

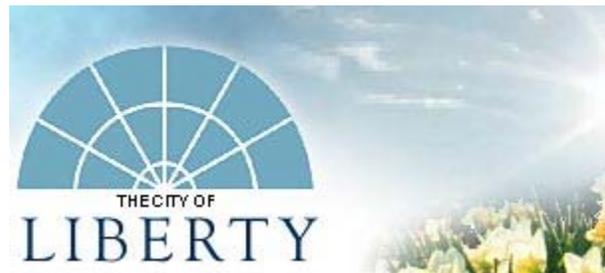


CITY OF LIBERTY, MISSOURI

Comprehensive Annual Financial Report

For The Year Ended December 31, 2009

CITY OF LIBERTY, MISSOURI
COMPREHENSIVE ANNUAL
FINANCIAL REPORT
FOR THE YEAR ENDED DECEMBER 31, 2009



*Report prepared and submitted by the
Department of Finance*

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Introductory Section



June 29, 2010

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, 2009, is hereby submitted for your review. This report was prepared by the Finance Department in close cooperation with the external auditor, RubinBrown LLP. The responsibility for the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with the City. We believe the data, as presented, is accurate in all material aspects, that it is presented in a manner designed to fairly set forth the financial activity of its various funds and that all disclosures necessary to enable the reader to gain the maximum understanding of the City's financial affairs have been included. Management's Discussion and Analysis ("MD&A") immediately follows the independent auditor's report and provides a narrative introduction, overview and analysis of the basic financial statements. This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it.

The Financial Reporting Entity

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

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

Accounting Controls

Management of the City is responsible for establishing and maintaining an internal control designed to ensure that the assets of the government are protected from loss, theft or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with accounting principles generally accepted in the United States of America. The internal control is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that (1) the cost of control should not exceed the benefits to be derived and (2) the valuation of costs and benefits require estimates and judgments by management.

The accounts of the City are organized on the basis of funds, each of which is considered to be a separate accounting entity. The operations of each fund are accounted for by providing a separate set of self-balancing accounts, which comprise its assets, liabilities, equities, revenues and expenditures or expenses. The various funds are grouped by type in the basic financial statements.

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

Budgetary Controls

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

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

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

Government Structure

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

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

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

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

In 2009, *Money Magazine* named Liberty as one of the nation’s best places to live. Twenty-ninth on their list of America’s best small towns, *Money Magazine* commented on Liberty’s clean, tree-lined college town atmosphere, historical districts and buildings listed on the National Register of Historic places.

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

Due to the 2008-2009 economic downturn, residential and commercial construction has seen a significant decline from historical patterns as reflected in the decrease of building permits issued in 2009. However, retail development and construction has continued to experience moderate additions. Initiated in earlier years through a tax incremental financing plan, the City has three major retail project areas (The Liberty Triangle, Roger's Plaza and Blue Jay Crossing) that are continuing to build out. 2010 contemplates the opening of a 100,000 square foot regional grocery store in the Triangle, which reflects a relocation within Liberty. Roger's Plaza is adding a 83 room hotel with a water theme park. Building permit activity for the past 10 years is detailed in the Statistical Section.

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

Long-Term Financial Planning

Fiscal Year 2009 proved to be a challenging year on the economic front. The strains of the economy have impacted major revenue categories such as property tax, sales tax, motor vehicle tax, and licenses, permits and fees. To address this financial challenge, the City focused on cost containment efforts to continue to meet fiscal priorities and service requirements to its residents and prepare the City for long-term financial health and stability. These cost containment efforts began in 2008 during the budget process for fiscal year 2009. Vacant positions were carefully evaluated and approved and filled only when essential; employee salaries were frozen; planned studies were deferred; contractual expenditures were controlled; and capital purchases were deferred when possible.

Due to the need to treat the 2009 fiscal condition as an ongoing interactive process, staff developed and shared forecasts with the Council earlier and more often in fiscal year 2009. To facilitate better elected official communication and coordination, the Mayor and Council formed a Council Budget Committee. A multitude of weekly meetings and work sessions were held with the Budget Committee/City Council during the last nine months of the fiscal year 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 2010.

The City of Liberty has a number of forecasting tools for long-term financial planning. Capital/infrastructure financial forecasting is segmented into near-term (3 to 5 years) and long-term models. Utility enterprise operating requirements are supported by a four-year utility forecasting model, developed by consultants, used to establish annual user rate assessments. Work has begun on a five-year General Fund model and that tool will be finalized in 2010 and be an operating tool in 2011.

Major Initiatives

The City continues to work with its community partners at The Liberty Chamber and the Local Partnership for Community Growth to make long-term investments for the public good. Complementing these efforts, the City created and filled a new position of Economic Development Manager. This position's tasks are multifaceted, but have focused on business development and retention. The City is making efforts to position itself in the expanding field of science and technology development, with priority on animal health sciences.

Other Information

Independent Audit

City policy requires an annual audit to be made of financial statements of the various funds and account groups. The independent certified public accounting firm of RubinBrown LLP audited the financial statements contained in this report for the year ended December 31, 2009. 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, 2008. The Certificate of Achievement of Excellence in Financial Reporting recognizes conformance with the highest standards for preparation of state and local government financial reports.

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

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

ACKNOWLEDGMENTS

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

Respectfully submitted,



Dan Estes
Assistant City Administrator/Finance Director

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Liberty
Missouri

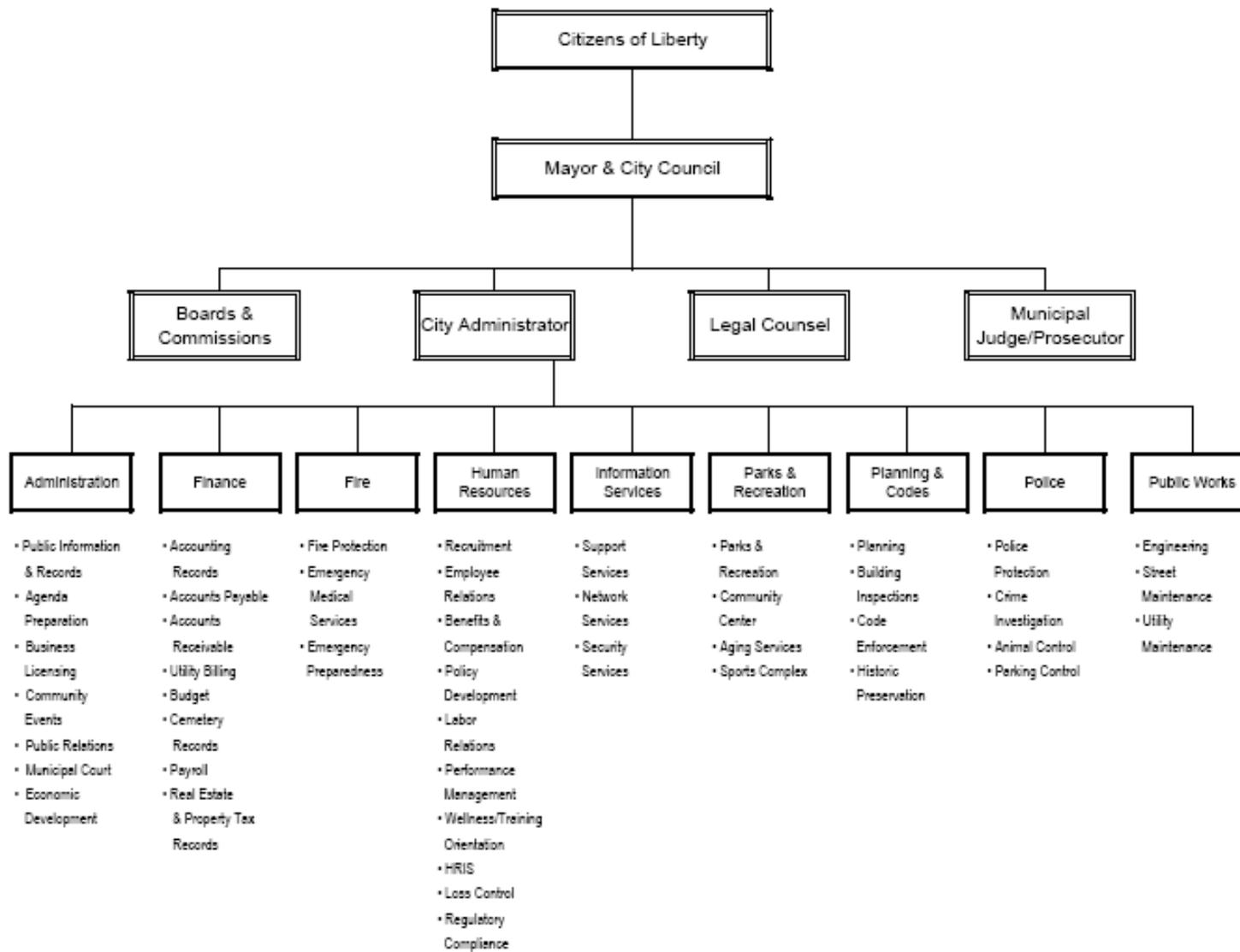
For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
December 31, 2008

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



President

Executive Director



CITY OF LIBERTY, MISSOURI

LIST OF PRINCIPAL OFFICIALS

Elected Officials

Title	Name
Mayor	Greg Canuteson
Council Member, First Ward	Paul M. Jenness
Council Member, First Ward	Harold A. Phillips
Council Member, Second Ward	Greg Duncan
Council Member, Second Ward	Jeff Moore
Council Member, Third Ward	Lyndell W. Brenton
Council Member, Third Ward	Jeff Watt
Council Member, Fourth Ward	Fred Foster
Council Member, Fourth Ward	S. Nick King

Appointed Officials

Municipal Court Judge	Thomas C. Capps
Municipal Prosecutor	Thomas C. McGiffin
City Administrator	Curtis C. Wenson
Assistant City Administrator/Finance Director	Dan Estes
Deputy City Clerk	Janet Pittman
Fire Chief	Gary W. Birch
Human Resources Director	Amy Brusven
Informational Services Director	Tony Sage
Parks and Recreation Director	Dennis Dovel
Police Chief	Craig L. Knouse
Public Works Director	Steven P. Hansen
Development Director	Steve W. Anderson

Financial Section



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Independent Auditors' Report

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of Liberty, Missouri (the City) as of and for the year ended December 31, 2009, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, based on our audit, 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, 2009, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

The Management's Discussion and Analysis, budgetary comparison information and the schedules of funding progress, as listed in the table of contents, are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining and individual nonmajor fund financial statements and other schedules, listed in the table of contents as supplementary information, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information, for the year ended December 31, 2009, has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole. The introductory and statistical sections have not been subjected to the auditing procedures applied by us in the audit of the basic financial statements and, accordingly, we express no opinion on them.

RubinBrown LLP

Overland Park, Kansas
June 29, 2010

Management's Discussion And Analysis

CITY OF LIBERTY, MISSOURI

MANAGEMENT'S DISCUSSION AND ANALYSIS

December 31, 2009

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, 2009. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found in the introductory section of this report.

FINANCIAL HIGHLIGHTS

- The assets of the City exceeded its liabilities at the close of the fiscal year by \$79,266,782 (net assets). Of the assets that may be used to meet the government's ongoing obligations to citizens and creditors (unrestricted net assets), the City had a deficit amount of \$11,001,715.
- The City's total net assets increased by \$4,253,068. Of this amount, \$3,266,141 was from the City's "governmental activities" and the balance of \$986,927 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 \$13,633,797; a decrease of \$766,673 in comparison with the prior year.
- Approximately \$3,528,459 (26%) of the combined governmental fund balances of \$13,633,797 is available for spending at the government's discretion (unreserved fund balance).
- At the end of the current fiscal year, unreserved, undesignated fund balance for the General Fund was \$1,955,644 or 13.3% percent of total General Fund expenditures.
- The City's total debt decreased by \$4,487,453 (7.9%) during the current fiscal year due to debt service payments made in 2009 in all categories of City held debt.

CITY OF LIBERTY, MISSOURI

Management's Discussion and Analysis (*Continued*)

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

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

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

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City include general government, public safety, public works, culture and recreation, cemetery maintenance, and community development and improvement. The business-type activities of the City include water, sewer and sanitation.

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

CITY OF LIBERTY, MISSOURI

Management's Discussion and Analysis (*Continued*)

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.

The City maintains a total of 17 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, Liberty 2010 Fund, Roadway Development Fund and Liberty TIF Fund, all of which are considered to be major funds. Data from the other 12 governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor 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 nonmajor fund.

CITY OF LIBERTY, MISSOURI

Management's Discussion and Analysis (*Continued*)

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 nonmajor governmental funds are presented immediately following the required supplementary information.

Government-Wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the City, assets exceeded liabilities by \$79,266,782 at the close of the fiscal year ended December 31, 2009. The following table reflects a condensed statement of net assets.

CITY OF LIBERTY, MISSOURI

Management's Discussion and Analysis (*Continued*)

Net Assets

	Governmental			Business-Type		
	Activities	Activities	Total	Activities	Activities	Total
	2009	2009	2009	2008	2008	2008
Current assets	\$ 14,492,510	\$ 2,698,235	\$ 17,190,745	\$ 15,739,242	\$ 2,328,502	\$ 18,067,744
Noncurrent assets	59,688,989	65,019,273	124,708,262	58,224,387	66,425,496	124,649,883
Total Assets	74,181,499	67,717,508	141,899,007	73,963,629	68,753,998	142,717,627
Current liabilities	12,801,844	2,976,226	15,778,070	10,823,565	3,196,268	14,019,833
Noncurrent liabilities	25,988,283	20,865,872	46,854,155	31,014,833	22,669,247	53,684,080
Total Liabilities	38,790,127	23,842,098	62,632,225	41,838,398	25,865,515	67,703,913
Net assets:						
Invested in capital assets, net of related debt	37,716,660	39,436,429	77,153,089	36,347,646	39,218,958	75,566,604
Restricted	6,603,720	6,511,688	13,115,408	7,603,657	6,854,108	14,457,765
Unrestricted	(8,929,008)	(2,072,707)	(11,001,715)	(11,826,072)	(3,184,583)	(15,010,655)
Total Net Assets	\$ 35,391,372	\$ 43,875,410	\$ 79,266,782	\$ 32,125,231	\$ 42,888,483	\$ 75,013,714

At the end of the current and prior fiscal years, the City is able to report a positive balance in the sum of all three categories of net assets for the government as a whole. There were two funds, the PFA Construction Fund and the Parks Fund, which did not have positive balances in net assets due to current, temporary loans from the General Fund. The PFA Construction Fund is a capital fund used to construct the Sports Complex and the Parks Fund is a special revenue fund used to maintain parks and supervise recreation programs. Each fund makes yearly payments to the General Fund until the loans are paid in full.

The City's combined net assets increased from \$75.0 million to \$79.3 million as a result of the year's revenues exceeding expenditures. An additional portion of the City's net assets of \$13.1 million or 16.6% represents resources that are subject to external restrictions on how they may be used. The total unrestricted net assets resulted in a deficit of \$11.0 million (-14%). This is predominately due to the recording of certain Tax Incremental Financing (TIF) debt obligations in which the City must record the debt liability, but has no offsetting assets.

By far, the largest portion of the City's net assets, \$77,153,089 (97.5%), reflects its investment in capital assets (e.g., land, buildings, machinery, and equipment), less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources since the capital assets themselves cannot be used to liquidate these liabilities.

The City's \$79.3 million in net assets is comprised of \$77.1 million invested in capital assets, net of related debt; \$13.1 million in restricted assets to be used for capital projects, debt service and other purposes; and a deficit of \$11.0 million in unrestricted net assets. Total net assets increased \$4.3 million or 5.5% during the current fiscal year.

CITY OF LIBERTY, MISSOURI

Management's Discussion and Analysis (Continued)

The following table reflects the changes in net assets of the City's activities for the years ending December 31, 2009 and 2008:

City of Liberty's Changes In Net Assets

	Governmental Activities 2009	Business-Type Activities 2009	Total 2009	Governmental Activities 2008	Business-Type Activities 2008	Total 2008
Revenues:						
Program revenues:						
Charges for services	\$ 6,636,006	\$ 10,231,035	\$ 16,867,041	\$ 6,963,410	\$ 9,736,257	\$ 16,699,667
Operating grants and contributions	414,473	—	414,473	1,481,832	—	1,481,832
Capital grants and contributions	2,452,265	474,814	2,927,079	762,267	216,637	978,904
General revenues:						
Property taxes	5,497,483	—	5,497,483	4,968,036	—	4,968,036
Franchise taxes	3,844,459	—	3,844,459	4,327,161	—	4,327,161
Sales taxes	7,995,060	—	7,995,060	8,312,753	—	8,312,753
Other taxes	1,362,775	—	1,362,775	1,385,860	—	1,385,860
Investment earnings	157,135	244,619	401,754	433,980	338,239	772,219
Other	590,848	—	590,848	740,686	3,019	743,705
Total Revenues	28,950,504	10,950,468	39,900,972	29,375,985	10,294,152	39,670,137
Expenses:						
General government	3,315,775	—	3,315,775	3,316,763	—	3,316,763
Community development and improvement	1,335,337	—	1,335,337	2,057,328	—	2,057,328
Public works	3,541,594	—	3,541,594	5,807,510	—	5,807,510
Culture and recreation	6,584,138	—	6,584,138	5,872,958	—	5,872,958
Cemetery maintenance	40,370	—	40,370	37,104	—	37,104
Public safety	8,654,817	—	8,654,817	9,688,707	—	9,688,707
Interest on long-term debt	1,535,865	—	1,535,865	1,642,311	—	1,642,311
Water	—	3,887,962	3,887,962	—	4,057,237	4,057,237
Sewer	—	5,314,243	5,314,243	—	5,328,147	5,328,147
Sanitation	—	1,437,803	1,437,803	—	1,363,000	1,363,000
Total Expenses	25,007,896	10,640,008	35,647,904	28,422,681	10,748,384	39,171,065
Increase In Net Assets Before Transfers	3,942,608	310,460	4,253,068	953,304	(454,232)	499,072
Transfers	(676,467)	676,467	—	—	—	—
Increase In Net Assets	3,266,141	986,927	4,253,068	953,304	(454,232)	499,072
Net assets, beginning	32,125,231	42,888,483	75,013,714	31,171,927	43,342,715	74,514,642
Net assets, ending	\$ 35,391,372	\$ 43,875,410	\$ 79,266,782	\$ 32,125,231	\$ 42,888,483	\$ 75,013,714

Governmental Activities

Governmental activities increased the City's net assets by \$3,266,141, thereby accounting for 76% of the total growth in the net assets of the City. There were several revenue items that contributed to this increase. Property taxes totaled \$5.5 million which was an increase of approximately \$500,000 over the prior year. This growth was a direct result of stable real estate valuations in Liberty.

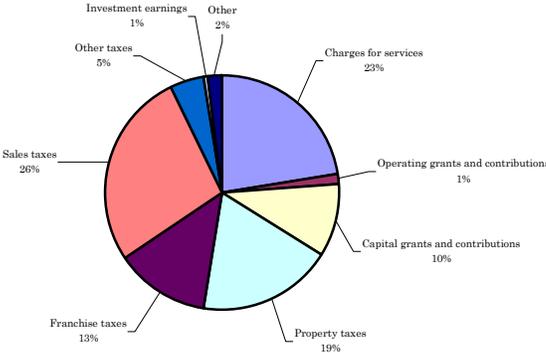
CITY OF LIBERTY, MISSOURI

Management’s Discussion and Analysis (*Continued*)

Additionally, the City saw a \$2.2 million growth in capital grants and contributions due to the contributions to capital for public infrastructure in the Triangle and Roger’s Plaza TIF areas along with a one-time stimulus grant to improve Kansas Street. Remaining City revenues were stable in light of the overall economic conditions experienced in 2009.

Governmental activities expenses decreased \$3.4 million or 11.9% for the fiscal year 2009 when compared to fiscal year 2008. This decrease was due to reducing ICMA retirement plan contributions, holding open positions as they materialized in the year and deferring capital acquisitions after conducting an initial first-quarter revenue analysis and subsequent ongoing reviews.

The following table reflects the revenues by source for the City’s governmental activities for the year ended December 31, 2009.



Total governmental activities’ revenue for the fiscal year was \$28,950,504. The largest single revenue source for the City was sales taxes of \$7,995,060 (26%). Sales taxes decreased by \$317,693 (3.97%) from 2008. The decrease was due to several factors. First and foremost was the economic recession experienced in 2008 that continued into 2009.

The financial crisis experienced by the auto industry significantly affected auto sales – one of the City’s largest sales tax generators. The extreme downturn in the residential and commercial construction industry directly impacted the building supply businesses in Liberty. Development within the Liberty Triangle TIF area was slower than anticipated, however, construction continued throughout the year which kept sales tax revenue from declining even further.

