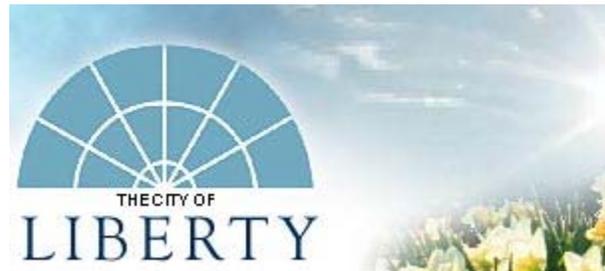


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**CITY OF LIBERTY, MISSOURI**  
**COMPREHENSIVE ANNUAL**  
**FINANCIAL REPORT**  
*FOR THE YEAR ENDED DECEMBER 31, 2012*

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*Report prepared and submitted by the  
Department of Finance*

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## **Introductory Section**

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June 26, 2013

To the Honorable Mayor, Members of the City Council and Citizens  
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, 2012, is hereby submitted for your review. This report was prepared by the Finance Department in close cooperation with the external auditor, RubinBrown LLP. The responsibility for the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with the City. We believe the data, as presented, is accurate in all material aspects, that it is presented in a manner designed to fairly set forth the financial activity of its various funds and that all disclosures necessary to enable the reader to gain the maximum understanding of the City's financial affairs have been included. Management's Discussion and Analysis (MD&A) immediately follows the independent auditor's report and provides a narrative introduction, overview and analysis of the basic financial statements. This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it.

### **The Financial Reporting Entity**

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

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

### **Accounting Controls**

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

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

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

### **Budgetary Controls**

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

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

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

### **Government Structure**

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

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

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

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

### **Economic Condition And Outlook**

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

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

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

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

Due to the recent economic downturn, residential construction showed decline from historical patterns as reflected in the decrease of building permits issued in 2012. However, retail development and construction has continued to experience moderate additions. Initiated in earlier years through a tax incremental financing plan, the City has three major retail project areas (Liberty Triangle, Roger's Plaza and Blue Jay Crossing) that are continuing to build out. 2012 saw opening the HyVee Gas Station, Capitol Federal Bank, Pizza Ranch restaurant and Discount Tire. Several restaurants have opened in adjacent areas including Conrad's, LongBoards, and Firehouse Subs. For 2013, the City has approved the construction of Ross Department Store and a sports rehabilitation facility in the Liberty Triangle. 2013 will continue to show an increase in new restaurant establishments.

As a result of the City's incentive programs, Ford Stamping Plant completed construction in 2012 and will be fully operational by the end of 2013. LMV Automotive Systems, a supplier to Ford, has also completed construction on their 212,000 square foot facility. The City has amended the incentive package provided to LMV that will result in an additional \$20 million in new equipment and 20 additional employees beyond the original 187 employees. LMV will also be operational by the end of the year.

Aspen Veterinary Resources/Precision Logistics expanded their facility by an additional 35,000 square feet and added approximately 12 new employees to their current facility.

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

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

## **Long-Term Financial Planning**

Fiscal Year 2012 proved to be a challenging, but promising year on the economic front. The City believes its revenue base within the General Fund is showing positive stabilization. However, in absence of solid growth revenue patterns, the City again focused on cost containment efforts in order to meet fiscal priorities and service requirements to its residents and prepare the City for long-term financial health and stability. These cost containment efforts begun in 2008 are continuing through the current year. Vacant positions were carefully evaluated and approved and filled only when essential. Employee salaries were not increased in 2012. Insurance benefit plans were subject to cost controls; planned studies were deferred; contractual expenditures were controlled; and capital purchases were deferred when possible.

Due to the need to treat the fiscal condition as an ongoing interactive process, staff developed and shared forecasts with the Budget Committee on a regular basis. This committee was formed in 2009 to better facilitate elected official communication and coordination. A multitude of meetings and work sessions were held with the Budget Committee/City Council during 2012 to keep Council informed on revenue trends and to partner with Council on prioritizing any additionally required expenditure adjustments that may have been required. The City is continuing these processes in fiscal year 2013.

The City of Liberty developed long-term financial planning models for all of its major funds. 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 five year utility forecasting model developed by consultants used to establish annual user rate assessments. A five-year General Fund model and Parks Fund model was finalized in 2013 and presented to the full Council during a strategic planning retreat. Further, staff and the Budget Committee have begun work on fund balance and debt management policies that will provide Council direction on these important operating elements.

## **Major Initiatives**

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

Attached to the economic development initiatives, Liberty has partnered with the City of Kansas City, Missouri and the Missouri Department of Transportation to implement major interstate intersection rehabilitation projects. With construction starting in 2012 and concluding in 2013, the City will complete the Flintlock Flyover and M291/I35 projects. Both projects are designed to improve connectivity over Interstate 35 into Liberty.

While not yet under construction, Liberty has entered into another cost-share partnership with the Missouri Department of Transportation to make significant improvements to the Pleasant Valley Interchange and Interstate 35. Once completed in 2014, this improvement coupled with above mention items will open up southern Liberty to significant development opportunities.

City policy requires an annual audit to be made of financial statements of the various funds. The independent certified public accounting firm of RubinBrown LLP audited the financial statements contained in this report for the year ended December 31, 2012. 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, 2011. 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, 2011

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.

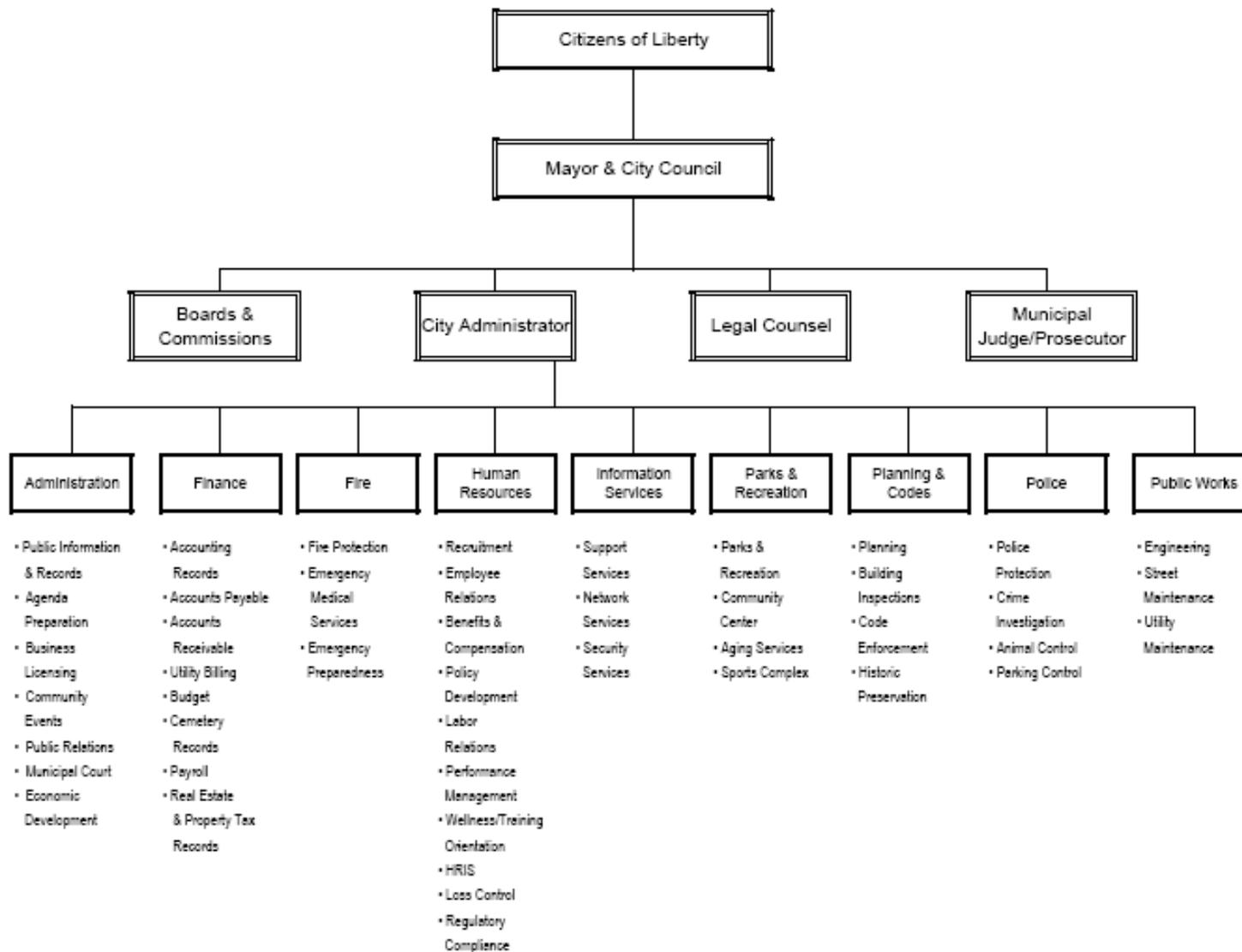


*Christopher P. Moivell*

President

*Jeffrey R. Emer*

Executive Director



# CITY OF LIBERTY, MISSOURI

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## LIST OF PRINCIPAL OFFICIALS

### Elected Officials

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

### Appointed Officials

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

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## **Financial Section**

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RubinBrown LLP  
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& Business Consultants

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## Independent Auditors' Report

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of City of Liberty, Missouri (the City) as of and for the year ended December 31, 2012, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

### Management's Responsibility For The Financial Statements

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

### Auditors' Responsibility

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

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

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

## **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City as of December 31, 2012, and the respective changes in financial position and where applicable its cash flows, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Change In Accounting Principle**

As discussed in Note 12 to the financial statements, in 2012 the City adopted GASB Statement No. 65, Items Previously Recognized as Assets and Liabilities. Our opinion is not modified with respect to this matter.

## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, the Budgetary Comparison Information, and the Schedule of Funding Progress, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's response to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide sufficient evidence to express an opinion or provide any assurance.

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's financial statements as a whole. The introductory section, combining and individual nonmajor fund financial statements, and statistical section are presented for purposes of additional analysis and are not a required part of the financial statements.

The combining and individual nonmajor fund financial statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and schedules are fairly stated, in all material respects, in relation to the financial statements as a whole.

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

*Other Reporting Required by Government Auditing Standards*

In accordance with Government Auditing Standards, we have also issued a report dated June 26, 2013 on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the City's internal control over financial reporting and compliance.

*RubinBrown LLP*

June 26, 2013

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

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**CITY OF LIBERTY, MISSOURI**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**December 31, 2012**

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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, 2012. 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 \$84,569,027 (net position). Of the assets that may be used to meet the government's ongoing obligations to citizens and creditors (unrestricted net position), the City had a deficit amount of \$16,485,464. This is predominately due to the recording of certain Tax Incremental Financing (TIF) debt obligations in which the City must record the debt liability, but has no offsetting assets.
- The City's total net position increased by \$5,557,451. Of this amount, \$3,459,569 was from the City's "governmental activities" and \$2,097,882 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 \$21,758,550; an increase of \$7,292,486 in comparison with the prior year.
- Approximately \$3,918,515 (18.0%) of the combined governmental fund balances of \$21,758,550 is available for spending at the government's discretion (unassigned fund balance).
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$3,918,515 or 24.8% percent of total General Fund expenditures.
- The City had net debt service additions totaling \$5,812,506 during the current fiscal year. Total debt service increase by \$14,866,424. This increase was offset by 2012 retirements of \$9,053,918. In 2011, the City had net debt service retirements of \$5,164,304.

**OVERVIEW OF THE FINANCIAL STATEMENTS**

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

**GOVERNMENT-WIDE FINANCIAL STATEMENTS**

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

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

## **CITY OF LIBERTY, MISSOURI**

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

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

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

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

### **Fund Financial Statements**

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into three categories: governmental funds, proprietary funds and fiduciary funds.

### **Governmental Funds**

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

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

## **CITY OF LIBERTY, MISSOURI**

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

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

#### **Proprietary Funds**

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

#### **Fiduciary Funds**

Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the City's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds. The City has one type of fiduciary fund: Agency Fund.

#### **Notes To Basic Financial Statements**

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

#### **Other Information**

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

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

# CITY OF LIBERTY, MISSOURI

## Management's Discussion and Analysis (Continued)

### Government-Wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City, assets exceeded liabilities by \$84,569,027 at the close of the fiscal year ended December 31, 2012. The following table reflects a condensed statement of net position.

#### Net Position

	Governmental			Business-Type		
	Activities	Activities	Total 2012	Activities	Activities	Total 2011
	2012	2012		2011	2011	
Current and other assets	\$ 28,397,829	\$ 10,672,024	\$ 39,069,853	\$ 21,021,672	\$ 9,373,981	\$ 30,395,653
Capital assets, net	53,008,545	55,458,177	108,466,722	50,110,626	55,221,834	105,332,460
<b>Total Assets</b>	<b>81,406,374</b>	<b>66,130,201</b>	<b>147,536,575</b>	<b>71,132,298</b>	<b>64,595,815</b>	<b>135,728,113</b>
<b>Deferred Outflow Of Resources</b>	<b>23,565</b>	<b>261,428</b>	<b>284,993</b>	<b>—</b>	<b>290,477</b>	<b>290,477</b>
Current liabilities	5,800,288	2,547,436	8,347,724	3,887,766	2,222,753	6,110,519
Noncurrent liabilities	33,805,751	16,251,306	50,057,057	28,855,122	17,168,534	46,023,656
<b>Total Liabilities</b>	<b>39,606,039</b>	<b>18,798,742</b>	<b>58,404,781</b>	<b>32,742,888</b>	<b>19,391,287</b>	<b>52,134,175</b>
<b>Deferred Inflow Of Resources</b>	<b>4,847,760</b>	<b>—</b>	<b>4,847,760</b>	<b>4,872,839</b>	<b>—</b>	<b>4,872,839</b>
Net position:						
Net investment in capital assets	37,403,710	41,769,045	79,172,755	41,136,051	41,314,470	82,450,521
Restricted	17,049,637	4,832,099	21,881,736	9,889,748	4,998,064	14,887,812
Unrestricted	(17,477,207)	991,743	(16,485,464)	(17,509,228)	(817,529)	(18,326,757)
<b>Total Net Position</b>	<b>\$ 36,976,140</b>	<b>\$ 47,592,887</b>	<b>\$ 84,569,027</b>	<b>\$ 33,516,571</b>	<b>\$ 45,495,005</b>	<b>\$ 79,011,576</b>

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

The City's combined net position increased from \$79.0 million to \$84.6 million as a result of increases in Business-Type Activities performance resulting from increased user rates, Capital Grants and Contributions resulting from a settlement agreement between Clay County and the City relative to Road District payments, receipt of a Community Development Block Grant, payment by the City of Kansas City, Missouri on certain road projects and increases in General Revenues and Transfers. An additional portion of the City's net position of \$21.9 million or 25.9% represents resources that are subject to external restrictions on how they may be used. The total unrestricted net position resulted in a deficit of \$16.5 million (-19.5%). This is predominately due to the recording of certain Tax Incremental Financing (TIF) debt obligations in which the City must record the debt liability, but has no offsetting assets. The 2012 amount is \$1.8 million lower than 2011 and is due to TIF debt pay down.

## **CITY OF LIBERTY, MISSOURI**

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

By far, the largest portion of the City's net position, \$79,172,755 (93.6%), 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 \$84.6 million in net position is comprised of \$79.2 million of net investment in capital assets; \$21.9 million in restricted assets to be used for capital projects, debt service and other purposes; and a deficit of \$16.5 million in unrestricted net position. Total net position increased \$5.6 million or 8% during the current fiscal year.

# CITY OF LIBERTY, MISSOURI

## Management's Discussion and Analysis (Continued)

The following table reflects the changes in net position of the City's activities for the years ending December 31, 2012 and 2011:

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

	Governmental Activities 2012	Business-Type Activities 2012	Total 2012	Governmental Activities 2011	Business-Type Activities 2011	Total 2011
Revenues:						
Program revenues:						
Charges for services	\$ 5,021,931	\$ 13,341,303	\$ 18,363,234	\$ 5,080,948	\$ 11,579,486	\$ 16,660,434
Operating grants and contributions	348,860	—	348,860	229,030	—	229,030
Capital grants and contributions	2,683,237	636,556	3,319,793	417,785	170,025	587,810
General revenues:						
Property taxes	7,147,343	—	7,147,343	6,507,625	—	6,507,625
Franchise taxes	3,731,525	—	3,731,525	3,878,488	—	3,878,488
Sales taxes	9,877,630	—	9,877,630	8,945,418	—	8,945,418
Other taxes	1,411,627	—	1,411,627	1,210,748	—	1,210,748
Investment earnings	51,651	167,902	219,553	47,348	180,075	227,423
Other	679,995	11,140	691,135	687,515	—	687,515
<b>Total Revenues</b>	<b>30,953,799</b>	<b>14,156,901</b>	<b>45,110,700</b>	<b>27,004,905</b>	<b>11,929,586</b>	<b>38,934,491</b>
Expenses:						
General government	5,578,298	—	5,578,298	4,488,682	—	4,488,682
Community development and improvement	3,077,802	—	3,077,802	1,963,294	—	1,963,294
Public works	2,234,374	—	2,234,374	2,434,200	—	2,434,200
Culture and recreation	5,301,867	—	5,301,867	5,256,583	—	5,256,583
Cemetery maintenance	45,600	—	45,600	71,061	—	71,061
Public safety	9,331,920	—	9,331,920	9,039,729	—	9,039,729
Interest on long-term debt	1,924,369	—	1,924,369	1,565,218	—	1,565,218
Water	—	4,683,122	4,683,122	—	4,230,222	4,230,222
Sewer	—	6,029,359	6,029,359	—	5,788,305	5,788,305
Sanitation	—	1,346,538	1,346,538	—	1,296,758	1,296,758
<b>Total Expenses</b>	<b>27,494,230</b>	<b>12,059,019</b>	<b>39,553,249</b>	<b>24,818,767</b>	<b>11,315,285</b>	<b>36,134,052</b>
<b>Increase In Net Position</b>	<b>3,459,569</b>	<b>2,097,882</b>	<b>5,557,451</b>	<b>2,186,138</b>	<b>614,301</b>	<b>2,800,439</b>
Net position, beginning of year	33,516,571	45,495,005	79,011,576	31,330,433	44,880,704	76,211,137
Net position, end of year	\$ 36,976,140	\$ 47,592,887	\$ 84,569,027	\$ 33,516,571	\$ 45,495,005	\$ 79,011,576

### Governmental Activities

Governmental activities increased the City's net position by \$3,459,569 thereby accounting for 62% of the total increase in the net position of the City.

The major revenue contributor to this increase is found within Capital Grants and Contributions and is influenced by a settlement agreement between the City of Liberty and Clay County, Missouri. In 2012, Clay County paid the City \$1.3 million in both ongoing and past due revenues and the City of Kansas City participated on the I35/M291 road improvement in the amount of \$974,000.

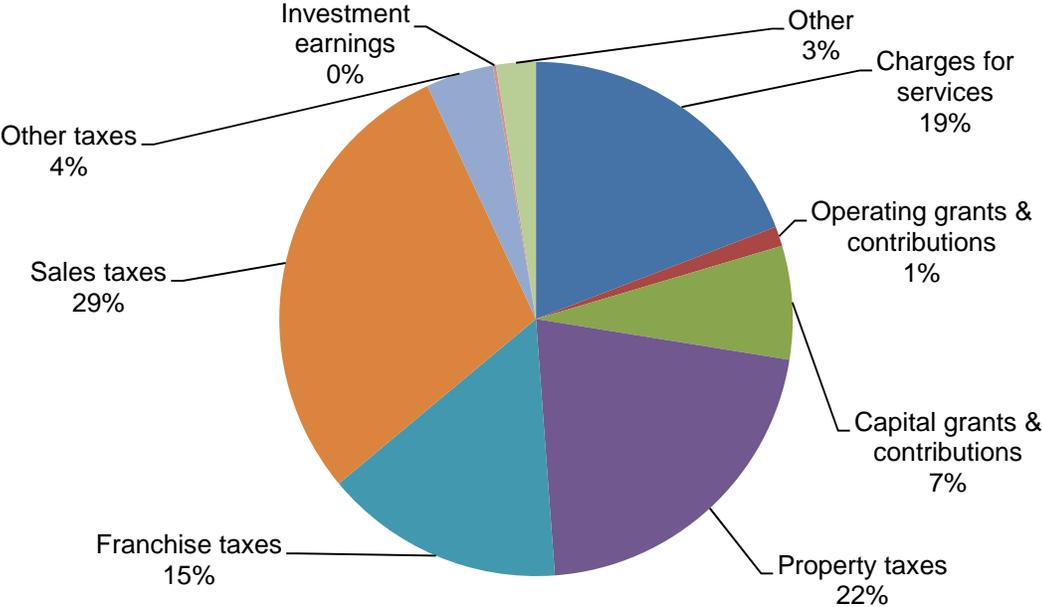
**CITY OF LIBERTY, MISSOURI**

Management’s Discussion and Analysis (*Continued*)

Property taxes totaled \$7.1 million which was an increase of approximately \$640,000 over the prior year and is due to the addition of properties in the Triangle TIF and Roger’s Plaza TIF Districts. The City saw a decline in franchise fees of \$147,000 due to a warm winter and falling natural gas commodity prices. Sales taxes increased by \$932,000 with the increases attributable to retail growth in Liberty’s TIF districts and general stabilization within that revenue source. Charges for services stayed flat in 2012, with revenues of \$5.0 million.

Governmental activities expenses increased \$2.7 million for the 2012 fiscal year when compared to 2011. The increases were due to increased reimbursements for TIF development in the community development and improvement category and full-year implementation in 2012 of the 2% salary adjustment provided at mid-year 2011, shown within multiple expense categories.

The following table reflects the revenues by source for the City’s governmental activities for the year ended December 31, 2012.



# CITY OF LIBERTY, MISSOURI

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

Total governmental activities' revenue for the fiscal year was \$30,953,799, reflecting an improvement of \$3,948,894 over 2011. The largest single revenue source for the City was sales taxes of \$9,877,630 (32%). Sales taxes increased by \$932,212 (10.4%) from 2011. The increase was due to several factors. First and foremost was an increase in retail sales in Liberty's TIF Districts. Other increases in sales included grocery stores, restaurants, and motor vehicle taxes.

Franchise fees account for 12% of the governmental activities' revenue and decreased \$146,963 (-3.79%) under 2011 receipts. The reason for this decrease was natural gas franchise fees and the result of a warm winter reducing demand coupled with low commodity prices. The negative revenue impact resulting from lower commodity prices is expected to be repetitive in future years due to the overall supply of natural gas in the United States.

The 2011 General Fund budget did not include fee increases. Revenue received from charges for services was flat and showed a decrease of \$59,017 or -1.16% when compared to 2011. The decrease was primarily the result of reduced usage of the Liberty Community Center.

Capital grants and contributions increased by \$2,265,452 when compared to the prior year. This was primarily due to the receipt of a Community Development Infrastructure Block Grant, settlement of an ongoing disagreement with Clay County, Missouri concerning collection and distribution of Road District tax revenues and revenue participation by KCMO in the M291/I35 road project.

Certain revenues are generated that are specific to governmental program activities (operating grants and contributions). These totaled \$348,860 in 2012 and \$229,030 in 2011; an increase of \$119,830.

The following table shows expenses and program revenues of the governmental activities for the years ended December 31, 2012 and 2011:

### Net Cost Of Governmental Activities

	Total Cost Of Service		Net Cost Of Service	
	2012	2011	2012	2011
General government	\$ 5,578,298	\$ 4,488,682	\$ (5,154,041)	\$ (3,917,686)
Community development and improvement	3,077,802	1,963,294	(3,077,802)	(1,963,294)
Public works	2,234,374	2,434,200	826,388	(1,784,738)
Culture and recreation	5,301,867	5,256,583	(2,439,010)	(2,336,392)
Cemetery maintenance	45,600	71,061	(14,490)	(52,160)
Public safety	9,331,920	9,039,729	(7,656,878)	(7,471,516)
Interest on long-term debt	1,924,369	1,565,218	(1,924,369)	(1,565,218)
<b>Total</b>	<b>\$ 27,494,230</b>	<b>\$ 24,818,767</b>	<b>\$ (19,440,202)</b>	<b>\$ (19,091,004)</b>

Expenses from governmental activities totaled \$27,494,230; however, net costs of these services were \$19,440,202. The difference of \$8.05 million represents direct revenues received from charges for services (\$5.0 million), operating grants and contributions (\$0.35 million), and capital grants and contributions (\$2.7 million). Taxes and other revenues of \$22.9 million were collected to cover these net costs.

