—	—	—	—
Production Technician	6	—	—	—	—	—	—	—	—	—
Treatment Manager (New Position)	1	—	—	—	—	—	—	—	—	—
Treatment Technician (New Position)	2	—	—	—	—	—	—	—	—	—
Utilities Director	1	1	1	1	—	—	—	—	—	—
Utilities Assistant Director Production & Treatment	1	1	1	1	—	—	—	—	—	—
Utilities Assistant Director Operations & Construction	1	1	1	1	—	—	—	—	—	—
Totals City-Wide	2,352	2,245	227	226	219	196	196	212	214	203

Source: City records

CITY OF LIBERTY, MISSOURI
OPERATING INDICATORS BY FUNCTION/PROGRAM

Function/Program	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Police:										
Calls for service	42,015	35,970	33,925	37,613	33,333	30,441	30,210	31,540	29,594	26,815
Adult arrest	4,979	1,473	1,493	1,331	746	1,514	1,897	471	467	1,138
Speeding citations only	1,861	1,689	2,303	2,066	1,760	1,710	1,768	1,443	1,359	955
Traffic citations	6,140	5,133	5,223	5,361	5,975	5,620	5,012	4,923	5,307	4,672
Fire:										
Total fire runs	2,940	3,070	3,134	2,897	3,366	3,338	894	3,338	3,265	3,330
Total rescue runs	3,087	3,343	3,235	3,138	3,299	3,232	3,380	2,898	2,847	2,896
Property loss	505,850	501,450	637,250	436,300	250,100	452,250	670,100	250,500	699,200	4,152,500
Property saved	2,884,650	1,039,000	6,019,750	3,353,700	11,504,400	9,982,750	10,834,350	1,249,500	3,081,800	76,485,900
Building permits:										
Commercial:										
Total building permits	18	12	17	8	2	5	31	4	9	11
Total value all permits	\$ 13,601,096.00	29,333,289	20,960,559	9,873,810	7,149,100	61,155,184	21,981,026	7,931,171	20,418,975	17,180,155
Residential:										
Total building permits	51	61	36	11	15	17	12	39	30	24
Total value all permits	\$ 9,515,452	11,572,869	6,632,480	3,365,544	31,824,093	4,221,266	5,203,410	7,464,240	5,741,988	6,508,954
Parks and Recreation:										
Recreation program attendance	22,250	25,110	13,239	1,733	3,794	3,511	3,827	4,564		
Sports	**	**	**	**	**	**	**	**	5,065	6,443
Community Programs	**	**	**	**	**	**	**	**	817	271
Aquatics program attendance	1,807	3,811	2,163	3,919	4,340	3,839	3,119	2,244	2,481	3,315
Fitness	**	**	**	**	**	**	**	**	3,371	3,591
Community Center Memberships	20,252	20,755	23,384	22,138	17,513	2,496	17,669	4,411	4,484	4,620
Rentals	1,843	1,064	994	854	411	421	1,360	1,434		
Meeting Rooms	**	**	**	**	**	**	**	**		
# of Reservations	**	**	**	**	**	**	**	**	8,193	3,539
# of Hours	**	**	**	**	**	**	**	**	**	7,588
Theater	**	**	**	**	**	**	**	**		
# of Reservations	**	**	**	**	**	**	**	**	**	265
# of Hours	**	**	**	**	**	**	**	**	2,133	2,099
Street trees maintained (1)	741	685	700	625	430	675	700	700	680	1,810

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	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Transfers Out	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
Major Roadway	—	—	—	—	—	—	—	—	—	—
Public Safety	—	—	—	—	—	—	—	—	—	—
Debt Service/Lease Payments	5,823,968	6,365,294	5,838,710	5,292,048	5,675,615	2,982,444	1,933,770	3,013,902	3,532,211	2,682,551
Street and Major Roadway Improvements	2,752,262	2,443,903	2,295,492	1,765,991	1,401,422	926,632	820,876	29,839	4,201,556	—
Community Center Expansion	—	—	—	—	—	—	—	—	—	—
Remodel Fire Station #1	—	—	—	—	—	—	—	—	—	—
Storm Water Improvements	774	28,962	254,845	81,846	33,456	26,909	275,685	205,599	56,822	404,472
Parks & Recreation	174,861	77,983	—	—	—	—	—	—	—	—
Capital Equipment	194,755	301,889	615,659	585,419	3,068,026	432,283	598,365	692,643	363,226	708,041
Fire Equipment	523,725	132,949	11,437	5,610	5,750	20,875	5,112	4,710	—	1,906,893
Sports Complex Construction	—	—	—	—	—	—	—	—	—	—
Neighborhood Improvements	310,527	109,110	510,512	8,274	60,101	317,918	364,524	123,339	420,015	—
Water System Upgrades	1,089,220	981,841	—	—	182,431	82,345	758,171	1,266,184	990,939	490,970
Sewer System Upgrades	6,661,091	1,393,805	—	—	1,234	9,947	174,567	1,066,823	319,556	741,859
WasteWater System	—	—	—	—	—	—	—	—	2,380,590	16,534,500

Source: City records