The 2009 General Fund budget did not include fee increases. Revenue received from charges for services decreased by \$327,000. This included revenue for ambulance billing fees, court fees, police fines and permitting fees.

Operating grants, capital grants and contributions increased by \$1,097,000 compared to the prior year. This was due to the acceptance of public infrastructure in the TIF districts.

CITY OF LIBERTY, MISSOURI

Management's Discussion and Analysis (Continued)

Certain revenues are generated that are specific to governmental program activities (operating grants and contributions). These totaled \$414,473 in 2009 and \$1,481,832 in 2008; a decrease of \$1,067,359.

The following table shows expenditures and program revenues of the governmental activities for the years ended December 31, 2009 and 2008:

Net Cost Of Governmental Activities

	Total Cost Of Service		Net Cost Of Service	
	2009	2008	2009	2008
General government	\$ 3,315,775	\$ 3,316,763	\$ (2,806,794)	\$ (2,931,572)
Community development and improvement	1,335,337	2,057,328	(1,335,337)	(1,110,699)
Public works	3,541,594	5,807,510	211,491	(4,485,305)
Culture and recreation	6,584,138	5,872,958	(3,048,747)	(2,015,422)
Cemetery maintenance	40,370	37,104	(2,971)	(2,454)
Public safety	8,654,817	9,688,707	(6,986,929)	(7,027,409)
Interest on long-term debt	1,535,865	1,642,311	(1,535,865)	(1,642,311)
Total	\$ 25,007,896	\$ 28,422,681	\$ (15,505,152)	\$ (19,215,172)

Expenditures from governmental activities totaled \$25,007,896, however, net costs of these services were (\$15,505,152). The difference of \$9.5 million represents direct revenues received from charges for services (\$6.6 million), operating grants and contributions (\$0.4 million), and capital grants and contributions (\$2.5 million). Taxes and other revenues of \$19.4 million were collected to cover these net costs.

Business-Type Activities

Business-type activities increased the city's net assets by \$986,927, accounting for 23.9% of the total growth in the government's net assets. Key elements of this increase are as follows:

- The Water Fund recorded an increase of \$583,703 (2.3%) in net assets for the year. Revenues from user fees increased less than 1% even though the City implemented a 5% water rate increase at the beginning of the year. The 2009 fiscal year was an extremely wet year and that, combined with consumers finding ways to conserve water, attributed to lower water sales. With sales on the decline, the City reduced operational expenses by \$128,146 (3.6%). The Water Fund's operating income was \$378,349 in 2009, a 70% increase over operating income of \$222,822 in 2008.
- The Sewer Fund recorded an increase of \$409,091 (2.4%) in net assets for the year. Compared to the previous year, this was an increase of \$457,006 (10.2%) in charges for services and was due primarily to a 12% customer rate increase implemented at the beginning of the year. Expenses were down \$15,267 or less than 1%. Although the City strived to reduce expenses in this fund, costs for sewer treatment supplied by Kansas City, Missouri increased 9% in the fiscal year. Operating income at December 31, 2009 was \$223,383 which is a 190% increase over the \$248,890 operating loss in 2008.

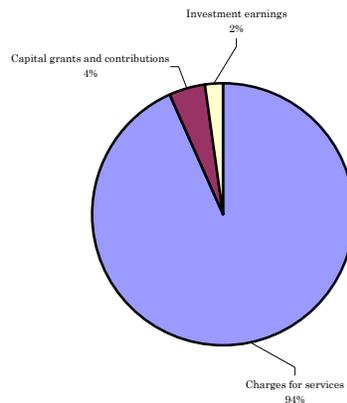
CITY OF LIBERTY, MISSOURI

Management's Discussion and Analysis (*Continued*)

- The Sanitation Fund recorded a decrease in net assets of \$5,867 for the year. Revenues of \$1,427,468 increased slightly over the 2008 revenues of \$1,420,096. Expenses for 2009 increased \$74,803 or 5.5% over expenses for 2008. It was decided during the budget process not to increase rates during the year, but use some of the fund balance reserve to cover expenses.

The following table reflects the revenues by source for the City's business-type activities for the year ended December 31, 2009:

Revenues by Source – Business-Type Activities



Total business-type activities' revenue for fiscal year 2009 was \$10,950,468 with charges for services (94%) being the major revenue source. All revenue, with the exception of \$244,619 received from investment earnings, was generated for specific business-type activity expenses. In the previous year, revenue for business-type activities was \$10,294,152 with all but \$341,258 generated for specific business-type activity expenses. This increase was due to rate adjustments and a one-time transfer from the General Fund. The total revenue increased by \$659,316 and total expenses decreased by \$108,376 as compared to 2008.

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.

CITY OF LIBERTY, MISSOURI

Management's Discussion and Analysis (*Continued*)

As of December 31, 2009, the City's governmental funds reported combined ending fund balances of \$13,633,797, a decrease of \$766,673 from the previous year. Approximately 26% of this total amount (\$3,528,459), constitutes unreserved fund balance, which is available for spending at the government's discretion. The remainder of fund balance is reserved to indicate that it is not available for new spending because it has already been committed: 1) to liquidate contracts and purchase orders of the prior period (\$3,425,260); 2) to pay debt service (\$4,783,863); and 3) for a variety of other purposes (\$1,896,215).

The General Fund is the chief operating fund of the City. At the end of the current fiscal year, unreserved fund balance of the General Fund was \$2,055,644, while total fund balance was \$2,466,203. This represents a decrease of \$179,925 over the previous fiscal year fund balance. As a measure of the General Fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures. Unreserved fund balance represents 14% of total General Fund expenditures, while total fund balance represents 16.8% of that same amount.

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

The Park Fund ended the year with a fund balance deficit of \$317,017 at December 31, 2009. This represents a decrease of \$643,914 over the previous year fund balance. The Park Fund borrowed money from the Capital Fund during the year to replace the roof and HVAC unit on the Community Center. This temporary loan of \$695,000 is being paid back in annual payments of \$100,000.

The 2010 Capital fund balance was \$5,114,404 at the 2009 fiscal year end; an increase of \$1,235,025 over fiscal year 2008. This increase was primarily due to the timing of capital projects.

The Roadway Development Fund, the primary source for large road infrastructure projects, recorded an ending fund balance of \$583,710, a decrease of \$788,113 in the previous year's ending balance. Although revenues for 2009 totaled \$1,531,832 or 29% higher than 2008, they did not exceed expenditures of \$2,319,945 which were only slightly higher (2.3%) than the previous year. The major expenditure for this fund is the payback of general obligation bonds for the construction of South Liberty Parkway Phase I. The transportation sales tax is the primary revenue source for this fund. In November of 2008, citizens voted to increase the transportation sales tax from a quarter-cent to a half-cent.

The Liberty TIF Fund has a fund balance of \$3,969,820 at year end 2009 which is a slight decline (1.7%) from the 2008 balance of \$4,038,531. Revenues increased to \$1,332,862 from 2008 revenues of \$1,215,596. This is due primarily to additions of new businesses in the Triangle and Blue Jay Crossing TIF areas. It is anticipated that the fund balance will vary from year to year depending on revenue inflows and developer reimbursements.

Proprietary Funds

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

CITY OF LIBERTY, MISSOURI

Management's Discussion and Analysis (*Continued*)

Unrestricted net assets of the Water Fund at the end of the year were \$773,016; those for the Sewer Fund were a deficit of \$3,088,454; and those for the Sanitation Fund were \$242,731. The total growth in unrestricted net assets over 2008 was \$340,246 for the Water Fund, \$777,497 for the Sewer Fund, and deficit amount of \$5,867 for the Sanitation Fund.

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

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

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

GENERAL FUND BUDGETARY HIGHLIGHTS

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

The final expenditure budget for the General Fund was \$15,607,106; a decrease from the original budget of \$15,728,466. Expenditures in total were \$925,898 or 5.9% under final budget. The public works category was over budget by 5.9% or \$134,166 due to increased costs in electric bills and overtime costs for winter storms, but all other categories were under budget.

Revenue for the General Fund was \$14,138,109 which is under the budgeted amount of \$14,272,430 by less than 1% or \$134,321. Revenue for taxes was 1.5% or \$163,572 under the budgeted amount of \$11,019,220. This is due to a decline in the economy which affected sales tax revenues in the area. Charges for services are under budget by 11.2% or \$238,169 caused by a reduction in net ambulance billing revenues due to the write-down of aged accounts receivables and some of the permitting fees. The miscellaneous revenues were over budget by \$280,585 for some one-time revenues from an insurance re-imbusement and worker's compensation dividends.

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, 2009, amounts to \$110,832,220 (net of accumulated depreciation). This investment in capital assets includes land, construction-in-progress, buildings and systems, improvements, vehicles, machinery and equipment, and infrastructure. The total increase in the City's investment in capital assets for the current fiscal year was 0.3% (a 2.5% increase for governmental activities and a 1.6% decrease for business-type activities).

CITY OF LIBERTY, MISSOURI

Management's Discussion and Analysis (Continued)

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

- Donation of Triangle and Roger's Plaza TIF public improvements totaling \$1,404,959
- HVAC for the Community Center totaling \$332,977
- Roof replacement for the Community Center totaling \$558,469
- Outdoor storm siren on Sunset and Dains streets totaling \$18,339

City of Liberty's Capital Assets

	Governmental Activities		Business-Type Activities		Total	
	2009	2008	2009	2008	2009	2008
Land	\$ 1,886,906	\$ 1,886,906	\$ 840,677	\$ 840,677	\$ 2,727,583	\$ 2,727,583
Construction-in-progress	6,135,678	5,128,059	6,881,738	10,178,520	13,017,416	15,306,579
Buildings and system	13,076,708	12,185,262	10,217,073	10,217,073	23,293,781	22,402,335
Vehicles	3,558,535	3,514,009	1,305,953	1,305,953	4,864,488	4,819,962
Improvements other than buildings	9,958,639	9,915,667	194,143	194,143	10,152,782	10,109,810
Machinery and equipment	8,664,575	8,253,909	9,042,811	6,932,894	17,707,386	15,186,803
Infrastructure	32,202,085	30,425,758	51,273,650	49,571,439	83,475,735	79,997,197
Accumulated depreciation	(22,689,405)	(19,826,439)	(21,717,546)	(20,250,563)	(44,406,951)	(40,077,002)
Total	\$ 52,793,721	\$ 51,483,131	\$ 58,038,499	\$ 58,990,136	\$ 110,832,220	\$ 110,473,267

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

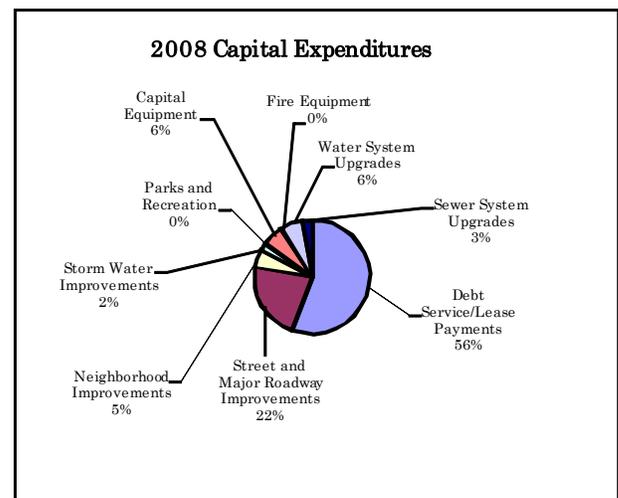
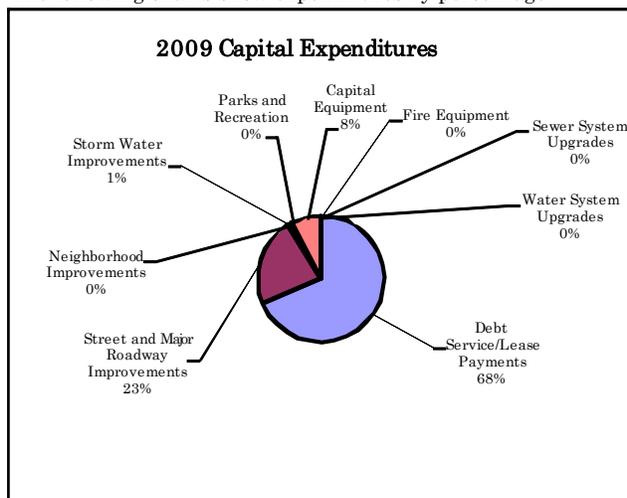
CITY OF LIBERTY, MISSOURI

Management's Discussion and Analysis (Continued)

Other major capital asset expenditures during 2009 and 2008 include:

	2009	2008
Debt Service/Lease Payments	\$ 5,292,048	\$ 5,838,710
Street and Major Roadway Improvements	1,765,991	2,295,492
Neighborhood Improvements	8,274	510,512
Storm Water Improvements	81,846	254,845
Parks and Recreation	—	—
Capital Equipment	585,419	615,659
Fire Equipment	5,610	11,437
Water System Upgrades	—	666,980
Sewer System Upgrades	—	284,186
	\$ 7,739,188	\$ 10,477,821

The following charts show expenditures by percentage:



Long-Term Debt

At the end of the current fiscal year, the City had total debt outstanding of \$52,045,431. Of this amount, \$9,530,000 comprises debt backed by the full faith and credit of the government. The remainder of the City's debt represents bonds secured solely by specified revenue sources (i.e., revenue bonds).

CITY OF LIBERTY, MISSOURI

Management's Discussion and Analysis (Continued)

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

	Governmental Activities		Business-Type Activities		Total	
	2009	2008	2009	2008	2009	2008
Special assessment						
bonds	\$ 2,440,000	\$ 2,515,000	\$ —	\$ —	\$ 2,440,000	\$ 2,515,000
Capital leases	147,641	427,041	—	—	147,641	427,041
General obligation						
bonds	9,530,000	10,845,000	—	—	9,530,000	10,845,000
TIF bonds	14,570,000	14,955,000	—	—	14,570,000	14,955,000
MDNR loan payable	84,249	93,302	—	—	84,249	93,302
SRF bonds	—	—	5,545,000	5,765,000	5,545,000	5,765,000
SRF note payable	—	—	3,988,541	4,142,541	3,988,541	4,142,541
Revenue bonds	2,855,000	3,560,000	12,885,000	14,230,000	15,740,000	17,790,000
Total	\$ 29,626,890	\$ 32,395,343	\$ 22,418,541	\$ 24,137,541	\$ 52,045,431	\$ 56,532,884

The City's total debt decreased by \$4,487,453 (7.9%) during the current fiscal year due to debt service payments made in 2009. The City did not issue any new debt in fiscal year 2009. 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 2009 end-of-year activity, it is anticipated the City will see its major General Fund revenues stabilize in 2010. Combined revenues for fiscal year 2010 are projected to total \$14.9 million. This represents a nominal increase of \$117,000 or 0.8% over prior year results of \$14.8 million. The City is expected to experience stable sales tax activity, partially offset by reduced fees for services and flat real estate/property tax revenues. Year 2010 will see the return of overhead fees from City utility operations in the amount of \$300,000. This charge was eliminated in 2009 due to revenue reductions and the need to balance budgets in the utility funds.

General Fund expenditures are projected to total \$15.1 million compared to the 2009 close-out of \$15.2 million. This represents a 1% decrease. Employee salary and fringe benefit costs are budgeted approximately \$250,000 lower at \$11.1 million when compared to the 2009 close-out of \$11.4 million. This is primarily the result of the City creating position vacancies in 2010 (six additional) and maintaining the vacant status of those unfilled in 2009 (thirteen). When analyzing the capacity to hold positions open, the City considers associated service level consequences and believes actions taken will have a negligible impact on citizen services. In addition, the City plans to change its health insurance provider in 2010 and join a regional governmental pool. This action is anticipated to save close to \$100,000 in benefit costs for comparable coverage. No salary adjustments were planned in 2010.

Based on programmed actions for 2010, the City anticipates a balanced General Fund budget, with undesignated, unreserved fund balance being maintained at 2009 levels. The City will continue to respond to ongoing changes in the local economy and respond accordingly.

CITY OF LIBERTY, MISSOURI

Management's Discussion and Analysis (*Continued*)

Resulting from a wet year, changes in consumer usage patterns, and impact from the economic downturn, the Water and Sanitary Sewer Utility Funds presented financial challenges in 2009. To address future revenues, the City engaged a rate consultant to study user rates. The outcome of the study was a four-year plan to improve the fiscal performance of these funds by implementing increases in user fees and seeking operational expense efficiencies. In 2010, sanitary sewer rates were increased by 18%, with water user fees seeing a 12.5% increase. These adjustments are forecasted to generate \$853,000 in additional sewer revenues and \$437,000 in water resources. The City also implemented a \$2.00 per month per household infrastructure maintenance fee that is anticipated to produce \$240,000 in revenue. For 2010, that resource will be dedicated to water tower rehabilitation. The 2010 adjustments were in addition to 2009 sewer and water fee increases of 12% and 5%, respectively.

The City does not treat its sewage, but contracts with the City of Kansas City, Missouri for that service. Kansas City is under an EPA decree to make over \$2.5 billion in capital improvements over the next 25 years. Being a regional treatment provider, certain costs associated with this decree will be allocated to the City of Liberty. The City is in ongoing discussions with Kansas City to better understand the impacts of this requirement and to solicit charges based on wholesale operations rather than hybrid retail costs.

The Park Department has also made significant efforts to continue current service levels while reducing or maintaining expenditure levels. There was no increase in the Liberty Community Center membership fees or in any of the sports program fees for 2009. The Park Fund receives 15 cents per \$100 of assessed valuation from the City's property tax levy and a transfer from the Park Capital Fund. All other revenue is derived from user and program fees.

All of these factors were considered in preparing the City's budget for the 2010 fiscal year.