**CITY OF LIBERTY, MISSOURI**

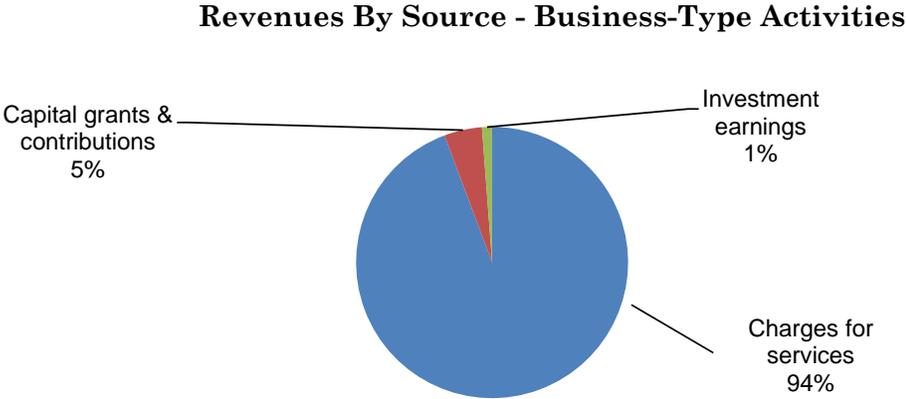
Management’s Discussion and Analysis (*Continued*)

**Business-Type Activities**

Business-type activities increased the city’s net position by \$2,097,882. Key elements of this increase are as follows:

- The Water Fund recorded an increase of \$1,296,937 in net position for the year. Revenues from user fees increased by \$687,658 or 14.1%. The City implemented a 3% water rate increase at the beginning of 2012. The most significant reason for the revenue increase was increased water usage of 12.8%, which was due to the 2012 national drought. Operating expenses increased by \$677,106 or 17.5% over 2011 expenses, primarily due to increased pumping and treatment costs. The City refinanced its water bond in 2012 to take advantage of lower interest rates. The action provided a positive impact to net position in the amount of \$224,206. The Water Fund’s operating income was \$1,035,371 in 2012. This amount was in line with the 2011 operating income of \$1,021,597.
- The Sewer Fund recorded an increase of \$828,878 in net position for the year. Revenues from user fees increased by \$920,708 or 16.7%. The City implemented a 19.5% sewer rate increase at the beginning of the year. Operating expenses increased \$271,309 or 5.1%. Expenses attributable to distribution and transmission increased \$146,680 or 14.7% and this was primarily due to additional staffing dedicated to sewer maintenance. Expenses attributable to pumping and treatment decreased by \$118,066 or -3.2%. This reflects the drought’s impact on costs for sewer treatment services paid to Kansas City, Missouri. Operating income at December 31, 2012 was \$838,954 which is a 77% increase over the \$189,555 operating income in 2011.
- The Sanitation Fund recorded a decrease in net position of \$27,933 for the year. Revenues of \$1,317,865 increased over the 2011 revenues of \$1,156,496. Expenses for 2012 increased \$549,780 or 3.8% over expenses for 2011 and is in line with sanitation hauler contract increases.

The following table reflects the revenues by source for the City’s business-type activities for the year ended December 31, 2012:



## **CITY OF LIBERTY, MISSOURI**

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

Total business-type activities' revenue for fiscal year 2012 was \$14,156,901 with charges for services (94%) being the major revenue source. All revenue, with the exception of \$167,902 received from investment earnings, was generated for specific business-type activity expenses. In the previous year, revenue for business-type activities was \$11,929,586 with all but \$180,075 generated for specific business-type activity expenses.

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

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

#### **Governmental Funds**

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

As of December 31, 2012, the City's governmental funds reported combined ending fund balances of \$21,758,550, an increase of \$7,292,486 from the previous year. Of this total, approximately 18% of this total amount (\$3,918,515) constitutes unassigned fund balance, which is available for spending at the government's discretion. The remaining \$17,840,035 of fund balance is as follows: (1) nonspendable (\$829,486) which is inventory, prepaid insurance and permanent fund principal; (2) restricted (\$16,637,160) which has externally imposed constraints such as laws and regulations; (3) assigned (\$373,389) which are funds constrained by written intent of the City Council or City Manager.

The General Fund is the chief operating fund of the City. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$3,918,515, while total fund balance was \$4,295,816. This represents an increase of \$147,318 over the previous fiscal year fund balance. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 24.8% of total General Fund expenditures, while total fund balance represents 27.2% of total General Fund expenditures.

The City recognizes the need for a fund balance that can adequately absorb any downturn in economic events to avoid changes and reductions in service levels. The City has a fiscal policy that calls for an annual review of fund balance. Current discussions are focusing an unassigned fund balance range of 22.5% that can range from 20% to 25% year to year as financial circumstances dictate.

The Park Fund had a fund balance of \$445,714 at December 31, 2012. This represents an increase of \$182,944 over the previous year fund balance. Revenues increased by \$38,791 or 1.2% and expenditures showed growth of \$115,982 or 3.4% when compared to 2011. Total fund balance represents 12.5% of 2012 expenditures. The net growth in fund balance between 2012 and 2011 has slowed and is the result of ongoing revenue pressure/participation levels experienced at the Liberty Community Center.

## **CITY OF LIBERTY, MISSOURI**

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

The Capital Sales Tax Fund balance was \$9,309,726 at the 2012 fiscal year end; an increase of \$5,179,793 over fiscal year 2011. In 2012, the City issued \$10.9 million in General Obligation bonds. Of that amount, \$4.670 million was a refunding issue designed to secure better interest rates on debt recorded within the Transportation Sales Tax Fund. \$6.23 million of the issue was for infrastructure improvements that will occur over 2012, 2013 and 2014 within the Capital Sales Tax Fund. Unspent bond resources account for \$4.66 million of the total fund balance. While the bonds are general obligation bonds, the City intends to repay the bonds through Capital Sales Tax resources. Ongoing revenues within this fund saw improvement in 2012. Taxes increased by \$42,327 when compared to 2011 collections. Intergovernmental revenues increased by \$1,839,100, reflecting participation by the City of Kansas City on the I35/M291 road improvement in the amount of \$974,000 and settlement of an ongoing disagreement with Clay County, Missouri concerning collection and distribution of Road District tax revenues.

The Transportation Sales Tax Fund, a secondary source for road infrastructure projects, recorded an ending fund balance of \$1,382,576; an increase of \$893,037 from the previous year's ending balance. This increase was due to improved tax revenues in the amount of \$175,866, coupled with reduced debt service expenditures. 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. Due to the structure of the original debt service, 2012 experienced a one-time decrease in debt service costs of \$1,044,440. In 2012, the City refinanced this debt to take advantage of then-current interest rates. The refunding created interest savings and a positive net present value. 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 \$4,603,767 at year end 2012 which is an increase of \$676,502 or 17.2% from the 2011 balance of \$3,927,265. Revenues increased to \$3,901,346 from 2011 revenues of \$2,570,289. This is due primarily to additions of Project F and Project E-1 in the Triangle TIF. It is anticipated that the fund balance will vary from year to year depending on revenue inflows and developer reimbursements.

### **Proprietary Funds**

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

Unrestricted net position of the Water Fund at the end of the year was \$2,225,560; those for the Sewer Fund were a deficit of \$1,359,845; and those for the Sanitation Fund were \$126,028. The total growth in net position over 2011 was \$1,296,937 for the Water Fund, \$828,878 for the Sewer Fund, and a \$27,933 reduction for the Sanitation Fund.

## CITY OF LIBERTY, MISSOURI

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

In the past, the Water and Sewer Funds did not meet bond requirements, which put demands on the General Fund that would, if not addressed, impair future general governmental activities. In 2009, the City engaged a consulting firm to review the Water and Sewer Funds. The consulting firm together with the City Council Budget Committee, worked with staff on fiscal matters concerning the Water and Sewer Funds. It was understood by Council and staff that a five-step action program would be implemented starting in 2009 to correct these operational problems. The steps include:

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

This step approach has required a multi-year commitment by the City. Focus has been on setting appropriate user rates and finding operating efficiencies to reduce expenses. In 2011, the City met bond coverage requirements and started generating additional income for infrastructure improvements. In 2012, the City again met and exceeded bond requirements and generated an even greater level of income for infrastructure improvements.

The City is responsible for water production and distribution. In 2012, the City implemented a 3% rate increase to its water user rates. In addition, the City maintained a flat \$2.00 per month "Infrastructure Improvement Maintenance Fee" that is billed to each customer.

These actions, coupled with positive demand impacts from the 2012 drought, resulted in positive Net Operating Income of \$1,035,371.

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

However, 2012 was a transition year. Kansas City, Missouri has implemented an annual Cost of Service Analysis. The analysis has recognized that the cost attributable to treatment of Liberty sewage is unique from a collection standpoint and Liberty is now charged a "Direct to Plant Rate". In 2012, that rate adjustment was 6%.

The actual rate adjustment issued by Kansas City is made after the City establishes its annual budget and rate requirements. This requires Liberty to estimate the mid-year rate increase based on history. The City assumed a cost increase of 10%. While treatment costs represent 62% of the overall Sewer expenses, the City has been adjusting rates to generate needed infrastructure repair funds. Coupling these requirements with general operating expenses, the City implemented a 19.5% user rate increase in 2012.

These actions generated \$6,448,922 in operating revenues. This reflects a \$920,708 increase over 2011 results of \$5,528,214. Dry weather reduced Inflow and Infiltration and positively impacting treatment costs. Total operating expenses were \$5,609,968 or \$271,309 above 2011 amounts. Net Operating Income for 2012 was \$838,954 or \$649,399 greater than 2011.

## **CITY OF LIBERTY, MISSOURI**

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

The unfavorable variance in the Sanitation Fund was the result of a planned spend-down of accumulated fund balance. The City contracts for its solid waste disposal. As rates for that service have and will increase at approximately 3.5% a year and the City receives a significant rebate for recycling materials, the above described spend-down was an appropriate action to take for 2012.

The output of this multi-year commitment has been positive as shown in the improvement of net position. In addition, and as indicated in the accompanying footnotes, the City is able to report that required bond coverage levels were met in both the Water Fund and Sewer Fund in 2012.

### **GENERAL FUND BUDGETARY HIGHLIGHTS**

Differences between the final budget and 2012 actual can be summarized as follows:

2012 final expenditures for the General Fund were \$15,767,220; a decrease of \$7,051 from the final budget of \$15,774,271. Bottom line differences are immaterial. The public works category was over budget by 4% or \$94,240 due to increased costs associated with late winter storms and additional supplies used in street repair. General Government expenditures exceed budget by \$24,242. This was due to a land acquisition made within the General Fund for future development purposes.

Actual revenue for the General Fund was \$15,578,538 which is over the budgeted amount of \$15,307,090 by \$271,448 or 1.7%. Revenue from taxes was \$12,387,245 or \$76,785 over the budgeted amount of \$12,310,460. This is due to increases in sales tax revenues and gas tax. Charges for services are over budget by 12% or \$206,617 caused by an increase in building permits and ambulance charges.

### **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, 2012, amounts to \$108,466,722 (net of accumulated depreciation). This investment in capital assets includes land, construction-in-progress, buildings and systems, improvements, vehicles, machinery and equipment, and infrastructure. The total decrease in the City's investment in capital assets for the current fiscal year was 2.98% (a 5.78% increase for governmental activities and a 0.43% increase for business-type activities).

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

- Fire Ladder Truck - \$1,144,748
- Fire Tanker Truck - \$149,600
- Public Works Street - \$208,850
- General Government Land Acquisition - \$40,497
- Water Tower Rehabilitation and Painting - \$573,824
- Water Plant/Water Well Upgrades - \$564,976

# CITY OF LIBERTY, MISSOURI

## Management's Discussion and Analysis (Continued)

### City Of Liberty's Capital Assets

	Governmental Activities		Business-Type Activities		Total	
	2012	2011	2012	2011	2012	2011
Land	\$ 1,927,066	\$ 1,886,906	\$ 840,677	\$ 840,677	\$ 2,767,743	\$ 2,727,583
Construction-in-progress	7,360,618	4,007,969	187,105	274,687	7,547,723	4,282,656
Buildings and system	13,100,095	13,082,919	10,217,073	10,217,073	23,317,168	23,299,992
Vehicles	5,681,323	4,189,268	1,359,864	1,235,376	7,041,187	5,424,644
Improvements other than buildings	10,234,440	10,168,579	194,143	194,143	10,428,583	10,362,722
Machinery and equipment	9,164,040	8,848,979	10,287,878	9,309,959	19,451,918	18,158,938
Infrastructure	36,599,762	36,103,090	58,902,887	58,034,498	95,502,649	94,137,588
Accumulated depreciation	(31,058,799)	(28,177,084)	(26,531,450)	(24,884,579)	(57,590,249)	(53,061,663)
<b>Total</b>	<b>\$ 53,008,545</b>	<b>\$ 50,110,626</b>	<b>\$ 55,458,177</b>	<b>\$ 55,221,834</b>	<b>\$ 108,466,722</b>	<b>\$ 105,332,460</b>

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

### Long-Term Debt

At the end of the current fiscal year, the City had total debt outstanding of \$52,040,793. Of this amount, \$11,630,000 comprises debt backed by the full faith and credit of the government. Please note: The City plans to pay the debt on these General Obligation Bonds through Capital and Transportation Sales Tax sources and does not expect to issue any property tax debt levies. The remainder of the City's debt represents bonds secured solely by specified revenue sources (i.e., revenue bonds).

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

	Governmental Activities		Business-Type Activities		Total	
	2012	2011	2012	2011	2012	2011
Special assessment bonds	\$ 2,465,000	\$ 2,605,000	\$ —	\$ —	\$ 2,465,000	\$ 2,605,000
Capital leases	2,133,194	895,125	353,235	—	2,486,429	895,125
General obligation bonds	11,630,000	6,500,000	—	—	11,630,000	6,500,000
TIF bonds	17,335,000	17,840,000	—	—	17,335,000	17,840,000
MDNR loan payable	55,211	65,214	—	—	55,211	65,214
SRF bonds	—	—	4,840,000	5,085,000	4,840,000	5,085,000
SRF note payable	—	—	3,479,153	3,661,905	3,479,153	3,661,905
Revenue bonds	1,205,000	1,345,000	8,545,000	8,880,000	9,750,000	10,225,000
<b>Total</b>	<b>\$ 34,823,405</b>	<b>\$ 29,250,339</b>	<b>\$ 17,217,388</b>	<b>\$ 17,626,905</b>	<b>\$ 52,040,793</b>	<b>\$ 46,877,244</b>

## **CITY OF LIBERTY, MISSOURI**

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

During the current fiscal year, the City's total debt increased by \$5,163,549 or 11.0%. The City issued \$6,219,699 in General Obligation Bonds that dedicate funding for major road infrastructure improvements. Also, the City refunded certain General Obligation Bonds funded with the Transportation Sales Tax Fund to secure better interest costs. Further, the City undertook \$1,872,844 in Capital leases that allowed for the purchase of Fire, Utility and Public Works equipment. 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 2012 end-of-year activity, it is anticipated that 2013 General Fund revenues will show stability and have been conservatively budgeted. The overall 2013 General Fund budget shows total revenues of \$16,459,890 and includes one-time revenue amounts attributable to Capital Leases of \$131,200. When compared to 2012 results of \$15,578,538, the City anticipates increased revenues of \$881,352 or 5.6%.

The 2013 core revenues will increase slightly when compared to 2012 core revenues. Property taxes for 2013 are budgeted at \$4,117,340 or \$19,072 higher than 2012 revenues. This is due to the Council establishing the 2012 levy rate at \$0.8417 per \$100 assessed valuation which is \$0.0048 lower than 2011 rates. This rate will be applied to a slightly higher City assessed valuation. Valuations for 2012 were calculated to be \$450,592,300 or \$2,589,791 higher than 2011. The increase is mainly attributable to increases in State assessed railroad and utilities. Sales Tax revenue is budgeted at \$3,494,980 slightly above the budget for 2012 and due to increased business in the Triangle with Projects E-1 and F. Franchise Fees have been budgeted at \$3,948,000 for 2013, an increase of \$216,475 from 2011. The increase anticipates a normal winter temperature event and improvement in Natural Gas Franchise Fee revenues of \$106,455. Additionally, the Ford Stamping Plant and ancillary Ford part supplier are expected to start operation in 2013. This has allowed for a projected increase in Electrical Franchise Fees of \$120,470.

General Fund expenditures are projected to total \$16,508,410 compared to the 2012 close-out of \$15,767,220. This represents a \$741,190 increase from 2012. Employee salary and fringe benefit costs are budgeted at \$459,235 higher for a 2013 total of \$11,837,020. This is due to the City upgrading LAGERS, the City retirement program, at a projected cost of \$340,373, along with maintenance of the 2012 mid-year 2% salary adjustment and anticipated increases in health insurance costs of \$174,611. No other compensation adjustments were awarded in 2013. Non-salary expenditures increased 2.1% in the 2013 budget due to anticipated increases for minor computer equipment purchases and funding for further development support expenses. Capital acquisitions within the General Fund are budgeted at \$636,530. This reflects a \$315,448 increase over 2012 and is attributable to the purchase of Police vehicles in the amount of \$214,735, a transportation van for Senior Services in the amount of \$50,000 and increases in capital purchases for Information Systems in the amount of \$69,062.

Based on programmed actions for 2013, the City anticipates a balanced General Fund budget, with unassigned fund balance being maintained at 2012 levels. The City will continue to react to ongoing changes in the local economy and respond accordingly.

## **CITY OF LIBERTY, MISSOURI**

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

A substantial amount of work and review underpins the 2013 Water and Sewer budgets. The City Council decided in 2010 that it was appropriate to secure advice and guidance from knowledgeable Liberty residents in the form of a taskforce. The taskforce met for a 12-week period and offered recommendations to the City Council. Some of the recommendations accepted by Council were to address aging water meters, repair and replace existing infrastructure, and take over water treatment operations of the water plant.

For 2013, Water rates were adjusted upward by 1%. As to the Sewer Fund, the City implemented an 18.0% rate increase in January 2013. Both of these adjustments are forecasted to provide favorable economic results in 2013. In 2013, discussions will continue on the economic possibility of the City building and operating its own sewer treatment plant. Building a plant would allow the City to maintain control over all Sewer Fund activities and result in more predictable fiscal outcomes. A recent engineering/economic analysis of this potential has shown that building a sewer treatment plant would generate a positive net present value of treatment costs and require lower future rate adjustments than would occur with the City maintaining Kansas City, Missouri as our treatment provider. The Council will place in front of Liberty voters in August 2013 a revenue bond question concerning this opportunity.

The 2013 Park Department budget was developed with no expansion of services in mind. Although property tax and sales tax receipts have stayed relatively stagnant, program and membership fees are experiencing a minor decline. The department has been able to continue to streamline operation expenditures to maintain a balanced budget. The Parks and Recreation Department's 2013 proposed budget reflects a 1.2% decrease in revenue and expenditures levels equal to budgeted revenues.

All of these factors were considered in preparing the City's budget for the 2013 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.

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## **Basic Financial Statements**

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# CITY OF LIBERTY, MISSOURI

## STATEMENT OF NET POSITION

Page 1 Of 2

December 31, 2012

	Governmental Activities	Business-Type Activity	Total
<b>Assets</b>			
<b>Current Assets</b>			
Cash and investments	\$ 19,007,768	\$ 3,578,915	\$ 22,586,683
Receivables:			
Taxes	3,151,365	—	3,151,365
Accounts	716,203	1,974,483	2,690,686
Accrued interest	10,609	2,364	12,973
Due from other governments	429,009	—	429,009
Inventory	42,169	176,687	218,856
Prepaid expenses	374,840	107,476	482,316
Restricted assets:			
Cash and investments	432,285	—	432,285
Accrued interest	262	—	262
<b>Total Current Assets</b>	<b>24,164,510</b>	<b>5,839,925</b>	<b>30,004,435</b>
<b>Noncurrent Assets</b>			
Restricted assets:			
Investments	4,194,340	4,832,099	9,026,439
Special assessment receivable	38,979	—	38,979
Capital assets:			
Nondepreciable:			
Land	1,927,066	840,677	2,767,743
Construction in progress	7,360,618	187,105	7,547,723
Depreciable:			
Buildings and system	13,100,095	10,217,073	23,317,168
Improvements other than buildings	10,234,440	194,143	10,428,583
Vehicles	5,681,323	1,359,864	7,041,187
Machinery and equipment	9,164,040	10,287,878	19,451,918
Infrastructure	36,599,762	58,902,887	95,502,649
Less: Accumulated depreciation	(31,058,799)	(26,531,450)	(57,590,249)
<b>Total Noncurrent Assets</b>	<b>57,241,864</b>	<b>60,290,276</b>	<b>117,532,140</b>
<b>Total Assets</b>	<b>81,406,374</b>	<b>66,130,201</b>	<b>147,536,575</b>
<b>Deferred Outflow Of Resources</b>			
Deferred loss on refunding	23,565	261,428	284,993

# CITY OF LIBERTY, MISSOURI

## STATEMENT OF NET POSITION

Page 2 Of 2

December 31, 2012

	Governmental Activities	Business-Type Activity	Total
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Accounts payable and accrued liabilities	\$ 1,190,287	\$ 941,038	\$ 2,131,325
Deposits	126,534	—	126,534
Compensated absences	505,938	43,147	549,085
Accrued interest payable	455,042	281,210	736,252
Unearned revenue	435,719	20,177	455,896
Current maturities of capital leases	436,425	—	436,425
Current maturities of long-term debt	2,640,000	1,261,864	3,901,864
MDNR loan payable	10,343	—	10,343
<b>Total Current Liabilities</b>	<b>5,800,288</b>	<b>2,547,436</b>	<b>8,347,724</b>
<b>Noncurrent Liabilities</b>			
Compensated absences	982,116	83,457	1,065,573
Net pension obligation	383,244	—	383,244
Other post employment benefits	247,324	—	247,324
Capital lease obligation	1,696,769	306,124	2,002,893
MDNR loan payable	44,868	—	44,868
SRF note payable	—	3,299,400	3,299,400
Long-term debt - bonds	30,451,430	12,562,325	43,013,755
<b>Total Noncurrent Liabilities</b>	<b>33,805,751</b>	<b>16,251,306</b>	<b>50,057,057</b>
<b>Total Liabilities</b>	<b>39,606,039</b>	<b>18,798,742</b>	<b>58,404,781</b>
<b>Deferred Inflow Of Resources</b>			
Property tax	4,847,760	—	4,847,760
<b>Net Position</b>			
Net investment in capital assets	37,403,710	41,769,045	79,172,755
Restricted for:			
Expendable:			
Debt service	4,603,767	4,734,866	9,338,633
Capital improvements	9,309,726	—	9,309,726
Parks	749,885	—	749,885
Transportation	1,382,576	—	1,382,576
Public safety	480,403	—	480,403
Cemetery	75,083	—	75,083
Law enforcement	35,720	—	35,720
Kansas City sewer line	—	97,233	97,233
Nonexpendable:			
Cemetery trust corpus	412,477	—	412,477
Unrestricted	(17,477,207)	991,743	(16,485,464)
<b>Total Net Position</b>	<b>\$ 36,976,140</b>	<b>\$ 47,592,887</b>	<b>\$ 84,569,027</b>

**CITY OF LIBERTY, MISSOURI**  
**STATEMENT OF ACTIVITIES**  
**For The Year Ended December 31, 2012**

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue And Changes In Net Assets		
		Charges For Services And Sales	Operating Grants And Contributions	Capital Grants And Contributions	Primary Government		
					Governmental Activities	Business- Type Activities	Total
<b>Primary Government</b>							
<b>Governmental Activities</b>							
General government	\$ 5,578,298	\$ 416,114	\$ 8,143	\$ —	\$ (5,154,041)	\$ —	\$ (5,154,041)
Community development and improvement	3,077,802	—	—	—	(3,077,802)	—	(3,077,802)
Public works	2,234,374	148,575	228,950	2,683,237	826,388	—	826,388
Culture and recreation	5,301,867	2,761,851	101,006	—	(2,439,010)	—	(2,439,010)
Cemetery maintenance	45,600	31,110	—	—	(14,490)	—	(14,490)
Public safety	9,331,920	1,664,281	10,761	—	(7,656,878)	—	(7,656,878)
Interest on long-term debt	1,924,369	—	—	—	(1,924,369)	—	(1,924,369)
<b>Total Governmental Activities</b>	<b>27,494,230</b>	<b>5,021,931</b>	<b>348,860</b>	<b>2,683,237</b>	<b>(19,440,202)</b>	<b>—</b>	<b>(19,440,202)</b>
<b>Business-Type Activities</b>							
Water	4,683,122	5,574,516	—	387,731	—	1,279,125	1,279,125
Sewer	6,029,359	6,448,922	—	248,825	—	668,388	668,388
Sanitation	1,346,538	1,317,865	—	—	—	(28,673)	(28,673)
<b>Total Business-Type Activities</b>	<b>12,059,019</b>	<b>13,341,303</b>	<b>—</b>	<b>636,556</b>	<b>—</b>	<b>1,918,840</b>	<b>1,918,840</b>
<b>Total Primary Government</b>	<b>\$ 39,553,249</b>	<b>\$ 18,363,234</b>	<b>\$ 348,860</b>	<b>\$ 3,319,793</b>	<b>(19,440,202)</b>	<b>1,918,840</b>	<b>(17,521,362)</b>
<b>General Revenues</b>							
Taxes:							
Property tax					7,147,343	—	7,147,343
Franchise taxes					3,731,525	—	3,731,525
Sales taxes					9,877,630	—	9,877,630
Other taxes					1,411,627	—	1,411,627
Investment income					51,651	167,902	219,553
Miscellaneous					679,995	11,140	691,135
<b>Total General Revenues And Transfers</b>					<b>22,899,771</b>	<b>179,042</b>	<b>23,078,813</b>
<b>Change In Net Position</b>					<b>3,459,569</b>	<b>2,097,882</b>	<b>5,557,451</b>
<b>Net Position - Beginning Of Year</b>					<b>33,516,571</b>	<b>45,495,005</b>	<b>79,011,576</b>
<b>Net Position - End Of Year</b>					<b>\$ 36,976,140</b>	<b>\$ 47,592,887</b>	<b>\$ 84,569,027</b>

# CITY OF LIBERTY, MISSOURI

## BALANCE SHEET - GOVERNMENTAL FUNDS December 31, 2012

	General	Parks	Capital Sales Tax	Transportation Sales Tax	Liberty TIF	Nonmajor Governmental Funds	Total
<b>Assets</b>							
Cash and investments	\$ 5,593,729	\$ 1,469,909	\$ 8,970,657	\$ 1,111,188	\$ 953,278	\$ 909,007	\$ 19,007,768
Receivables, net of allowance for uncollectibles:							
Taxes	1,971,184	120,763	270,961	270,961	246,535	270,961	3,151,365
Accounts	454,406	15,203	47,000	—	—	199,594	716,203
Special assessment	—	—	—	—	—	38,979	38,979
Accrued interest	3,587	984	5,009	425	21	583	10,609
Due from other funds	147,057	17	395,000	—	—	207	542,281
Due from other governments	366,924	62,085	—	—	—	—	429,009
Inventory	42,169	—	—	—	—	—	42,169
Prepaid insurance	335,132	39,708	—	—	—	—	374,840
Restricted assets:							
Cash and investments	—	—	387,084	—	3,673,608	75,917	4,136,609
Investments	—	—	—	—	—	490,016	490,016
Accrued interest	—	—	209	2	—	51	262
<b>Total Assets</b>	<b>\$ 8,914,188</b>	<b>\$ 1,708,669</b>	<b>\$ 10,075,920</b>	<b>\$ 1,382,576</b>	<b>\$ 4,873,442</b>	<b>\$ 1,985,315</b>	<b>\$ 28,940,110</b>
<b>Liabilities</b>							
Accounts payable and accrued liabilities	\$ 500,268	\$ 138,815	\$ 356,277	\$ —	\$ 18,791	\$ 176,136	\$ 1,190,287
Deposits	126,534	—	—	—	—	—	126,534
Due to other funds	—	395,000	—	—	98,032	49,249	542,281
Unearned revenue	—	25,802	409,917	—	—	—	435,719
<b>Total Liabilities</b>	<b>626,802</b>	<b>559,617</b>	<b>766,194</b>	<b>—</b>	<b>116,823</b>	<b>225,385</b>	<b>2,294,821</b>
<b>Deferred Inflow Of Resources</b>							
Property and special assessment taxes	3,991,570	703,338	—	—	152,852	38,979	4,886,739
<b>Fund Balances</b>							
Nonspendable:							
Inventory	42,169	—	—	—	—	—	42,169
Prepaid insurance	335,132	39,708	—	—	—	—	374,840
Permanent fund principal	—	—	—	—	—	412,477	412,477
Restricted for:							
Parks and recreation	—	406,006	—	—	—	343,879	749,885
Capital projects	—	—	9,309,726	—	—	—	9,309,726
Transportation projects	—	—	—	1,382,576	—	—	1,382,576
Public safety	—	—	—	—	—	480,403	480,403
Debt service	—	—	—	—	4,603,767	—	4,603,767
Cemetery	—	—	—	—	—	75,083	75,083
Law enforcement	—	—	—	—	—	35,720	35,720
Assigned to:							
Debt service	—	—	—	—	—	313,661	313,661
Other purposes	—	—	—	—	—	59,728	59,728
Unassigned	3,918,515	—	—	—	—	—	3,918,515
<b>Total Fund Balances</b>	<b>4,295,816</b>	<b>445,714</b>	<b>9,309,726</b>	<b>1,382,576</b>	<b>4,603,767</b>	<b>1,720,951</b>	<b>21,758,550</b>
<b>Total Liabilities, Deferred Inflow Of Resources And Fund Balances</b>	<b>\$ 8,914,188</b>	<b>\$ 1,708,669</b>	<b>\$ 10,075,920</b>	<b>\$ 1,382,576</b>	<b>\$ 4,873,442</b>	<b>\$ 1,985,315</b>	<b>\$ 28,940,110</b>

# CITY OF LIBERTY, MISSOURI

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

December 31, 2012

**Total Fund Balance - Governmental Funds** \$ 21,758,550

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

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

Land	1,927,066
Construction in progress	7,360,618
Buildings and system	13,100,095
Improvements other than buildings	10,234,440
Vehicles	5,681,323
Machinery and equipment	9,164,040
Infrastructure	36,599,762
Accumulated depreciation	(31,058,799)

Some of the City's revenues will be collected after year end, are not available to pay for current period expenditures and, therefore, are deferred in the funds 38,979

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

Current:

Compensated absences	(505,938)
Accrued interest payable	(455,042)
Capital lease obligations	(436,425)
Leasehold revenue bonds	(145,000)
General obligation bonds	(1,795,000)
TIF bonds	(555,000)
MDNR loan payable	(10,343)
Special assessment bonds	(85,000)
Special obligation bonds	(60,000)

Noncurrent:

Compensated absences	(982,116)
Net pension obligation	(383,244)
Other post employment benefits	(247,324)
Bond discounts and deferral on refunding	187,201
Bond premium	(620,066)
Capital lease obligations	(1,696,769)
Leasehold revenue bonds	(1,060,000)
General obligation bonds	(9,835,000)
TIF bonds	(16,780,000)
MDNR loan payable	(44,868)
Special assessment bonds	(40,000)
Special obligation bonds	(2,280,000)

**Total Net Position - Governmental Activities** \$ 36,976,140

**CITY OF LIBERTY, MISSOURI**  
**STATEMENT OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**For The Year Ended December 31, 2012**

	General	Parks	Capital Sales Tax	Transportation Sales Tax	Liberty TIF	Nonmajor Governmental Funds	Total
<b>Revenues</b>							
Taxes	\$ 12,387,245	\$ 722,652	\$ 1,577,457	\$ 1,824,130	\$ 3,894,650	\$ 1,627,883	\$ 22,034,017
Intergovernmental	397,925	—	2,256,885	—	—	561,395	3,216,205
Charges for services	1,892,917	2,563,107	—	—	—	63,948	4,519,972
Licenses and permits	270,115	—	—	—	—	—	270,115
Investment earnings	17,784	6,785	18,219	1,238	411	7,214	51,651
Lease	—	—	—	—	—	198,744	198,744
Miscellaneous	612,552	8,179	—	—	6,285	145,604	772,620
<b>Total Revenues</b>	<b>15,578,538</b>	<b>3,300,723</b>	<b>3,852,561</b>	<b>1,825,368</b>	<b>3,901,346</b>	<b>2,604,788</b>	<b>31,063,324</b>
<b>Expenditures</b>							
Current:							
General government	3,380,903	—	—	—	96,980	1,416,258	4,894,141
Community development and improvement	816,192	—	—	47,843	1,403,859	573,094	2,840,988
Public works	2,393,420	—	3,422,571	53,756	8,440	—	5,878,187
Culture and recreation	258,442	3,441,795	—	—	—	280,030	3,980,267
Cemetery maintenance	—	—	—	—	—	36,687	36,687
Public safety	8,714,018	—	400	—	—	166,915	8,881,333
Capital outlay	24,742	61,275	1,680,820	—	—	62,374	1,829,211
Debt service:							
Principal retirement	166,341	51,572	—	700,000	560,000	347,097	1,825,010
Interest and fiscal charges	13,162	3,647	250	186,171	1,153,736	92,518	1,449,484
Bond issuance costs	—	—	—	—	1,829	—	1,829
<b>Total Expenditures</b>	<b>15,767,220</b>	<b>3,558,289</b>	<b>5,104,041</b>	<b>987,770</b>	<b>3,224,844</b>	<b>2,974,973</b>	<b>31,617,137</b>
<b>Revenues Over (Under) Expenditures</b>	<b>(188,682)</b>	<b>(257,566)</b>	<b>(1,251,480)</b>	<b>837,598</b>	<b>676,502</b>	<b>(370,185)</b>	<b>(553,813)</b>
<b>Other Financing Sources (Uses)</b>							
Issuance of long-term debt	—	—	10,174,561	55,439	—	—	10,230,000
Payments to refunding escrow agent	—	—	(4,613,824)	—	—	—	(4,613,824)
Capital lease	—	51,510	211,573	—	—	1,308,077	1,571,160
Bond premium	—	—	658,963	—	—	—	658,963
Transfers in	336,000	450,000	—	—	—	11,426	797,426
Transfers out	—	(61,000)	—	—	—	(736,426)	(797,426)
<b>Total Other Financing Sources</b>	<b>336,000</b>	<b>440,510</b>	<b>6,431,273</b>	<b>55,439</b>	<b>—</b>	<b>583,077</b>	<b>7,846,299</b>
<b>Net Change In Fund Balances</b>	<b>147,318</b>	<b>182,944</b>	<b>5,179,793</b>	<b>893,037</b>	<b>676,502</b>	<b>212,892</b>	<b>7,292,486</b>
<b>Fund Balances - Beginning Of Year</b>	<b>4,148,498</b>	<b>262,770</b>	<b>4,129,933</b>	<b>489,539</b>	<b>3,927,265</b>	<b>1,508,059</b>	<b>14,466,064</b>
<b>Fund Balances - End Of Year</b>	<b>\$ 4,295,816</b>	<b>\$ 445,714</b>	<b>\$ 9,309,726</b>	<b>\$ 1,382,576</b>	<b>\$ 4,603,767</b>	<b>\$ 1,720,951</b>	<b>\$ 21,758,550</b>

# CITY OF LIBERTY, MISSOURI

## RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES For The Year Ended December 31, 2012

**Net Change In Fund Balances - Total Governmental Funds** \$ 7,292,486

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	6,139,702
Depreciation:	
General government	(520,866)
Public safety	(434,866)
Public works	(969,703)
Culture and recreation	(1,280,049)
Loss on disposal of capital assets	(36,299)

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

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

Changes in compensated absences:	
General government	(8,879)
Public safety	15,974
Public works	(1,784)
Culture and recreation	9,647
Changes in net pension obligation	(99,505)
Changes in other post employment benefits	(69,524)

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

Principal payments on long-term debt	1,825,010
Issuance of long-term debt	(10,230,000)
Payments to refunding escrow agent	4,400,000
Capital lease	(1,571,160)
Bond premium	(658,963)
Amortization of bond discounts	(106,325)
Issuance costs	(444,218)
Amortization of bond premiums	268,094
Deferred loss on refunding	23,565

**Change In Net Position Of Governmental Activities** \$ 3,459,569

# CITY OF LIBERTY, MISSOURI

## STATEMENT OF NET POSITION ENTERPRISE FUNDS December 31, 2012

	Water	Sewer	Sanitation (Nonmajor)	Total
<b>Assets</b>				
<b>Current Assets:</b>				
Cash and investments	\$ 2,112,777	\$ 1,217,627	\$ 248,511	\$ 3,578,915
Receivables:				
Accounts	535,460	1,359,549	79,474	1,974,483
Accrued interest	1,258	987	119	2,364
Inventory	166,913	9,774	—	176,687
Prepays	31,000	76,462	14	107,476
<b>Total Current Assets</b>	<b>2,847,408</b>	<b>2,664,399</b>	<b>328,118</b>	<b>5,839,925</b>
<b>Noncurrent Assets:</b>				
Restricted assets, cash and investments	403,199	4,428,900	—	4,832,099
Capital assets:				
Land	795,677	45,000	—	840,677
Construction in progress	91,205	95,900	—	187,105
Buildings and systems	9,004,014	1,213,059	—	10,217,073
Improvements other than buildings	143,116	51,027	—	194,143
Vehicles	742,137	617,727	—	1,359,864
Machinery and equipment	6,382,623	3,905,255	—	10,287,878
Infrastructure	30,297,338	28,605,549	—	58,902,887
Accumulated depreciation	(17,209,409)	(9,322,041)	—	(26,531,450)
<b>Total Noncurrent Assets</b>	<b>30,649,900</b>	<b>29,640,376</b>	<b>—</b>	<b>60,290,276</b>
<b>Total Assets</b>	<b>33,497,308</b>	<b>32,304,775</b>	<b>328,118</b>	<b>66,130,201</b>
<b>Deferred Outflow Of Resources</b>				
Deferred loss on refunding	261,428	—	—	261,428
<b>Liabilities</b>				
<b>Current Liabilities</b>				
Accounts payable and accrued expenses	442,090	297,440	201,508	941,038
Compensated absences	26,593	16,356	198	43,147
Accrued interest payable	90,418	190,792	—	281,210
Unearned revenue	11,125	9,052	—	20,177
Current maturities of long-term debt	430,000	831,864	—	1,261,864
<b>Total Current Liabilities</b>	<b>1,000,226</b>	<b>1,345,504</b>	<b>201,706</b>	<b>2,547,436</b>
<b>Noncurrent Liabilities:</b>				
Compensated absences	51,622	31,451	384	83,457
SRF note payable	—	3,299,400	—	3,299,400
Long-term debt	4,006,776	8,861,673	—	12,868,449
<b>Total Noncurrent Liabilities</b>	<b>4,058,398</b>	<b>12,192,524</b>	<b>384</b>	<b>16,251,306</b>
<b>Total Liabilities</b>	<b>5,058,624</b>	<b>13,538,028</b>	<b>202,090</b>	<b>18,798,742</b>
<b>Net Position</b>				
Net investment in capital assets	26,071,353	15,697,692	—	41,769,045
Restricted for:				
Debt service	403,199	4,331,667	—	4,734,866
Kansas City sewer line	—	97,233	—	97,233
Unrestricted	2,225,560	(1,359,845)	126,028	991,743
<b>Total Net Position</b>	<b>\$ 28,700,112</b>	<b>\$ 18,766,747</b>	<b>\$ 126,028</b>	<b>\$ 47,592,887</b>

## CITY OF LIBERTY, MISSOURI

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

For The Year Ended December 31, 2012

		Water		Sewer	Sanitation (Nonmajor)	Total
<b>Operating Revenues</b>						
Charges for services	\$	5,574,516	\$	6,448,922	\$	13,341,303
Miscellaneous		11,140		—	—	11,140
<b>Total Operating Revenues</b>		5,585,656		6,448,922	1,317,865	13,352,443
<b>Operating Expenses</b>						
Pumping and treatment		2,034,980		3,527,847	—	5,562,827
Distribution and transmission		765,365		490,568	—	1,255,933
General and administrative		807,350		868,280	—	1,675,630
Sanitation		—		—	1,346,538	1,346,538
Depreciation		942,590		723,273	—	1,665,863
<b>Total Operating Expenses</b>		4,550,285		5,609,968	1,346,538	11,506,791
<b>Operating Income (Loss)</b>		1,035,371		838,954	(28,673)	1,845,652
<b>Nonoperating Revenues (Expenses)</b>						
Investment earnings		6,672		160,490	740	167,902
Interest expense		(132,837)		(419,391)	—	(552,228)
<b>Total Nonoperating Revenues (Expenses)</b>		(126,165)		(258,901)	740	(384,326)
<b>Income (Loss) Before Transfers And Capital Contributions</b>		909,206		580,053	(27,933)	1,461,326
<b>Capital Contributions</b>		387,731		248,825	—	636,556
<b>Change In Net Position</b>		1,296,937		828,878	(27,933)	2,097,882
<b>Net Position - Beginning Of Year</b>		27,403,175		17,937,869	153,961	45,495,005
<b>Net Position - End Of Year</b>	\$	28,700,112	\$	18,766,747	\$	126,028
					\$	47,592,887

**CITY OF LIBERTY, MISSOURI**

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**STATEMENT OF CASH FLOWS**  
**ENTERPRISE FUNDS**  
**For The Year Ended December 31, 2012**

	Water	Sewer	Sanitation (Nonmajor)	Total
<b>Cash Flows From Operating Activities</b>				
Receipts from customers and users	\$ 5,536,196	\$ 5,943,610	\$ 1,317,875	\$ 12,797,681
Payments to suppliers	(2,723,496)	(4,266,955)	(1,231,713)	(8,222,164)
Payments to employees	(589,689)	(480,690)	(15,134)	(1,085,513)
<b>Net Cash Provided By Operating Activities</b>	<b>2,234,151</b>	<b>1,195,965</b>	<b>71,028</b>	<b>3,501,144</b>
<b>Cash Flows From Capital And Related Financing Activities</b>				
Purchase of capital assets	(1,062,889)	(202,751)	—	(1,265,640)
Interest payments	(79,567)	(441,167)	—	(520,734)
Principal payments on debt	—	(762,752)	—	(762,752)
<b>Net Cash Used In Capital And Related Financing Activities</b>	<b>(1,142,456)</b>	<b>(1,406,670)</b>	<b>—</b>	<b>(2,549,126)</b>
<b>Cash Flows Provided By Investing Activities</b>				
Interest and dividends received	10,119	162,246	1,015	173,380
<b>Increase In Cash And Cash Equivalents</b>	<b>1,101,814</b>	<b>(48,459)</b>	<b>72,043</b>	<b>1,125,398</b>
<b>Cash And Cash Equivalents - Beginning Of Year</b>	<b>1,414,162</b>	<b>5,694,986</b>	<b>176,468</b>	<b>7,285,616</b>
<b>Cash And Cash Equivalents - End Of Year</b>	<b>\$ 2,515,976</b>	<b>\$ 5,646,527</b>	<b>\$ 248,511</b>	<b>\$ 8,411,014</b>
Reconciliation of operating income (loss) to net cash provided operating activities:				
Operating income (loss)	\$ 1,035,371	\$ 838,954	\$ (28,673)	\$ 1,845,652
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:				
Depreciation	942,590	723,273	—	1,665,863
Amortization	71,337	212,184	—	283,521
Changes in assets and liabilities:				
Receivables	(49,445)	(16,210)	10	(65,645)
Inventory and other prepayments	(26,883)	(23,049)	(14)	(49,946)
Accounts payable and accrued expenses	252,728	(549,247)	100,010	(196,509)
Compensated absences	8,453	10,060	(305)	18,208
<b>Net Cash Provided By Operating Activities</b>	<b>\$ 2,234,151</b>	<b>\$ 1,195,965</b>	<b>\$ 71,028</b>	<b>\$ 3,501,144</b>
<b>Noncash Investing And Financing Transactions</b>				
Capital contributions	\$ 387,731	\$ 248,825	\$ —	\$ 636,556

**CITY OF LIBERTY, MISSOURI**

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**STATEMENT OF ASSETS AND LIABILITIES  
AGENCY FUNDS  
December 31, 2012**

**Assets**

Cash and cash equivalents	\$ 150,047
Accrued sales taxes	7,552
Accrued interest	18
	<hr/>
	\$ 157,617
	<hr/> <hr/>

**Liabilities**

Protested taxes	\$ 6,645
Due to other entities	150,972
	<hr/>
	\$ 157,617
	<hr/> <hr/>

# CITY OF LIBERTY, MISSOURI

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## NOTES TO BASIC FINANCIAL STATEMENTS

December 31, 2012

### 1. Summary Of Significant Accounting Policies

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

#### **Nature Of Operations**

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

#### **Reporting Entity**

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

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

The Board of Directors of the PFA is comprised of seven members, five of which are approved by the City Council. The Mayor and Park Board President also serve as members of the board. The activities of the PFA include the financing through issuance of bonds and the construction of various facilities. The PFA has entered into a 20-year lease, renewable annually, for the Community Center. The City has an option to buy this facility once the bonds are retired. Financial information for the PFA is recorded in the 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.

## CITY OF LIBERTY, MISSOURI

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

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

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

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

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

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

## CITY OF LIBERTY, MISSOURI

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

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

***Capital Sales Tax Fund:*** This fund is a capital projects fund used to account for general government construction bond projects and capital expenditures within the City. The City deposits the ½ cent capital improvement sales tax and applicable bond proceeds into this fund for these projects.

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

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

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

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

**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.

## CITY OF LIBERTY, MISSOURI

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

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

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

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

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

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

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

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

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

**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.

## CITY OF LIBERTY, MISSOURI

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

The following are the City's major enterprise funds:

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

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

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

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

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

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

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

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

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

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

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

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

**Measurement Focus And Basis Of Accounting**

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

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

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

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

Property taxes are recognized as a receivable at the time they become an enforceable legal claim. The current taxes receivable represent the 2012 levy plus any uncollected amounts from the 2011 levy. Property taxes that are not available for current year operations are shown as a deferred inflow. Property taxes are levied each year on all taxable real and personal property in the City. The City's property tax is levied each September 1 on the assessed value as of the prior January 1. Property taxes are billed in total by November 1 following the levy date and considered delinquent after January 1. On January 1, a lien attaches to all property for which taxes are unpaid.

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

## **CITY OF LIBERTY, MISSOURI**

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

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

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

#### **Cash And Investments**

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

#### **Statement Of Cash Flows**

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

#### **Accounts Receivable And Unbilled Usage**

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

#### **Inventory And Prepaids**

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

**CITY OF LIBERTY, MISSOURI**

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Notes To Basic Financial Statements (*Continued*)

**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 Outflow Of Resources**

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

**Unearned Revenues**

Unearned revenues in the statement of net position represents 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.

**Fund Balance**

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

1. *Nonspendable* – Assets legally or contractually required to be maintained or are not in spendable form. Such constraint is binding until the legal requirement is repealed or the amounts become spendable.

## CITY OF LIBERTY, MISSOURI

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

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

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

#### **Net Position**

Net position represents the difference between assets and liabilities. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Net investment in capital assets excludes unspent debt proceeds. Net position is reported as restricted when there are limitations imposed on their use through enabling legislation or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. Net position 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 position are available.