REQUESTS FOR INFORMATION

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

Basic Financial Statements

CITY OF LIBERTY, MISSOURI

STATEMENT OF NET ASSETS

Page 1 Of 2

December 31, 2009

	Governmental Activities	Business-Type Activity	Total
Assets			
Current Assets			
Cash and investments	\$ 9,293,390	\$ 1,078,943	\$ 10,372,333
Receivables:			
Taxes	3,076,732	—	3,076,732
Special assessments	—	45,773	45,773
Accounts	421,240	1,412,320	1,833,560
Accrued interest	14,972	7,157	22,129
Due from other governments	472,743	—	472,743
Internal balances	—	—	—
Inventory	22,937	97,913	120,850
Prepaid expenses	1,059,392	56,129	1,115,521
Restricted assets:			
Cash and investments	130,153	—	130,153
Accrued interest	951	—	951
Total Current Assets	14,492,510	2,698,235	17,190,745
Noncurrent Assets			
Restricted assets:			
Cash and investments	6,037,687	6,511,688	12,549,375
Special assessment receivable	282,414	—	282,414
Bond issuance costs	261,694	308,118	569,812
Bond discounts and deferral on refunding	313,473	160,968	474,441
Capital assets:			
Nondepreciable:			
Land	1,886,906	840,677	2,727,583
Construction in progress	6,135,678	6,881,738	13,017,416
Depreciable:			
Buildings and system	13,076,708	10,217,073	23,293,781
Improvements other than buildings	9,958,639	194,143	10,152,782
Vehicles	3,558,535	1,305,953	4,864,488
Machinery and equipment	8,664,575	9,042,811	17,707,386
Infrastructure	32,202,085	51,273,650	83,475,735
Less: Accumulated depreciation	(22,689,405)	(21,717,546)	(44,406,951)
Total Noncurrent Assets	59,688,989	65,019,273	124,708,262
Total Assets	\$ 74,181,499	\$ 67,717,508	\$ 141,899,007

CITY OF LIBERTY, MISSOURI

STATEMENT OF NET ASSETS

Page 2 Of 2

December 31, 2009

	Governmental Activities	Business-Type Activity	Total
Liabilities			
Current Liabilities			
Accounts payable and accrued expenses	\$ 869,030	\$ 722,319	\$ 1,591,349
Deposits	100,969	—	100,969
Compensated absences	478,446	27,969	506,415
Accrued interest payable	449,998	298,519	748,517
Unearned revenue	5,926,401	144,919	6,071,320
Current maturities of capital leases	147,641	—	147,641
Current maturities of long-term debt	4,820,000	1,782,500	6,602,500
MDNR loan payable	9,359	—	9,359
Total Current Liabilities	12,801,844	2,976,226	15,778,070
Noncurrent Liabilities			
Bond premium	333,644	175,538	509,182
Compensated absences	928,749	54,293	983,042
Other post employment benefits	76,000	—	76,000
Special assessment bonds	290,000	—	290,000
General obligation bonds	8,085,000	—	8,085,000
Leasehold revenue bonds	2,120,000	—	2,120,000
TIF bonds	14,080,000	—	14,080,000
MDNR loan payable	74,890	—	74,890
SRF note payable	—	3,831,041	3,831,041
SRF bonds	—	5,320,000	5,320,000
Revenue bonds payable	—	11,485,000	11,485,000
Total Noncurrent Liabilities	25,988,283	20,865,872	46,854,155
Total Liabilities	38,790,127	23,842,098	62,632,225
Net Assets			
Invested in capital assets, net of related debt	37,716,660	39,436,429	77,153,089
Restricted for:			
Debt service	4,783,863	6,428,370	11,212,233
Capital improvements	382,565	—	382,565
Parks	210,559	—	210,559
TIF projects	63,621	—	63,621
Transportation	583,710	—	583,710
Fire	172,566	—	172,566
Kansas City sewer line	—	83,318	83,318
Permanently restricted, nonexpendable trust corpus	406,836	—	406,836
Unrestricted	(8,929,008)	(2,072,707)	(11,001,715)
Total Net Assets	35,391,372	43,875,410	79,266,782
Liabilities And Total Net Assets	\$ 74,181,499	\$ 67,717,508	\$ 141,899,007

CITY OF LIBERTY, MISSOURI
STATEMENT OF ACTIVITIES
For The Year Ended December 31, 2009

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue And Changes In Net Assets Primary Government		
		Charges For Services And Sales	Operating Grants And Contributions	Capital Grants And Contributions	Governmental Activities	Business- Type Activities	Total
Primary Government							
Governmental Activities							
General government	\$ 3,315,775	\$ 485,778	\$ 23,203	\$ —	\$ (2,806,794)	\$ —	\$ (2,806,794)
Community development and improvement	1,335,337	—	—	—	(1,335,337)	—	(1,335,337)
Public works	3,541,594	1,067,170	233,650	2,452,265	211,491	—	211,491
Culture and recreation	6,584,138	3,423,899	111,492	—	(3,048,747)	—	(3,048,747)
Cemetery maintenance	40,370	37,399	—	—	(2,971)	—	(2,971)
Public safety	8,654,817	1,621,760	46,128	—	(6,986,929)	—	(6,986,929)
Interest on long-term debt	1,535,865	—	—	—	(1,535,865)	—	(1,535,865)
Total Governmental Activities	25,007,896	6,636,006	414,473	2,452,265	(15,505,152)	—	(15,505,152)
Business-Type Activities							
Water	3,887,962	3,851,743	—	269,563	—	233,344	233,344
Sewer	5,314,243	4,951,824	—	205,251	—	(157,168)	(157,168)
Sanitation	1,437,803	1,427,468	—	—	—	(10,335)	(10,335)
Total Business-Type Activities	10,640,008	10,231,035	—	474,814	—	65,841	65,841
Total Primary Government	\$ 35,647,904	\$ 16,867,041	\$ 414,473	\$ 2,927,079	(15,505,152)	65,841	(15,439,311)
General Revenues:							
Taxes:							
Property tax					5,497,483	—	5,497,483
Franchise taxes					3,844,459	—	3,844,459
Sales taxes					7,995,060	—	7,995,060
Other taxes					1,362,775	—	1,362,775
Investment income					157,135	244,619	401,754
Miscellaneous					590,848	—	590,848
Transfers					(676,467)	676,467	—
Total General Revenues And Transfers					18,771,293	921,086	19,692,379
Change In Net Assets					3,266,141	986,927	4,253,068
Net Assets - Beginning Of Year					32,125,231	42,888,483	75,013,714
Net Assets - End Of Year					\$ 35,391,372	\$ 43,875,410	\$ 79,266,782

CITY OF LIBERTY, MISSOURI

BALANCE SHEET - GOVERNMENTAL FUNDS December 31, 2009

	General	Parks	Liberty 2010	Roadway Development	Liberty TIF	No major Governmental Funds	Total
Assets							
Cash and investments	\$ 4,234,589	\$ 936,290	\$ 2,576,942	\$ 319,791	\$ 557,569	\$ 668,209	\$ 9,293,390
Receivables, net of allowance for uncollectibles:							
Taxes	1,887,182	155,697	500,119	264,968	1,996	266,770	3,076,732
Accounts	384,216	14,062	—	—	—	22,962	421,240
Special assessment	—	—	—	—	—	282,414	282,414
Accrued interest	2,956	1,804	7,121	349	1,141	1,601	14,972
Due from other funds	323,690	67,062	1,010,000	—	—	788	1,401,540
Due from other governments	18,377	—	454,366	—	—	—	472,743
Inventory	22,937	—	—	—	—	—	22,937
Prepaid items	376,427	44,856	638,109	—	—	—	1,059,392
Restricted assets:							
Cash and investments	—	—	381,758	—	4,074,108	86,839	4,542,705
Investments	—	—	—	—	—	1,625,135	1,625,135
Accrued interest	—	—	807	5	—	139	951
Total Assets	\$ 7,250,374	\$ 1,219,771	\$ 5,569,222	\$ 585,113	\$ 4,634,814	\$ 2,954,857	\$ 22,214,151
Liabilities And Fund Balances							
Liabilities							
Accounts payable and accrued liabilities	\$ 601,963	\$ 80,349	\$ 96,629	\$ 1,403	\$ 21,691	\$ 66,995	\$ 869,030
Deposits	100,969	—	—	—	—	—	100,969
Due to other funds	—	695,000	—	—	555,878	150,662	1,401,540
Deferred and unearned revenue	4,081,239	761,439	358,189	—	87,425	920,523	6,208,815
Total Liabilities	4,784,171	1,536,788	454,818	1,403	664,994	1,138,180	8,580,354
Fund Balances							
Reserved for:							
Encumbrances	11,195	3,236	2,964,527	391,745	8,045	46,512	3,425,260
Debt service	—	—	—	—	3,906,199	877,664	4,783,863
Prepaid items	376,427	44,856	638,109	—	—	—	1,059,392
Park development	—	—	—	—	—	7,456	7,456
Roadway development	—	—	17,029	—	—	—	17,029
Capital improvements	—	—	382,565	—	—	—	382,565
Inventory	22,937	—	—	—	—	—	22,937
Trust corpus	—	—	—	—	—	406,836	406,836
Unreserved:							
Designated for:							
Emergencies	100,000	—	—	—	—	—	100,000
Undesignated, reported in:							
General Fund	1,955,644	—	—	—	—	—	1,955,644
Special Revenue Funds	—	(365,109)	—	—	—	167,113	(197,996)
Capital Projects Fund	—	—	1,112,174	191,965	55,576	311,096	1,670,811
Total Fund Balances	2,466,203	(317,017)	5,114,404	583,710	3,969,820	1,816,677	13,633,797
Total Liabilities And Fund Balances	\$ 7,250,374	\$ 1,219,771	\$ 5,569,222	\$ 585,113	\$ 4,634,814	\$ 2,954,857	\$ 22,214,151

CITY OF LIBERTY, MISSOURI

RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES TO NET ASSETS OF GOVERNMENTAL ACTIVITIES

December 31, 2009

Total Fund Balance - Governmental Funds \$ 13,633,797

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

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

Land	1,886,906
Construction in progress	6,135,678
Buildings and system	13,076,708
Improvements other than buildings	9,958,639
Vehicles	3,558,535
Machinery and equipment	8,664,575
Infrastructure	32,202,085
Accumulated depreciation	(22,689,405)

Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds 282,414

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

Current:	
Compensated absences	(478,446)
Accrued interest payable	(449,998)
Capital lease obligations	(147,641)
Leasehold revenue bonds	(735,000)
General obligation bonds	(1,445,000)
TIF bonds	(490,000)
MDNR loan payable	(9,359)
Special assessment bonds	(80,000)
Special obligation bonds	(2,070,000)
Noncurrent:	
Compensated absences	(928,749)
Other post employment benefits	(76,000)
Bond issuance costs	261,694
Bond discounts and deferral on refunding	313,473
Bond premium	(333,644)
Leasehold revenue bonds	(2,120,000)
General obligation bonds	(8,085,000)
TIF bonds	(14,080,000)
MDNR loan payable	(74,890)
Special assessment bonds	(290,000)

Total Net Assets - Governmental Activities \$ 35,391,372

CITY OF LIBERTY, MISSOURI

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES GOVERNMENTAL FUNDS

For The Year Ended December 31, 2009

	General	Parks	Liberty 2010	Roadway Development	Liberty TIF	Nonmajor Governmental Funds	Total
Revenues							
Taxes	\$ 10,855,648	\$ 731,664	\$ 2,726,988	\$ 1,529,410	\$ 1,321,586	\$ 1,443,393	\$ 18,608,689
Intergovernmental	395,348	—	1,138,149	245	—	19,125	1,552,867
Charges for services	1,872,181	2,560,840	876,295	—	—	57,144	5,366,460
Licenses and permits	389,111	—	—	—	—	—	389,111
Investment earnings	56,236	14,699	44,878	2,177	11,276	27,869	157,135
Lease	—	—	—	—	—	863,059	863,059
Miscellaneous	569,585	7,029	17,376	—	—	92,133	686,123
Total Revenues	14,138,109	3,314,232	4,803,686	1,531,832	1,332,862	2,502,723	27,623,444
Expenditures							
Current:							
General government	2,842,240	—	15,459	—	—	63,114	2,920,813
Community development and improvement	1,011,260	—	—	48,082	36,444	20	1,095,806
Public works	2,374,346	—	1,237,236	—	28,300	54,026	3,693,908
Culture and recreation	273,806	3,369,210	658,102	—	—	212,656	4,513,774
Cemetery maintenance	—	—	—	—	—	40,370	40,370
Public safety	8,167,434	—	22,817	—	39,303	16,264	8,245,818
Capital outlay	—	891,446	1,335,800	481,353	—	141,675	2,850,274
Debt service:							
Principal retirement	9,053	—	279,400	1,315,000	385,000	780,000	2,768,453
Interest and fiscal charges	3,069	—	19,847	475,510	912,526	173,482	1,584,434
Total Expenditures	14,681,208	4,260,656	3,568,661	2,319,945	1,401,573	1,481,607	27,713,650
Revenues Over (Under) Expenditures	(543,099)	(946,424)	1,235,025	(788,113)	(68,711)	1,021,116	(90,206)
Other Financing Sources (Uses)							
Transfers in	1,071,872	312,510	—	—	—	16,050	1,400,432
Transfers out	(708,698)	(10,000)	—	—	—	(1,358,201)	(2,076,899)
Total Other Financing Sources (Uses)	363,174	302,510	—	—	—	(1,342,151)	(676,467)
Net Change In Fund Balances	(179,925)	(643,914)	1,235,025	(788,113)	(68,711)	(321,035)	(766,673)
Fund Balances - Beginning Of Year	2,646,128	326,897	3,879,379	1,371,823	4,038,531	2,137,712	14,400,470
Fund Balances - End Of Year	\$ 2,466,203	\$ (317,017)	\$ 5,114,404	\$ 583,710	\$3,969,820	\$ 1,816,677	\$ 13,633,797

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, 2009

Net Change In Fund Balances - Total Governmental Funds \$ (766,673)

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

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. The following is the detail of the amount by which capital outlays exceeded depreciation in the current year:

Capital outlay	2,912,845
Depreciation:	
General government	(481,217)
Public safety	(402,219)
Public works	(906,304)
Culture and recreation	(1,181,375)
Loss on disposal of capital assets	(36,099)
Capital contributions	1,404,959

Special assessment revenues in the statement of activities that do not provide current financial resources are not reported in the funds (77,899)

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

Changes in compensated absences:	
General government	64,155
Public safety	(239,531)
Public works	87,355
Culture and recreation	49,022
Changes in other post employment benefits	22,100

Bond proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net assets.

Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets:

Principal payments on long-term debt	2,768,453
Amortization of issuance costs and bond discounts	(46,528)
Amortization of bond premiums	53,193
Change in accrued interest	41,904

Change In Net Assets Of Governmental Activities \$ 3,266,141

CITY OF LIBERTY, MISSOURI

STATEMENT OF NET ASSETS ENTERPRISE FUNDS December 31, 2009

	Water	Sewer	Sanitation (Nonmajor)	Total
Assets				
Current Assets:				
Cash and investments	\$ 380,732	\$ 371,145	\$ 327,066	\$ 1,078,943
Receivables:				
Special assessments	—	45,486	287	45,773
Accounts	418,334	908,053	85,933	1,412,320
Accrued interest	4,272	2,255	630	7,157
Inventory	90,613	7,300	—	97,913
Prepays	18,283	37,846	—	56,129
Total Current Assets	912,234	1,372,085	413,916	2,698,235
Noncurrent Assets:				
Restricted assets, cash and investments	1,604,000	4,907,688	—	6,511,688
Bond issuance costs	68,376	239,742	—	308,118
Bond discounts and deferral on refunding	160,968	—	—	160,968
Capital assets:				
Land	795,677	45,000	—	840,677
Construction in progress	4,009	6,877,729	—	6,881,738
Buildings and systems	9,004,014	1,213,059	—	10,217,073
Improvements other than buildings	143,116	51,027	—	194,143
Vehicles	740,420	565,533	—	1,305,953
Machinery and equipment	5,233,472	3,809,339	—	9,042,811
Infrastructure	29,825,485	21,448,165	—	51,273,650
Accumulated depreciation	(14,499,595)	(7,217,951)	—	(21,717,546)
Total Noncurrent Assets	33,079,942	31,939,331	—	65,019,273
Total Assets	\$ 33,992,176	\$ 33,311,416	\$ 413,916	\$ 67,717,508
Liabilities				
Current Liabilities				
Accounts payable and accrued expenses	\$ 79,745	\$ 471,389	\$ 171,185	\$ 722,319
Compensated absences	14,769	13,200	—	27,969
Accrued interest payable	84,411	214,108	—	298,519
Unearned revenue	—	144,919	—	144,919
Current maturities of long-term debt	1,090,000	692,500	—	1,782,500
Total Current Liabilities	1,268,925	1,536,116	171,185	2,976,226
Noncurrent Liabilities:				
Compensated absences	28,669	25,624	—	54,293
Bond premium	37,366	138,172	—	175,538
SRF note payable	—	3,831,041	—	3,831,041
SRF bonds, noncurrent portion	—	5,320,000	—	5,320,000
Revenue bonds payable, noncurrent portion	6,615,000	4,870,000	—	11,485,000
Total Noncurrent Liabilities	6,681,035	14,184,837	—	20,865,872
Total Liabilities	7,949,960	15,720,953	171,185	23,842,098
Net Assets				
Invested in capital assets, net of related debt	23,665,200	15,771,229	—	39,436,429
Restricted for:				
Debt service	1,604,000	4,824,370	—	6,428,370
Kansas City sewer line	—	83,318	—	83,318
Unrestricted	773,016	(3,088,454)	242,731	(2,072,707)
Total Net Assets	26,042,216	17,590,463	242,731	43,875,410
Total Liabilities And Net Assets	\$ 33,992,176	\$ 33,311,416	\$ 413,916	\$ 67,717,508

CITY OF LIBERTY, MISSOURI

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

For The Year Ended December 31, 2009

	Water	Sewer	Sanitation (Nonmajor)	Total
Operating Revenues				
Charges for services	\$ 3,851,743	\$ 4,951,824	\$ 1,427,468	\$ 10,231,035
Operating Expenses				
Pumping and treatment	1,487,820	3,357,618	—	4,845,438
Distribution and transmission	459,063	556,115	—	1,015,178
General and administrative	592,967	281,269	—	874,236
Sanitation	—	—	1,437,803	1,437,803
Depreciation	933,544	533,439	—	1,466,983
Total Operating Expenses	3,473,394	4,728,441	1,437,803	9,639,638
Operating Income (Loss)	378,349	223,383	(10,335)	591,397
Nonoperating Revenues (Expenses)				
Investment earnings	38,335	201,816	4,468	244,619
Interest expense	(414,568)	(585,802)	—	(1,000,370)
Total Nonoperating Revenues (Expenses)	(376,233)	(383,986)	4,468	(755,751)
Income (Loss) Before Transfers And Capital Contributions	2,116	(160,603)	(5,867)	(164,354)
Transfers In	344,290	364,443	—	708,733
Transfers Out	(32,266)	—	—	(32,266)
Capital Contributions	269,563	205,251	—	474,814
Change In Net Assets	583,703	409,091	(5,867)	986,927
Net Assets - Beginning Of Year	25,458,513	17,181,372	248,598	42,888,483
Net Assets - End Of Year	\$ 26,042,216	\$ 17,590,463	\$ 242,731	\$ 43,875,410

CITY OF LIBERTY, MISSOURI

STATEMENT OF CASH FLOWS
ENTERPRISE FUNDS
For The Year Ended December 31, 2009

	Water	Sewer	Sanitation (Nonmajor)	Total
Cash Flows From Operating Activities				
Receipts from customers and users	\$ 3,872,104	\$ 4,921,020	\$ 1,445,855	\$ 10,238,979
Payments to suppliers	(2,367,101)	(4,047,231)	(1,429,040)	(7,843,372)
Payments to employees	(428,392)	(483,050)	—	(911,442)
Net Cash Provided By Operating Activities	1,076,611	390,739	16,815	1,484,165
Cash Flows From Noncapital Financing Activities,				
Transfers from other funds	344,290	364,443	—	708,733
Transfers to other funds	(32,266)	—	—	(32,266)
Net Cash Provided By Noncapital Financing Activities	312,024	364,443	—	676,467
Cash Flows From Capital And Related Financing Activities				
Purchase of capital assets	(4,009)	(36,523)	—	(40,532)
Interest payments	(380,853)	(596,507)	—	(977,360)
Principal payments on debt	(1,045,000)	(674,000)	—	(1,719,000)
Net Cash Used In Capital And Related Financing Activities	(1,429,862)	(1,307,030)	—	(2,736,892)
Cash Flows Provided By Investing Activities				
Interest and dividends received	41,179	204,017	4,684	249,880
Increase (Decrease) In Cash And Cash Equivalents	(48)	(347,831)	21,499	(326,380)
Cash And Cash Equivalents - Beginning Of Year	1,984,780	5,626,664	305,567	7,917,011
Cash And Cash Equivalents - End Of Year	\$ 1,984,732	\$ 5,278,833	\$ 327,066	\$ 7,590,631
Reconciliation of operating income to net cash provided by (used in) operating activities:				
Operating income (loss)	\$ 378,349	\$ 223,383	\$ (10,335)	\$ 591,397
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:				
Depreciation	933,544	533,439	—	1,466,983
Amortization	29,030	13,779	—	42,809
Changes in assets and liabilities:				
Receivables	20,361	(21,682)	18,387	17,066
Inventory and other prepayments	(5,354)	(7,666)	—	(13,020)
Accounts payable and accrued expenses	(30,230)	(238,107)	8,763	(259,574)
Due to other funds	(255,000)	(108,000)	—	(363,000)
Deposits	—	(9,122)	—	(9,122)
Compensated absences	5,911	4,715	—	10,626
Net Cash Provided By Operating Activities	\$ 1,076,611	\$ 390,739	\$ 16,815	\$ 1,484,165
Schedule Of Noncash Capital And Related Financing Activities, Acquisition Of Capital Assets Through Private Contributions				
	\$ 269,563	\$ 205,251	\$ —	\$ 474,814

CITY OF LIBERTY, MISSOURI

**STATEMENT OF ASSETS AND LIABILITIES
AGENCY FUNDS
December 31, 2009**

Assets

Cash and cash equivalents	\$ 84,661
Accrued sales taxes	24,295
Accrued interest	<u>83</u>
	<u>\$ 109,039</u>

Liabilities

Protested taxes	\$ 7,301
Due to other entities	<u>101,738</u>
	<u>\$ 109,039</u>

CITY OF LIBERTY, MISSOURI

NOTES TO BASIC FINANCIAL STATEMENTS

December 31, 2009

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

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

CITY OF LIBERTY, MISSOURI

Notes To Basic Financial Statements (*Continued*)

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

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

Government-wide and fund financial statements: The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the nonfiduciary activities of the City. For the most part, the effect of interfund activity has been removed from these statements. Interfund services provided and used are not eliminated from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not included among program revenues are reported as general revenues.

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

CITY OF LIBERTY, MISSOURI

Notes To Basic Financial Statements (*Continued*)

Fund accounting: The accounts of the City are organized on the basis of funds, each of which is considered to be a separate accounting entity. The operations of each fund are accounted for by providing a separate set of self-balancing accounts which comprise its assets, liabilities, reserves, fund balance/net assets, revenues and expenditures or expenses, as appropriate. The City has the following funds:

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

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

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

Liberty 2010 Fund: This fund is a capital projects fund used to account for general governmental capital expenditures within the City. The City deposits 42% of the one-cent City sales tax and a ½ cent capital improvement sales tax into this fund for these projects.

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

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

The Roadway Development Fund and Liberty TIF Fund, both capital projects funds, are presented as a major fund for public interest purposes.

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.