#### **Long-Term Liabilities**

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

## **CITY OF LIBERTY, MISSOURI**

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

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

#### **Deferred Inflow Of Resources**

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

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

#### **Use Of Estimates**

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

# CITY OF LIBERTY, MISSOURI

## Notes To Basic Financial Statements (Continued)

### 2. Deposits And Investments

As of December 31, 2012, 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	\$ 6,511,148	\$ 1,000,034	\$ 5,511,114	\$ —	\$ —
Federal National Mortgage Association	3,014,420	755,486	2,258,934	—	—
Federal Home Loan Mortgage Corporation	662,629	662,629	—	—	—
Federal Home Loan Bank	4,501,579	751,579	3,750,000	—	—
Certificates of Deposit	2,500,000	—	2,500,000	—	—
Repurchase Agreements	6,479,514	6,479,514	—	—	—
Money Market Funds:					
Fidelity Treasury	4,090,297	4,090,297	—	—	—
Guaranteed Investment Contract - CitiGroup Global Market	3,479,153	—	—	—	3,479,153
	\$ 31,238,740	\$ 13,739,539	\$ 14,020,048	\$ —	\$ 3,479,153

#### 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

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### 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, 2012, 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
Federal Home Loan Bank	Aaa	Moody's	AAA	Standard & Poor's
Repurchase Agreements	Not Rated		Not Rated	
Money Market Funds:				
Fidelity Treasury	Not Rated		Not Rated	
Guaranteed Investment Contract - CitiGroup Global Market	Not Rated		Not Rated	

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

The City's investment policy is to apply the prudent-person rule: investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital, as well as the probable income to be derived. In addition, with the exception of U.S. Treasury securities, government pools collateralized by U.S. Treasury securities and repurchase agreements, it is the City's policy that no more than 50% of the City's total investment portfolio be deposited in a single financial institution/primary dealer. More than 5% of the City's portfolio is invested in Federal Farm Credit Bank (21%); Federal National Mortgage Association (10%); Federal Home Loan Mortgage Corporation (2%); Federal Home Loan Bank (15%); Certificates of Deposit (8%); Repurchase Agreements (21%); and Guaranteed Investment Contract – CitiGroup Global Market (11%).

#### **Custodial Credit Risk**

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

## CITY OF LIBERTY, MISSOURI

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

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

Deposits	\$ 956,714
Investments	<u>31,238,740</u>
	<u>\$ 32,195,454</u>
Cash and investments	\$ 22,586,683
Restricted assets:	
Cash and investments	432,285
Investments	9,026,439
Agency fund, cash and cash equivalents	<u>150,047</u>
	<u>\$ 32,195,454</u>

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

# CITY OF LIBERTY, MISSOURI

## Notes To Basic Financial Statements (Continued)

### 3. Capital Assets

The following is a summary of changes in capital assets for the year ended December 31, 2012:

	Balance - January 1, 2012	Additions	Retirements	Balance - December 31, 2012
<b>Governmental Activities</b>				
Capital assets, not being depreciated:				
Land	\$ 1,886,906	\$ 40,160	\$ —	\$ 1,927,066
Construction in progress	4,007,969	3,665,938	313,289	7,360,618
Total capital assets, not being depreciated	5,894,875	3,706,098	313,289	9,287,684
Capital assets being depreciated:				
Buildings and system	13,082,919	17,176	—	13,100,095
Improvements other than buildings	10,168,579	65,861	—	10,234,440
Vehicles	4,189,268	1,729,756	237,701	5,681,323
Machinery and equipment	8,848,979	437,428	122,367	9,164,040
Infrastructure	36,103,090	496,672	—	36,599,762
Total capital assets being depreciated	72,392,835	2,746,893	360,068	74,779,660
Less: Accumulated depreciation for:				
Buildings and system	4,635,958	305,284	—	4,941,242
Improvements other than buildings	5,600,352	415,721	—	6,016,073
Vehicles	2,534,227	301,372	235,649	2,599,950
Machinery and equipment	6,060,810	464,405	88,120	6,437,095
Infrastructure	9,345,737	1,718,702	—	11,064,439
Total accumulated depreciation	28,177,084	3,205,484	323,769	31,058,799
Total capital assets being depreciated, net	44,215,751	(458,591)	36,299	43,720,861
Governmental activities capital assets, net	\$ 50,110,626	\$ 3,247,507	\$ 349,588	\$ 53,008,545

# CITY OF LIBERTY, MISSOURI

## Notes To Basic Financial Statements (Continued)

	Balance - January 1, 2012	Additions	Retirements	Balance - December 31, 2012
<b>Business-Type Activities</b>				
Capital assets, not being depreciated:				
Land	\$ 840,677	\$ —	\$ —	\$ 840,677
Construction in progress	274,687	144,250	231,832	187,105
Total capital assets, not being depreciated	1,115,364	144,250	231,832	1,027,782
Capital assets being depreciated:				
Buildings and system	10,217,073	—	—	10,217,073
Improvements other than buildings	194,143	—	—	194,143
Vehicles	1,235,376	143,480	18,992	1,359,864
Machinery and equipment	9,309,959	977,919	—	10,287,878
Infrastructure	58,034,498	868,389	—	58,902,887
Total capital assets being depreciated	78,991,049	1,989,788	18,992	80,961,845
Less: Accumulated depreciation for:				
Buildings and system	3,041,966	204,341	—	3,246,307
Improvements other than buildings	171,251	7,825	—	179,076
Vehicles	765,173	84,122	18,992	830,303
Machinery and equipment	5,000,279	233,575	—	5,233,854
Infrastructure	15,905,910	1,136,000	—	17,041,910
Total accumulated depreciation	24,884,579	1,665,863	18,992	26,531,450
Total capital assets being depreciated, net	54,106,470	323,925	—	54,430,395
Business-type activities capital assets, net	\$ 55,221,834	\$ 468,175	\$ 231,832	\$ 55,458,177

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

<b>Governmental Activities</b>	
General government	\$ 520,866
Public safety	434,866
Culture and recreation	1,280,049
Public works	969,703
	<u>969,703</u>
	<u>\$ 3,205,484</u>

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

<b>Business-Type Activities</b>	
Water	\$ 942,590
Sewer	723,273
	<u>723,273</u>
	<u>\$ 1,665,863</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, 2012:

	Balance - January 1, 2012	Additions	Retirements	Balance - December 31, 2012	Due Within One Year
<b>Governmental Activities</b>					
Special assessment bonds	\$ 210,000	\$ —	\$ 85,000	\$ 125,000	\$ 85,000
Special obligation bonds	2,395,000	—	55,000	2,340,000	60,000
Capital leases	895,125	1,571,160	333,091	2,133,194	436,425
General obligation bonds	6,500,000	10,230,000	5,100,000	11,630,000	1,795,000
Leasehold revenue bonds	1,345,000	—	140,000	1,205,000	145,000
TIF bonds	17,840,000	—	505,000	17,335,000	555,000
MDNR loan payable	65,214	—	10,003	55,211	10,343
Net pension obligation	283,739	1,000,578	901,073	383,244	—
Other post employment benefits	177,800	69,524	—	247,324	—
Compensated absences	1,503,012	873,517	888,475	1,488,054	505,938
Bond premiums	229,197	658,963	268,094	620,066	—
Bond discounts	(269,961)	—	(106,325)	(163,636)	—
	<b>\$ 31,174,126</b>	<b>\$ 14,403,742</b>	<b>\$ 8,179,411</b>	<b>\$ 37,398,457</b>	<b>\$ 3,592,706</b>
<b>Business-Type Activities</b>					
Revenue bonds	\$ 8,880,000	\$ —	\$ 335,000	\$ 8,545,000	\$ 780,000
SRF bonds	5,085,000	—	245,000	4,840,000	255,000
SRF note payable	3,661,905	—	182,752	3,479,153	179,753
Capital leases	—	353,235	—	353,235	47,111
Compensated absences	108,396	109,447	91,239	126,604	43,147
Bond premiums	232,841	—	20,516	212,325	—
	<b>\$ 17,968,142</b>	<b>\$ 462,682</b>	<b>\$ 874,507</b>	<b>\$ 17,556,317</b>	<b>\$ 1,305,011</b>

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

# CITY OF LIBERTY, MISSOURI

## Notes To Basic Financial Statements (Continued)

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

<b>Nonmajor Governmental</b>	
General obligation bonds:	
2012 General Obligation Refunding & Improvement Bonds, 3 - 4%, due in varying amounts through 2016	\$ 10,230,000
2005 Roadway and Transportation Improvement Projects Bonds, 4.5%, due March 1, 2013	1,400,000
Special assessment bonds:	
2002 Neighborhood Improvement District Refunding Bonds, 3.65% - 5.5%, due in varying amounts through 2014	125,000
Special obligation bonds:	
2010 Clay County Health Center Relocation Project Refunding Bonds, 2% - 4.35%, due in varying amounts through 2032	2,340,000
Leasehold revenue bonds:	
2003 Community Center Refunding Guaranteed Leasehold Revenue Bonds, 3.875% - 4.5%, due in varying amounts through 2018	1,205,000
MDNR loan payable	55,211
Tax increment revenue bonds:	
2004 Liberty Triangle Project Tax Increment Revenue Bonds, 4% - 5.875%, due in varying amounts through 2026	6,120,000
2007 Liberty Triangle Project Tax Increment Revenue Bonds, 5% - 5.875%, due in varying amounts through 2029	5,625,000
2010 Roger's Plaza Project Tax Increment Revenue Bonds, 6.75%, due in varying amounts through 2030	5,590,000
Compensated absences	1,488,054
Net pension obligation	383,244
Other post employment benefits	247,324
Capital leases	
Lease purchase of fitness equipment, 4.25% due in monthly installments of \$1,708 through 2013	8,285
Lease purchase of fitness equipment, 4.25% due in monthly installments of \$1,489 through 2014	19,017
Lease purchase of police cars, 3.00% due in semi-annual installments between \$17,292 and \$17,548 through 2014	67,146
Lease purchase of ambulance, 3.43% due in semi-annual installments between \$42,680 and \$43,310 through 2016	321,876
Lease purchase of a network system, .00% due in annual installments of \$58,089 through 2013	58,089
Lease purchase of phone system, 5.08% due in annual installments of \$56,910 through 2014	105,697
Lease purchase of fitness equipment, 4.25% due in monthly installments of \$1527 through 2014	33,661
Lease purchase of aerial fire truck, 2.97% due in annual installments of \$131,259 through 2022	1,157,104
Lease purchase of street sweeper, 2.97% due in annual installments of \$45,219 through 2017	211,104
Lease purchase of fire tanker truck, 2.97% due in annual installments of \$32391 through 2017	151,215
Total Governmental Activities	<u>\$ 36,942,027</u>

## CITY OF LIBERTY, MISSOURI

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

Business-Type Activities:	
Revenue bonds:	
2005 Waterworks Refunding Revenue Bonds, 4%, due in varying amounts through 2012	\$ —
2005 A Sewer System Revenue Bonds, 3.00% - 4.25%, due in varying amounts through 2025	4,210,000
2002 City of Liberty, Missouri Waterworks Revenue Bonds, 2.25% - 4.8%, due in varying amounts through 2016	—
2011 Waterworks Refunding Bonds, 1.75%-3.00%, due in varying amounts through 2021	4,335,000
2005 State Revolving Fund Program Bonds, 3.25% - 5.25%, due in varying amounts through 2026	4,840,000
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	3,479,153
Lease purchase of sewer vacuum truck, 2.97%, due in annual installments of 55,346 through 2019	353,235
Compensated absences	<u>126,604</u>
Total Business-Type Activities	<u><u>\$ 17,343,992</u></u>

**General Obligation Bonds:** During the fiscal year ended December 31, 2012, the City issued General Obligation Refunding & Improvement Bonds, Series 2012 in the amount of \$10,230,000 with an interest rate of 3 to 4%. A portion of the bond proceeds are being used to advance refund \$4,340,000 of the Roadway and Transportation Improvement Projects Bonds, Series 2005 with an interest rate of 4.5%. The net proceeds of \$4,613,824 after payment of \$55,440 of issuance costs and receipt of \$329,264 in premiums were deposited in an irrevocable trust with an escrow agent to provide for the future payment of principal and interest of the aforementioned Roadway and Transportation Improvement Projects Bond, Series 2005. As a result the bonds are considered defeased and the liability for the bonds has been removed from the Government-wide statement of net position.

As a result of the refunding, the City decreased its total debt service requirements by \$307,613, which resulted in an economic gain of \$298,533. Refunding costs of \$23,565 were capitalized and will be amortized over ten years. The Series 2005 bonds were originally used to fund roadway improvement projects.

## CITY OF LIBERTY, MISSOURI

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

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

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

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

State Revolving Fund Program Bonds: The City has issued \$6,180,000 of State Revolving Fund Program Bonds. In conjunction with this issuance, the City entered into an agreement with the Missouri Department of Natural Resources whereby the state of Missouri will advance monies to establish a reserve fund in an amount up to 70% of the outstanding bonds. This reserve fund will serve as collateral on the State Revolving Fund Program Bonds in the event of default and interest earnings on the reserve fund will be used to reduce the City's interest payment on the outstanding bonds. As of December 31, 2012, the reserve fund has approximately \$3,479,000.

## CITY OF LIBERTY, MISSOURI

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

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

	<b>Debt Service - Public Facilities Authority Restricted Assets</b>
Bond Fund, 2003 Community Center	\$ 7
Bond Reserve Fund, 2003 Community Center	<u>229,502</u>
	<u><u>\$ 229,509</u></u>

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

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

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

	<u>Restricted Assets</u>
Water:	
Depreciation and replacement account	\$ 400,000
	<hr/>
Sewer:	
Bond reserve account	\$ 578,390
Depreciation and replacement account	96,000
	<hr/>
	\$ 674,390
	<hr/>
Sewer, Shoal Creek upgrade	\$ 7,936
	<hr/>
Sewer, Kansas City sewer line	\$ 103,411
	<hr/>
Sewer:	
SRF reserve account	\$ 3,479,153
SRF trustee interest account	36,504
SRF trustee rebate account	2
SRF trustee principal	127,504
	<hr/>
	\$ 3,643,163
	<hr/>

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

- The City, in accordance with and subject to applicable legal requirements, will fix, establish, maintain and collect such rates and charges for the use and services furnished by or through the System as will produce revenues sufficient to:
  - Pay the costs of the operation and maintenance of the system,
  - Pay the principal of and interest on the bonds as and when the same become due at the maturity thereof or any interest payment date.
  - Enable the City to have in each fiscal year net revenues available for debt service from sewer system activities not less than 120% of the amount required to be paid in such fiscal year on account of both principal and interest on sewer system revenue bonds at the time outstanding.
  - Enable the City to have in each fiscal year net revenues available for debt service waterworks activity not less than 110% of the amount required to be paid in such fiscal year on account of both principal and interest on waterworks revenue bonds at the time outstanding.

## CITY OF LIBERTY, MISSOURI

### Notes To Basic Financial Statements (Continued)

- Maintain a Debt Service Reserve Account of not less than \$571,818 for the Sewer Fund. As of December 31, 2012, this amount is \$578,390.
- 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, 2012 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
	2013	\$ 1,795,000	\$ 368,211	\$ 85,000	\$ 3,659	\$ 60,000
2014	1,800,000	302,650	40,000	900	70,000	86,225
2015	1,855,000	238,825	—	—	75,000	84,825
2016	1,710,000	176,800	—	—	80,000	82,575
2017	370,000	137,050	—	—	85,000	80,175
2018-2022	2,025,000	501,275	—	—	480,000	362,000
2023-2027	1,235,000	220,725	—	—	605,000	268,044
2028-2032	840,000	38,100	—	—	885,000	130,156
2033-2037	—	—	—	—	—	—
	\$ 11,630,000	\$ 1,983,636	\$ 125,000	\$ 4,559	\$ 2,340,000	\$ 1,181,425

For The Years Ended December 31,	Debt Service Leasehold Revenue Bonds		Enterprise Revenue Bonds		Enterprise Capital Leases	
	Principal	Interest	Principal	Interest	Principal	Interest
	2013	\$ 145,000	\$ 50,509	\$ 780,000	\$ 278,046	\$ 47,111
2014	150,000	44,325	1,085,000	245,346	48,299	7,143
2015	160,000	37,350	715,000	213,996	49,425	6,018
2016	165,000	30,038	735,000	189,846	50,578	4,866
2017	175,000	22,388	755,000	165,046	51,757	3,688
2018-2022	410,000	9,225	3,375,000	487,394	106,065	3,740
2023-2027	—	—	1,100,000	81,480	—	—
	\$ 1,205,000	\$ 193,834	\$ 8,545,000	\$ 1,661,155	\$ 353,235	\$ 33,698

# CITY OF LIBERTY, MISSOURI

## Notes To Basic Financial Statements (Continued)

For The Years Ended December 31,	Governmental Capital Leases		Debt Service Tax Increment Revenue Bonds	
	Principal	Interest	Principal	Interest
2013	\$ 436,425	\$ 55,426	\$ 555,000	\$ 1,031,469
2014	363,107	44,058	610,000	1,000,138
2015	263,474	33,150	660,000	966,288
2016	270,186	25,936	690,000	928,906
2017	190,428	19,185	725,000	889,069
2018-2022	609,574	43,380	4,705,000	3,717,103
2023-2027	—	—	6,600,000	2,013,847
2028-2032	—	—	2,790,000	291,850
	\$ 2,133,194	\$ 221,135	\$ 17,335,000	\$ 10,838,669

For The Years Ended December 31,	Debt Service MDNR Loan Payable		Enterprise SRF Bonds	
	Principal	Interest	Principal	Interest
2013	\$ 10,343	\$ 1,779	\$ 255,000	\$ 224,148
2014	10,693	1,429	265,000	213,948
2015	11,055	1,067	275,000	203,348
2016	11,257	692	290,000	192,348
2017	6,449	354	300,000	180,748
2018-2022	5,414	130	1,735,000	670,175
2023-2027	—	—	1,720,000	206,240
	\$ 55,211	\$ 5,451	\$ 4,840,000	\$ 1,890,953

For The Years Ended December 31,	Enterprise SRF Note Payable	
	Principal	Interest
2013	\$ 179,753	\$ —
2014	185,500	—
2015	192,500	—
2016	203,000	—
2017	210,000	—
2018-2022	1,292,976	—
2023-2027	1,215,424	—
	\$ 3,479,153	\$ —

**Pledges Of Revenue On Outstanding Debt**

Utility revenues pledged: The City has pledged future water customer revenues, net of specified operating expenses, to repay a debt issuance originally totaling \$4,335,000 in Waterworks Refunding bonds. Proceeds from this 2011 issuance were used to refund the 2002 and 2005 bond issuance, reducing the interest rate to between 1.75% and 3.0% for the remaining ten years of the bonds. The bonds are payable solely from water customer net revenues through 2021. Annual principal and interest payments on the 2011 bonds required 4% of 2012 net revenues. The total principal and interest remaining to be paid on the 2011 bonds is \$4,888,535. Principal and interest paid during 2012 totaled \$85,670. 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 required 58% of net revenues. The total principal and interest remaining to be paid on the bonds is \$12,048,573. Principal and interest paid for the current year and total customer net revenues were \$993,920 and \$1,722,717, respectively. During 2008 and 2009 the City worked with a rate consultant to develop rates that are appropriate.

TIF revenues pledged: The City has pledged a portion of future payments in lieu of taxes (PILOTS) and Economic Activity Tax (EATS) revenues to repay \$7,795,000 in Tax Increment Revenue Bonds issued in December 2004. The bonds were used to finance Project A of the Liberty Triangle Redevelopment Plan. The bonds are payable solely from the incremental property and sales taxes generated by increased development in the TIF district. Incremental PILOTS and EATS were projected to produce \$18,486,690 over the life of the bonds. Total principal and interest remaining on the bonds is \$9,170,619, payable through 2026. For the current year, principal and interest paid and total incremental PILOTS and EATS revenues were \$586,463 and \$752,756, respectively.

The City has pledged a portion of future PILOTS and EATS revenues to repay \$7,840,000 in Tax Increment Revenue Bonds issued in October 2007. The bonds were used to finance Projects B-2, C-3 and D-1 (The Series 2007 Projects), of the Liberty Triangle Redevelopment Plan. The bonds are payable solely from the incremental property, sales taxes, and CID sales tax generated by increased development in the TIF district. Incremental PILOTS, EATS and CID sales tax were projected to produce \$16,606,938 over the life of the bonds. Total principal and interest remaining on the bonds is \$9,045,469 payable through 2029. For the current year, principal and interest paid and total incremental PILOTS, EATS and CID revenues were \$474,600 and \$613,301, respectively.

## CITY OF LIBERTY, MISSOURI

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### Notes To Basic Financial Statements (Continued)

The City has pledged a portion of future PILOTS and EATS revenues to repay \$5,710,000 in Tax Increment Revenue Bonds issued in May 2010. The bonds were used to finance the Roger's Plaza Project. The bonds are payable solely from the incremental property, sales taxes, and CID sales tax generated by increased development in the TIF district. Incremental PILOTS, EATS and CID sales tax were projected to produce \$13,172,019 over the life of the bonds. Total principal and interest remaining on the bonds is \$9,957,581 payable through 2030. For the current year, principal and interest paid and total incremental PILOTS, EATS, and CID revenues were \$503,400 and \$550,594, 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 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 \$1,398,834. For the current year, principal and interest paid by the Liberty Missouri Public Facilities Authority and the total parks capital sales tax recognized by the City were \$195,944 and \$788,725, respectively.

### Conduit Debt

The City has issued industrial development bonds to provide financial assistance to private businesses for economic development purposes. The debt is payable solely from payments received from the private businesses involved. As of December 31, 2012, there were three issues of industrial revenue bonds outstanding. These issues have an aggregate original issue amount of approximately \$306 million.

## 5. Interfund Transactions

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

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General	Liberty TIF	\$ 98,032
General	Nonmajor governmental funds	49,025
Capital sales tax	Parks	395,000
Parks	Nonmajor governmental funds	17
Nonmajor governmental funds	Nonmajor governmental funds	207
		<u>\$ 542,281</u>

## CITY OF LIBERTY, MISSOURI

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### Notes To Basic Financial Statements (Continued)

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	\$ 336,000	\$ —
Parks	450,000	61,000
Nonmajor governmental funds	11,426	736,426
	<u>\$ 797,426</u>	<u>\$ 797,426</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 June 30<sup>th</sup> statutorily required contribution rates are 7.5% (General), 9.7% (Police), and 14.1% (Fire) of annual covered payroll. The contribution requirements of plan members are determined by the governing body of the political subdivision. The contribution provisions of the political subdivision are established by state statute.

## CITY OF LIBERTY, MISSOURI

### Notes To Basic Financial Statements (Continued)

#### Annual Pension Cost

Annual required contribution	\$ 995,661
Interest on net pension obligation	20,571
Adjustment to annual required contribution	(15,654)
Annual pension cost	1,000,578
Actual contributions	901,073
Increase in net pension obligation	99,505
Net pension obligation - beginning of year	283,739
Net pension obligation - end of year	\$ 383,244

The required contribution (ARC) was determined as part of the February 28, 2010 and February 28, 2011 annual actuarial valuation using the entry age actuarial cost method. The actuarial assumptions as of February 29, 2012 included (a) a rate of return on the investment of present and future assets of 7.25% per year, compounded annually, (b) projected salary increases of 3.5% per year, compounded annually, attributable to inflation, (c) additional projected salary increases ranging from zero to 6% per year, depending on age and division, attributable to seniority/merit, (d) pre-retirement mortality based on 75% of the RP-2000 Combined Healthy Table set back zero years for men and zero years for women and (e) post-retirement mortality based on 105% of the 1994 Group Annuity Mortality table set back zero years for men and zero years for women. The actuarial value of assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a five-year period. The unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on an open basis. The amortization period as of February 28, 2010 was 30 years for the General division, 30 years for the Police division and 30 years for the Fire division. The amortization period as of February 28, 2011 was 30 years for the General division, 30 years for the Police division and 30 years for the Fire division.

Fiscal Year Ending	Three-Year Trend Information		
	Annual Pension Cost (APC)	Percentage Of APC Contributed	Net Pension Obligation
6/30/2012	\$ 1,000,578	90.1%	\$ 383,244
6/30/2011	949,419	81.6%	283,739
6/30/2010	795,891	86.3%	109,037

#### Funding Status And Funding Progress

As of February 29, 2012, the most recent actuarial valuation date, the City's participation in LAGERS was 83% funded. The actuarial accrued liability for benefits was \$18,916,118 and the actuarial value of assets was \$15,664,463, resulting in an unfunded actuarial accrued liability (UAAL) of \$3,251,655. The covered payroll was \$10,117,461, and the ratio of the UAAL to the covered payroll was 32%.