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

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

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

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

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

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

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

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

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

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

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: Are used to account for those operations that are financed and operated in a manner similar to private business or where the City has decided that the determination of revenues earned, costs incurred and/or net income is necessary for management accountability. In accordance with Governmental Accounting Standards Board (GASB) Statement No, 20, *Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities that Use Proprietary Fund Accounting*, the City has elected to apply all applicable Financial Accounting Standards Board (FASB) pronouncements, issued on or before November 30, 1989, except for those pronouncements which conflict with or contradict GASB pronouncements and not to apply FASB pronouncements issued subsequent to November 30, 1989.

The following are the City's major enterprise funds:

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

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

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

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

CITY OF LIBERTY, MISSOURI

Notes To Basic Financial Statements (*Continued*)

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

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

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

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

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

Measurement Focus And Basis Of Accounting

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund financial statements. The agency funds have no measurement focus. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the following year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period, with the exception of sales tax which is 90 days. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

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 2009 levy plus any uncollected amounts from the 2008 levy. Property taxes that are not available for current year operations are shown as deferred revenue. Property taxes are levied each year on all taxable real and personal property in the City. The City's property tax is levied each September 1 on the assessed value as of the prior January 1. Property taxes are billed in total by November 1 following the levy date and considered delinquent after January 1. On January 1, a lien attaches to all property for which taxes are unpaid.

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

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

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the City's enterprise funds are charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Cash And Investments

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

Statement Of Cash Flows

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

CITY OF LIBERTY, MISSOURI

Notes To Basic Financial Statements (*Continued*)

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.

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

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

Deferred And Unearned Revenues

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

Interfund Transactions

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

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

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

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

Compensated Absences

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

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.

CITY OF LIBERTY, MISSOURI

Notes To Basic Financial Statements (*Continued*)

Fund Equity

Reservations of fund balance represent amounts that are not appropriable or are legally segregated for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

Net Assets

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

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

Bond Discount, Premium And Issuance Costs

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

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

Use Of Estimates

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

CITY OF LIBERTY, MISSOURI

Notes To Basic Financial Statements (Continued)

2. Deposits And Investments

As of December 31, 2009, the City had the following investments and maturities:

Investment Type	Amount	Investment Maturities (In Years)			
		Less Than 1	1-3	3-5	More Than 5
Federal Farm Credit Bank	\$ 498,417	\$ 498,417	\$ —	\$ —	\$ —
Federal National Mortgage Association	9,463,640	6,463,640	3,000,000	—	—
Federal Home Loan Mortgage Corporation	1,997,197	1,997,197	—	—	—
Repurchase Agreements	317,500	317,500	—	—	—
Money Market Funds					
Fidelity Treasury	5,448,140	5,448,140	—	—	—
Interest in State of Missouri					
SRF Program Investment Pool	3,988,541	—	—	—	3,988,541
	\$ 21,713,435	\$ 14,724,894	\$ 3,000,000	\$ —	\$ 3,988,541

Authorized Investments

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

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer maturity of an investment means the greater the sensitivity of its fair value to changes in market interest rates. As a means of limiting its exposure to fair value losses arising from rising interest rates, the City's investment policy limits investment maturities to three years, with the exception of funds invested in accordance with bond or other financing agreements.

CITY OF LIBERTY, MISSOURI

Notes To Basic Financial Statements (*Continued*)

Credit Risk

Generally, credit risk is the risk the issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The City does not have a formal policy relating to credit risk. As of December 31, 2009, the City's investments were rated as follows:

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

Concentration Of Credit Risk

The City's investment policy is to apply the prudent-person rule: investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital, as well as the probable income to be derived. In addition, with the exception of U.S. Treasury securities, government pools collateralized by U.S. Treasury securities and repurchase agreements, it is the City's policy that no more than 50% of the City's total investment portfolio be deposited in a single financial institution/primary dealer. More than 5% of the City's portfolio is invested in Federal National Mortgage Association (43.6%); Federal Home Loan Mortgage Corporation (9.2%); and Interest in State of Missouri SRF Program Investment Pool (18.4%).

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. At December 31, 2009, \$957,820 of the City's bank balances were uninsured and uncollateralized. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment that are in the possession of another party. The City's investment policy requires all collateral securities pledged to be held by the City or a designated independent third-party custodian with whom the City has a current custodial agreement and requires the custodian holds the securities as pledged to the City in an account in the City's name.

CITY OF LIBERTY, MISSOURI

Notes To Basic Financial Statements (Continued)

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

Deposits	\$ 1,423,087
Investments	<u>21,713,435</u>
	<u>\$ 23,136,522</u>
Cash and investments	\$ 10,372,333
Restricted assets:	
Cash and cash equivalents	5,858,175
Investments	6,821,353
Agency fund, cash and cash equivalents	<u>84,661</u>
	<u>\$ 23,136,522</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, 2009:

	Balance - January 1, 2009	Additions	Retirements	Balance - December 31, 2009
Governmental Activities				
Capital assets, not being depreciated:				
Land	\$ 1,886,906	\$ —	\$ —	\$ 1,886,906
Construction in progress	5,128,059	1,621,438	613,819	6,135,678
Total capital assets, not being depreciated	<u>7,014,965</u>	<u>1,621,438</u>	<u>613,819</u>	<u>8,022,584</u>
Capital assets being depreciated:				
Buildings and system	12,185,262	891,446	—	13,076,708
Improvements other than buildings	9,915,667	42,972	—	9,958,639
Vehicles	3,514,009	114,156	69,630	3,558,535
Machinery and equipment	8,253,909	485,284	74,618	8,664,575
Infrastructure	30,425,758	1,776,327	—	32,202,085
Total capital assets being depreciated	<u>64,294,605</u>	<u>3,310,185</u>	<u>144,248</u>	<u>67,460,542</u>
Less: Accumulated depreciation for:				
Buildings and system	3,753,300	272,594	—	4,025,894
Improvements other than buildings	4,293,441	438,268	—	4,731,709
Vehicles	2,116,505	254,210	50,289	2,320,426
Machinery and equipment	5,242,320	450,249	57,860	5,634,709
Infrastructure	4,420,873	1,555,794	—	5,976,667
Total accumulated depreciation	<u>19,826,439</u>	<u>2,971,115</u>	<u>108,149</u>	<u>22,689,405</u>
Total capital assets being depreciated, net	<u>44,468,166</u>	<u>339,070</u>	<u>36,099</u>	<u>44,771,137</u>
Governmental activities capital assets, net	<u>\$ 51,483,131</u>	<u>\$ 1,960,508</u>	<u>\$ 649,918</u>	<u>\$ 52,793,721</u>

CITY OF LIBERTY, MISSOURI

Notes To Basic Financial Statements (Continued)

	Balance - January 1, 2009	Additions	Retirements	Balance - December 31, 2009
Business-Type Activities				
Capital assets, not being depreciated:				
Land	\$ 840,677	\$ —	\$ —	\$ 840,677
Construction in progress	10,178,520	40,532	3,337,314	6,881,738
Total capital assets, not being depreciated	11,019,197	40,532	3,337,314	7,722,415
Capital assets being depreciated:				
Buildings and system	10,217,073	—	—	10,217,073
Improvements other than buildings	194,143	—	—	194,143
Vehicles	1,305,953	—	—	1,305,953
Machinery and equipment	6,932,894	2,109,917	—	9,042,811
Infrastructure	49,571,439	1,702,211	—	51,273,650
Total capital assets being depreciated	68,221,502	3,812,128	—	72,033,630
Less: Accumulated depreciation for:				
Buildings and system	2,428,941	204,342	—	2,633,283
Improvements other than buildings	147,776	7,825	—	155,601
Vehicles	580,952	86,560	—	667,512
Machinery and equipment	4,381,956	221,891	—	4,603,847
Infrastructure	12,710,938	946,365	—	13,657,303
Total accumulated depreciation	20,250,563	1,466,983	—	21,717,546
Total capital assets being depreciated, net	47,970,939	2,345,145	—	50,316,084
Business-type activities capital assets, net	\$ 58,990,136	\$ 2,385,677	\$ 3,337,314	\$ 58,038,499

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

Governmental Activities	
General government	\$ 481,217
Public safety	402,219
Culture and recreation	1,181,375
Public works	906,304
	<u>906,304</u>
	<u>\$ 2,971,115</u>

CITY OF LIBERTY, MISSOURI

Notes To Basic Financial Statements (Continued)

4. Long-Term Debt

The following is a summary of changes in long-term debt for the year ended December 31, 2009:

	Balance - January 1, 2009	Additions	Retirements	Balance - December 31, 2009	Due Within One Year
Governmental Activities					
Special assessment bonds	\$ 445,000	\$ —	\$ 75,000	\$ 370,000	\$ 80,000
Special obligation bonds	2,070,000	—	—	2,070,000	2,070,000
Capital leases	427,041	—	279,400	147,641	147,641
General obligation bonds	10,845,000	—	1,315,000	9,530,000	1,445,000
Leasehold revenue bonds	3,560,000	—	705,000	2,855,000	735,000
TIF bonds	14,955,000	—	385,000	14,570,000	490,000
MDNR loan payable	93,302	—	9,053	84,249	9,359
Other post employment benefits	98,100	98,100	—	196,200	—
Compensated absences	1,368,196	989,315	950,316	1,407,195	478,446
	<u>\$ 33,861,639</u>	<u>\$ 1,087,415</u>	<u>\$ 3,718,769</u>	<u>\$ 31,230,285</u>	<u>\$ 5,455,446</u>
Business-Type Activities					
Revenue bonds	\$ 14,230,000	\$ —	\$ 1,345,000	\$ 12,885,000	\$ 1,400,000
SRF bonds	5,765,000	—	220,000	5,545,000	225,000
SRF note payable	4,142,541	—	154,000	3,988,541	157,500
Compensated absences	71,636	54,379	43,753	82,262	27,969
	<u>\$ 24,209,177</u>	<u>\$ 54,379</u>	<u>\$ 1,762,753</u>	<u>\$ 22,500,803</u>	<u>\$ 1,810,469</u>

The accrued compensated absences attributable to the governmental activities are generally liquidated by the General Fund.

CITY OF LIBERTY, MISSOURI

Notes To Basic Financial Statements (*Continued*)

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

Governmental Activities:

General obligation bonds:

2001 Roadway and Transportation Improvement Projects Bonds, 2.6% - 4.6%, due in varying amounts through 2011 \$ 3,030,000

2005 Roadway and Transportation Improvement Projects Bonds, 4%, due in varying amounts through 2016 6,500,000

Special assessment bonds:

2002 Neighborhood Improvement District Refunding Bonds, 3.65% - 5.5%, due in varying amounts through 2014 370,000

Special obligation bonds:

2007 Clay County Health Center Relocation Project Bonds, 4.00%, due in varying amounts through 2010 2,070,000

Leasehold revenue bonds:

2003 Community Center Refunding Guaranteed Leasehold Revenue Bonds, 3.875% - 4.5%, due in varying amounts through 2013 1,610,000

1999 Liberty Sports Complex Leasehold Revenue bonds, 4.4% - 5.35%, due in varying amounts through 2011 1,245,000

MDNR loan payable 84,249

Tax increment revenue bonds:

2004 Liberty Triangle Project Tax Increment Revenue Bonds, 4% - 5.875%, due in varying amounts through 2026 6,870,000

2007 Liberty Triangle Project Tax Increment Revenue Bonds, 5% - 5.875%, due in varying amounts through 2029 7,700,000

Compensated absences 1,407,195

Other post employment benefits 196,200

Capital leases

Lease purchase to provide for the acquisition, construction and installation of real and personal property, including drainage improvements to the City's 148-acre sports complex, 4.75%, due in varying amounts through 2010 130,000

Lease purchase of phone system, 4.75% due in annual installments of \$18,479 through 2010 17,641

Total Governmental Activities \$ 31,230,285

CITY OF LIBERTY, MISSOURI

Notes To Basic Financial Statements (*Continued*)

Business-Type Activities:

Revenue bonds:

2005 Waterworks Refunding Revenue Bonds, 4%, due in varying amounts through 2012	\$ 2,635,000
2005 Sewer System Revenue Bonds, 3.00% - 4.25%, due in varying amounts through 2025	5,180,000
2002 City of Liberty, Missouri Waterworks Revenue Bonds, 2.25% - 4.8%, due in varying amounts through 2016	5,070,000
2005 State Revolving Fund Program Bonds, 3.25% - 5.25%, due in varying amounts through 2026	5,545,000

SRF Note Payable related to 70% reserve funding as part of the Missouri State Revolving Fund Program, noninterest bearing, due in varying amounts through 2026	3,988,541
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Compensated absences	<u>82,262</u>
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Total Business-Type Activities	<u><u>\$ 22,500,803</u></u>
--------------------------------	-----------------------------

On August 25, 2005, the City issued \$6,295,000 of Sewer System Refunding and Improvement Revenue Bonds with an interest rate of 3% to 4.25 %, a portion of which advance refunded \$3,000,000 of the 1995 Sewer Revenue Bonds. Proceeds of \$3,185,605 were deposited into an irrevocable trust with an escrow agent to provide for future debt service payments on the 1995 Sewer Revenue Bonds. As a result, the 1995 Sewer Revenue Bonds are considered defeased and the liability for those bonds has been removed from the government-wide statement of net assets and Sewer Fund. During 2009, the remaining amount outstanding as defeased was paid in full by the escrow agent using funds from the irrevocable trust.

State Revolving Fund Program Bonds: The City has issued \$6,180,000 of State Revolving Fund Program Bonds. In conjunction with this issuance, the City entered into an agreement with the Missouri Department of Natural Resources whereby the state of Missouri will advance monies to establish a reserve fund in an amount up to 70% of the outstanding bonds. This reserve fund will serve as collateral on the State Revolving Fund Program Bonds in the event of default and interest earnings on the reserve fund will be used to reduce the City's interest payment on the outstanding bonds. As of December 31, 2009, the reserve fund has approximately \$3,988,541.

CITY OF LIBERTY, MISSOURI

Notes To Basic Financial Statements (*Continued*)

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

	Debt Service - Public Facilities Authority Restricted Assets
Bond Fund, Sports Complex	\$ 638,152
Complex	552,505
Center	11
Community Center	229,502
	<hr/>
	\$ 1,420,170
	<hr/>

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

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

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 assets as restricted accounts as follows:

	<u>Restricted Assets</u>
Water:	
Bond reserve account	\$ 1,204,000
Depreciation and replacement account	400,000
	<u>\$ 1,604,000</u>
Sewer:	
Bond reserve account	\$ 571,818
Depreciation and replacement account	96,000
	<u>\$ 667,818</u>
Sewer, Shoal Creek upgrade	<u>\$ 7,936</u>
Sewer, Kansas City sewer line	<u>\$ 90,367</u>
Sewer:	
SRF reserve account	\$ 3,988,541
SRF trustee interest account	40,519
SRF trustee rebate account	2
SRF trustee principal	112,505
	<u>\$ 4,141,567</u>

In addition, these bonds have a rate covenant as follows:

- 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.

CITY OF LIBERTY, MISSOURI

Notes To Basic Financial Statements (Continued)

- Enable the City to have in each fiscal year net revenues available for debt service not less than 120% of the amount required to be paid in such fiscal year on account of both principal of and interest on all system revenue bonds at the time outstanding. The City is in violation of this covenant by only having 95% of net revenues available in the Water Fund and 113% available in the Sewer Fund. The effect of this violation is that the City is to employ a consultant to make recommendations with respect to such rates and charges. A copy of the consultant's report and recommendations shall be filed with the Deputy City Clerk, the insurer and the original purchaser and shall be furnished to any registered owner of the bonds requesting a copy of the same, at the cost to such registered owner. The City shall, to the extent feasible, follow the recommendations of the consultant. The City worked with a rate consultant during 2008 and 2009 to develop rates that are appropriate going forward. The rate increases will be implemented in phases in the upcoming years.
- 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, 2009 are as follows:

For The Years Ended December 31,	Debt Service General Obligation Bonds		Debt Service Special Assessment Bonds		Debt Service Special Obligation Bonds	
	Principal	Interest	Principal	Interest	Principal	Interest
2010	\$ 1,445,000	\$ 413,411	\$ 80,000	\$ 13,981	\$ 2,070,000	\$ 82,800
2011	1,585,000	344,805	80,000	10,781	—	—
2012	700,000	294,350	85,000	7,325	—	—
2013	1,400,000	248,850	85,000	3,659	—	—
2014	1,470,000	180,600	40,000	900	—	—
2015-2016	2,930,000	141,925	—	—	—	—
	\$ 9,530,000	\$ 1,623,941	\$ 370,000	\$ 36,646	\$ 2,070,000	\$ 82,800

For The Years Ended December 31,	Debt Service Leasehold Revenue Bonds		Enterprise Revenue Bonds	
	Principal	Interest	Principal	Interest
2010	\$ 735,000	\$ 115,895	\$ 1,400,000	\$ 539,803
2011	775,000	78,119	1,455,000	483,366
2012	140,000	55,944	1,240,000	425,810
2013	145,000	50,509	1,600,000	376,135
2014	150,000	44,325	1,950,000	300,710
2015-2019	910,000	99,000	3,345,000	654,990
2020-2024	—	—	1,335,000	258,170
2025	—	—	560,000	11,760
	\$ 2,855,000	\$ 443,792	\$ 12,885,000	\$ 3,050,744

CITY OF LIBERTY, MISSOURI

Notes To Basic Financial Statements (*Continued*)

For The Years Ended December 31,	Debt Service Capital Leases		Debt Service Tax Increment Revenue Bonds	
	Principal	Interest	Principal	Interest
2010	\$ 147,641	\$ 4,401	\$ 490,000	\$ 805,941
2011	—	—	395,000	784,050
2012	—	—	420,000	763,925
2013	—	—	455,000	742,425
2014	—	—	505,000	718,538
2015-2019	—	—	3,040,000	3,156,722
2020-2024	—	—	4,465,000	2,156,603
2025-2029	—	—	4,800,000	681,941
	\$ 147,641	\$ 4,401	\$ 14,570,000	\$ 9,810,145

For The Years Ended December 31,	Debt Service Loan Payable		Enterprise SRF Bonds	
	Principal	Interest	Principal	Interest
2010	\$ 9,359	\$ 2,763	\$ 225,000	\$ 254,260
2011	9,676	2,446	235,000	246,385
2012	10,004	2,118	245,000	236,398
2013	10,343	1,779	255,000	224,148
2014	10,693	1,429	265,000	213,948
2015-2019	34,174	2,243	1,510,000	896,650
2020-2024	—	—	1,910,000	492,988
2025-2026	—	—	900,000	63,220
	\$ 84,249	\$ 12,778	\$ 5,545,000	\$ 2,627,997

For The Years Ended December 31,	Enterprise SRF Note Payable	
	Principal	Interest
2010	\$ 157,500	\$ —
2011	169,136	—
2012	182,753	—
2013	179,974	—
2014	185,500	—
2015-2019	1,100,357	—
2020-2024	1,380,206	—
2025-2026	633,115	—
	\$ 3,988,541	\$ —

Pledges Of Revenue On Outstanding Debt

Utility revenues pledged: The City has pledged future water customer revenues, net of specified operating expenses, to repay two debt issues totaling \$12,040,000 in water system revenue bonds. Series 2002 were issued May 2002 in the amount of \$6,000,000. Series 2005 were issued October 2005 in the amount of \$6,040,000. Proceeds from the 2002 series bonds were used to complete the water treatment plant expansion. Proceeds from the 2005 issue were used to refund the 1998 issue, reducing the interest rate to 4% for the remaining seven years of the bonds. The bonds are payable solely from water customer net revenues and are payable through 2012 for the 2005 issue and 2016 for the 2002 issue. Annual principal and interest payments on the bonds currently require 105% of net revenues. The total principal and interest remaining to be paid on the bonds is \$9,078,933. Principal and interest paid for the current year and total customer net revenues were \$1,424,443 and \$1,350,227, respectively. During 2008 and 2009 the City worked with a rate consultant to develop rates that are appropriate.

The City has pledged future sewer customer revenues, net of specified operating expenses, to repay two debt issues totaling \$12,475,000 in sewer system revenue bonds. Series 2005A were issued August 2005 in the amount of \$6,295,000. State Revolving Fund Bonds were issued November 2005 in the amount of \$6,180,000. Proceeds from the 2005A series bonds were used to refund the 1995 bond issue and provide additional funding for the completion of the Rush Creek Project. Proceeds from the State Revolving Fund bonds were used to construct the Rush Creek Project. The bonds are payable solely from the sewer customer net revenues and are payable through 2026. Annual principal and interest payments on the bonds currently require 88% of net revenues. The total principal and interest remaining to be paid on the bonds is \$13,582,258. Principal and interest paid for the current year and total customer net revenues were \$846,116 and \$958,638, respectively. During 2008 and 2009 the City worked with a rate consultant to develop rates that are appropriate.