## CITY OF LIBERTY, MISSOURI

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

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/encumbrances on uncompleted construction contracts is as follows:

Capital projects:	
Grant Fund	\$ 2,559
Capital Projects Fund	1,525,044
Transportation Fund	2,965
Fire Sales Tax Fund	203,290
Water Fund	350,348
Sewer Fund	84,389
	<hr/>
	\$ 2,168,595
	<hr/> <hr/>

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, 2012, 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.

## CITY OF LIBERTY, MISSOURI

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

#### 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 with the liability reported as part of accounts payable and accrued liabilities. Changes in the City's unemployment claims liability amounts in 2012 and 2011 were:

<u>Year</u>	<u>Beginning Of Year Liability</u>	<u>Current Year Claims And Changes In Estimates</u>	<u>Claims Payments</u>	<u>Balance Year Ended</u>
2012	\$ 30,000	\$ 8,898	\$ 8,898	\$ 30,000
2011	19,035	17,881	6,916	30,000

#### 10. Other Post Employment Benefits

##### Program Description

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

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

## CITY OF LIBERTY, MISSOURI

### Notes To Basic Financial Statements (Continued)

#### Funding Policy

The City does not pay retiree benefits directly; they are paid implicitly over time through employer subsidization of active premiums that would be lower if retirees were not part of the experience group. As of December 31, 2012, 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, 2012 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
2012	\$ 177,800	\$ 80,685	\$ 9,040	\$ 11,201	\$ 78,524	\$ 9,000	\$ 247,324
2011	128,400	123,700	3,000	(2,500)	124,200	74,800	177,800
2010	76,000	123,700	3,000	(2,500)	124,200	71,800	128,400

For The Year Ended December 31,	Annual OPEB Cost	Percentage Of Annual OPEB Cost Contributed	Net OPEB Obligation
2012	\$ 78,524	11%	\$ 247,324
2011	124,200	60%	177,800
2010	124,200	58%	128,400

As of December 31, 2012, the funded status of the plan is as follows:

Actuarial Accrued Liability	\$ 539,777
Actuarial Value Of Assets	—
Unfunded Actuarial Accrued Liability (UAAL)	\$ 539,777
Funded Ratio	0%
Covered Payroll	\$ 9,337,615
UAAL As Percentage Of Covered Payroll	5.8%

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

### **Actuarial Methods And Assumptions**

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

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

As of the July 1, 2011 actuarial valuation (most recent available), the liabilities were computed using the projected unit credit cost method with the unfunded actuarial accrued liability amortized over 30 years on a level-dollar, open period amortization basis. The actuarial assumptions utilized a 5% investment rate of return and a medical and dental inflation rate of 8.5% and 4%, respectively. The inflation rate assumption is 2.2% and there are no projected salary or post-retirement benefit increases used in this valuation. The City is only required to get an actuarial valuation on a bi-annual basis.

## **11. Fund Balance Deficits**

As December 31, 2012, the PFA Construction Fund had a fund deficit of \$49,026 that will be resolved in future years by transfers from the Public Facilities Authority Debt Services Fund, and the Limited Capital Fund had a fund deficit of \$12,634 that will be resolved in future years by General Fund reserves.

**12. Change In Accounting Principle**

During the year, the City adopted GASB Statement No. 65, Items Previously Recognized as Assets and Liabilities. The objective of this statement is to establish standards that reclassify certain items that were previously reported as assets and liabilities and instead to classify them as deferred inflows of resources, deferred outflows of resources, or as outflows of resources. As a result of implementing this statement, the following assets and liabilities have been reclassified:

<b>Item</b>	<b>New Classification</b>	<b>Amount</b>
Deferred loss on refunding (previously included in bonds payable, net)	Deferred outflow of resources	\$ 284,993
Bond issuance costs (the unamortized portion was previously reported as an asset)	Outflow of resources	730,823
Revenue in governmental funds not collected within 60 days of year end (previously reported as a liability)	Deferred inflow of resources	38,979
Property tax billed, but levied for the next year's budget (previously reported as a liability)	Deferred inflow of resources	4,847,760

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**Required Supplementary Information**

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**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, 2012**

	<u>Budget</u>		<u>Variance</u>
	<u>Final</u>	<u>Actual</u>	<u>With Final Budget (Over) Under</u>
<b>Revenues</b>			
Taxes	\$ 12,310,460	\$ 12,387,245	\$ (76,785)
Intergovernmental	501,130	397,925	103,205
Charges for services	1,686,300	1,892,917	(206,617)
Licenses and permits	289,000	270,115	18,885
Investment earnings	15,360	17,784	(2,424)
Miscellaneous	504,840	612,552	(107,712)
<b>Total Revenues</b>	15,307,090	15,578,538	(271,448)
<b>Expenditures</b>			
Current:			
General government	3,356,661	3,380,903	(24,242)
Community development and improvement	863,873	816,192	47,681
Public works	2,299,180	2,393,420	(94,240)
Culture and recreation	265,220	258,442	6,778
Public safety	8,781,075	8,714,018	67,057
Capital outlay	25,208	24,742	466
Debt service:			
Principal retirement	179,064	166,341	12,723
Interest and fiscal charges	3,990	13,162	(9,172)
<b>Total Expenditures</b>	15,774,271	15,767,220	7,051
<b>Revenues Under Expenditures</b>	(467,181)	(188,682)	(278,499)
<b>Other Financing Sources</b>			
Transfers in	336,000	336,000	—
<b>Net Change In Fund Balances</b>	\$ (131,181)	147,318	\$ (278,499)
<b>Fund Balances - Beginning Of Year</b>		4,148,498	
<b>Fund Balances - End Of Year</b>		\$ 4,295,816	

**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, 2012**

	<u>Budget</u>		<u>Variance With</u>
	<u>Final</u>	<u>Actual</u>	<u>Final Budget</u>
			<u>(Over) Under</u>
<b>Revenues</b>			
Taxes	\$ 712,900	\$ 722,652	\$ (9,752)
Charges for services	2,574,840	2,563,107	11,733
Investment earnings	—	6,785	(6,785)
Miscellaneous	850	8,179	(7,329)
<b>Total Revenues</b>	<b>3,288,590</b>	<b>3,300,723</b>	<b>(12,133)</b>
<b>Expenditures</b>			
Current:			
Culture and recreation	3,677,540	3,441,795	235,745
Capital outlay	—	61,275	(61,275)
Debt service:			
Principal retirement	—	51,572	(51,572)
Interest and fiscal charges	—	3,647	(3,647)
<b>Total Expenditures</b>	<b>3,677,540</b>	<b>3,558,289</b>	<b>119,251</b>
<b>Revenues Under Expenditures</b>	<b>(388,950)</b>	<b>(257,566)</b>	<b>(131,384)</b>
<b>Other Financing Sources (Uses)</b>			
Capital lease	—	51,510	(51,510)
Transfers in	450,000	450,000	—
Transfers out	(61,000)	(61,000)	—
<b>Total Other Financing Sources (Uses)</b>	<b>389,000</b>	<b>440,510</b>	<b>(51,510)</b>
<b>Net Change In Fund Balances</b>	<b>\$ 50</b>	<b>182,944</b>	<b>\$ (182,894)</b>
<b>Fund Balances - Beginning Of Year</b>		<b>262,770</b>	
<b>Fund Balances - End Of Year</b>		<b>\$ 445,714</b>	

# **CITY OF LIBERTY, MISSOURI**

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## **REQUIRED SUPPLEMENTARY INFORMATION NOTE TO BUDGETARY COMPARISON INFORMATION December 31, 2012**

### **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.

### **Exceptions To Budgetary Laws And Regulations**

Expenditures exceeded appropriations in the Liberty TIF Fund by \$266,973.

**CITY OF LIBERTY, MISSOURI**

**ADDITIONAL REQUIRED SUPPLEMENTARY INFORMATION**

**LAGERS**

**Schedule Of Funding Progress**

<b>Actuarial Valuation Date</b>	<b>Actuarial Value Of Assets (a)</b>	<b>Entry Age Actuarial Accrued Liability (b)</b>	<b>(Overfunded)/ Unfunded Accrued Liability (UAL) (b-a)</b>	<b>Funded Ratio (a/b)</b>	<b>Annual Covered Payroll (c)</b>	<b>UAL As A Percentage Of Covered Payroll [(b-a)/c]</b>
2/28/2010	\$ 14,051,208	\$ 17,286,044	\$ 3,234,836	81%	\$ 9,510,295	34%
2/28/2011	14,288,390	17,928,046	3,639,656	80%	9,421,531	39%
2/29/2012	15,664,463	18,916,118	3,251,655	83%	10,117,461	32%

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

**Schedule Of Employer Contributions**

<b>Year End</b>	<b>Annual Required Contribution (ARC) (a)</b>	<b>Total Contribution (b)</b>	<b>Percentage Of ARC Contributed (b/a)</b>
12/31/2010	\$ 795,891	\$ 686,854	86.3%
12/31/2011	947,087	774,717	81.8%
12/31/2012	995,661	901,073	90.5%

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)	UAAAL As A Percentage Of Covered Payroll ((b-a)/c)
1/1/2008	\$ —	\$ 1,011,000	\$ 1,011,000	0%	\$ 14,982,000	7%
12/31/2010	—	1,344,000	1,344,000	0%	14,148,000	9%
7/1/2011	—	539,777	539,777	0%	9,337,615	6%

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

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**Supplementary Information**

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

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**CITY OF LIBERTY, MISSOURI**

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**COMBINING BALANCE SHEET**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**December 31, 2012**

	Special Revenue	Capital Projects	Debt Service	Permanent	Total
<b>Assets</b>					
Cash and investments	\$ 110,546	\$ 383,162	\$ 2,822	\$ 412,477	\$ 909,007
Receivables, net of allowance for uncollectibles:					
Taxes	—	270,961	—	—	270,961
Accounts	2,970	184,604	8,211	3,809	199,594
Special assessment	—	—	38,979	—	38,979
Accrued interest	61	299	—	223	583
Due from other funds	207	—	—	—	207
Restricted assets:					
Cash and investments	—	—	75,917	—	75,917
Investments	—	260,507	229,509	—	490,016
Accrued interest	—	27	24	—	51
<b>Total Assets</b>	<b>\$ 113,784</b>	<b>\$ 1,099,560</b>	<b>\$ 355,462</b>	<b>\$ 416,509</b>	<b>\$ 1,985,315</b>

<b>Liabilities</b>					
Accounts payable and accrued liabilities	\$ 2,981	\$ 170,333	\$ 2,822	\$ —	\$ 176,136
Due to other funds	—	49,026	—	223	49,249
<b>Total Liabilities</b>	<b>2,981</b>	<b>219,359</b>	<b>2,822</b>	<b>223</b>	<b>225,385</b>

<b>Deferred Inflow Of Resources</b>					
Property and special assessment taxes	—	—	38,979	—	38,979

<b>Fund Balances</b>					
Nonspendable:					
Permanent fund principal	—	—	—	412,477	412,477
Restricted for:					
Parks and recreation	—	343,879	—	—	343,879
Public safety	—	480,403	—	—	480,403
Cemetery	75,083	—	—	—	75,083
Law enforcement	35,720	—	—	—	35,720
Assigned to:					
Debt service	—	—	313,661	—	313,661
Other purposes	—	55,919	—	3,809	59,728
<b>Total Fund Balances</b>	<b>110,803</b>	<b>880,201</b>	<b>313,661</b>	<b>416,286</b>	<b>1,720,951</b>

<b>Total Liabilities, Deferred Inflow Of Resources And Fund Balances</b>	<b>\$ 113,784</b>	<b>\$ 1,099,560</b>	<b>\$ 355,462</b>	<b>\$ 416,509</b>	<b>\$ 1,985,315</b>
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**CITY OF LIBERTY, MISSOURI**

**COMBINING BALANCE SHEET  
NONMAJOR SPECIAL REVENUE FUNDS  
December 31, 2012**

	<u>Cemetery</u>	<u>Police Training</u>	<u>Total</u>
<b>Assets</b>			
Cash and investments	\$ 74,720	\$ 35,826	\$ 110,546
Receivables, net of allowance for uncollectibles:			
Accounts	2,970	—	2,970
Accrued interest	42	19	61
Due from other funds	207	—	207
<b>Total Assets</b>	<b>\$ 77,939</b>	<b>\$ 35,845</b>	<b>\$ 113,784</b>
<b>Liabilities</b>			
Accounts payable and accrued liabilities	\$ 2,856	\$ 125	\$ 2,981
<b>Fund Balances</b>			
Restricted for:			
Cemetery	75,083	—	75,083
Law enforcement	—	35,720	35,720
<b>Total Fund Balances</b>	<b>75,083</b>	<b>35,720</b>	<b>110,803</b>
<b>Total Liabilities And Fund Balances</b>	<b>\$ 77,939</b>	<b>\$ 35,845</b>	<b>\$ 113,784</b>

# CITY OF LIBERTY, MISSOURI

## COMBINING BALANCE SHEET NONMAJOR CAPITAL PROJECTS FUNDS December 31, 2012

	Parks Capital	PFA Constru- ction	Fire Sales Tax	Cable Reserve	Limited Capital	Total
<b>Assets</b>						
Cash and investments	\$ —	\$ —	\$ 314,752	\$ 68,515	\$ (105)	\$ 383,162
Receivables, net of allowance for uncollectibles:						
Taxes	135,480	—	135,481	—	—	270,961
Accounts	—	—	30,000	—	154,604	184,604
Accrued interest	91	—	170	38	—	299
Investments	260,507	—	—	—	—	260,507
Accrued interest	27	—	—	—	—	27
<b>Total Assets</b>	<b>\$ 396,105</b>	<b>\$ —</b>	<b>\$ 480,403</b>	<b>\$ 68,553</b>	<b>\$ 154,499</b>	<b>\$ 1,099,560</b>
<b>Liabilities</b>						
Accounts payable and accrued liabilities	\$ 3,200	\$ —	\$ —	\$ —	\$ 167,133	\$ 170,333
Due to other funds	—	49,026	—	—	—	49,026
<b>Total Liabilities</b>	<b>3,200</b>	<b>49,026</b>	<b>—</b>	<b>—</b>	<b>167,133</b>	<b>219,359</b>
<b>Fund Balances</b>						
Restricted for:						
Parks and recreation	392,905	(49,026)	—	—	—	343,879
Public safety	—	—	480,403	—	—	480,403
Assigned to:						
Other purposes	—	—	—	68,553	(12,634)	55,919
<b>Total Fund Balances</b>	<b>392,905</b>	<b>(49,026)</b>	<b>480,403</b>	<b>68,553</b>	<b>(12,634)</b>	<b>880,201</b>
<b>Total Liabilities And Fund Balances</b>	<b>\$ 396,105</b>	<b>\$ —</b>	<b>\$ 480,403</b>	<b>\$ 68,553</b>	<b>\$ 154,499</b>	<b>\$ 1,099,560</b>

**CITY OF LIBERTY, MISSOURI**

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**COMBINING BALANCE SHEET  
NONMAJOR DEBT SERVICE FUNDS  
December 31, 2012**

	<b>Special Assessment Neighborhood Improvement</b>	<b>Public Facilities Authority</b>	<b>Total</b>
<b>Assets</b>			
Cash and investments	\$ —	\$ 2,822	\$ 2,822
Receivables, net of allowance for uncollectibles:			
Accounts	8,211	—	8,211
Special assessment	38,979	—	38,979
Restricted assets:			
Cash and investments	75,917	—	75,917
Investments	—	229,509	229,509
Accrued interest	24	—	24
<b>Total Assets</b>	<b>\$ 123,131</b>	<b>\$ 232,331</b>	<b>\$ 355,462</b>
<b>Liabilities</b>			
Accounts payable and accrued liabilities	\$ —	\$ 2,822	\$ 2,822
<b>Deferred Inflow Of Resources</b>			
Property and special assessment taxes	38,979	—	38,979
<b>Fund Balances</b>			
Assigned to:			
Debt service	84,152	229,509	313,661
<b>Total Liabilities, Deferred Inflow Of Resources And Fund Balances</b>	<b>\$ 123,131</b>	<b>\$ 232,331</b>	<b>\$ 355,462</b>

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**CITY OF LIBERTY, MISSOURI**

**COMBINING BALANCE SHEET  
NONMAJOR PERMANENT FUNDS  
December 31, 2012**

	Frank Hughes Memorial Trust	Mt. Memorial Cemetery Trust	Fairview Cemetery Trust	Total
<b>Assets</b>				
Cash and investments	\$ 30,000	\$ 33,755	\$ 348,722	\$ 412,477
Receivables, net of allowance for uncollectibles:				
Accounts	—	—	3,809	3,809
Accrued interest	17	18	188	223
<b>Total Assets</b>	<b>\$ 30,017</b>	<b>\$ 33,773</b>	<b>\$ 352,719</b>	<b>\$ 416,509</b>
<b>Liabilities</b>				
Due to other funds	\$ 17	\$ 18	\$ 188	\$ 223
<b>Fund Balances</b>				
Nonspendable:				
Permanent fund principal	30,000	33,755	348,722	412,477
Assigned to:				
Other purposes	—	—	3,809	3,809
<b>Total Fund Balances</b>	<b>30,000</b>	<b>33,755</b>	<b>352,531</b>	<b>416,286</b>
<b>Total Liabilities And Fund Balances</b>	<b>\$ 30,017</b>	<b>\$ 33,773</b>	<b>\$ 352,719</b>	<b>\$ 416,509</b>

**CITY OF LIBERTY, MISSOURI**

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS  
For The Year Ended December 31, 2012**

	Special Revenue	Capital Projects	Debt Service	Permanent	Total
<b>Revenues</b>					
Taxes	\$ —	\$ 1,627,883	\$ —	\$ —	\$ 1,627,883
Intergovernmental	—	561,395	—	—	561,395
Charges for services	63,948	—	—	—	63,948
Investment earnings	376	1,629	3,669	1,540	7,214
Lease	—	—	198,744	—	198,744
Miscellaneous	—	56,728	83,251	5,625	145,604
<b>Total Revenues</b>	<b>64,324</b>	<b>2,247,635</b>	<b>285,664</b>	<b>7,165</b>	<b>2,604,788</b>
<b>Expenditures</b>					
Current:					
General government	—	1,416,144	—	114	1,416,258
Community development and improvement	—	573,094	—	—	573,094
Culture and recreation	—	279,908	122	—	280,030
Cemetery maintenance	36,687	—	—	—	36,687
Public safety	12,203	154,712	—	—	166,915
Capital outlay	8,913	53,461	—	—	62,374
Debt service:					
Principal retirement	—	122,097	225,000	—	347,097
Interest and fiscal charges	—	26,288	66,230	—	92,518
<b>Total Expenditures</b>	<b>57,803</b>	<b>2,625,704</b>	<b>291,352</b>	<b>114</b>	<b>2,974,973</b>
<b>Revenues Over (Under) Expenditures</b>	<b>6,521</b>	<b>(378,069)</b>	<b>(5,688)</b>	<b>7,051</b>	<b>(370,185)</b>
<b>Other Financing Sources (Uses)</b>					
Capital lease	—	1,308,077	—	—	1,308,077
Transfers in	1,426	10,000	—	—	11,426
Transfers out	—	(735,000)	—	(1,426)	(736,426)
<b>Total Other Financing Sources (Uses)</b>	<b>1,426</b>	<b>583,077</b>	<b>—</b>	<b>(1,426)</b>	<b>583,077</b>
<b>Net Change In Fund Balances</b>	<b>7,947</b>	<b>205,008</b>	<b>(5,688)</b>	<b>5,625</b>	<b>212,892</b>
<b>Fund Balances - Beginning Of Year</b>	<b>102,856</b>	<b>675,193</b>	<b>319,349</b>	<b>410,661</b>	<b>1,508,059</b>
<b>Fund Balances - End Of Year</b>	<b>\$ 110,803</b>	<b>\$ 880,201</b>	<b>\$ 313,661</b>	<b>\$ 416,286</b>	<b>\$ 1,720,951</b>

## CITY OF LIBERTY, MISSOURI

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### COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - NONMAJOR SPECIAL REVENUE FUNDS For The Year Ended December 31, 2012

	Cemetery	Police Training	Total
<b>Revenues</b>			
Charges for services	\$ 48,010	\$ 15,938	\$ 63,948
Investment earnings	248	128	376
<b>Total Revenues</b>	48,258	16,066	64,324
<b>Expenditures</b>			
Cemetery maintenance	36,687	—	36,687
Public safety	—	12,203	12,203
Capital outlay	8,913	—	8,913
<b>Total Expenditures</b>	45,600	12,203	57,803
<b>Revenues Over Expenditures</b>	2,658	3,863	6,521
<b>Other Financing Sources</b>			
Transfers in	1,426	—	1,426
<b>Net Change In Fund Balances</b>	4,084	3,863	7,947
<b>Fund Balances - Beginning Of Year</b>	70,999	31,857	102,856
<b>Fund Balances - End Of Year</b>	\$ 75,083	\$ 35,720	\$ 110,803

## CITY OF LIBERTY, MISSOURI

### COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - NONMAJOR CAPITAL PROJECTS FUNDS For The Year Ended December 31, 2012

	Parks Capital	PFA Constru- ction	Fire Sales Tax	Cable Reserve	Limited Capital	Total
<b>Revenues</b>						
Taxes	\$ 831,498	\$ —	\$ 788,591	\$ 7,794	\$ —	\$ 1,627,883
Intergovernmental	935	—	—	—	560,460	561,395
Investment earnings	607	—	753	269	—	1,629
Miscellaneous	(1)	—	56,729	—	—	56,728
<b>Total Revenues</b>	<b>833,039</b>	<b>—</b>	<b>846,073</b>	<b>8,063</b>	<b>560,460</b>	<b>2,247,635</b>
<b>Expenditures</b>						
Current:						
General government	—	—	1,405,167	10,977	—	1,416,144
Community development and improvement	—	—	—	—	573,094	573,094
Culture and recreation	279,908	—	—	—	—	279,908
Public safety	—	—	154,712	—	—	154,712
Capital outlay	36,285	—	17,176	—	—	53,461
Debt service:						
Principal retirement	—	—	122,097	—	—	122,097
Interest and fiscal charges	—	—	26,288	—	—	26,288
<b>Total Expenditures</b>	<b>316,193</b>	<b>—</b>	<b>1,725,440</b>	<b>10,977</b>	<b>573,094</b>	<b>2,625,704</b>
<b>Revenues Over (Under) Expenditures</b>	<b>516,846</b>	<b>—</b>	<b>(879,367)</b>	<b>(2,914)</b>	<b>(12,634)</b>	<b>(378,069)</b>
<b>Other Financing Sources (Uses)</b>						
Capital lease	—	—	1,308,077	—	—	1,308,077
Transfers in	—	10,000	—	—	—	10,000
Transfers out	(450,000)	—	(285,000)	—	—	(735,000)
<b>Total Other Financing Sources (Uses)</b>	<b>(450,000)</b>	<b>10,000</b>	<b>1,023,077</b>	<b>—</b>	<b>—</b>	<b>583,077</b>
<b>Net Change In Fund Balances</b>	<b>66,846</b>	<b>10,000</b>	<b>143,710</b>	<b>(2,914)</b>	<b>(12,634)</b>	<b>205,008</b>
<b>Fund Balances - Beginning Of Year</b>	<b>326,059</b>	<b>(59,026)</b>	<b>336,693</b>	<b>71,467</b>	<b>—</b>	<b>675,193</b>
<b>Fund Balances - End Of Year</b>	<b>\$ 392,905</b>	<b>\$ (49,026)</b>	<b>\$ 480,403</b>	<b>\$ 68,553</b>	<b>\$ (12,634)</b>	<b>\$ 880,201</b>

# CITY OF LIBERTY, MISSOURI

## COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - NONMAJOR DEBT SERVICE FUNDS For The Year Ended December 31, 2012

	Special Assessment Neighborhood Improvement	Public Facilities Authority	Total
<b>Revenues</b>			
Investment earnings	\$ 3,646	\$ 23	\$ 3,669
Lease	—	198,744	198,744
Miscellaneous	83,251	—	83,251
<b>Total Revenues</b>	<b>86,897</b>	<b>198,767</b>	<b>285,664</b>
<b>Expenditures</b>			
Current:			
Culture and recreation	—	122	122
Debt service:			
Principal retirement	85,000	140,000	225,000
Interest and fiscal charges	7,586	58,644	66,230
<b>Total Expenditures</b>	<b>92,586</b>	<b>198,766</b>	<b>291,352</b>
<b>Net Change In Fund Balances</b>	<b>(5,689)</b>	<b>1</b>	<b>(5,688)</b>
<b>Fund Balances - Beginning Of Year</b>	<b>89,841</b>	<b>229,508</b>	<b>319,349</b>
<b>Fund Balances - End Of Year</b>	<b>\$ 84,152</b>	<b>\$ 229,509</b>	<b>\$ 313,661</b>

## CITY OF LIBERTY, MISSOURI

### COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - NONMAJOR PERMANENT FUNDS For The Year Ended December 31, 2012

	Frank Hughes Memorial Trust	Mt. Memorial Cemetery Trust	Fairview Cemetery Trust	Total
<b>Revenues</b>				
Investment earnings	\$ 114	\$ 127	\$ 1,299	\$ 1,540
Miscellaneous	—	—	5,625	5,625
<b>Total Revenues</b>	114	127	6,924	7,165
<b>Expenditures</b>				
Current:				
General government	114	—	—	114
<b>Revenues Over Expenditures</b>	—	127	6,924	7,051
<b>Other Financing Uses</b>				
Transfers out	—	(127)	(1,299)	(1,426)
<b>Net Change In Fund Balances</b>	—	—	5,625	5,625
<b>Fund Balances - Beginning Of Year</b>	30,000	33,755	346,906	410,661
<b>Fund Balances - End Of Year</b>	\$ 30,000	\$ 33,755	\$ 352,531	\$ 416,286

## CITY OF LIBERTY, MISSOURI

### SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL – CAPITAL SALES TAX FUND For The Year Ended December 31, 2012

	<b>Final Budget</b>	<b>Actual</b>	<b>Variance With Final Budget - (Over) Under</b>
<b>Revenues</b>			
Taxes	\$ 1,480,910	\$ 1,577,457	\$ (96,547)
Intergovernmental	4,093,160	2,256,885	1,836,275
Investment earnings	—	18,219	(18,219)
Miscellaneous	(755,390)	—	(755,390)
<b>Total Revenues</b>	<b>4,818,680</b>	<b>3,852,561</b>	<b>966,119</b>
<b>Expenditures</b>			
Current:			
Public works	19,919,320	3,422,571	16,496,749
Public safety	—	400	(400)
Capital outlay	1,453,453	1,680,820	(227,367)
Debt service:			
Interest and fiscal charges	—	250	(250)
<b>Total Expenditures</b>	<b>21,372,773</b>	<b>5,104,041</b>	<b>16,268,732</b>
<b>Revenues Under Expenditures</b>	<b>(16,554,093)</b>	<b>(1,251,480)</b>	<b>(15,302,613)</b>
<b>Other Financing Sources (Uses)</b>			
Issuance of long-term debt	—	10,174,561	(10,174,561)
Payments to refunding agent	—	(4,613,824)	4,613,824
Capital lease	—	211,573	(211,573)
Bond premium	—	658,963	(658,963)
<b>Total Other Financing Sources (Uses)</b>	<b>—</b>	<b>6,431,273</b>	<b>(6,431,273)</b>
<b>Net Change In Fund Balances</b>	<b>\$ (16,554,093)</b>	<b>5,179,793</b>	<b>\$ (21,733,886)</b>
<b>Fund Balances - Beginning Of Year</b>		<b>4,129,933</b>	
<b>Fund Balances - End Of Year</b>		<b>\$ 9,309,726</b>	

# CITY OF LIBERTY, MISSOURI

## SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - TRANSPORTATION SALES TAX FUND For The Year Ended December 31, 2012

	Final Budget	Actual	Variance With Final Budget - (Over) Under
<b>Revenues</b>			
Taxes	\$ 1,580,910	\$ 1,824,130	\$ (243,220)
Investment earnings	—	1,238	(1,238)
<b>Total Revenues</b>	<b>1,580,910</b>	<b>1,825,368</b>	<b>(244,458)</b>
<b>Expenditures</b>			
Current:			
Community development and improvement	52,800	47,843	4,957
Public works	—	53,756	(53,756)
Capital outlay	2,965	—	2,965
Debt service:			
Principal retirement	700,000	700,000	—
Interest and fiscal charges	294,850	186,171	108,679
<b>Total Expenditures</b>	<b>1,050,615</b>	<b>987,770</b>	<b>62,845</b>
<b>Revenues Over Expenditures</b>	<b>530,295</b>	<b>837,598</b>	<b>(307,303)</b>
<b>Other Financing Sources</b>			
Issuance of long-term debt	—	55,439	(55,439)
<b>Net Change In Fund Balances</b>	<b>\$ 530,295</b>	<b>893,037</b>	<b>\$ (362,742)</b>
<b>Fund Balances - Beginning Of Year</b>		<b>489,539</b>	
<b>Fund Balances - End Of Year</b>		<b>\$ 1,382,576</b>	

**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, 2012**

	<b>Final Budget</b>	<b>Actual</b>	<b>Variance With Final Budget - (Over) Under</b>
<b>Revenues</b>			
Taxes	\$ 3,175,270	\$ 3,894,650	\$ (719,380)
Investment earnings	520	411	109
Miscellaneous	—	6,285	(6,285)
<b>Total Revenues</b>	<b>3,175,790</b>	<b>3,901,346</b>	<b>(725,556)</b>
<b>Expenditures</b>			
Current:			
General government	—	96,980	(96,980)
Community development and improvement	1,235,860	1,403,859	(167,999)
Public works	—	8,440	(8,440)
Capital outlay	4,811	—	4,811
Debt service:			
Principal retirement	560,000	560,000	—
Interest and fiscal charges	1,157,200	1,153,736	3,464
Bond issuance costs	—	1,829	(1,829)
<b>Total Expenditures</b>	<b>2,957,871</b>	<b>3,224,844</b>	<b>(266,973)</b>
<b>Revenues Over Expenditures</b>	<b>217,919</b>	<b>676,502</b>	<b>(458,583)</b>
<b>Other Financing Uses</b>			
Bond discount	(2,000)	—	(2,000)
<b>Net Change In Fund Balances</b>	<b>\$ 215,919</b>	<b>676,502</b>	<b>\$ (460,583)</b>
<b>Fund Balances - Beginning Of Year</b>		<b>3,927,265</b>	
<b>Fund Balances - End Of Year</b>		<b>\$ 4,603,767</b>	

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**CITY OF LIBERTY, MISSOURI**

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**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCES - BUDGET AND ACTUAL - CEMETERY FUND  
For The Year Ended December 31, 2012**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget - (Over) Under</u>
<b>Revenues</b>			
Charges for services	\$ 35,400	\$ 48,010	\$ (12,610)
Investment earnings	500	248	252
<b>Total Revenues</b>	<u>35,900</u>	<u>48,258</u>	<u>(12,358)</u>
<b>Expenditures</b>			
Current:			
Cemetery maintenance	41,750	36,688	5,062
Capital outlay	34,973	8,913	26,060
<b>Total Expenditures</b>	<u>76,723</u>	<u>45,601</u>	<u>31,122</u>
<b>Revenues Over (Under) Expenditures</b>	(40,823)	2,657	(43,480)
<b>Other Financing Sources</b>			
Transfers in	23,950	1,426	22,524
<b>Net Change In Fund Balances</b>	<u>\$ (16,873)</u>	4,083	<u>\$ (20,956)</u>
<b>Fund Balances - Beginning Of Year</b>		<u>70,999</u>	
<b>Fund Balances - End Of Year</b>		<u>\$ 75,082</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, 2012**

	<b>Final Budget</b>	<b>Actual</b>	<b>Variance With Final Budget - (Over) Under</b>
<b>Revenues</b>			
Charges for services	\$ 20,300	\$ 15,938	\$ 4,362
Investment earnings	200	128	72
<b>Total Revenues</b>	<b>20,500</b>	<b>16,066</b>	<b>4,434</b>
<b>Expenditures</b>			
Current:			
Public safety	30,000	12,203	17,797
<b>Net Change In Fund Balances</b>	<b><u>\$ (9,500)</u></b>	<b>3,863</b>	<b><u>\$ (13,363)</u></b>
<b>Fund Balances - Beginning Of Year</b>		<b><u>31,857</u></b>	
<b>Fund Balances - End Of Year</b>		<b><u>\$ 35,720</u></b>	

# CITY OF LIBERTY, MISSOURI

## SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - PARKS CAPITAL FUND For The Year Ended December 31, 2012

	<b>Final Budget</b>	<b>Actual</b>	<b>Variance With Final Budget - (Over) Under</b>
<b>Revenues</b>			
Taxes	\$ 776,260	\$ 831,498	\$ (55,238)
Intergovernmental	—	935	(935)
Investment earnings	60	607	(547)
Miscellaneous	2,500	(1)	2,501
<b>Total Revenues</b>	<b>778,820</b>	<b>833,039</b>	<b>(54,219)</b>
<b>Expenditures</b>			
Current:			
Culture and recreation	297,960	279,908	18,052
Capital outlay	39,010	36,285	2,725
<b>Total Expenditures</b>	<b>336,970</b>	<b>316,193</b>	<b>20,777</b>
<b>Revenues Over Expenditures</b>	<b>441,850</b>	<b>516,846</b>	<b>(74,996)</b>
<b>Other Financing Uses</b>			
Transfers out	(450,000)	(450,000)	—
<b>Net Change In Fund Balances</b>	<b>\$ (8,150)</b>	<b>66,846</b>	<b>\$ (74,996)</b>
<b>Fund Balances - Beginning Of Year</b>		<b>326,059</b>	
<b>Fund Balances - End Of Year</b>		<b>\$ 392,905</b>	

**CITY OF LIBERTY, MISSOURI**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCES - BUDGET AND ACTUAL - FIRE SALES TAX FUND  
For The Year Ended December 31, 2012**

	Final Budget	Actual	Variance With Final Budget - (Over) Under
<b>Revenues</b>			
Taxes	\$ 742,320	\$ 788,591	\$ (46,271)
Investment earnings	200	753	(553)
Miscellaneous	31,500	56,729	(25,229)
<b>Total Revenues</b>	774,020	846,073	(72,053)
<b>Expenditures</b>			
Current:			
General government	187,800	1,405,167	(1,217,367)
Public safety	1,133,000	154,712	978,288
Capital outlay	134,630	17,176	117,454
Debt service:			
Principal retirement	257,090	122,097	134,993
Interest and fiscal charges	22,570	26,288	(3,718)
<b>Total Expenditures</b>	1,735,090	1,725,440	9,650
<b>Revenues Under Expenditures</b>	(961,070)	(879,367)	(81,703)
<b>Other Financing Sources (Uses)</b>			
Capital lease	1,100,000	1,308,077	(208,077)
Transfers out	(285,000)	(285,000)	—
<b>Total Other Financing Sources (Uses)</b>	815,000	1,023,077	(208,077)
<b>Net Change In Fund Balances</b>	\$ (146,070)	143,710	\$ (289,780)
<b>Fund Balances - Beginning Of Year</b>		336,693	
<b>Fund Balances - End Of Year</b>		\$ 480,403	

# 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, 2012

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget - (Over) Under</u>
<b>Revenues</b>			
Taxes	\$ 15,500	\$ 7,794	\$ 7,706
Investment earnings	—	269	(269)
<b>Total Revenues</b>	<u>15,500</u>	<u>8,063</u>	<u>7,437</u>
<b>Expenditures</b>			
Current:			
General government	14,170	10,977	3,193
<b>Net Change In Fund Balances</b>	<u>\$ 1,330</u>	<u>(2,914)</u>	<u>\$ 4,244</u>
<b>Fund Balances - Beginning Of Year</b>		<u>71,467</u>	
<b>Fund Balances - End Of Year</b>		<u>\$ 68,553</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, 2012**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget - (Over) Under</u>
<b>Revenues</b>			
Investment earnings	\$ 3,660	\$ 3,646	\$ 14
Miscellaneous	83,250	83,251	(1)
<b>Total Revenues</b>	<u>86,910</u>	<u>86,897</u>	<u>13</u>
<b>Expenditures</b>			
Debt service:			
Principal retirement	85,000	85,000	—
Interest and fiscal charges	7,820	7,586	234
<b>Total Expenditures</b>	<u>92,820</u>	<u>92,586</u>	<u>234</u>
<b>Net Change In Fund Balances</b>	<u>\$ (5,910)</u>	<u>(5,689)</u>	<u>\$ (221)</u>
<b>Fund Balances - Beginning Of Year</b>		<u>89,841</u>	
<b>Fund Balances - End Of Year</b>		<u>\$ 84,152</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, 2012**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget - (Over) Under</u>
<b>Revenues</b>			
Investment earnings	\$ 30	\$ 23	\$ 7
Lease	200,000	198,744	1,256
<b>Total Revenues</b>	<b>200,030</b>	<b>198,767</b>	<b>1,263</b>
<b>Expenditures</b>			
Current:			
General government	1,330	—	1,330
Culture and recreation	—	122	(122)
Debt service:			
Principal retirement	140,000	140,000	—
Interest and fiscal charges	58,700	58,644	56
<b>Total Expenditures</b>	<b>200,030</b>	<b>198,766</b>	<b>1,264</b>
<b>Net Change In Fund Balances</b>	<b>\$ —</b>	<b>1</b>	<b>\$ (1)</b>
<b>Fund Balances - Beginning Of Year</b>		<u>229,508</u>	
<b>Fund Balances - End Of Year</b>		<u>\$ 229,509</u>	

**CITY OF LIBERTY, MISSOURI**

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**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCES - BUDGET AND ACTUAL -  
FRANK HUGHES MEMORIAL TRUST FUND  
For The Year Ended December 31, 2012**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget - (Over) Under</u>
<b>Revenues</b>			
Investment earnings	\$ 850	\$ 114	\$ 736
<b>Expenditures</b>			
Current:			
General government	850	114	736
<b>Net Change In Fund Balances</b>	<u><u>\$ —</u></u>	<u><u>—</u></u>	<u><u>\$ —</u></u>
<b>Fund Balances - Beginning Of Year</b>		<u>30,000</u>	
<b>Fund Balances - End Of Year</b>		<u><u>\$ 30,000</u></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, 2012**

	<b>Final Budget</b>	<b>Actual</b>	<b>Variance With Final Budget - (Over) Under</b>
<b>Revenues</b>			
Investment earnings	\$ 200	\$ 127	\$ 73
<b>Other Financing Uses</b>			
Transfers out	(200)	(127)	73
<b>Net Change In Fund Balances</b>	<u>\$ —</u>	<u>—</u>	<u>\$ —</u>
<b>Fund Balances - Beginning Of Year</b>		<u>33,755</u>	
<b>Fund Balances - End Of Year</b>		<u>\$ 33,755</u>	

**CITY OF LIBERTY, MISSOURI**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCES - BUDGET AND ACTUAL -  
FAIRVIEW CEMETERY TRUST FUND  
For The Year Ended December 31, 2012**

	<b>Final</b>		<b>Variance</b>
	<b>Budget</b>	<b>Actual</b>	<b>With</b>
			<b>Final Budget -</b>
			<b>(Over) Under</b>
<b>Revenues</b>			
Investment earnings	\$ 1,750	\$ 1,299	\$ 451
Miscellaneous	—	5,625	(5,625)
<b>Total Revenues</b>	<b>1,750</b>	<b>6,924</b>	<b>(5,174)</b>
<b>Other Financing Sources (Uses)</b>			
Transfers out	(23,750)	(1,299)	22,451
<b>Net Change In Fund Balances</b>	<b>\$ (22,000)</b>	<b>5,625</b>	<b>\$ (27,625)</b>
<b>Fund Balances - Beginning Of Year</b>		<u>346,906</u>	
<b>Fund Balances - End Of Year</b>		<u><u>\$ 352,531</u></u>	

# CITY OF LIBERTY, MISSOURI

## STATEMENT OF CHANGES IN ASSETS AND LIABILITIES AGENCY FUNDS

Page 1 Of 2

For The Year Ended December 31, 2012

	Balance January 1, 2012	Additions	Deductions	Balance December 31, 2012
<b>Tax Escrow Fund</b>				
<b>Assets</b>				
Cash and cash equivalents	\$ 8,323	\$ —	\$ 189	\$ 8,134
<b>Liabilities</b>				
Protested taxes	\$ 8,323	\$ —	\$ 1,678	\$ 6,645
Due to other entities	—	1,489	—	1,489
<b>Total Liabilities</b>	\$ 8,323	\$ 1,489	\$ 1,678	\$ 8,134
<b>Preservation And Development Fund</b>				
<b>Assets</b>				
Cash and cash equivalents	\$ 33,991	\$ 829	\$ —	\$ 34,820
Accrued interest	59	—	41	18
<b>Total Assets</b>	\$ 34,050	\$ 829	\$ 41	\$ 34,838
<b>Liabilities</b>				
Due to other entities	\$ 34,050	\$ 788	\$ —	\$ 34,838
<b>Triangle CID Sales Tax Fund</b>				
<b>Assets</b>				
Cash and cash equivalents	\$ 21,260	\$ 8,374	\$ —	\$ 29,634
Accounts receivable	—	7,552	—	7,552
<b>Total Assets</b>	\$ 21,260	\$ 15,926	\$ —	\$ 37,186
<b>Liabilities</b>				
Due to other entities	\$ 21,260	\$ 15,926	\$ —	\$ 37,186
<b>Total</b>				
<b>Assets</b>				
Cash and cash equivalents	\$ 63,574	\$ 9,203	\$ 189	\$ 72,588
Accounts receivable	—	7,552	—	7,552
Accrued interest	59	—	41	18
<b>Total Assets</b>	\$ 63,633	\$ 16,755	\$ 230	\$ 80,158
<b>Liabilities</b>				
Protested taxes	\$ 8,323	\$ —	\$ 1,678	\$ 6,645
Due to other entities	55,310	18,203	—	73,513
<b>Total Liabilities</b>	\$ 63,633	\$ 18,203	\$ 1,678	\$ 80,158

# CITY OF LIBERTY, MISSOURI

## STATEMENT OF CHANGES IN ASSETS AND LIABILITIES AGENCY FUNDS

Page 2 Of 2

For The Year Ended December 31, 2012

	Balance January 1, 2012	Additions	Deductions	Balance December 31, 2012
<b>Roger's Plaza CID</b>				
<b>Assets</b>				
Cash and cash equivalents	\$ (1,570)	\$ 37,826	\$ —	\$ 36,256
<b>Liabilities</b>				
Due to other entities	\$ (1,570)	\$ 37,826	\$ —	\$ 36,256
<b>Blue Jay Crossing CID</b>				
<b>Assets</b>				
Cash and cash equivalents	\$ (233)	\$ —	\$ 249	\$ (482)
<b>Liabilities</b>				
Due to other entities	\$ (233)	\$ —	\$ 249	\$ (482)
<b>Liberty Corners CID</b>				
<b>Assets</b>				
Cash and cash equivalents	\$ 69,960	\$ —	\$ 28,275	\$ 41,685
<b>Liabilities</b>				
Due to other entities	\$ 69,960	\$ —	\$ 28,275	\$ 41,685
<b>Total</b>				
<b>Assets</b>				
Cash and cash equivalents	\$ 131,731	\$ 47,029	\$ 28,713	\$ 150,047
Accrued sales tax	—	7,552	—	7,552
Accrued interest	59	—	41	18
<b>Total Assets</b>	\$ 131,790	\$ 54,581	\$ 28,754	\$ 157,617
<b>Liabilities</b>				
Protested taxes	\$ 8,323	\$ —	\$ 1,678	\$ 6,645
Due to other entities	123,467	56,029	28,524	150,972
<b>Total Liabilities</b>	\$ 131,790	\$ 56,029	\$ 30,202	\$ 157,617

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## Statistical Section

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**CITY OF LIBERTY, MISSOURI**  
**Statistical Section**  
**December 31, 2012**

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.

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<b>Financial Trends</b>	
These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time. ....	94 - 100
<b>Revenue Capacity</b>	
These schedules contain information to help the reader assess the City's most significant local revenue sources, property and sales tax.. ....	101 - 105
<b>Debt Capacity</b>	
These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future. ....	106 - 108
<b>Demographic And Economic Information</b>	
These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place. ....	109 - 111
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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.....	112 - 117

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 POSITION BY COMPONENT

	2004	2005	2006	2007	2008	2009	2010	2011	2012
Governmental activities:									
Net investment in capital assets	\$ 17,653,062	\$ 25,727,620	\$ 30,606,456	\$ 32,693,499	\$ 36,347,646	\$ 37,716,660	\$ 39,600,922	\$ 41,136,051	\$ 37,403,710
Restricted	13,246,736	13,205,216	11,099,463	11,341,861	7,603,657	6,603,720	6,656,505	9,889,748	17,049,637
Unrestricted	2,981,309	2,176,847	1,049,219	1,415,824	(11,826,072)	(8,929,008)	(14,926,994)	(17,509,228)	(17,477,207)
<b>Total Governmental Activities Net Position</b>	<b>\$ 33,881,107</b>	<b>\$ 41,109,683</b>	<b>\$ 42,755,138</b>	<b>\$ 45,451,184</b>	<b>\$ 32,125,231</b>	<b>\$ 35,391,372</b>	<b>\$ 31,330,433</b>	<b>\$ 33,516,571</b>	<b>\$ 36,976,140</b>
Business-type activities:									
Net investment in capital assets	\$ 33,436,650	\$ 33,208,056	\$ 36,632,860	\$ 38,090,982	\$ 39,218,958	\$ 39,436,429	\$ 39,560,719	\$ 41,314,470	\$ 41,769,045
Restricted	2,441,079	2,341,553	2,601,005	2,699,150	6,854,108	6,511,688	6,372,833	4,998,064	4,832,099
Unrestricted	3,785,425	6,053,855	4,142,409	2,552,583	(3,184,583)	(2,072,707)	(1,052,848)	(817,529)	991,743
<b>Total Business-Type Activities Net Position</b>	<b>\$ 39,663,154</b>	<b>\$ 41,603,464</b>	<b>\$ 43,376,274</b>	<b>\$ 43,342,715</b>	<b>\$ 42,888,483</b>	<b>\$ 43,875,410</b>	<b>\$ 44,880,704</b>	<b>\$ 45,495,005</b>	<b>\$ 47,592,887</b>
Primary government:									
Net investment in capital assets	\$ 51,089,712	\$ 58,935,676	\$ 67,239,316	\$ 70,784,481	\$ 75,566,604	\$ 77,153,089	\$ 79,161,641	\$ 82,450,521	\$ 79,172,755
Restricted	15,687,815	15,546,769	13,700,468	14,041,011	14,457,765	13,115,408	13,029,338	14,887,812	21,881,736
Unrestricted	6,766,734	8,230,702	5,191,628	3,968,407	(15,010,655)	(11,001,715)	(15,979,842)	(18,326,757)	(16,485,464)
<b>Total Primary Government Net Position</b>	<b>\$ 73,544,261</b>	<b>\$ 82,713,147</b>	<b>\$ 86,131,412</b>	<b>\$ 88,793,899</b>	<b>\$ 75,013,714</b>	<b>\$ 79,266,782</b>	<b>\$ 76,211,137</b>	<b>\$ 79,011,576</b>	<b>\$ 84,569,027</b>