TIF revenues pledged: The City has pledged a portion of future payments in lieu of taxes (PILOTS) and Economic Activity Tax (EATS) revenues to repay \$7,795,000 in Tax Increment Revenue Bonds issued in December 2004. The bonds were used to finance Project A of the Liberty Triangle Redevelopment Plan. The bonds are payable solely from the incremental property and sales taxes generated by increased development in the TIF district. Incremental PILOTS and EATS were projected to produce \$18,486,690 of the debt service requirements over the life of the bonds. Total principal and interest remaining on the bonds is \$11,010,022, payable through 2026. For the current year, principal and interest paid and total incremental PILOTS and EATS revenues were \$652,025 and \$632,026, respectively.

CITY OF LIBERTY, MISSOURI

Notes To Basic Financial Statements (*Continued*)

The City has pledged a portion of future PILOTS and EATS revenues to repay \$7,840,000 in Tax Increment Revenue Bonds issued in October 2007. The bonds were used to finance Projects B-2, C-3 and D-1 (The Series 2007 Projects), of the Liberty Triangle Redevelopment Plan. The bonds are payable solely from the incremental property, sales taxes, and CID sales tax generated by increased development in the TIF district. Incremental PILOTS, EATS and CID sales tax were projected to produce \$16,606,938 of the debt service requirements over the life of the bonds. Total principal and interest remaining on the bonds is \$13,370,122 payable through 2029. For the current year, principal and interest paid and total incremental PILOTS, EATS and CID revenues were \$557,838 and \$377,490, respectively.

Pledged revenue in connection with blended component unit debt, public facilities authority: The City has pledged as security for bonds issued by the Liberty, Missouri Public Facilities Authority, a portion of the City's capital sales tax. The bonds issued by Liberty, Missouri Public Facilities Authority in the amount of \$5,525,000 in 1999 for the purpose of constructing Fountain Bluff Sports Complex are payable through 2011. The City has committed to appropriate each year, from the capital sales tax, amounts sufficient to cover the principal and interest requirements on the Liberty Missouri Public Facilities Authority debt. The Liberty Missouri Public Facilities Authority has pledged as sole security for the bonds the appropriation from the City. Total principal and interest remaining on the debt is \$1,312,393. For the current year, principal and interest paid by the Liberty Missouri Public Facilities Authority and the total capital sales tax recognized by the City were \$656,399 and \$1,356,953, respectively.

The City has pledged as security for bonds issued by the Liberty, Missouri Public Facilities Authority, a portion of the City's parks capital sales tax. The bonds issued by Liberty, Missouri Public Facilities Authority in the amount of \$3,640,000 in 2003 for the purpose of refinancing the 1993 issue and expanding the Liberty Community Center are payable through 2018. The City has committed to appropriate each year, from the parks capital sales tax, amount sufficient to cover the principal and interest requirements on the Liberty Missouri Public Facilities Authority debt. The Liberty Missouri Public Facilities Authority has pledged as sole security for the bonds the appropriation from the City. Total principal and interest remaining on the debt is \$1,986,399. For the current year, principal and interest paid by the Liberty Missouri Public Facilities Authority and the total parks capital sales tax recognized by the City were \$199,831 and \$712,941, respectively.

CITY OF LIBERTY, MISSOURI

Notes To Basic Financial Statements (Continued)

5. Interfund Transactions

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

	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
Governmental activities:		
General	\$ 323,690	\$ —
Parks	67,062	695,000
Liberty 2010	1,010,000	—
Liberty Triangle TIF	—	555,878
Nonmajor governmental funds	788	150,662
	<u>\$ 1,401,540</u>	<u>\$ 1,401,540</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	\$ 1,071,872	\$ 708,698
Parks	312,510	10,000
Nonmajor governmental funds	16,050	1,358,201
Business Activities		
Water	344,290	32,266
Sewer	364,443	—
	<u>\$ 2,109,165</u>	<u>\$ 2,109,165</u>

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

6. Defined Benefit Pension Plan

Plan Description

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

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

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

Funding Status

The City's full-time employees do not contribute to the pension plan. The political subdivision is required to contribute at an actuarially determined rate; the current rate is 4.5% (general), 6.7% (police) and 11.1% (fire) of annual covered payroll. The governing body of the political subdivision determines the contribution requirements of plan members. State statute establishes the contribution provisions of the political subdivision.

Annual Pension Cost

For 2009, the City's annual pension cost of \$697,595 was equal to the required and actual contributions. The required contribution was determined as part of the February 28, 2007 and/or February 28, 2008 annual actuarial valuation using the entry age actuarial cost method. The actuarial assumptions as of February 29, 2009 included (a) a rate of return on the investment of present and future assets of 7.5% per year, compounded annually, (b) projected salary increases of 4% per year, compounded annually, attributable to inflation, (c) additional projected salary increases ranging from zero to 6% per year, depending on age and division, attributable to seniority/merit, (d) pre-retirement mortality based on the RP-2000 Combined Healthy Table set back zero years for men and zero years for women and (e) post-retirement mortality based on the 1971 Group Annuity Mortality table projected to 2000 set back one year for men and seven years for women. The actuarial value of assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a five-year period. The unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on an open basis. The amortization period as of February 29, 2009 was 15 years.

CITY OF LIBERTY, MISSOURI

Notes To Basic Financial Statements (Continued)

Fiscal Year Ending	Three-Year Trend Information		
	Annual Pension Cost (APC)	Percentage Of APC Contributed	Net Pension Obligation
6/30/2009	\$ 697,595	100%	\$ —
6/30/2008	710,901	100%	—
6/20/2007	704,412	100%	—

Funding Status And Funding Progress

As of February 29, 2009, the most recent actuarial valuation date, the City's participation in LAGERS was 82% funded. The actuarial accrued liability for benefits was \$17,450,360 and the actuarial value of assets was \$14,329,334, resulting in an unfunded actuarial accrued liability (UAAL) of \$3,121,026. The covered payroll was \$9,986,136, and the ratio of the UAAL to the covered payroll was 31%.

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

7. Deferred Compensation Plan

The City offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, available to all City employees, permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death or unforeseeable emergency. The plan was amended to comply with IRC Section 457(g) which allowed for the plan to hold its assets in trust. Under these new requirements, the assets of the plan are no longer subject to the general creditors of the City, the City no longer owns the amount deferred by employees and, therefore, the liability and corresponding investment are not reflected in the financial statements.

8. Commitments And Contingent Liabilities

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

Capital projects:	
Capital Projects Fund	\$ 2,826,785
Roadway Development Fund	391,745
Sewer Fund	168,421
	<hr/>
	\$ 3,386,951
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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, 2009, significant amounts of grant expenditures have not been audited by grantor governments, but the City believes that disallowed expenditures, if any, based on subsequent audits will not have a material effect on any of the individual government funds or the overall financial position of the City.

9. Risk Management

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

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

The City is self-insured for unemployment claims and accounts for the activity in the General Fund. Changes in the City's unemployment claims liability amounts in 2009 and 2008 were:

Year	Beginning Of Year Liability	Current Year Claims And Changes In Estimates	Claims Payments	Balance Year Ended
2009	\$ 22,579	\$ —	\$ 15,186	\$ 7,393
2008	22,917	—	338	22,579

CITY OF LIBERTY, MISSOURI

Notes To Basic Financial Statements (*Continued*)

10. Other Post Employment Benefits

Program Description

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

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

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, 2009, the City has not set aside assets in trust to pay future benefits and has not established a plan or equivalent arrangement that contains an irrevocable transfer of assets dedicated to providing benefits to retirees. Since no trust fund has been established for funding the OPEB obligation related to the implicit rate subsidy, the entire OPEB obligation is classified as unfunded. A schedule of funding progress is included as required supplementary information.

Annual OPEB Costs And Net OPEB Obligation

The City's annual OPEB cost and net OPEB obligation for the year ended December 31, 2009 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
2009	\$ 41,700	\$ 98,100	\$ —	\$ —	\$ 98,100	\$ 63,800	\$ 76,000
2008	—	98,100	—	—	98,100	56,400	41,700

For The Year Ended December 31,	Annual OPEB Cost	Percentage Of Annual OPEB Cost Contributed	Net OPEB Obligation
2009	\$ 98,100	65%	\$ 76,000
2008	98,100	57%	41,700

CITY OF LIBERTY, MISSOURI

Notes To Basic Financial Statements (*Continued*)

As of December 31, 2009, the funded status of the plan is as follows:

Actuarial Accrued Liability	\$ 1,011,000
Actuarial Value Of Assets	<u>—</u>
Unfunded Actuarial Accrued Liability (UAAL)	<u><u>\$ 1,011,000</u></u>
Funded Ratio	0%
Covered Payroll	\$ 14,982,000
UAAL As Percentage Of Covered Payroll	7%

Actuarial Methods And Assumptions

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 January 1, 2008 actuarial valuation (most recent available), the liabilities were computed using the projected unit credit cost method with a closed 30-year level dollar amortization of the unfunded actuarial accrued liability. The actuarial assumptions utilized a 4% discount rate and a medical and dental inflation rate of 10% and 5%, respectively. The City is only required to get an actuarial valuation on a bi-annual basis.

11. Fund Balance Deficits

As December 31, 2009, the following funds had a fund balance deficit:

PFA Construction Fund	\$ 79,026
Parks Fund	317,017

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, 2009**

	Budget		Actual	Variance
	Original	Final		With Final Budget (Over) Under
Revenues				
Taxes	\$ 11,019,220	\$ 11,019,220	\$ 10,855,648	\$ 163,572
Intergovernmental	358,400	358,400	395,348	(36,948)
Charges for services	2,110,350	2,110,350	1,872,181	238,169
Licenses and permits	365,460	365,460	389,111	(23,651)
Investment earnings	130,000	130,000	56,236	73,764
Miscellaneous	428,000	289,000	569,585	(280,585)
Total Revenues	14,411,430	14,272,430	14,138,109	134,321
Expenditures				
Current:				
General government	3,100,730	3,100,480	2,842,240	258,240
Community development and improvement	1,287,090	1,249,060	1,011,260	237,800
Public works	2,252,930	2,240,180	2,374,346	(134,166)
Culture and recreation	327,580	296,180	273,806	22,374
Public safety	8,682,016	8,643,086	8,167,434	475,652
Capital outlay	66,000	66,000	—	66,000
Debt service:				
Principal retirement	12,120	12,120	9,053	3,067
Interest and fiscal charges	—	—	3,069	(3,069)
Total Expenditures	15,728,466	15,607,106	14,681,208	925,898
Revenues Under Expenditures	(1,317,036)	(1,334,676)	(543,099)	(791,577)
Other Financing Sources				
Transfers in	945,650	945,650	1,071,872	(126,222)
Transfers out	—	—	(708,698)	(708,698)
Total Other Financing Sources (Uses)	945,650	945,650	363,174	582,476
Net Change In Fund Balances	\$ (371,386)	\$ (389,026)	(179,925)	\$ (209,101)
Fund Balances - Beginning Of Year			2,646,128	
Fund Balances - End Of Year			\$ 2,466,203	

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, 2009**

	Budget		Actual	Variance With
	Original	Final		Final Budget (Over) Under
Revenues				
Taxes	\$ 710,900	\$ 710,900	\$ 731,664	\$ (20,764)
Intergovernmental	4,000	4,000	—	4,000
Charges for services	2,605,000	2,605,000	2,560,840	44,160
Investment earnings	6,700	6,700	14,699	(7,999)
Miscellaneous	8,850	8,850	7,029	1,821
Total Revenues	3,335,450	3,335,450	3,314,232	21,218
Expenditures				
Current:				
Culture and recreation	3,698,262	3,698,262	3,369,210	329,052
Capital outlay	1,782,892	1,782,892	891,446	891,446
Total Expenditures	5,481,154	5,481,154	4,260,656	1,220,498
Revenues Under Expenditures	(2,145,704)	(2,145,704)	(946,424)	(1,199,280)
Other Financing Sources (Uses)				
Transfers in	430,000	430,000	312,510	117,490
Transfers out	(10,000)	(10,000)	(10,000)	—
Total Other Financing Sources (Uses)	420,000	420,000	302,510	117,490
Net Change In Fund Balances	\$ (1,725,704)	\$ (1,725,704)	(643,914)	\$ (1,081,790)
Fund Balances - Beginning Of Year			326,897	
Fund Balances - End Of Year			\$ (317,017)	

CITY OF LIBERTY, MISSOURI

REQUIRED SUPPLEMENTARY INFORMATION NOTE TO BUDGETARY COMPARISON INFORMATION December 31, 2009

Budgetary Data

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

Supplementary Information

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

CITY OF LIBERTY, MISSOURI

ADDITIONAL REQUIRED SUPPLEMENTARY INFORMATION

LAGERS

Schedule Of Funding Progress

Actuarial Valuation Date	Actuarial Value Of Assets (a)	Schedule Of Funding Progress			Annual Covered Payroll (c)	OAL As A Percentage Of Covered Payroll [(b-a)/c]
		Entry Age Actuarial Accrued Liability (b)	Overfunded Accrued Liability (OAL) (b-a)	Funded Ratio (a/b)		
2/28/2007	\$ 15,877,050	\$ 16,049,507	\$ 172,457	99%	\$ 9,166,503	2%
2/29/2008	17,983,401	17,210,734	(772,667)	104%	9,808,325	—
2/28/2009	14,329,334	17,450,360	3,121,026	82%	9,986,136	31%

Note: The above assets and actuarial liability do not include the assets and present value of benefits associated with the Benefit Reserve Fund and the Casualty Reserve Fund. The actuarial assumptions were changed in conjunction with the February 28, 2006 annual actuarial valuations. For a complete description of the actuarial assumptions used in the annual valuations, please contact LAGERS office in Jefferson City.

Schedule Of Employer Contributions

Year End	Schedule Of Employer Contributions		Percentage Of ARC Contributed (b/a)
	Annual Required Contribution (ARC) (a)	Total Contribution (b)	
12/31/2009	\$ 697,595	\$ 697,595	100%
12/31/2008	710,901	710,901	100%
12/31/2007	704,412	704,412	100%

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

CITY OF LIBERTY, MISSOURI

ADDITIONAL REQUIRED SUPPLEMENTARY INFORMATION (Continued)

Other Post Employment Benefits

Schedule Of Funding Progress

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
1/1/2008	\$ —	\$ 1,011,000	\$ 1,011,000	0%	\$ 14,982,000	7%

*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.

CITY OF LIBERTY, MISSOURI

**COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
December 31, 2009**

	Special Revenue	Capital Projects	Debt Service	Permanent	Total
Assets					
Cash and investments	\$ 161,848	\$ 98,795	\$ 5,340	\$ 402,226	\$ 668,209
Receivables, net of allowance for uncollectibles:					
Taxes	—	266,770	—	—	266,770
Accounts	4,767	4,884	8,701	4,610	22,962
Special assessment	—	—	282,414	—	282,414
Accrued interest	335	393	23	850	1,601
Due from other funds	788	—	—	—	788
Restricted assets:					
Cash and investments	—	—	86,839	—	86,839
Investments	—	204,965	1,420,170	—	1,625,135
Accrued interest	—	99	40	—	139
Total Assets	\$ 167,738	\$ 575,906	\$ 1,803,527	\$ 407,686	\$ 2,954,857

Liabilities And Fund Balances

Liabilities					
Accounts payable and accrued liabilities	\$ 625	\$ 61,030	\$ 5,340	\$ —	\$ 66,995
Due to other funds	—	149,812	—	850	150,662
Deferred and unearned revenue	—	—	920,523	—	920,523
Total Liabilities	625	210,842	925,863	850	1,138,180

Fund Balances

Reserved for:					
Encumbrances	—	46,512	—	—	46,512
Debt service	—	—	877,664	—	877,664
Park development	—	7,456	—	—	7,456
Trust corpus	—	—	—	406,836	406,836
Unreserved:					
Undesignated, reported in:					
Special Revenue Funds	167,113	—	—	—	167,113
Capital Projects Fund	—	311,096	—	—	311,096
Total Fund Balances	167,113	365,064	877,664	406,836	1,816,677
Total Liabilities And Fund Balances	\$ 167,738	\$ 575,906	\$ 1,803,527	\$ 407,686	\$ 2,954,857

CITY OF LIBERTY, MISSOURI

**COMBINING BALANCE SHEET
NONMAJOR
SPECIAL REVENUE FUNDS
December 31, 2009**

	<u>Cemetery</u>	<u>Police Training</u>	<u>Total</u>
Assets			
Cash and investments	\$ 105,313	\$ 56,535	\$ 161,848
Receivables, net of allowance for uncollectibles:			
Accounts	4,767	—	4,767
Accrued interest	218	117	335
Due from other funds	788	—	788
Total Assets	<u>\$ 111,086</u>	<u>\$ 56,652</u>	<u>\$ 167,738</u>

Liabilities And Fund Balances

Liabilities			
Accounts payable and accrued liabilities	\$ 125	\$ 500	\$ 625
Fund Balances			
Undesignated, reported in:			
Special Revenue Funds	110,961	56,152	167,113
Total Liabilities And Fund Balances	<u>\$ 111,086</u>	<u>\$ 56,652</u>	<u>\$ 167,738</u>

CITY OF LIBERTY, MISSOURI

**COMBINING BALANCE SHEET
NONMAJOR CAPITAL PROJECTS FUNDS
December 31, 2009**

	Parks Capital	PFA Constru- ction	Fire Sales Tax	Cable Reserve	Limited Capital	Total
Assets						
Cash and investments	\$ —	\$ —	\$ 39,015	\$ 59,458	\$ 322	\$ 98,795
Receivables, net of allowance for uncollectibles:						
Taxes	133,385	—	133,385	—	—	266,770
Accounts	—	—	—	1,420	3,464	4,884
Accrued interest	100	—	166	127	—	393
Restricted assets:						
Investments	204,965	—	—	—	—	204,965
Accrued interest	99	—	—	—	—	99
Total Assets	\$ 338,549	\$ —	\$ 172,566	\$ 61,005	\$ 3,786	\$ 575,906

Liabilities And Fund Balances

Liabilities

Accounts payable and accrued liabilities	\$ 60,990	\$ —	\$ —	\$ 40	\$ —	\$ 61,030
Due to other funds	67,000	79,026	—	—	3,786	149,812
Total Liabilities	127,990	79,026	—	40	3,786	210,842

Fund Balances

Reserved for:						
Encumbrances	40,309	—	6,203	—	—	46,512
Park development	7,456	—	—	—	—	7,456
Unreserved:						
Undesignated, reported in:						
Capital Projects Fund	162,794	(79,026)	166,363	60,965	—	311,096
Total Fund Balances	210,559	(79,026)	172,566	60,965	—	365,064

Total Liabilities And Fund Balances	\$ 338,549	\$ —	\$ 172,566	\$ 61,005	\$ 3,786	\$ 575,906
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CITY OF LIBERTY, MISSOURI

**COMBINING BALANCE SHEET
NONMAJOR DEBT SERVICE FUNDS
December 31, 2009**

	Special Assessment Neighborhood Improvement	Public Facilities Authority	Total
Assets			
Cash and investments	\$ —	\$ 5,340	\$ 5,340
Receivables, net of allowance for uncollectibles:			
Accounts	8,701	—	8,701
Special assessment	282,414	—	282,414
Accrued interest	23	—	23
Restricted assets:			
Cash and investments	86,839	—	86,839
Investments	—	1,420,170	1,420,170
Accrued interest	40	—	40
Total Assets	\$ 378,017	\$ 1,425,510	\$ 1,803,527

Liabilities And Fund Balances

Liabilities			
Accounts payable and accrued liabilities	\$ —	\$ 5,340	\$ 5,340
Deferred and unearned revenue	282,414	638,109	920,523
Total Liabilities	282,414	643,449	925,863
Fund Balances			
Reserved for:			
Debt service	95,603	782,061	877,664
Total Liabilities And Fund Balances	\$ 378,017	\$ 1,425,510	\$ 1,803,527

CITY OF LIBERTY, MISSOURI

**COMBINING BALANCE SHEET
NONMAJOR PERMANENT FUNDS
December 31, 2009**

	Frank Hughes Memorial Trust	Mt. Memorial Cemetery Trust	Fairview Cemetery Trust	Total
Assets				
Cash and investments	\$ 30,000	\$ 33,755	\$ 338,471	\$ 402,226
Receivables, net of allowance for uncollectibles:				
Accounts	—	—	4,610	4,610
Accrued interest	62	72	716	850
Total Assets	\$ 30,062	\$ 33,827	\$ 343,797	\$ 407,686

Liabilities And Fund Balances

Liabilities				
Due to other funds	\$ 62	\$ 72	\$ 716	\$ 850
Fund Balances				
Reserved for:				
Trust corpus	30,000	33,755	343,081	406,836
Total Liabilities And Fund Balances	\$ 30,062	\$ 33,827	\$ 343,797	\$ 407,686