GASB Statement No. 34 Implemented in Fiscal Year 2004

# CITY OF LIBERTY, MISSOURI

## CHANGES IN NET POSITION

Page 1 Of 2

	2004	2005	2006	2007	2008	2009	2010	2011	2012
<b>Expenses:</b>									
<b>Governmental activities:</b>									
General government	\$ 1,920,908	\$ 2,025,212	\$ 2,470,105	\$ 2,307,516	\$ 3,316,763	\$ 3,315,775	\$ 4,098,088	\$ 4,488,682	\$ 5,578,298
Community development	695,813	809,519	1,128,375	1,100,673	2,057,328	1,335,337	6,213,788	1,963,294	3,077,802
Public works	3,357,185	3,735,164	4,905,388	3,559,623	5,807,510	3,541,594	6,381,711	2,434,200	2,234,374
Culture and recreation	5,129,972	5,072,303	5,245,366	5,700,504	5,872,958	6,584,138	5,846,413	5,256,583	5,301,867
Cemetery maintenance	49,045	43,787	38,527	35,903	37,104	40,370	31,920	71,061	45,600
Public safety	7,451,964	7,880,751	8,380,805	8,698,281	9,688,707	8,654,817	8,755,802	9,039,729	9,331,920
Interest on long-term debt	773,236	1,293,272	1,366,984	1,345,901	1,642,311	1,535,865	1,755,580	1,565,218	1,924,369
<b>Total Governmental Activities Expenses</b>	<b>19,378,123</b>	<b>20,860,008</b>	<b>23,535,550</b>	<b>22,748,401</b>	<b>28,422,681</b>	<b>25,007,896</b>	<b>33,083,302</b>	<b>24,818,767</b>	<b>27,494,230</b>
<b>Business-type activities:</b>									
Water	3,373,787	3,486,029	3,506,383	4,173,039	4,057,237	3,887,962	4,084,298	4,230,222	4,683,122
Sewer	3,855,233	4,139,694	4,218,863	5,138,788	5,328,147	5,314,243	5,530,579	5,788,305	6,029,359
Sanitation	1,097,480	1,160,099	1,221,536	1,299,474	1,363,000	1,437,803	1,240,494	1,296,758	1,346,538
<b>Total Business-Type Activities Expenses</b>	<b>8,326,500</b>	<b>8,785,822</b>	<b>8,946,782</b>	<b>10,611,301</b>	<b>10,748,384</b>	<b>10,640,008</b>	<b>10,855,371</b>	<b>11,315,285</b>	<b>12,059,019</b>
<b>Total Primary Government Expenses</b>	<b>27,704,623</b>	<b>29,645,830</b>	<b>32,482,332</b>	<b>33,359,702</b>	<b>39,171,065</b>	<b>35,647,904</b>	<b>43,938,673</b>	<b>36,134,052</b>	<b>39,553,249</b>
<b>Program revenue:</b>									
<b>Governmental activities:</b>									
<b>Charges for services</b>									
General government	461,500	437,457	373,149	420,539	370,478	485,778	416,234	570,776	416,114
Public Works	278,386	166,363	136,738	214,968	280,375	1,067,170	101,212	137,768	148,575
Culture and recreation	3,152,848	3,318,922	3,350,635	3,477,997	3,715,924	3,423,899	3,445,210	2,813,673	2,761,851
Cemetery maintenance	33,032	45,113	53,793	36,450	34,650	37,399	28,351	18,901	31,110
Public safety	1,313,619	1,200,923	1,405,930	1,520,423	2,561,983	1,621,760	1,572,578	1,539,830	1,664,281
Operating grants and contributions	322,806	234,643	433,541	600,645	1,481,832	414,473	359,560	229,030	348,860
Capital grants and contributions	1,044,977	1,496,320	428,486	466,913	762,267	2,452,265	2,069,324	417,785	2,683,237
<b>Total Governmental Activities Program Revenue</b>	<b>6,607,168</b>	<b>6,899,741</b>	<b>6,182,272</b>	<b>6,737,935</b>	<b>9,207,509</b>	<b>9,502,744</b>	<b>7,992,469</b>	<b>5,727,763</b>	<b>8,054,028</b>
<b>Business-type activities:</b>									
<b>Charges for services:</b>									
Water	4,179,674	4,469,403	4,217,493	4,150,119	3,821,493	3,851,743	4,609,913	4,894,776	5,574,516
Sewer	4,311,617	4,463,162	4,421,418	4,424,439	4,494,668	4,951,824	5,702,170	5,528,214	6,448,922
Sanitation	1,110,246	1,201,091	1,267,305	1,345,744	1,420,096	1,427,468	1,289,414	1,156,496	1,317,865
<b>Capital grants and contributions:</b>									
Water	165,970	183,649	61,676	48,080	116,611	269,563	68,998	80,113	387,731
Sewer	232,695	211,443	156,692	22,800	100,026	205,251	—	89,912	248,825
<b>Total Business-Type Activities Program Revenues</b>	<b>10,001,502</b>	<b>10,528,748</b>	<b>10,124,584</b>	<b>9,991,182</b>	<b>9,952,894</b>	<b>10,705,849</b>	<b>11,670,495</b>	<b>11,749,511</b>	<b>13,977,859</b>
<b>Total Primary Government Program Revenues</b>	<b>16,608,670</b>	<b>17,428,489</b>	<b>16,306,856</b>	<b>16,729,117</b>	<b>19,160,403</b>	<b>20,208,593</b>	<b>19,662,964</b>	<b>17,477,274</b>	<b>22,031,887</b>
<b>Net (expense) revenue:</b>									
Governmental activities	(12,770,955)	(13,960,267)	(17,353,278)	(16,010,466)	(19,215,172)	(15,505,152)	(25,090,833)	(19,091,004)	(19,440,202)
Business-type activities	1,675,002	1,742,926	1,177,802	(620,119)	(795,490)	65,841	815,124	434,226	1,918,840
<b>Total Primary Government Net Expense</b>	<b>(11,095,953)</b>	<b>(12,217,341)</b>	<b>(16,175,476)</b>	<b>(16,630,585)</b>	<b>(20,010,662)</b>	<b>(15,439,311)</b>	<b>(24,275,709)</b>	<b>(18,656,778)</b>	<b>(17,521,362)</b>

# CITY OF LIBERTY, MISSOURI

## CHANGES IN NET POSITION

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	2004	2005	2006	2007	2008	2009	2010	2011	2012
General revenues and other changes in net assets:									
Governmental activities:									
Taxes:									
Property taxes	\$ 3,927,978	\$ 4,052,093	\$ 4,454,329	\$ 4,580,046	\$ 4,968,036	\$ 5,497,483	\$ 6,177,644	\$ 6,507,625	\$ 7,147,343
Franchise taxes	2,356,277	2,492,911	2,567,518	3,075,617	4,327,161	3,844,459	4,385,343	3,878,488	3,731,525
Sales taxes	6,442,538	7,709,037	8,461,337	8,316,447	8,312,753	7,995,060	8,446,974	8,945,418	9,877,630
Other taxes	1,795,691	1,531,505	1,498,315	1,528,764	1,385,860	1,362,775	1,235,186	1,210,748	1,411,627
Investment earnings	253,451	430,554	703,417	873,996	433,980	157,135	59,471	47,348	51,651
Miscellaneous	509,892	326,531	1,313,817	281,642	740,686	590,848	725,288	687,515	679,995
Transfers	—	15,000	—	50,000	—	(676,467)	—	—	—
Gain on sale of capital assets	—	16,029	—	—	—	—	—	—	—
<b>Total Governmental Activities</b>	<b>15,285,767</b>	<b>16,573,660</b>	<b>18,998,733</b>	<b>18,706,512</b>	<b>20,168,476</b>	<b>18,771,293</b>	<b>21,029,906</b>	<b>21,277,142</b>	<b>22,899,771</b>
Business-type activities:									
Investment earnings	96,521	212,384	595,008	569,860	338,239	244,619	190,170	180,075	167,902
Miscellaneous	—	—	—	66,700	3,019	—	—	—	11,140
Transfers	—	(15,000)	—	(50,000)	—	676,467	—	—	—
<b>Total Business-Type Activities</b>	<b>96,521</b>	<b>197,384</b>	<b>595,008</b>	<b>586,560</b>	<b>341,258</b>	<b>921,086</b>	<b>190,170</b>	<b>180,075</b>	<b>179,042</b>
<b>Total Primary Government</b>	<b>15,382,288</b>	<b>16,771,044</b>	<b>19,593,741</b>	<b>19,293,072</b>	<b>20,509,734</b>	<b>19,692,379</b>	<b>21,220,076</b>	<b>21,457,217</b>	<b>23,078,813</b>
Changes in net position:									
Governmental activities	2,514,806	2,613,393	1,645,455	2,696,046	953,304	3,266,141	(4,060,927)	2,186,138	3,459,569
Business-type activities	1,771,523	1,940,310	1,772,810	(33,559)	(454,232)	986,927	1,005,294	614,301	2,097,882
<b>Total Primary Government</b>	<b>\$ 4,286,329</b>	<b>\$ 4,553,703</b>	<b>\$ 3,418,265</b>	<b>\$ 2,662,487</b>	<b>\$ 499,072</b>	<b>\$ 4,253,068</b>	<b>\$ (3,055,633)</b>	<b>\$ 2,800,439</b>	<b>\$ 5,557,451</b>

GASB Statement No. 34 implemented in Fiscal Year 2004

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

Function / Program	2004	2005	2006	2007	2008	2009	2010	2011	2012
<b>Governmental activities:</b>									
General government	\$ 514,402	\$ 440,754	\$ 383,601	\$ 431,878	\$ 385,191	\$ 508,981	\$ 422,156	\$ 570,996	\$ 416,114
Community development and improvement	—	—	—	98,346	946,629	—	—	—	—
Public works	927,384	1,662,683	754,083	901,131	1,322,205	3,753,085	2,404,186	649,462	148,575
Culture and recreation	3,629,433	3,434,236	3,466,993	3,595,086	3,857,536	3,535,391	3,547,149	2,920,191	2,761,851
Cemetery maintenance	33,032	45,113	53,793	36,450	34,650	37,399	28,351	18,901	31,110
Public safety	1,502,917	1,316,955	1,523,802	1,675,044	2,661,298	1,667,888	1,590,627	1,568,213	1,664,281
<b>Total Governmental Activities</b>	<b>6,607,168</b>	<b>6,899,741</b>	<b>6,182,272</b>	<b>6,737,935</b>	<b>9,207,509</b>	<b>9,502,744</b>	<b>7,992,469</b>	<b>5,727,763</b>	<b>5,021,931</b>
<b>Business-type activities:</b>									
Water	4,345,644	4,653,052	4,279,169	4,198,199	3,938,104	4,121,306	4,678,911	4,974,889	5,574,516
Sewer	4,544,312	4,674,605	4,578,110	4,447,239	4,594,694	5,157,075	5,702,170	5,618,126	6,448,922
Sanitation	1,111,546	1,201,091	1,267,305	1,345,744	1,420,096	1,427,468	1,289,414	1,156,496	1,317,865
<b>Total Business-Type Activities</b>	<b>10,001,502</b>	<b>10,528,748</b>	<b>10,124,584</b>	<b>9,991,182</b>	<b>9,952,894</b>	<b>10,705,849</b>	<b>11,670,495</b>	<b>11,749,511</b>	<b>13,341,303</b>
<b>Total Government</b>	<b>\$ 16,608,670</b>	<b>\$ 17,428,489</b>	<b>\$ 16,306,856</b>	<b>\$ 16,729,117</b>	<b>\$ 19,160,403</b>	<b>\$ 20,208,593</b>	<b>\$ 19,662,964</b>	<b>\$ 17,477,274</b>	<b>\$ 18,363,234</b>

GASB Statement No. 34 implemented in fiscal year 2004.

Source: City records.

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

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
<b>General Fund:</b>										
Reserved	\$ 1,218,109	\$ 589,686	\$ 475,471	\$ 453,688	\$ 417,101	\$ 402,214	\$ 410,559	\$ 689,406	\$ —	\$ —
Unreserved	2,225,153	2,237,902	1,988,685	1,716,601	1,935,964	2,243,914	2,055,644	2,497,862	—	—
Nonspendable	—	—	—	—	—	—	—	—	480,371	377,301
Unassigned	—	—	—	—	—	—	—	—	3,668,127	3,918,515
<b>Total General Fund</b>	<b>\$ 3,443,262</b>	<b>\$ 2,827,588</b>	<b>\$ 2,464,156</b>	<b>\$ 2,170,289</b>	<b>\$ 2,353,065</b>	<b>\$ 2,646,128</b>	<b>\$ 2,466,203</b>	<b>\$ 3,187,268</b>	<b>\$ 4,148,498</b>	<b>\$ 4,295,816</b>
<b>All Other Governmental Funds:</b>										
Reserved	\$ 2,495,766	\$ 6,738,349	\$ 8,840,067	\$ 6,015,584	\$ 8,876,787	\$ 7,335,807	\$ 9,287,943	\$ 4,379,751	\$ —	\$ —
Unreserved, reported in:										
Special revenue funds	147,475	105,135	86,461	86,803	212,015	414,893	(197,996)	137,393	—	—
Capital projects funds	10,818,016	6,475,723	4,260,317	5,006,949	4,535,316	3,599,281	1,670,811	5,725,072	—	—
Permanent fund	357,592	359,817	361,755	44,278	—	404,361	406,836	410,661	—	—
<b>Fund Balances</b>										
<b>Nonspendable</b>										
Prepaid insurance	—	—	—	—	—	—	—	—	34,055	39,708
Permanent fund principal	—	—	—	—	—	—	—	—	406,977	412,477
<b>Restricted for</b>										
Parks and recreation	—	—	—	—	—	—	—	—	496,485	749,885
Capital projects	—	—	—	—	—	—	—	—	4,129,933	9,309,726
Transportation projects	—	—	—	—	—	—	—	—	489,539	1,382,576
Public safety	—	—	—	—	—	—	—	—	336,693	480,403
Debt service	—	—	—	—	—	—	—	—	3,927,265	4,603,767
Cemetery	—	—	—	—	—	—	—	—	70,999	75,083
Law enforcement	—	—	—	—	—	—	—	—	31,857	35,720
<b>Assigned to:</b>										
Debt service	—	—	—	—	—	—	—	—	319,350	313,661
Other purposes	—	—	—	—	—	—	—	—	74,412	59,728
<b>Unassigned</b>	—	—	—	—	—	—	—	—	—	—
<b>Total All Other Governmental Funds</b>	<b>\$ 13,818,849</b>	<b>\$ 13,679,024</b>	<b>\$ 13,548,600</b>	<b>\$ 11,153,614</b>	<b>\$ 13,624,118</b>	<b>\$ 11,754,342</b>	<b>\$ 11,167,594</b>	<b>\$ 10,652,877</b>	<b>\$ 10,317,565</b>	<b>\$ 17,462,734</b>

Source: City records

# CITY OF LIBERTY, MISSOURI

## CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS

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	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
<b>Revenues:</b>										
Taxes	\$ 13,873,518	\$ 14,522,484	\$ 15,785,546	\$ 16,981,499	\$ 17,500,874	\$ 18,993,810	\$ 18,608,689	\$ 20,154,888	\$ 20,542,279	\$ 22,034,017
Intergovernmental	1,228,971	1,034,760	1,148,099	862,027	1,080,660	2,244,099	1,552,867	2,519,143	671,815	3,216,205
Licenses and permits	—	—	—	—	376,236	370,478	389,111	316,961	443,914	270,115
Charges for services	4,169,865	4,864,298	4,861,068	4,960,066	4,165,979	4,951,234	5,366,460	4,375,101	4,294,872	4,519,972
Investment earnings	402,236	253,451	430,554	703,417	873,996	433,980	157,135	59,471	47,348	51,651
Lease	725,982	1,052,819	1,082,937	1,090,410	1,083,859	1,158,108	863,059	862,023	303,771	198,744
Contributions	340,198	15,000	—	—	—	—	—	—	—	—
Miscellaneous	329,753	246,087	335,928	1,377,110	1,110,387	849,147	686,123	803,330	835,292	772,620
<b>Total Revenues</b>	<b>21,070,523</b>	<b>21,988,899</b>	<b>23,644,132</b>	<b>25,974,529</b>	<b>26,191,991</b>	<b>29,000,856</b>	<b>27,623,444</b>	<b>29,090,917</b>	<b>27,139,291</b>	<b>31,063,324</b>
<b>Expenditures:</b>										
General government	1,909,967	2,400,769	2,607,204	2,631,925	2,909,155	3,142,783	2,920,813	3,186,676	3,625,547	4,894,141
Community development and improvement	592,545	701,483	806,345	1,056,563	1,090,028	1,291,386	1,095,806	5,905,370	1,517,740	2,840,988
Public works	2,235,218	2,150,904	2,300,908	3,929,263	3,131,286	3,957,941	3,693,908	6,066,133	3,276,623	5,878,187
Culture and recreation	3,870,785	4,410,034	4,326,742	4,779,873	4,886,143	5,080,716	4,513,774	4,528,504	3,975,630	3,980,267
Cemetery maintenance	54,199	49,045	43,787	38,527	35,903	37,104	40,370	31,920	30,617	36,687
Public safety	6,467,853	7,119,166	7,535,159	7,753,758	8,154,847	8,466,182	8,245,818	8,248,571	8,512,558	8,881,333
Capital outlay	4,792,594	11,585,816	10,575,983	4,618,392	9,261,303	3,951,534	2,850,274	1,009,967	1,542,056	1,829,211
<b>Debt service:</b>										
Principal	3,252,410	2,070,150	2,104,858	2,399,874	2,521,106	2,959,207	2,768,453	4,547,331	3,115,362	1,825,010
Bond issuance costs	130,437	79,215	108,838	—	241,599	—	—	229,126	—	1,829
Interest	912,597	801,321	1,056,123	1,455,207	1,276,769	1,690,716	1,584,434	1,639,777	1,637,696	1,449,484
<b>Total Expenditures</b>	<b>24,218,605</b>	<b>31,367,903</b>	<b>31,465,947</b>	<b>28,663,382</b>	<b>33,508,139</b>	<b>30,577,569</b>	<b>27,713,650</b>	<b>35,393,375</b>	<b>27,233,829</b>	<b>31,617,137</b>
<b>Excess Of Revenues Under Expenditures</b>	<b>(3,148,082)</b>	<b>(9,379,004)</b>	<b>(7,821,815)</b>	<b>(2,688,853)</b>	<b>(7,316,148)</b>	<b>(1,576,713)</b>	<b>(90,206)</b>	<b>(6,302,458)</b>	<b>(94,538)</b>	<b>(553,813)</b>

# CITY OF LIBERTY, MISSOURI

## CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS

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	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Other financing sources (uses):										
Transfers in	\$ 3,081,079	\$ 2,311,834	\$ 1,041,732	\$ 1,275,453	\$ 1,414,937	\$ 1,550,512	\$ 1,400,432	\$ 1,717,821	\$ 887,509	\$ 797,426
Transfers out	(3,081,079)	(2,311,834)	(1,026,732)	(1,275,453)	(1,364,937)	(1,550,512)	(2,076,899)	(1,717,821)	(887,509)	(797,426)
Issuance of long-term debt	3,640,000	7,795,000	6,790,842	—	9,960,560	—	—	8,105,000	—	10,230,000
Discount on debt issuance	—	(177,125)	—	—	(48,874)	—	—	(15,469)	—	—
Premium on debt issuance	97,344	—	481,242	—	7,742	—	—	—	—	658,963
Payment to refunded bond escrow agent	—	—	—	—	—	—	—	(2,111,400)	—	(4,613,824)
Capital contributions	44,675	70,550	—	—	—	—	—	530,687	720,456	1,571,160
Proceeds from sale of property	—	—	40,875	—	—	—	—	—	—	—
<b>Total Other Financing Sources (Uses)</b>	<b>3,782,019</b>	<b>7,688,425</b>	<b>7,327,959</b>	<b>—</b>	<b>9,969,428</b>	<b>—</b>	<b>(676,467)</b>	<b>6,508,818</b>	<b>720,456</b>	<b>7,846,299</b>
<b>Net Changes In Fund Balance</b>	<b>633,937</b>	<b>(1,690,579)</b>	<b>(493,856)</b>	<b>(2,688,853)</b>	<b>2,653,280</b>	<b>(1,576,713)</b>	<b>(766,673)</b>	<b>206,360</b>	<b>625,918</b>	<b>7,292,486</b>
Fund balances, beginning of year	17,563,254	18,197,191	16,506,612	16,012,756	13,323,903	15,977,183	14,400,470	13,633,785	13,840,145	14,466,064
Fund balances, end of year	\$ 18,197,191	\$ 16,506,612	\$ 16,012,756	\$ 13,323,903	\$ 15,977,183	\$ 14,400,470	\$ 13,633,797	\$ 13,840,145	\$ 14,466,063	\$ 21,758,550
Debt service as a percentage of noncapital expenditures	21.44%	14.52%	15.13%	16.03%	15.66%	16.76%	17.55%	18.05%	19.43%	12.85%

# CITY OF LIBERTY, MISSOURI

## TAX REVENUES BY SOURCE, GOVERNMENTAL FUNDS

Fiscal Year	Property	Local Option Sales Tax	Franchise Fees	Other Tax	Total
2003	\$ 3,803,766	\$ 6,546,300	\$ 2,190,702	\$ 1,332,750	\$ 13,873,518
2004	3,927,979	6,442,538	2,373,036	1,778,931	14,522,484
2005	4,052,093	7,709,037	2,492,911	1,531,505	15,785,546
2006	4,454,329	8,461,337	2,567,518	1,498,315	16,981,499
2007	4,580,046	8,316,447	3,075,617	1,528,764	17,500,874
2008	4,968,036	8,312,753	4,327,161	1,385,860	18,993,810
2009	5,497,483	7,995,060	3,844,459	1,362,775	18,699,777
2010	6,177,644	8,446,974	4,385,343	1,235,186	20,245,147
2011	6,507,625	8,945,418	3,878,488	1,210,748	20,542,279
2012	7,147,343	9,877,630	3,731,525	1,411,627	22,168,125
Change 2003-2012	87.90%	50.89%	70.33%	5.92%	59.79%

**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	Railroad	Total Taxable Assessed Value	CPI Per Year	Estimated Actual Taxable Value	Taxable Assessed	Total Direct Tax Rate
						Utility Real Property	Utility Personal Property				Value As A Percentage Of Actual Taxable Value	
2003	\$ 231,469,200	\$ 1,218,258,947	\$ 5,579,167	\$ 191,721,594	\$ 248,994,033	\$ 22,876,706	\$ 8,654,385	\$ 385,834,134	2.2%	\$ 1,696,084,832	22.75%	0.9952
2004	239,464,400	1,260,338,947	5,347,083	197,747,344	239,301,536	22,906,685	9,639,300	392,865,815	2.3%	1,735,280,895	22.64%	0.9688
2005	264,174,105	1,390,390,026	4,730,000	222,373,375	262,669,661	21,587,816	9,067,703	432,482,616	3.5%	1,910,818,581	22.63%	0.9783
2006	270,691,280	1,424,690,947	8,289,750	223,826,063	277,210,355	21,219,162	9,431,797	444,692,432	3.5%	1,964,668,074	22.63%	0.9676
2007	284,539,230	1,497,574,895	17,003,500	289,116,406	283,133,318	21,765,597	10,415,657	482,933,053	2.6%	2,130,359,313	22.67%	0.9676
2008	287,785,260	1,514,659,263	19,598,417	299,017,563	290,213,364	20,775,625	10,432,676	491,684,083	3.9%	2,154,696,907	22.82%	0.9358
2009	284,219,490	1,495,892,053	20,043,000	307,905,375	255,701,315	20,762,634	9,755,364	479,399,117	0.1%	2,110,059,741	22.72%	0.9715
2010	285,370,000	1,501,947,368	19,750,583	315,738,344	213,223,100	26,243,916	9,878,818	470,798,026	2.7%	2,086,782,129	22.56%	0.9957
2011	278,008,900	1,463,204,737	15,253,667	303,710,906	223,209,764	31,310,491	8,367,576	463,466,709	1.5%	2,045,057,140	22.66%	0.9957
2012	278,558,900	1,466,099,474	13,729,333	302,005,094	226,871,027	35,052,525	9,392,736	466,031,900	3.0%	2,053,150,189	22.70%	0.9900

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
2003	0.8235	0.1453	—	0.9688	5.6400	0.6495	0.0968	0.0300	7.3851
2004	0.8316	0.1467	—	0.9783	5.6400	0.6955	0.1265	0.0300	7.4703
2005	0.8225	0.1451	—	0.9676	5.6400	0.6884	0.1265	0.0300	7.4525
2006	0.8225	0.1451	—	0.9676	5.6400	0.6918	0.1269	0.0300	7.4563
2007	0.7955	0.1403	—	0.9358	5.6400	0.9260	0.1343	0.0300	7.6661
2008	0.7955	0.1403	—	0.9358	5.6400	0.9263	0.1349	0.0300	7.6670
2009	0.8259	0.1456	—	0.9715	5.9069	0.9253	0.1444	0.0300	7.9781
2010	0.8465	0.1492	—	0.9957	6.0950	0.9253	0.1500	0.0300	8.1960
2011	0.8465	0.1492	—	0.9957	6.0950	0.8953	0.1500	0.0300	8.1660
2012	0.8417	0.1483	—	0.9900	6.0950	0.8953	0.1500	0.0300	8.1603

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**

<b>Taxpayer</b>	<b>2012</b>			<b>2003</b>		
	<b>Taxable Assessed Value</b>	<b>Rank</b>	<b>Percentage Of Total City Taxable Assessed Value</b>	<b>Taxable Assessed Value</b>	<b>Rank</b>	<b>Percentage Of Total City Taxable Assessed Value</b>
Hallmark Cards	\$ 8,252,757	1	1.77%	\$ 8,982,862	1	2.39%
Hy-Vee Food Stores, Inc.	3,535,409	2	0.76%			
Star Development	3,231,360	3	0.69%			
Lowe's Home Centers, Inc.	2,651,465	4	0.57%			
Centro Bradley SPE 5 LLC	2,239,490	5	0.48%			
American Central Transport	2,028,697	6	0.44%			
Southern Union Company	1,847,635	7	0.40%			
Triangle Land Reserve, LLC	1,801,760	8	0.39%			
Continental Disc Corporation	1,735,610	9	0.37%	2,032,533	7	0.54%
Clark Printing Company, Inc.	1,625,630	10	0.35%	7,654,960	2	2.03%
Stone Container Corporation	—	—	—	2,131,207	4	0.57%
Professional Metals	—	—	—	2,045,336	6	0.54%
Ferrell Companies	—	—	—	2,280,932	3	0.61%
Bradley Operating LP	—	—	—	2,057,600	5	0.55%
Monmouth Real Estate Inv	—	—	—	1,618,530	9	0.43%
O'Dell Publishing	—	—	—	1,672,457	8	0.44%
S&D Holding	—	—	—	1,521,280	10	0.40%
<b>Total</b>	<b>\$ 28,949,813</b>		<b>6.21%</b>	<b>\$ 31,997,697</b>		<b>8.50%</b>

Source: City records

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

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Fiscal Year	Total Tax Levy For Fiscal Year	Collected Within The Fiscal Year Of The Levy		Collections In Subsequent Periods	Total Collections To Date	
		Amount	Percentage Of Levy		Amount	Percentage Of Levy
2003	\$ 3,645,889	\$ 3,093,990	84.86%	\$ 611,009	\$ 3,704,999	101.62%
2004	3,737,699	3,443,614	92.13%	625,310	4,068,924	108.86%
2005	4,096,721	3,815,540	93.14%	361,765	4,177,305	101.97%
2006	4,302,844	3,785,934	87.99%	249,853	4,035,787	93.79%
2007	4,519,288	4,064,024	89.93%	481,493	4,545,517	100.58%
2008	4,601,180	4,182,202	90.89%	397,596	4,579,798	99.54%
2009	4,603,135	4,169,701	90.58%	470,683	4,640,384	100.81%
2010	4,592,237	4,168,359	90.77%	593,401	4,761,760	103.69%
2011	4,478,756	4,055,486	90.55%	431,413	4,486,899	100.18%
2012	4,492,368	4,199,817	93.49%	428,099	4,627,916	103.02%

**Source:** City records

**Note:**

Includes personal property, real estate, and railroad & utility taxes.