CITY OF LIBERTY, MISSOURI

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS
For The Year Ended December 31, 2009**

	Special Revenue	Capital Projects	Debt Service	Permanent	Total
Revenues					
Taxes	\$ —	\$ 1,443,393	\$ —	\$ —	\$ 1,443,393
Intergovernmental	—	19,125	—	—	19,125
Charges for services	57,144	—	—	—	57,144
Investment earnings	2,576	4,551	14,203	6,539	27,869
Lease	—	—	863,059	—	863,059
Miscellaneous	7,425	3,850	78,383	2,475	92,133
Total Revenues	67,145	1,470,919	955,645	9,014	2,502,723
Expenditures					
Current:					
General government	—	62,625	—	489	63,114
Community development and improvement	—	20	—	—	20
Public works	—	54,026	—	—	54,026
Culture and recreation	—	212,416	240	—	212,656
Cemetery maintenance	40,370	—	—	—	40,370
Public safety	10,654	5,610	—	—	16,264
Capital outlay	—	141,675	—	—	141,675
Debt service:					
Principal retirement	—	—	780,000	—	780,000
Interest and fiscal charges	—	—	173,482	—	173,482
Total Expenditures	51,024	476,372	953,722	489	1,481,607
Revenues Over (Under) Expenditures	16,121	994,547	1,923	8,525	1,021,116
Other Financing Sources (Uses)					
Transfers in	6,050	10,000	—	—	16,050
Transfers out	—	(1,352,151)	—	(6,050)	(1,358,201)
Total Other Financing Sources (Uses)	6,050	(1,342,151)	—	(6,050)	(1,342,151)
Net Change In Fund Balances	22,171	(347,604)	1,923	2,475	(321,035)
Fund Balances - Beginning Of Year	144,942	712,668	875,741	404,361	2,137,712
Fund Balances - End Of Year	\$ 167,113	\$ 365,064	\$ 877,664	\$ 406,836	\$ 1,816,677

CITY OF LIBERTY, MISSOURI

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - NONMAJOR SPECIAL REVENUE FUNDS For The Year Ended December 31, 2009

	<u>Cemetery</u>	<u>Police Training</u>	<u>Total</u>
Revenues			
Charges for services	\$ 37,399	\$ 19,745	\$ 57,144
Investment earnings	1,720	856	2,576
Miscellaneous	7,425	—	7,425
Total Revenues	46,544	20,601	67,145
Expenditures			
Cemetery maintenance	40,370	—	40,370
Public safety	—	10,654	10,654
Total Expenditures	40,370	10,654	51,024
Revenues Over Expenditures	6,174	9,947	16,121
Other Financing Sources			
Transfers in	6,050	—	6,050
Net Change In Fund Balances	12,224	9,947	22,171
Fund Balances - Beginning Of Year	98,737	46,205	144,942
Fund Balances - End Of Year	\$ 110,961	\$ 56,152	\$ 167,113

CITY OF LIBERTY, MISSOURI

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - NONMAJOR CAPITAL PROJECTS FUNDS For The Year Ended December 31, 2009

	Parks Capital	PFA Constru- ction	Fire Sales Tax	Cable Reserve	Limited Capital	Total
Revenues						
Taxes	\$ 712,941	\$ —	\$ 712,937	\$ 17,515	\$ —	\$ 1,443,393
Intergovernmental	—	—	—	—	19,125	19,125
Investment earnings	920	—	2,784	847	—	4,551
Miscellaneous	3,850	—	—	—	—	3,850
Total Revenues	717,711	—	715,721	18,362	19,125	1,470,919
Expenditures						
Current:						
General government	—	—	9,246	2,968	50,411	62,625
Community development and improvement	—	—	—	—	20	20
Public works	—	—	—	—	54,026	54,026
Culture and recreation	212,416	—	—	—	—	212,416
Public safety	—	—	5,610	—	—	5,610
Capital outlay	94,895	—	6,780	—	40,000	141,675
Total Expenditures	307,311	—	21,636	2,968	144,457	476,372
Revenues Over Expenditures	410,400	—	694,085	15,394	(125,332)	994,547
Other Financing Sources (Uses)						
Transfers in	—	10,000	—	—	—	10,000
Transfers out	(312,510)	—	(945,650)	—	(93,991)	(1,352,151)
Total Other Financing Sources (Uses)	(312,510)	10,000	(945,650)	—	(93,991)	(1,342,151)
Net Change In Fund Balances	97,890	10,000	(251,565)	15,394	(219,323)	(347,604)
Fund Balances - Beginning Of Year	112,669	(89,026)	424,131	45,571	219,323	712,668
Fund Balances - End Of Year	\$ 210,559	\$ (79,026)	\$ 172,566	\$ 60,965	\$ —	\$ 365,064

CITY OF LIBERTY, MISSOURI

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - NONMAJOR DEBT SERVICE FUNDS
For The Year Ended December 31, 2009**

	Special Assessment Neighborhood Improvement	Public Facilities Authority	Total
Revenues			
Investment earnings	\$ 14,091	\$ 112	\$ 14,203
Lease	—	863,059	863,059
Miscellaneous	78,383	—	78,383
Total Revenues	92,474	863,171	955,645
Expenditures			
Current:			
Culture and recreation	—	240	240
Debt service:			
Principal retirement	75,000	705,000	780,000
Interest and fiscal charges	17,152	156,330	173,482
Total Expenditures	92,152	861,570	953,722
Net Change In Fund Balances	322	1,601	1,923
Fund Balances - Beginning Of Year	95,281	780,460	875,741
Fund Balances - End Of Year	\$ 95,603	\$ 782,061	\$ 877,664

CITY OF LIBERTY, MISSOURI

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - NONMAJOR PERMANENT FUNDS For The Year Ended December 31, 2009

	Frank Hughes Memorial Trust	Mt. Memorial Cemetery Trust	Fairview Cemetery Trust	Total
Revenues				
Investment earnings	\$ 489	\$ 550	\$ 5,500	\$ 6,539
Miscellaneous	—	—	2,475	2,475
Total Revenues	489	550	7,975	9,014
Expenditures				
Current:				
General government	489	—	—	489
Revenues Over Expenditures	—	550	7,975	8,525
Other Financing Uses				
Transfers out	—	(550)	(5,500)	(6,050)
Net Change In Fund Balances	—	—	2,475	2,475
Fund Balances - Beginning Of Year	30,000	33,755	340,606	404,361
Fund Balances - End Of Year	\$ 30,000	\$ 33,755	\$ 343,081	\$ 406,836

CITY OF LIBERTY, MISSOURI

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - LIBERTY 2010 FUND For The Year Ended December 31, 2009

	Final		Variance
	Budget	Actual	With
			Final Budget -
			(Over) Under
Revenues			
Taxes	\$ 3,114,300	\$ 2,726,988	\$ 387,312
Intergovernmental	1,138,160	1,138,149	11
Charges for services	163,700	876,295	(712,595)
Investment earnings	20,000	44,878	(24,878)
Miscellaneous	—	17,376	(17,376)
Total Revenues	4,436,160	4,803,686	(367,526)
Expenditures			
Current:			
General government	71,791	15,459	56,332
Public works	4,110,454	1,237,236	2,873,218
Culture and recreation	658,000	658,102	(102)
Public safety	18,490	22,817	(4,327)
Capital outlay	1,398,623	1,335,800	62,823
Debt service:			
Principal retirement	283,770	279,400	4,370
Interest and fiscal charges	15,000	19,847	(4,847)
Total Expenditures	6,556,128	3,568,661	2,987,467
Net Change In Fund Balances	\$ (2,119,968)	1,235,025	\$ (3,354,993)
Fund Balances - Beginning Of Year		3,879,379	
Fund Balances - End Of Year		\$ 5,114,404	

CITY OF LIBERTY, MISSOURI

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL -
ROADWAY DEVELOPMENT FUND
For The Year Ended December 31, 2009**

	Final Budget	Actual	Variance With Final Budget - (Over) Under
Revenues			
Taxes	\$ 1,600,300	\$ 1,529,410	\$ 70,890
Intergovernmental	—	245	(245)
Investment earnings	106,400	2,177	104,223
Total Revenues	1,706,700	1,531,832	174,868
Expenditures			
Current:			
Capital outlay	873,251	481,353	391,898
Debt service:			
Principal retirement	1,315,000	1,315,000	—
Interest and fiscal charges	475,520	475,510	10
Total Expenditures	2,711,865	2,319,945	391,920
Net Change In Fund Balances	\$ (1,005,165)	(788,113)	\$ (217,052)
Fund Balances - Beginning Of Year		1,371,823	
Fund Balances - End Of Year		\$ 583,710	

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, 2009

	Final Budget	Actual	Variance With Final Budget - (Over) Under
Revenues			
Taxes	\$ 1,132,650	\$ 1,321,586	\$ (188,936)
Investment earnings	92,000	11,276	80,724
Total Revenues	1,224,650	1,332,862	(108,212)
Expenditures			
Current:			
Community development and improvement	36,470	36,444	26
Public works	28,400	28,300	100
Public safety	38,665	39,303	(638)
Capital outlay	8,686	—	8,686
Debt service:			
Principal retirement	325,000	385,000	(60,000)
Interest and fiscal charges	975,663	912,526	63,137
Total Expenditures	1,412,884	1,401,573	11,311
Revenues Over (Under) Expenditures	(188,234)	(68,711)	(119,523)
Other Financing Sources (Uses)			
Transfers in	140,943	—	140,943
Net Change In Fund Balances	\$ (67,017)	(68,711)	\$ 1,694
Fund Balances - Beginning Of Year		4,038,531	
Fund Balances - End Of Year		\$ 3,969,820	

CITY OF LIBERTY, MISSOURI

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL - CEMETERY FUND
For The Year Ended December 31, 2009**

	Final Budget	Actual	Variance With Final Budget - (Over) Under
Revenues			
Charges for services	\$ 34,000	\$ 37,399	\$ (3,399)
Investment earnings	2,000	1,720	280
Miscellaneous	10,800	7,425	3,375
Total Revenues	46,800	46,544	256
Expenditures			
Current:			
Cemetery maintenance	44,500	40,370	4,130
Revenues Over Expenditures	2,300	6,174	(3,874)
Other Financing Sources (Uses)			
Transfers in	12,100	6,050	6,050
Net Change In Fund Balances	<u>\$ 14,400</u>	12,224	<u>\$ 2,176</u>
Fund Balances - Beginning Of Year		<u>98,737</u>	
Fund Balances - End Of Year		<u>\$ 110,961</u>	

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, 2009**

	Final Budget	Actual	Variance With Final Budget - (Over) Under
Revenues			
Charges for services	\$ 19,600	\$ 19,745	\$ (145)
Investment earnings	900	856	44
Total Revenues	<u>20,500</u>	<u>20,601</u>	<u>(101)</u>
Expenditures			
Current:			
Public safety	20,000	10,654	9,346
Net Change In Fund Balances	<u>\$ 500</u>	9,947	<u>\$ (9,447)</u>
Fund Balances - Beginning Of Year		<u>46,205</u>	
Fund Balances - End Of Year		<u>\$ 56,152</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, 2009**

	Final Budget	Actual	Variance With Final Budget - (Over) Under
Revenues			
Taxes	\$ 815,900	\$ 712,941	\$ 102,959
Investment earnings	1,601	920	681
Miscellaneous	—	3,850	(3,850)
Total Revenues	817,501	717,711	99,790
Expenditures			
Current:			
Culture and recreation	230,830	212,416	18,414
Capital outlay	835,470	94,895	740,575
Total Expenditures	1,066,300	307,311	758,989
Revenues Over (Under) Expenditures	(248,799)	410,400	(659,199)
Other Financing Sources (Uses)			
Transfers out	(430,000)	(312,510)	117,490
Net Change In Fund Balances	\$ (678,799)	97,890	\$ (776,689)
Fund Balances - Beginning Of Year		112,669	
Fund Balances - End Of Year		\$ 210,559	

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, 2009**

	Final Budget	Actual	Variance With Final Budget - (Over) Under
Revenues			
Taxes	\$ 815,900	\$ 712,937	\$ 102,963
Investment earnings	5,643	2,784	2,859
Total Revenues	821,543	715,721	105,822
Expenditures			
Current:			
General government	—	9,246	(9,246)
Public safety	50,000	5,610	44,390
Capital outlay	—	6,780	(6,780)
Total Expenditures	50,000	21,636	28,364
Revenues Over (Under) Expenditures	771,543	694,085	77,458
Other Financing Sources (Uses)			
Transfers out	(945,650)	(945,650)	—
Net Change In Fund Balances	\$ (174,107)	(251,565)	\$ 77,458
Fund Balances - Beginning Of Year		424,131	
Fund Balances - End Of Year		\$ 172,566	

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, 2009**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget - (Over) Under</u>
Revenues			
Taxes	\$ 18,100	\$ 17,515	\$ 585
Investment earnings	500	847	(347)
Total Revenues	18,600	18,362	238
Expenditures			
Current:			
General government	25,000	2,968	22,032
Net Change In Fund Balances	<u>\$ (6,400)</u>	15,394	<u>\$ (21,794)</u>
Fund Balances - Beginning Of Year		<u>45,571</u>	
Fund Balances - End Of Year		<u>\$ 60,965</u>	

CITY OF LIBERTY, MISSOURI

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL - LIMITED CAPITAL FUND
For The Year Ended December 31, 2009**

	Final Budget	Actual	Variance With Final Budget - (Over) Under
Revenues			
Intergovernmental	\$ 85,125	\$ 19,125	\$ 66,000
Expenditures			
Current:			
General government	52,751	50,411	2,340
Community development and improvement	—	20	(20)
Public works	54,100	54,026	74
Capital outlay	66,000	40,000	26,000
Total Expenditures	172,851	144,457	28,394
Revenues Over (Under) Expenditures	(87,726)	(125,332)	37,606
Other Financing Sources (Uses)			
Transfers out	(94,020)	(93,991)	29
Net Change In Fund Balances	<u>\$ (181,746)</u>	<u>(219,323)</u>	<u>\$ 37,577</u>
Fund Balances - Beginning Of Year		<u>219,323</u>	
Fund Balances - End Of Year		<u>\$ —</u>	

CITY OF LIBERTY, MISSOURI

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL - SPECIAL ASSESSMENT
NEIGHBORHOOD IMPROVEMENT FUND
For The Year Ended December 31, 2009**

	Final Budget	Actual	Variance With Final Budget - (Over) Under
Revenues			
Investment earnings	\$ 14,614	\$ 14,091	\$ 523
Miscellaneous	78,382	78,383	(1)
Total Revenues	<u>92,996</u>	<u>92,474</u>	<u>522</u>
Expenditures			
Current:			
Debt service:			
Principal retirement	75,000	75,000	—
Interest and fiscal charges	17,152	17,152	—
Total Expenditures	<u>92,152</u>	<u>92,152</u>	<u>—</u>
Net Change In Fund Balances	<u>\$ 844</u>	322	<u>\$ 522</u>
Fund Balances - Beginning Of Year		<u>95,281</u>	
Fund Balances - End Of Year		<u>\$ 95,603</u>	

CITY OF LIBERTY, MISSOURI

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL -
PUBLIC FACILITIES AUTHORITY FUND
For The Year Ended December 31, 2009**

	Final Budget	Actual	Variance With Final Budget - (Over) Under
Revenues			
Investment earnings	\$ 46,000	\$ 112	\$ 45,888
Lease	858,000	863,059	(5,059)
Total Revenues	904,000	863,171	40,829
Expenditures			
Current:			
General government	—	—	—
Culture and recreation	250	240	10
Debt service:			
Principal retirement	705,000	705,000	—
Interest and fiscal charges	156,330	156,330	—
Total Expenditures	861,580	861,570	10
Net Change In Fund Balances	<u>\$ 42,420</u>	1,601	<u>\$ 40,819</u>
Fund Balances - Beginning Of Year		<u>780,460</u>	
Fund Balances - End Of Year		<u><u>\$ 782,061</u></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, 2009**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget - (Over) Under</u>
Revenues			
Investment earnings	\$ —	\$ 489	\$ (489)
Expenditures			
Current:			
General government	—	489	(489)
Net Change In Fund Balances	<u>\$ —</u>	<u>—</u>	<u>\$ —</u>
Fund Balances - Beginning Of Year		<u>30,000</u>	
Fund Balances - 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, 2009**

	Final Budget	Actual	Variance With Final Budget - (Over) Under
Revenues			
Investment earnings	\$ —	\$ 550	\$ (550)
Other Financing Uses			
Transfers out	—	(550)	(550)
Net Change In Fund Balances	<u>\$ —</u>	<u>—</u>	<u>\$ —</u>
Fund Balances - Beginning Of Year		<u>33,755</u>	
Fund Balances - 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, 2009**

	Final Budget	Actual	Variance With Final Budget - (Over) Under
Revenues			
Investment earnings	\$ —	\$ 5,500	\$ (5,500)
Miscellaneous	—	2,475	(2,475)
Total Revenues	—	7,975	(7,975)
Revenues Over (Under) Expenditures	—	7,975	(7,975)
Other Financing Sources (Uses)			
Transfers out	—	(5,500)	(5,500)
Net Change In Fund Balances	<u>\$ —</u>	<u>2,475</u>	<u>\$ (2,475)</u>
Fund Balances - Beginning Of Year		<u>340,606</u>	
Fund Balances - End Of Year		<u>\$ 343,081</u>	

CITY OF LIBERTY, MISSOURI

**STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS
For The Year Ended December 31, 2009**

	Balance January 1, 2009	Additions	Deductions	Balance December 31, 2009
Tax Escrow Fund				
Assets				
Cash and cash equivalents	\$ 7,739	\$ 7	\$ 460	\$ 7,286
Accrued interest	22	—	7	15
Total Assets	\$ 7,761	\$ 7	\$ 467	\$ 7,301
Liabilities				
Protested taxes	\$ 7,761		\$ 460	\$ 7,301
Preservation And Development Fund				
Assets				
Cash and cash equivalents	\$ 31,513	\$ 925	\$ 208	\$ 32,230
Accrued interest	94	520	546	68
Total Assets	\$ 31,607	\$ 1,445	\$ 754	\$ 32,298
Liabilities				
Due to other entities	\$ 31,607	\$ 1,445	\$ 754	\$ 32,298
Triangle CID Sales Tax Fund				
Assets				
Cash and cash equivalents	\$ 72,848	\$ 45,001	\$ 72,704	\$ 45,145
Accrued sales tax	—	24,295	—	24,295
Accrued interest	53	177	230	—
Total Assets	\$ 72,901	\$ 69,473	\$ 72,934	\$ 69,440
Liabilities				
Due to other entities	\$ 72,901	\$ 69,473	\$ 72,934	\$ 69,440
Total				
Assets				
Cash and cash equivalents	\$ 112,100	\$ 45,933	\$ 73,372	\$ 84,661
Accrued sales tax	—	24,295	—	24,295
Accrued interest	169	697	783	83
Total Assets	\$ 112,269	\$ 70,925	\$ 74,155	\$ 109,039
Liabilities				
Protested taxes	\$ 7,761	\$ —	\$ 460	\$ 7,301
Due to other entities	104,508	70,918	73,688	101,738
Total Liabilities	\$ 112,269	\$ 70,918	\$ 74,148	\$ 109,039

Statistical Section

CITY OF LIBERTY, MISSOURI
Statistical Section
December 31, 2009

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.	88 - 95
Revenue Capacity	
These schedules contain information to help the reader assess the City's most significant local revenue sources, property and sales tax.....	96 - 99
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.	100 - 103
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.	104 - 105
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.....	106 - 110

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year. The City implemented GASB 34 in fiscal year 2004, schedules presenting government-wide information include information beginning in that year.

CITY OF LIBERTY, MISSOURI

NET ASSETS BY COMPONENT

	2004	2005	2006	2007	2008	2009
Governmental activities:						
Invested in capital assets, net of related debt	\$ 17,653,062	\$ 25,727,620	\$ 30,606,456	\$ 32,693,499	\$ 36,347,646	\$ 37,716,660
Restricted	13,246,736	13,205,216	11,099,463	11,341,861	7,603,657	6,603,720
Unrestricted	2,981,309	2,176,847	1,049,219	1,415,824	(11,826,072)	(8,929,008)
Total Governmental Activities Net Assets	\$ 33,881,107	\$ 41,109,683	\$ 42,755,138	\$ 45,451,184	\$ 32,125,231	\$ 35,391,372
Business-type activities:						
Invested in capital assets, net of related debt	\$ 33,436,650	\$ 33,208,056	\$ 36,632,860	\$ 38,090,982	\$ 39,218,958	\$ 39,436,429
Restricted	2,441,079	2,341,553	2,601,005	2,699,150	6,854,108	6,511,688
Unrestricted	3,785,425	6,053,855	4,142,409	2,552,583	(3,184,583)	(2,072,707)
Total Business-Type Activities Net Assets	\$ 39,663,154	\$ 41,603,464	\$ 43,376,274	\$ 43,342,715	\$ 42,888,483	\$ 43,875,410
Primary government:						
Invested in capital assets, net of related debt	\$ 51,089,712	\$ 58,935,676	\$ 67,239,316	\$ 70,784,481	\$ 75,566,604	\$ 77,153,089
Restricted	15,687,815	15,546,769	13,700,468	14,041,011	14,457,765	13,115,408
Unrestricted	6,766,734	8,230,702	5,191,628	3,968,407	(15,010,655)	(11,001,715)
Total Primary Government Net Assets	\$ 73,544,261	\$ 82,713,147	\$ 86,131,412	\$ 88,793,899	\$ 75,013,714	\$ 79,266,782

GASB Statement No. 34 Implemented in Fiscal Year 2005

CITY OF LIBERTY, MISSOURI

CHANGES IN NET ASSETS

Page 1 Of 2

	2004	2005	2006	2007	2008	2009
Expenses:						
Governmental activities:						
General government	\$ 1,920,908	\$ 2,025,212	\$ 2,470,105	\$ 2,307,516	\$ 3,316,763	\$ 3,315,775
Community development	695,813	809,519	1,128,375	1,100,673	2,057,328	1,335,337
Public works	3,357,185	3,735,164	4,905,388	3,559,623	5,807,510	3,541,594
Culture and recreation	5,129,972	5,072,303	5,245,366	5,700,504	5,872,958	6,584,138
Cemetery maintenance	49,045	43,787	38,527	35,903	37,104	40,370
Public safety	7,451,964	7,880,751	8,380,805	8,698,281	9,688,707	8,654,817
Interest on long-term debt	773,236	1,293,272	1,366,984	1,345,901	1,642,311	1,535,865
Total Governmental Activities Expenses	19,378,123	20,860,008	23,535,550	22,748,401	28,422,681	25,007,896
Business-type activities:						
Water	3,373,787	3,486,029	3,506,383	4,173,039	4,057,237	3,887,962
Sewer	3,855,233	4,139,694	4,218,863	5,138,788	5,328,147	5,314,243
Sanitation	1,097,480	1,160,099	1,221,536	1,299,474	1,363,000	1,437,803
Total Business-Type Activities Expenses	8,326,500	8,785,822	8,946,782	10,611,301	10,748,384	10,640,008
Total Primary Government Expenses	27,704,623	29,645,830	32,482,332	33,359,702	39,171,065	35,647,904
Program revenue:						
Governmental activities:						
Charges for services	5,239,385	5,168,778	5,320,245	5,670,377	6,963,410	6,636,006
Operating grants and contributions	322,806	234,643	433,541	600,645	1,481,832	414,473
Capital grants and contributions	1,044,977	1,496,320	428,486	466,913	762,267	2,452,265
Total Governmental Activities Program Revenue	6,607,168	6,899,741	6,182,272	6,737,935	9,207,509	9,502,744
Business-type activities:						
Charges for services:						
Water	4,179,674	4,469,403	4,217,493	4,150,119	3,821,493	3,851,743
Sewer	4,311,617	4,463,162	4,421,418	4,424,439	4,494,668	4,951,824
Sanitation	1,110,246	1,201,091	1,267,305	1,345,744	1,420,096	1,427,468
Operating grants and contributions:						
Water	1,300	—	—	—	—	—
Capital grants and contributions:						
Water	165,970	183,649	61,676	48,080	116,611	269,563
Sewer	232,695	211,443	156,692	22,800	100,026	205,251
Total Business-Type Activities Program Revenues	10,001,502	10,528,748	10,124,584	9,991,182	9,952,894	10,705,849
Total Primary Government Program Revenues	16,608,670	17,428,489	16,306,856	16,729,117	19,160,403	20,208,593
Net (expense) revenue:						
Governmental activities	(12,770,955)	(13,960,267)	(17,353,278)	(16,010,466)	(19,215,172)	(15,505,152)
Business-type activities	1,675,002	1,742,926	1,177,802	(620,119)	(795,490)	65,841
Total Primary Government Net Expense	(11,095,953)	(12,217,341)	(16,175,476)	(16,630,585)	(20,010,662)	(15,439,311)

CITY OF LIBERTY, MISSOURI

CHANGES IN NET ASSETS

Page 2 Of 2

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

CITY OF LIBERTY, MISSOURI

PROGRAM REVENUES BY FUNCTION/PROGRAM

Function / Program	Fiscal Year					
	2004	2005	2006	2007	2008	2009
Governmental activities:						
General government	\$ 514,402	\$ 440,754	\$ 383,601	\$ 431,878	\$ 385,191	\$ 508,981
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
Culture and recreation	3,629,433	3,434,236	3,466,993	3,595,086	3,857,536	3,535,391
Cemetery maintenance	33,032	45,113	53,793	36,450	34,650	37,399
Public safety	1,502,917	1,316,955	1,523,802	1,675,044	2,661,298	1,667,888
Total Governmental Activities	6,607,168	6,899,741	6,182,272	6,737,935	9,207,509	9,502,744
Business-type activities:						
Water	4,345,644	4,653,052	4,279,169	4,198,199	3,938,104	4,121,306
Sewer	4,544,312	4,674,605	4,578,110	4,447,239	4,594,694	5,157,075
Sanitation	1,111,546	1,201,091	1,267,305	1,345,744	1,420,096	1,427,468
Total Business-Type Activities	10,001,502	10,528,748	10,124,584	9,991,182	9,952,894	10,705,849
Total Government	\$ 16,608,670	\$ 17,428,489	\$ 16,306,856	\$ 16,729,117	\$ 19,160,403	\$ 20,208,593

GASB Statement No. 34 implemented in fiscal year 2004.

CITY OF LIBERTY, MISSOURI
FUND BALANCES, GOVERNMENTAL FUNDS

	Fiscal Year									
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
General Fund:										
Reserved	\$ 205,233	\$ 224,360	\$ 558,277	\$ 1,218,109	\$ 589,686	\$ 475,471	\$ 453,688	\$ 417,101	\$ 402,214	\$ 410,559
Unreserved	1,592,938	1,885,806	2,432,146	2,225,153	2,237,902	1,988,685	1,716,601	1,935,964	2,243,914	2,055,644
Total General Fund	\$ 1,798,171	\$ 2,110,166	\$ 2,990,423	\$ 3,443,262	\$ 2,827,588	\$ 2,464,156	\$ 2,170,289	\$ 2,353,065	\$ 2,646,128	\$ 2,466,203
All Other Governmental Funds:										
Reserved	\$ 9,443,126	\$ 4,293,410	\$ 12,589,424	\$ 2,495,766	\$ 6,738,349	\$ 8,840,067	\$ 6,015,584	\$ 8,876,787	\$ 7,335,807	\$ 9,287,943
Unreserved, reported in:										
Special revenue funds	—	—	—	147,475	105,135	86,461	86,803	212,015	414,893	(197,996)
Capital projects funds	2,368,469	10,875	12,547	10,818,016	6,475,723	4,260,317	5,006,949	4,535,316	3,599,281	1,670,811
Permanent fund	—	—	—	357,592	359,817	361,755	44,278	—	404,361	406,836
Total All Other Government Funds	\$ 11,811,595	\$ 4,304,285	\$ 12,601,971	\$ 13,818,849	\$ 13,679,024	\$ 13,548,600	\$ 11,153,614	\$ 13,624,118	\$ 11,754,342	\$ 11,167,594

CITY OF LIBERTY, MISSOURI

CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS

Page 1 Of 2

	Fiscal Year									
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Revenues:										
Taxes	\$ 10,783,238	\$ 11,934,852	\$ 12,507,287	\$ 13,873,518	\$ 14,522,484	\$ 15,785,546	\$ 16,981,499	\$ 17,500,874	\$ 18,993,810	\$ 18,608,689
Intergovernmental	2,780,913	2,050,164	2,099,794	1,228,971	1,034,760	1,148,099	862,027	1,080,660	2,244,099	1,552,867
Licenses and permits	314,446	308,625	329,180	—	—	—	—	376,236	370,478	389,111
Charges for services	2,551,997	2,753,170	2,249,996	4,169,865	4,864,298	4,861,068	4,960,066	4,165,979	4,951,234	5,366,460
Investment earnings	—	—	—	402,236	253,451	430,554	703,417	873,996	433,980	157,135
Lease	724,515	932,922	947,292	725,982	1,052,819	1,082,937	1,090,410	1,083,859	1,158,108	863,059
Reimbursement of services provided	559,694	579,672	595,209	—	—	—	—	—	—	—
Fines and forfeitures	418,241	334,778	353,706	—	—	—	—	—	—	—
Contributions	1,200	20,280	68,025	340,198	15,000	—	—	—	—	—
Interest	937,467	658,332	392,134	—	—	—	—	—	—	—
Special assessments	43,911	48,927	90,733	—	—	—	—	—	—	—
Miscellaneous	46,657	84,051	308,367	329,753	246,087	335,928	1,377,110	1,110,387	849,147	686,123
Total Revenues	19,162,279	19,705,773	19,941,723	21,070,523	21,988,899	23,644,132	25,974,529	26,191,991	29,000,856	27,623,444
Expenditures:										
General government	2,029,664	2,585,429	2,265,696	1,909,967	2,400,769	2,607,204	2,631,925	2,909,155	3,142,783	2,920,813
Community development and improvement	1,128,518	1,069,191	1,098,031	592,545	701,483	806,345	1,056,563	1,090,028	1,291,386	1,095,806
Public works	—	—	—	2,235,218	2,150,904	2,300,908	3,929,263	3,131,286	3,957,941	3,693,908
Culture and recreation	2,041,324	2,280,588	2,561,585	3,870,785	4,410,034	4,326,742	4,779,873	4,886,143	5,080,716	4,513,774
Cemetery maintenance	48,657	48,297	50,918	54,199	49,045	43,787	38,527	35,903	37,104	40,370
Public safety	5,073,617	5,708,627	5,982,407	6,467,853	7,119,166	7,535,159	7,753,758	8,154,847	8,466,182	8,245,818
Highway and streets	3,044,446	3,190,215	1,690,940	—	—	—	—	—	—	—
Sanitation	869,300	776,459	—	—	—	—	—	—	—	—
City wide programs	346,458	435,031	276,263	—	—	—	—	—	—	—
Capital outlay	5,066,027	7,405,325	4,073,305	4,792,594	11,585,816	10,575,983	4,618,392	9,261,303	3,951,534	2,850,274
Debt service:										
Principal	1,257,060	1,242,325	1,676,666	3,252,410	2,070,150	2,104,858	2,399,874	2,521,106	2,959,207	2,768,453
Bond issuance costs	20	84,559	—	130,437	79,215	108,838	—	241,599	—	—
Interest	485,179	646,538	990,142	912,597	801,321	1,056,123	1,455,207	1,276,769	1,690,716	1,584,434
Total Expenditures	21,390,270	25,472,584	20,665,953	24,218,605	31,367,903	31,465,947	28,663,382	33,508,139	30,577,569	27,713,650
Excess Of Revenues (Under) Expenditures	(2,227,991)	(5,766,811)	(724,230)	(3,148,082)	(9,379,004)	(7,821,815)	(2,688,853)	(7,316,148)	(1,576,713)	(90,206)

CITY OF LIBERTY, MISSOURI

CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS

Page 2 Of 2

	Fiscal Year									
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Other financing sources (uses):										
Transfers in	\$ 543,194	\$ 755,262	\$ 1,183,739	\$ 3,081,079	\$ 2,311,834	\$ 1,041,732	\$ 1,275,453	\$ 1,414,937	\$ 1,550,512	\$ 1,400,432
Transfers out	(127,223)	(740,000)	(1,000,497)	(3,081,079)	(2,311,834)	(1,026,732)	(1,275,453)	(1,364,937)	(1,550,512)	(2,076,899)
Issuance of long-term debt	—	—	—	3,640,000	7,795,000	6,790,842	—	9,960,560	—	—
Discount on debt issuance	—	—	—	—	(177,125)	—	—	(48,874)	—	—
Premium on debt issuance	—	—	—	97,344	—	481,242	—	7,742	—	—
Proceeds of refunding bonds	—	9,852,761	825,000	—	—	—	—	—	—	—
Payment to refunded bond escrow agent	—	—	(829,281)	—	—	—	—	—	—	—
Proceeds from capital leases	—	—	156,940	—	—	—	—	—	—	—
Lease proceeds	2,960,000	—	—	—	—	—	—	—	—	—
Capital contributions	—	—	—	44,675	70,550	—	—	—	—	—
Proceeds from sale of property	968	52,250	4,865	—	—	40,875	—	—	—	—
Total Other Financing Sources (Uses)	3,376,939	9,920,273	340,766	3,782,019	7,688,425	7,327,959	—	9,969,428	—	(676,467)
Net Changes In Fund Balance	1,148,948	4,153,462	(383,464)	633,937	(1,690,579)	(493,856)	(2,688,853)	2,653,280	(1,576,713)	(766,673)
Fund balances (deficits), beginning of year	12,441,718	13,793,256	17,946,718	17,563,254	18,197,191	16,506,612	16,012,756	13,323,903	15,977,183	14,400,470
Fund balances (deficits), end of year	\$13,590,666	\$17,946,718	\$17,563,254	\$18,197,191	\$16,506,612	\$16,012,756	\$13,323,903	\$ 15,977,183	\$14,400,470	\$ 13,633,797
Debt service as a percentage of noncapital expenditures	10.67%	10.92%	16.07%	22.11%	14.92%	15.65%	16.03%	16.66%	16.76%	17.55%

CITY OF LIBERTY, MISSOURI

TAX REVENUES BY SOURCE, GOVERNMENTAL FUNDS

Fiscal Year	Property	Local Option Sales Tax	Franchise Fees	Other Tax	Total
2000	\$ 4,160,600	\$ 4,715,000	\$ 1,794,704	\$ 112,934	\$ 10,783,238
2001	3,488,100	6,133,600	2,034,969	278,183	11,934,852
2002	3,855,914	6,292,106	2,079,748	279,519	12,507,287
2003	3,803,766	6,546,300	2,190,702	1,332,750	13,873,518
2004	3,927,979	6,442,538	2,373,036	1,778,931	14,522,484
2005	4,052,093	7,709,037	2,492,911	1,531,505	15,785,546
2006	4,454,329	8,461,337	2,567,518	1,498,315	16,981,499
2007	4,580,046	8,316,447	3,075,617	1,528,764	17,500,874
2008	4,968,036	8,312,753	4,327,161	1,385,860	18,993,810
2009	5,497,483	7,995,060	3,844,459	1,362,775	18,699,777
Change					
2000-2009	32.13%	69.57%	114.21%	1106.70%	73.42%

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
2000	\$ 177,547,020	\$ 934,458,000	\$ 5,007,833	\$ 167,799,500	\$ 238,971,685	\$ 26,877,282	\$ 10,041,149	\$ 322,618,765	3.0%	\$ 1,383,155,448	23.32%	1.0000
2001	198,128,160	1,042,779,789	5,245,167	184,505,406	241,696,785	25,665,550	11,010,876	349,405,814	3.3%	1,510,903,573	23.13%	1.0000
2002	203,994,030	1,073,652,789	4,776,083	185,048,625	251,715,539	25,943,288	10,021,725	358,457,869	1.6%	1,551,158,049	23.11%	0.9898
2003	231,469,200	1,218,258,947	5,579,167	191,721,594	248,994,033	22,876,706	8,654,385	385,834,134	2.2%	1,696,084,832	22.75%	0.9952
2004	239,464,400	1,260,338,947	5,347,083	197,747,344	239,301,536	22,906,685	9,639,300	392,865,815	2.3%	1,735,280,895	22.64%	0.9688
2005	264,174,105	1,390,390,026	4,730,000	222,373,375	262,669,661	21,587,816	9,067,703	432,482,616	3.5%	1,910,818,581	22.63%	0.9783
2006	270,691,280	1,424,690,947	8,289,750	223,826,063	277,210,355	21,219,162	9,431,797	444,692,432	3.5%	1,964,668,074	22.63%	0.9676
2007	284,539,230	1,497,574,895	17,003,500	289,116,406	283,133,318	21,765,597	10,415,657	482,933,053	2.6%	2,130,359,313	22.67%	0.9676
2008	287,785,260	1,514,659,263	19,598,417	299,017,563	290,213,364	20,775,625	10,432,676	491,684,083	3.9%	2,154,696,907	22.82%	0.9358
2009	284,219,490	1,495,892,053	12,658,737	307,905,375	265,965,376	20,762,634	9,755,364	482,786,257	0.1%	2,112,939,538	22.85%	0.9358

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
2000	0.8500	0.1500	—	1.0000	5.1100	0.6400	0.1020	0.0300	6.8820
2001	0.8413	0.1485	—	0.9898	5.1100	0.6495	0.0968	0.0300	6.8761
2002	0.8459	0.1493	—	0.9952	5.1100	0.6495	0.0968	0.0300	6.8815
2003	0.8235	0.1453	—	0.9688	5.6400	0.6495	0.0968	0.0300	7.3851
2004	0.8316	0.1467	—	0.9783	5.6400	0.6955	0.1265	0.0300	7.4703
2005	0.8225	0.1451	—	0.9676	5.6400	0.6884	0.1265	0.0300	7.4525
2006	0.8225	0.1451	—	0.9676	5.6400	0.6918	0.1269	0.0300	7.4563
2007	0.7955	0.1403	—	0.9358	5.6400	0.9260	0.1343	0.0300	7.6661
2008	0.7955	0.1403	—	0.9358	5.6400	0.9263	0.1349	0.0300	7.6670
2009	0.8259	0.1456	—	0.9715	5.9069	0.9253	0.1444	0.0300	7.9781

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	2009			2000		
	Taxable Assessed Value	Rank	Percentage Of Total City Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage Of Total City Taxable Assessed Value
Hallmark Cards	\$ 10,390,614	1	2.15%	\$ 8,249,911	2	2.65%
RR Donnelley	6,743,641	2	1.40%			
Star Development	5,303,251	3	1.10%			
Stone Container Corporation	3,695,923	4	0.77%	1,911,789	5	0.61%
Lowe's Home Centers	3,350,170	5	0.69%			
Centro Bradley SPE 5 LLC	2,338,340	6	0.48%			
Continental Disc Corp	1,747,069	7	0.36%	2,590,309	3	0.83%
Monmouth Real Estate Inv	1,708,420	8	0.35%			
S&D Holding	1,433,540	9	0.30%	1,525,310	8	0.49%
Piston Automotive	730,792	10	0.15%			
Clark Printing				10,945,238	1	3.52%
Ferrell Companies				1,928,691	4	0.62%
Bradley Operating LP				1,694,400	6	0.54%
O'Dell Publishing				1,549,685	7	0.50%
Professional Metals				1,463,128	9	0.47%
Vail Group				1,410,530	10	0.45%
Total	\$ 37,441,760		7.76%	\$ 33,268,991		10.68%

Source: City records

CITY OF LIBERTY, MISSOURI
PROPERTY TAX LEVIES AND COLLECTIONS

Year Ended December 31,	<u>Collected Within the Fiscal Year Of The Levy</u>					<u>Total Collections To Date</u>		Ratio Of Outstanding Taxes To Total Levy
	Current Tax Levy	Current Tax Collections	% Of Current Collections	Delinquent Tax Collections	Total Tax Collections	% Of Total Current Collections	Outstanding Taxes Receivable	
2000	\$ 3,113,564	\$ 2,615,714	84.01%	\$ 381,498	\$ 2,997,212	96.26%	\$ 659,438	21.18%
2001	3,458,419	2,954,179	85.42%	457,954	3,412,133	98.66%	588,466	17.02%
2002	3,567,373	2,916,346	81.75%	369,462	3,285,808	92.11%	870,031	24.39%
2003	3,645,889	3,093,990	84.86%	611,009	3,704,999	101.62%	810,921	22.24%
2004	3,737,699	3,443,614	92.13%	625,310	4,068,924	108.86%	538,806	14.42%
2005	4,096,721	3,815,540	93.14%	361,765	4,177,305	101.97%	543,247	13.26%
2006	4,302,844	3,785,934	87.99%	249,853	4,035,787	93.79%	810,304	18.83%
2007	4,519,288	4,064,024	89.93%	481,493	4,545,517	100.58%	784,074	17.35%
2008	4,601,180	4,182,202	90.89%	397,596	4,579,798	99.54%	805,456	17.51%
2009	4,603,135	4,169,701	90.58%	470,683	4,640,383	100.80%	768,208	16.68%

Source: City records

Note:

Includes personal property, real estate, and railroad taxes.
The above information presents the information for each period for which it is levied.
A tax levy provides taxes remitted for the following year.

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				
2000	\$ 915,000	0.07%	35	\$ —	\$ 2,773,597	\$ 7,780,000	\$ 905,000	\$ 100,000	\$ —	\$ 13,695,000	\$ —	\$ 26,168,597	5.06%	\$ 998	
2001	10,770,000	0.71%	410	—	2,426,292	7,210,000	625,000	75,000	—	12,905,000	—	34,011,292	6.41%	1,295	
2002	10,725,000	0.69%	405	—	2,176,546	6,615,000	—	50,000	—	18,070,000	—	37,636,546	6.66%	1,421	
2003	10,200,000	0.60%	390	—	1,764,136	7,940,000	—	1,025,000	—	17,075,000	—	38,004,136	7.07%	1,455	
2004	9,305,000	0.54%	341	—	1,318,986	7,210,000	7,795,000	1,050,843	—	16,025,000	50,865	42,755,694	7.62%	1,568	
2005	14,755,000	0.77%	539	118,341	1,236,629	6,410,000	7,795,000	—	6,180,000	17,975,000	25,843	54,495,813	9.39%	1,991	
2006	13,705,000	0.70%	501	110,527	929,569	5,565,000	7,605,000	—	6,180,000	16,780,000	—	50,875,096	8.77%	1,858	
2007	12,555,000	0.59%	416	102,058	722,491	4,685,000	7,380,000	—	5,975,000	15,525,000	—	46,944,549	8.09%	1,555	
2008	11,290,000	0.53%	374	93,302	427,041	3,560,000	14,955,000	—	5,765,000	14,230,000	—	50,320,343	8.67%	1,667	
2009	8,375,000	0.39%	277	74,890	—	2,120,000	14,080,000	—	5,545,000	11,485,000	—	41,679,890	7.18%	1,381	

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

CITY OF LIBERTY, MISSOURI

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Amount Applicable To City</u>
Overlapping:			
Liberty Hospital District	\$ —	19.55%	\$ —
Liberty School District	162,680,000	39.84%	64,811,712
Clay County	—	13.10%	—
Subtotal, Overlapping Debt			
City Direct Debt	9,900,000	100.00%	<u>9,900,000</u>
Total Direct And Overlapping Debt			<u><u>\$ 74,711,712</u></u>

Sources: Individual Governmental entity and City records

CITY OF LIBERTY, MISSOURI
LEGAL DEBT MARGIN INFORMATION

Legal Debt Margin Calculation for Fiscal Year 2009	
Assessed value	\$ 482,786,257
Debt limit (20% of assessed value)	<u>\$ 96,557,251</u>
City Debt applicable to debt limit:	
General obligation bonds	\$ 9,530,000
Special assessment bonds	2,440,000
Less-amount available debt service fund, Special Assessment Neighborhood Improvement Fund	<u>(95,602)</u>
Total net debt applicable to limit	<u>11,970,000</u>
Legal debt margin	<u>\$ 84,587,251</u>

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Debt limit	\$ 62,271,285	\$ 69,881,163	\$ 71,691,574	\$ 75,266,085	\$ 76,412,130	\$ 84,671,982	\$ 75,325,156	\$ 96,586,611	\$ 84,976,817	\$ 84,587,251
Total net debt applicable to limit	<u>812,700</u>	<u>10,665,052</u>	<u>10,620,035</u>	<u>9,384,167</u>	<u>9,209,300</u>	<u>14,659,200</u>	<u>13,613,330</u>	<u>14,530,775</u>	<u>13,360,000</u>	<u>11,970,000</u>
Legal debt margin	<u>\$ 60,438,375</u>	<u>\$ 61,458,585</u>	<u>\$ 59,216,111</u>	<u>\$ 61,071,539</u>	<u>\$ 65,881,918</u>	<u>\$ 67,202,830</u>	<u>\$ 61,711,826</u>	<u>\$ 82,055,836</u>	<u>\$ 71,616,817</u>	<u>\$ 72,617,251</u>
Total Net Debt Applicable To The Limit As A Percentage Of Debt Limit	1.34%	17.35%	17.93%	15.37%	13.98%	21.81%	22.06%	17.71%	18.65%	16.48%

Source: City records

CITY OF LIBERTY, MISSOURI

PLEDGE REVENUE COVERAGE

Waterworks and Sewer System Bonds								
Fiscal Year	Operating Revenue (1)	Operating Expenses (2)	Net Revenues		Debt Service		Total Debt Payments	Coverage
			Available For Debt Services	Principal	Interest			
2000	\$ 7,131,090	\$ 5,046,016	\$ 2,085,074	\$ 760,000	\$ 723,905	\$ 1,483,905	\$ 1.41	
2001	7,278,465	5,470,663	1,807,802	790,000	683,661	1,473,661	1.23	
2002	7,498,977	5,408,161	2,090,817	835,000	868,146	1,703,146	1.23	
2003	9,171,063	5,353,718	3,817,345	995,000	666,048	1,661,048	2.30	
2004	8,587,500	5,603,770	2,983,730	1,050,000	897,730	1,947,730	1.53	
2005	9,136,832	5,887,587	3,249,246	1,095,000	607,451	1,702,451	1.91	
2006	9,228,682	6,151,620	3,077,062	1,195,000	511,803	1,706,803	1.80	
2007	9,196,650	7,063,977	2,132,673	1,460,000	832,942	2,292,942	0.93	
2008	9,196,650	7,048,861	2,147,789	1,038,747	900,681	1,939,428	1.11	
2009	9,752,369	6,774,550	2,977,819	1,565,000	879,507	2,444,507	1.22	

(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⁾
2000	26,232	\$ 596,839,995	22,752	34.3	6,880	2.0%
2001	26,783	668,003,175	24,941	34.0	7,165	2.8%
2002	27,345	718,749,018	26,284	35.4	7,650	3.7%
2003	27,920	739,742,307	26,495	34.9	7,867	4.1%
2004	28,506	780,906,994	27,394	34.8	8,129	4.2%
2005	28,962	810,508,065	27,985	35.0	8,463	4.5%
2006	29,570	858,766,473	29,042	36.4	9,230	4.6%
2007	30,191	883,569,806	29,266	36.7	9,555	4.8%
2008	30,200	888,438,908	29,419	36.5	9,987	5.3%
2009	30,568	901,756,000	29,500	36.2	10,000	5.5%

Sources:

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

CITY OF LIBERTY, MISSOURI

PRINCIPAL EMPLOYERS

Employer	2009			2000		
	Employees	Rank	Percentage Of Total County Employment	Employees	Rank	Percentage Of Total County Employment
Liberty Hospital	1,480	1	1.36%	783	2	0.94%
Liberty School District	1,116	2	1.03%	634	4	0.76%
Hallmark Cards	846	3	0.78%	1,181	1	1.42%
Clay County	517	4	0.48%	460	5	0.55%
RR Donnelley	350	5	0.32%			
Ferrell Corp	263	6	0.24%	366	6	0.44%
William Jewell	229	7	0.21%	315	7	0.38%
City of Liberty	199	8	0.18%	169	8	0.20%
Continental Disc	150	9	0.14%			
Smurfit	135	10	0.12%			
Guys Foods				650	3	0.78%
Price Chopper				50	10	0.06%
HyVee				100	9	0.12%
	5,285		4.87%	4,708		5.67%

Sources: Individual employer records and MARC website

CITY OF LIBERTY, MISSOURI

FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTIONS/PROGRAMS

Functions/Program	Full-Time Equivalent Employees as of December 31									
	2009	2008	2007	2006	2005	2004	2003	2002	2001	2000
Administration										
City Administrator	1	1	1	1	1	1	1	1	1	1
Assistant City Administrator	—	1	1	1	1	1	1	1	1	1
Deputy City Clerk	1	1	1	1	1	1	1	1	1	1
Management Analyst	—	—	—	—	1	1	1	1	1	1
Communication Manager	1	1	1	1	1	1	1	1	1	1
Executive Assistant	—	1	1	1	1	1	—	—	—	—
Municipal Court Administrator	1	1	1	1	1	1	1	—	1	1
Municipal Court Technician	2	1	1	1	1	1	2	2	2	2
Assistant to the City Administrator	1	1	1	1	—	—	—	—	—	—
Asst. to the City Administrator HR	—	—	—	—	—	—	1	—	—	—
Management Assistant	—	—	—	—	—	—	—	1	—	—
Administrative Secretary	2	—	—	—	—	—	1	1	1	1
Information Services Director	1	—	—	—	—	—	—	—	—	—
Information Systems Manager	1	1	1	1	1	1	1	1	1	1
Information Systems Specialist III	—	—	—	—	—	1	—	1	—	—
Information Systems Specialist II	2	2	2	3	3	1	3	1	1	1
Information Systems Specialist I	1	1	1	—	—	—	—	—	—	—
Information Support Specialist	—	—	1	—	—	—	—	—	—	—
GIS Specialist II	—	—	—	—	—	—	1	1	1	1
Municipal Court Clerk	1	1	1	—	—	—	—	—	—	—
Part time Clerk	—	—	—	—	—	—	—	—	—	—
Human Resources										
Human Resources Director	—	1	1	1	1	1	—	—	—	—
Human Resources Manager	1	1	1	1	1	1	—	—	—	—
Administrative Assistant	—	—	—	—	—	—	—	—	—	—
Finance										
Finance Director	—	—	1	2	2	2	2	2	2	2
Finance Manager	1	1	1	—	—	—	—	—	—	—
Assistant Finance Director	1	1	1	2	2	2	2	1	1	1
Finance Analyst	1	1	1	1	1	1	1	1	1	—
Payroll Specialist	4	3	3	3	3	3	3	2	4	—
Finance Technician	—	—	—	—	—	—	—	2	—	—
Utility Technician	—	—	—	—	—	—	—	—	—	—
Part time Account Clerk	—	1	1	1	1	1	1	—	1	7
Finance Assistant	—	—	—	—	—	—	—	1	—	—
Cashier	—	1	1	1	1	1	1	1	1	—
Receptionist	1	—	—	—	—	—	—	—	—	—
Meter Service Technician	1	1	1	1	1	1	1	1	1	1
Lead Meter Technician	1	1	1	1	1	1	1	1	1	1
Accounting Coordinator	1	1	1	—	—	—	—	—	—	—
Administrative Assistant	—	1	—	—	—	—	—	—	—	—
Office Supervisor	1	1	—	—	—	—	—	—	—	—
Fire										
Fire Chief	1	1	1	1	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									
	2009	2008	2007	2006	2005	2004	2003	2002	2001	2000
Deputy Fire Chief	1	1	1	1	1	1	—	—	—	—
Administrative Assistant	0.50	1	1	1	1	1	—	—	—	—
Shift Commanders	3	3	3	4	4	4	5	5	5	5
Training Officer	—	1	1	1	1	1	—	—	—	—
Fire Captain	9	9	9	9	8	8	3	3	3	3
Company Officers	—	—	—	—	—	—	—	—	—	—
Firefighter/Paramedic	22	23	22	23	20	20	22	22	22	16
Firefighter/EMT	9	10	11	4	6	6	8	8	8	8
Fire Prevention Officer	1	1	1	—	—	—	—	—	—	—
Police										
Police Chief	1	1	1	1	1	1	1	1	1	1
Deputy Police Chief	1	1	1	1	—	—	—	—	—	—
Police Captain	1	1	1	1	2	2	2	2	2	2
Police Lieutenant	4	5	5	5	6	6	6	6	6	6
Police Sergeant	6	4	4	4	3	3	3	3	3	3
Detectives	—	—	—	—	—	—	—	—	—	—
Master Police Officer	4	3	3	3	—	—	—	—	—	—
Community Service Officer	—	—	—	—	—	—	—	1	1	1
Police Officer	23	24	24	25	27	27	27	26	26	24
School Resource Officer	—	—	—	—	—	—	—	—	—	—
Communications Supervisor	1	1	1	1	1	1	1	1	1	1
Communications Officer	8	9	9	7	8	8	8	7	7	5
Animal Control Officer	2	2	2	2	2	2	1	1	1	1
Animal Control Shelter Attendant	—	—	—	—	—	—	1	1	1	1
Parking Control Officer	—	1	1	1	1	1	1	1	1	1
Administrative Assistant	1	1	1	1	1	1	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
Capital Projects Engineer	—	—	—	—	—	—	—	1	—	—
Development Review Engineer	—	—	—	—	—	—	—	1	—	—
Engineer	1	2	2	2	2	2	2	—	2	1
Public Works Superintendent	1	1	1	1	1	1	1	1	1	1
Senior Engineering Technician	—	—	—	1	1	1	1	1	1	1
Engineering Technician	—	—	1	1	1	1	1	1	1	1
Senior Project Inspector	2	2	2	2	1	1	1	1	1	1
Project Inspector	1	1	1	1	2	2	2	2	2	2
Chief Building Official	—	—	—	—	—	—	—	—	—	—
Building Inspection Manager	—	—	—	—	—	—	1	1	1	1
Building Inspector	—	—	—	—	—	—	3	3	3	3
Building Maintenance Technician	2	2	1	1	1	1	1	1	1	1
Administrative Assistant	2	2	2	2	1	1	3	3	3	3
Public Works Maintenance Worker I	6	10	11	10	10	10	11	11	11	11
Public Works Maintenance Supervisor	—	2	2	2	1	2	1	1	1	1
Public Works Maintenance Worker II	9	6	6	7	7	7	7	7	7	5
Mechanic II	1	1	1	1	—	—	—	—	—	—
Clerk	—	—	—	—	—	—	—	—	—	—
City Planner	—	—	—	—	—	—	—	2	2	2

CITY OF LIBERTY, MISSOURI

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

Full-Time Equivalent Employees as of December 31

	2009	2008	2007	2006	2005	2004	2003	2002	2001	2000
Planner	—	—	—	—	—	—	—	1	1	1
Code Enforcement Officer	—	—	—	—	—	—	—	1	1	1
Part time Officer	—	—	—	—	—	—	—	—	—	—
Executive Assistant	—	—	—	—	1	1	1	1	1	1
Development Services										
Development Director	1	1	1	1	1	1	1	—	—	—
Assistant Director of Planning & Development	—	—	—	—	1	1	1	—	—	—
Community Development Manager	1	1	1	—	—	—	—	—	—	—
Planning and Economic Development Manager	—	1	1	—	—	—	1	1	1	—
Planner	1	2	2	2	3	3	2	—	—	—
Chief Building Official	1	1	1	1	1	1	1	—	—	—
Senior Building Inspector	1	1	1	2	3	3	3	—	—	—
Building Inspector	1	1	2	1	—	—	—	—	—	—
Code Enforcement Officer	1	1	1	1	1	1	1	—	—	—
Administrative Assistant	1	2	2	2	2	2	2	—	—	—
Project Manager	—	—	—	1	—	—	—	—	—	—
Historic Preservation Planner	—	—	—	1	—	—	—	—	—	—
Parks & Recreation										
Parks Director	1	1	1	1	1	1	1	1	1	1
Parks & Open Spaces Manager	1	1	1	1	1	1	1	1	1	1
Recreation Coordinator	2	3	3	2	6	6	1	1	1	1
Program Coordinator	—	—	—	—	—	—	—	—	—	—
Parks Crew Chief	3	2	2	1	1	1	1	—	1	1
Parks Maintenance Worker II	3	4	3	3	1	1	1	—	—	—
Parks Maintenance Worker I	4	4	5	5	8	8	9	9	9	70
Administrative Assistant	1	1	1	1	1	1	—	1	1	—
Sports Complex Manager	1	1	1	1	1	1	1	1	1	1
Sports Complex Maintenance Worker	—	—	—	—	—	—	—	2	2	—
Sport Complex Coordinator	—	—	—	—	—	—	—	1	1	—
Athletic Fields Ground Keeper	2	2	2	2	2	2	3	—	—	—
Community Center Manager	1	1	1	1	1	1	1	1	1	1
Facility Rental Supervisor	—	—	1	1	1	1	1	1	1	1
Office Supervisor	1	1	1	1	1	1	1	1	1	1
Account Clerk	—	—	—	—	—	—	—	—	—	—
Office Assistant	1	1	1	1	1	1	1	1	1	—
Custodian	1	2	2	2	2	2	2	2	2	1
Community Center Coordinator	—	—	—	—	—	—	—	—	1	1
Senior Building Supervisor	—	—	—	—	—	—	—	—	1	1
Building Maintenance Technician	1	2	2	2	2	2	1	1	1	1
Theater Coordinator	1	1	1	1	1	1	1	1	1	1
Lead Theater Technician	1	1	1	1	1	1	1	1	1	1
Marketing/Special Events Coordinator	1	1	1	1	1	1	1	—	—	—
Senior Services Coordinator	1	1	1	1	1	1	1	1	1	1
Administrative Secretary	—	—	—	—	—	—	—	1	1	1
Nutrition Site Coordinator	—	—	—	—	—	—	—	—	—	—
Senior Recreation Coordinator	3	3	3	4	1	1	1	—	—	—
Part time Driver	—	—	—	—	—	—	—	—	—	—
Bus Driver	1	2	2	2	2	2	2	2	2	2
Senior Center Technician	1	1	1	1	—	—	—	1	1	1
Parks Supervisor	—	1	1	1	—	—	—	1	—	—
Assistant Parks & Recreation Director	1	1	—	—	—	—	—	—	—	—
Totals City-Wide	199	216	218	209	205	205	204	195	195	236

Source: City records

CITY OF LIBERTY, MISSOURI

OPERATING INDICATORS BY FUNCTION/PROGRAM

Function/Program	Calendar Year									
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Police:										
Calls for service	**	29,515	30,152	31,280	32,438	37,168	42,015	35,970	33,925	37,613
Adult arrest	**	**	5,235	4,913	4,980	5,071	4,979	1,473	1,493	1,331
Speeding citations only	**	848	1,696	2,427	2,240	1,769	1,861	1,689	2,303	2,066
Traffic citations	**	**	4,999	5,679	5,239	5,248	6,140	5,133	5,223	5,361
Fire:										
Total fire runs	**	**	**	**	**	**	2,940	3,070	3,134	2,897
Total rescue runs	**	**	**	**	**	**	3,087	3,343	3,235	3,138
Property loss	**	**	**	**	**	**	505,850	501,450	637,250	436,300
Property saved	**	**	**	**	**	**	2,884,650	1,039,000	6,019,750	3,353,700
Building permits:										
Commercial:										
Total building permits	9	10	11	13	13	24	18	12	17	8
Total value all permits	\$ 39,998,107	\$ 15,813,824	\$ 19,058,670	\$ 15,982,839	\$ 17,221,041	\$ 39,569,732	\$ 13,601,096.00	29,333,289	20,960,559	9,873,810
Residential:										
Total building permits	212	208	220	233	185	162	51	61	36	11
Total value all permits	\$ 28,332,710	\$ 21,877,549	\$ 23,633,063	\$ 29,725,423	\$ 30,711,938	\$ 23,573,523	\$ 9,515,452	11,572,869	6,632,480	3,365,544
Parks and Recreation:										
Recreation program attendance	**	**	**	**	**	**	22,250	25,110	13,239	1,733
Aquatics program attendance	**	**	**	**	**	**	1,807	3,811	2,163	3,919
Community Center Memberships	**	**	**	**	**	**	20,252	20,755	23,384	22,138
Rentals	**	**	**	**	**	**	1,843	1,064	994	854
Street trees maintained (1)	**	**	**	**	**	**	741	685	700	625

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	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Transfers Out	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
Major Roadway	—	—	—	—	—	—	—	—	—	—
Public Safety	—	—	—	—	—	—	—	—	—	—
Debt Service/Lease Payments	760,858	1,236,711	1,413,317	2,101,417	2,681,472	2,828,390	5,823,968	6,365,294	5,838,710	5,292,048
Street and Major Roadway Improvements	596,875	1,731,641	1,189,541	1,000,093	3,500,376	8,175,455	2,752,262	2,443,903	2,295,492	1,765,991
Community Center Expansion	—	—	—	1,959,769	96,771	—	—	—	—	—
Remodel Fire Station #1	—	—	—	562,347	2,691	18,250	—	—	—	—
Storm Water Improvements	1,218,636	648,490	471,475	533,233	200,462	835,419	774	28,962	254,845	81,846
Parks & Recreation	345,974	492,046	518,840	380,598	190,134	284,130	174,861	77,983	—	—
Capital Equipment	726,411	938,919	685,954	333,532	517,868	564,123	194,755	301,889	615,659	585,419
Fire Equipment	—	—	67,683	145,598	391,495	155,733	523,725	132,949	11,437	5,610
Sports Complex Construction	2,571,722	4,264,306	474,283	—	—	—	—	—	—	—
Neighborhood Improvements	985,689	176,149	613,071	—	—	—	310,527	109,110	510,512	8,274
Water System Upgrades	—	—	—	—	—	—	1,089,220	981,841	—	—
Sewer System Upgrades	—	—	—	—	—	—	6,661,091	1,393,805	—	—

Source: City records