Collections may exceed the tax levy due to adjustments made by the county subsequent to the initial levy.

# 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	Net Debt Per Capita	MDNR Loan Payable	Capital Leases	Leasehold Revenue & Special Obligation Bonds	TIF Bonds	Loan Payable	State Revolving Fund	Revenue Bonds	Capital Leases				
2003	\$ 10,200,000	0.60%	390	\$ —	\$ 1,764,136	\$ 7,940,000	\$ —	\$ 1,025,000	\$ —	\$ 17,075,000	\$ —	\$ 38,004,136	7.07%	\$ 1,455	
2004	9,305,000	0.54%	341	—	1,318,986	7,210,000	7,795,000	1,050,843	—	16,025,000	50,865	42,755,694	7.62%	1,568	
2005	14,755,000	0.77%	539	118,341	1,236,629	6,410,000	7,795,000	—	6,180,000	17,975,000	25,843	54,495,813	9.39%	1,991	
2006	13,705,000	0.70%	501	110,527	929,569	5,565,000	7,605,000	—	6,180,000	16,780,000	—	50,875,096	8.77%	1,858	
2007	12,555,000	0.59%	416	102,058	722,491	4,685,000	7,380,000	—	5,975,000	15,525,000	—	46,944,549	8.09%	1,555	
2008	11,290,000	0.53%	374	93,302	427,041	3,560,000	14,955,000	—	5,765,000	14,230,000	—	50,320,343	8.67%	1,667	
2009	11,970,000	0.56%	411	84,249	147,641	2,855,000	14,570,000	—	9,533,541	12,885,000	—	52,045,431	5.77%	1,785	
2010	10,770,000	0.51%	369	74,890	375,355	2,120,000	18,305,000	—	9,151,041	11,485,000	—	52,281,286	6.24%	1,794	
2011	6,620,233	0.31%	227	65,214	895,125	3,740,000	17,840,000	—	8,746,905	8,880,000	—	46,787,477	5.59%	1,605	
2012	11,679,083	0.57%	417	55,211	2,133,194	3,545,000	17,335,000	—	8,319,153	8,545,000	353,235	51,964,876	6.21%	1,854	

# CITY OF LIBERTY, MISSOURI

## DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Amount Applicable To City</u>
Overlapping:			
Liberty Hospital District	\$ —	0.00%	\$ —
Liberty School District	154,975,742	61.09%	94,674,681
<b>Subtotal, Overlapping Debt</b>			
City Direct Debt	34,823,405	100.00%	34,823,405
Bond Premiums	620,066	100.00%	620,066
Bond Discounts	(163,636)	100.00%	<u>(163,636)</u>
<b>Total Direct And Overlapping Debt</b>			<u><u>\$ 129,954,516</u></u>

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

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

(2) Individual Governmental entity and City records

**Note:** Liberty School District's amount is as of 6/30/2012

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

Legal Debt Margin Calculation for Fiscal Year 2011

Assessed value	\$ 466,031,900
Debt limit (20% of assessed value)	<u>93,206,380</u>
City Debt applicable to debt limit:	
General obligation bonds	\$ 11,630,000
Special assessment bonds	125,000
Less-amount available debt service fund, Special Assessment Neighborhood Improvement Fund	<u>75,917</u>
Total net debt applicable to limit	<u>11,679,083</u>
Legal debt margin	<u><u>\$ 81,527,297</u></u>

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Debt limit	\$ 75,266,085	\$ 76,412,130	\$ 84,671,982	\$ 75,325,156	\$ 96,586,611	\$ 84,976,817	\$ 84,587,251	\$ 94,159,605	\$ 92,693,342	\$ 93,206,380
Total net debt applicable to limit	<u>9,384,167</u>	<u>9,209,300</u>	<u>14,659,200</u>	<u>13,613,330</u>	<u>14,530,775</u>	<u>13,360,000</u>	<u>11,970,000</u>	<u>10,969,345</u>	<u>6,620,233</u>	<u>11,679,083</u>
Legal debt margin	<u>\$ 65,881,918</u>	<u>\$ 67,202,830</u>	<u>\$ 70,012,782</u>	<u>\$ 61,711,826</u>	<u>\$ 82,055,836</u>	<u>\$ 71,616,817</u>	<u>\$ 72,617,251</u>	<u>\$ 83,190,260</u>	<u>\$ 86,073,109</u>	<u>\$ 81,527,297</u>
<b>Total Net Debt Applicable To The Limit As A Percentage Of Debt Limit</b>	14.24%	13.70%	20.94%	22.06%	17.71%	18.65%	16.48%	13.19%	7.69%	14.33%

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			
2003	\$ 9,171,063	\$ 5,353,718	\$ 3,817,345	\$ 995,000	\$ 666,048	\$ 1,661,048	2.30	
2004	8,587,500	5,603,770	2,983,730	1,050,000	897,730	1,947,730	1.53	
2005	9,136,832	5,887,587	3,249,246	1,095,000	607,451	1,702,451	1.91	
2006	9,228,682	6,151,620	3,077,062	1,195,000	511,803	1,706,803	1.80	
2007	9,196,650	7,063,977	2,132,673	1,460,000	832,942	2,292,942	0.93	
2008	9,196,650	7,048,861	2,147,789	1,038,747	900,681	1,939,428	1.11	
2009	9,752,369	6,774,550	2,977,819	1,565,000	879,507	2,444,507	1.22	
2010	10,569,620	7,140,809	3,428,811	1,625,000	620,792	2,245,792	1.53	
2011	10,602,124	7,569,340	3,032,784	1,690,000	729,751	2,419,751	1.25	
2012	12,034,578	8,494,390	3,540,188	580,000	499,590	1,079,590	3.28	

(1) Operating revenue includes interest earnings

(2) Operating expenses excludes interest expense and depreciation expense

**CITY OF LIBERTY, MISSOURI**

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**DEMOGRAPHIC AND ECONOMIC STATISTICS**

<b>Fiscal Year Ended</b>	<b>Population</b>	<b>Personal Income<sup>(1)</sup></b>	<b>Per Capita Income<sup>(1)</sup></b>	<b>Median Age<sup>(1)</sup></b>	<b>School Enrollment<sup>(2)</sup></b>	<b>Unemployment Rate<sup>(3)</sup></b>
2003	27,920	\$ 739,742,307	\$ 26,495	34.9	7,867	4.1%
2004	28,506	780,906,994	27,394	34.8	8,129	4.2%
2005	28,962	810,508,065	27,985	35.0	8,463	4.5%
2006	29,570	858,766,473	29,042	36.4	9,230	4.6%
2007	30,191	883,569,806	29,266	36.7	9,555	4.8%
2008	30,200	888,438,908	29,419	36.5	9,987	5.3%
2009	30,568	901,756,000	29,500	36.2	10,000	5.5%
2010	29,149	837,188,429	28,721	35.1	11,000	7.6%
2011	29,149	853,045,485	29,265	36.4	11,400	7.8%
2012	29,243	819,856,748	28,036	36.4	11,213	7.1%

**Sources:**

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

# CITY OF LIBERTY, MISSOURI

## PRINCIPAL EMPLOYERS

Employer	2012			2003		
	Employees	Rank	Percentage Of Total County Employment	Employees	Rank	Percentage Of Total County Employment
Liberty School District	1,962	1	1.81%	634	4	0.76%
Liberty Hospital	1,144	2	1.05%	783	2	0.94%
Hallmark Cards	843	3	0.78%	1,181	1	1.42%
Clay County	509	4	0.47%	460	5	0.55%
RR Donnelley	330	5	0.30%	—	—	—
William Jewell	235	6	0.22%	315	7	0.38%
City of Liberty	225	7	0.21%	169	8	0.20%
Ferrell Corp	224	8	0.21%	366	6	0.44%
Continental Disc	178	9	0.16%	—	—	—
RockTenn	126	10	0.12%	—	—	—
Guys Foods	—	—	—	650	3	0.78%
Price Chopper	—	—	—	50	10	0.06%
HyVee	—	—	—	100	9	0.12%
	<b>3,814</b>		<b>3.51%</b>	<b>4,074</b>		<b>4.90%</b>

# CITY OF LIBERTY, MISSOURI

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

Functions/Program	Full-Time Equivalent Employees As Of December 31									
	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
<b>Administration</b>										
City Administrator	1	1	1	1	1	1	1	1	1	1
Assistant City Administrator	—	—	—	—	1	1	1	1	1	1
Deputy City Clerk	1	1	1	1	1	1	1	1	1	1
Management Analyst	—	—	—	—	—	—	—	1	1	1
Communication Manager	1	1	1	1	1	1	1	1	1	1
Communication /Public Relations Specialist	1	—	—	—	—	—	—	—	—	—
Executive Assistant	—	—	—	—	1	1	1	1	1	—
Court Administrator	1	1	1	1	1	1	1	1	1	1
Municipal Court Technician	2	2	2	2	1	1	1	1	1	2
Assistant to the City Administrator	1	1	1	1	1	1	1	—	—	—
Asst. to the City Administrator HR	—	—	—	—	—	—	—	—	—	1
Administrative Secretary	2	2	2	2	—	—	—	—	—	1
Economic & Business Development Mgr	1	1	1	1	—	—	—	—	—	—
Information Services Director	1	1	1	1	1	1	1	1	1	1
Information Systems Manager	—	—	—	—	—	—	—	—	1	—
Information Systems Specialist III	2	2	2	2	2	2	3	3	1	3
Information Systems Specialist II	1	1	1	1	1	1	—	—	—	—
Information Systems Specialist I	2	—	—	—	—	1	—	—	—	—
Information Support Specialist	—	—	—	—	—	—	—	—	—	1
GIS Specialist II	1	1	1	1	1	1	—	—	—	—
<b>Human Resources</b>										
Human Resources Director	1	1	1	1	1	1	1	1	1	—
Human Resources Manager	1	—	—	—	1	1	1	1	1	—
Administrative Assistant	—	1	1	1	1	1	1	1	1	—
<b>Finance</b>										
Finance Director/Assistant City Administrator	1	1	1	1	1	1	1	1	1	1
Finance Manager	—	—	—	—	—	1	2	2	2	2
Assistant Finance Director	1	1	1	1	1	1	—	—	—	—
Finance Analyst	1	1	1	1	1	1	2	2	2	2
Payroll Specialist	1	1	1	1	1	1	1	1	1	1
Finance Technician	4	4	4	4	3	3	3	3	3	3
Finance Assistant	—	—	—	—	1	1	1	1	1	1
Receptionist	—	—	—	—	1	1	1	1	1	1
Accountant	1	1	1	1	—	—	—	—	—	—
Meter Service Technician	1	1	1	1	1	1	1	1	1	1
Lead Meter Technician	1	1	1	1	1	1	1	1	1	1
Accounting Manager	1	1	1	1	1	1	—	—	—	—
Administrative Assistant	—	—	—	—	1	—	—	—	—	—
Office Supervisor	1	1	1	1	1	—	—	—	—	—
<b>Fire</b>										
Fire Chief	1	1	1	1	1	1	1	1	1	1
Deputy Fire Chief	1	1	1	1	1	1	1	1	1	—
Administrative Assistant	1	1	1	1	1	1	1	1	1	—
Shift Commanders	3	3	3	3	3	3	4	4	4	5

# CITY OF LIBERTY, MISSOURI

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

	Full-Time Equivalent Employees as of December 31									
	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
<i>Fire (Continued)</i>										
Training Officer	—	—	—	—	1	1	1	1	1	—
Fire Captain	9	9	9	9	9	9	9	8	8	3
Firefighter/Paramedic	24	22	22	22	23	22	23	20	20	22
Firefighter/EMT	9	9	9	9	10	11	4	6	6	8
Fire Prevention Officer	1	1	1	1	1	1	—	—	—	—
<i>Aging Services</i>										
Administrative Assistant	1	—	—	—	—	—	—	—	—	—
Bus Driver	1	—	—	—	—	—	—	—	—	—
Senior Center Technician	1	—	—	—	—	—	—	—	—	—
Senior Services Manager	1	—	—	—	—	—	—	—	—	—
<i>Police</i>										
Police Chief	1	1	1	1	1	1	1	1	1	1
Deputy Police Chief	1	1	1	1	1	1	1	—	—	—
Police Captain	1	1	1	1	1	1	1	2	2	2
Police Lieutenant	4	4	4	4	5	5	5	6	6	6
Police Sergeant	6	6	6	6	4	4	4	3	3	3
Master Police Officer	4	4	4	4	3	3	3	—	—	—
Police Officer	25	23	23	23	24	24	25	27	27	27
Communications Supervisor	1	1	1	1	1	1	1	1	1	1
Communications Officer	8	8	8	8	9	9	7	8	8	8
Animal Control Officer	2	2	2	2	2	2	2	2	2	1
Animal Control Shelter Attendant	—	—	—	—	—	—	—	—	—	1
Parking Control Officer	—	—	—	—	1	1	1	1	1	1
Administrative Assistant	—	—	1	1	1	1	1	1	1	1
Supportive Services Supervisor	1	—	—	—	—	—	—	—	—	—
Records Technician	3	3	3	3	3	3	3	3	3	3
<i>Public Works</i>										
Public Works Director	1	1	1	1	1	1	1	1	1	1
City Engineer/Assistant Public Works Director	1	1	1	1	1	1	1	1	1	1
Engineer	1	1	1	1	2	2	2	2	2	2
Public Works Superintendent	1	1	1	1	1	1	1	1	1	1
Senior Engineering Technician	—	—	—	—	—	—	1	1	1	1
Engineering Technician	—	—	—	—	—	1	1	1	1	1
Senior Project Inspector	2	2	2	2	2	2	2	1	1	1
Project Inspector	—	1	1	1	1	1	1	2	2	2
Building Inspection Manager	—	—	—	—	—	—	—	—	—	1
Building Inspector	—	—	—	—	—	—	—	—	—	3
Building Maintenance Technician	1	2	2	2	2	1	1	1	1	1
Administrative Assistant	2	2	2	2	2	2	2	1	1	3
Public Works Maintenance Worker I	7	6	6	6	10	11	10	10	10	11
Public Works Maintenance Supervisor	—	—	—	—	2	2	2	1	2	1
Public Works Maintenance Worker II	5	9	9	9	6	6	7	7	7	7
Mechanic II	—	1	1	1	1	1	1	—	—	—
Executive Assistant	—	—	—	—	—	—	—	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									
	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Development Services										
Development Director	—	—	1	1	1	1	1	1	1	1
Assistant Director of Planning & Development	—	—	—	—	—	—	—	1	1	1
Community Development Manager	1	1	1	1	1	1	—	—	—	—
Planning and Economic Development Manager	—	—	—	—	1	1	—	—	—	1
Planner	1	1	1	1	2	2	2	3	3	2
City Planner	1	—	—	—	—	—	—	—	—	—
Chief Building Official	1	1	1	1	1	1	1	1	1	1
Senior Building Inspector	1	1	1	1	1	1	2	3	3	3
Building Inspector	1	1	1	1	1	2	1	—	—	—
Code Enforcement Officer	1	1	1	1	1	1	1	1	1	1
Administrative Assistant	1	1	1	1	2	2	2	2	2	2
Project Manager	—	—	—	—	—	—	1	—	—	—
Historic Preservation Planner	—	—	—	—	—	—	1	—	—	—
Parks and Recreation										
Parks Director	1	1	1	1	1	1	1	1	1	1
Parks and Open Spaces Manager	1	1	1	1	1	1	1	1	1	1
Recreation Coordinator	3	2	2	2	3	3	2	6	6	1
Program Coordinator	—	—	—	—	—	—	—	—	—	—
Parks Crew Chief	2	3	3	3	2	2	1	1	1	1
Parks Maintenance Worker II	3	3	3	3	4	3	3	1	1	1
Parks Maintenance Worker I	—	4	4	4	4	5	5	8	8	9
Events Coordinator	1	—	—	—	—	—	—	—	—	—
Horticulturist	1	—	—	—	—	—	—	—	—	—
Administrative Assistant	—	1	1	1	1	1	1	1	1	—
Sports Complex Manager	1	1	1	1	1	1	1	1	1	1
Athletic Fields Ground Keeper	1	2	2	2	2	2	2	2	2	3
Community Center Manager	1	1	1	1	1	1	1	1	1	1
Senior Recreation Coordinator	3	—	—	—	—	—	—	—	—	—
Facility Rental Supervisor	—	—	—	—	—	1	1	1	1	1
Office Supervisor	1	1	1	1	1	1	1	1	1	1
Office Assistant	1	1	1	1	1	1	1	1	1	1
Custodian	1	1	1	1	2	2	2	2	2	2
Building Maintenance Technician	1	1	1	1	2	2	2	2	2	1
Theater Coordinator	1	1	1	1	1	1	1	1	1	1
Lead Theater Technician	1	1	1	1	1	1	1	1	1	1
Marketing/Special Events Coordinator	—	1	1	1	1	1	1	1	1	1
Senior Services Coordinator	—	1	1	1	1	1	1	1	1	1
Mechanic	1	—	—	—	—	—	—	—	—	—
Mechanic Systems Specialist	1	—	—	—	—	—	—	—	—	—
Senior Recreation Coordinator	—	3	3	3	3	3	4	1	1	1
Bus Driver	—	1	1	1	2	2	2	2	2	2
Senior Center Technician	—	1	1	1	1	1	1	—	—	—
Parks Supervisor	1	—	—	—	1	1	1	—	—	—
Assistant Parks & Recreation Director	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									
	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Utilities										
Construction Manager-Wastewater Collection	1	—	—	—	—	—	—	—	—	—
Construction Manger-Water Distribution	1	—	—	—	—	—	—	—	—	—
Construction Worker I	2	—	—	—	—	—	—	—	—	—
Crew Chief	2	—	—	—	—	—	—	—	—	—
Lead Operator-Water Treatment Operations	1	—	—	—	—	—	—	—	—	—
Maintenance Mecahnics-Water Treatment Operations	1	—	—	—	—	—	—	—	—	—
Maintenance Mechanic-Water Treatment Operations	1	—	—	—	—	—	—	—	—	—
Maintenance Worker I	8	—	—	—	—	—	—	—	—	—
Maintenance Worker II	2	—	—	—	—	—	—	—	—	—
Operator-Water Treatment Operations	4	—	—	—	—	—	—	—	—	—
Utilities Director	1	—	—	—	—	—	—	—	—	—
Utilities Operations Manager	1	—	—	—	—	—	—	—	—	—
Utilities Sericess Manager	1	—	—	—	—	—	—	—	—	—
<b>Totals City-Wide</b>	<b>2,238</b>	<b>2,209</b>	<b>196</b>	<b>196</b>	<b>212</b>	<b>214</b>	<b>205</b>	<b>200</b>	<b>205</b>	<b>199</b>

Source: City records

# CITY OF LIBERTY, MISSOURI

## OPERATING INDICATORS BY FUNCTION/PROGRAM

Function/Program	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
<b>Police:</b>										
Calls for service	31,280	32,438	37,168	42,015	35,970	33,925	37,613	33,333	30,441	30,210
Adult arrest	4,913	4,980	5,071	4,979	1,473	1,493	1,331	746	1,514	1,897
Speeding citations only	2,427	2,240	1,769	1,861	1,689	2,303	2,066	1,760	1,710	1,768
Traffic citations	5,679	5,239	5,248	6,140	5,133	5,223	5,361	5,975	5,620	5,012
<b>Fire:</b>										
Total fire runs	**	**	**	2,940	3,070	3,134	2,897	3,366	3,338	894
Total rescue runs	**	**	**	3,087	3,343	3,235	3,138	3,299	3,232	3,380
Property loss	**	**	**	505,850	501,450	637,250	436,300	250,100	452,250	670,100
Property saved	**	**	**	2,884,650	1,039,000	6,019,750	3,353,700	11,504,400	9,982,750	10,834,350
<b>Building permits:</b>										
<b>Commercial:</b>										
Total building permits	13	13	24	18	12	17	8	2	5	31
Total value all permits	\$ 15,982,839	\$ 17,221,041	\$ 39,569,732	\$ 13,601,096.00	\$ 29,333,289	\$ 20,960,559	\$ 9,873,810	\$ 7,149,100	\$ 61,155,184	\$ 21,981,026
<b>Residential:</b>										
Total building permits	233	185	162	51	61	36	11	15	17	12
Total value all permits	\$ 29,725,423	\$ 30,711,938	\$ 23,573,523	\$ 9,515,452	\$ 11,572,869	\$ 6,632,480	\$ 3,365,544	\$ 31,824,093	\$ 4,221,266	\$ 5,203,410
<b>Parks and Recreation:</b>										
Recreation program attendance	**	**	**	22,250	25,110	13,239	1,733	3,794	3,511	3,827
Aquatics program attendance	**	**	**	1,807	3,811	2,163	3,919	4,340	3,839	3,119
Community Center Memberships	**	**	**	20,252	20,755	23,384	22,138	17,513	2,496	17,669
Rentals	**	**	**	1,843	1,064	994	854	411	421	1,360
Street trees maintained (1)	**	**	**	741	685	700	625	430	675	700

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**

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**CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM**

Function/Program	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Debt Service/Lease Payments	\$ 2,101,417	\$ 2,681,472	\$ 2,828,390	\$ 5,823,968	\$ 6,365,294	\$ 5,838,710	\$ 5,292,048	\$ 5,675,615	\$ 2,982,444	\$ 1,933,770
Street and Major Roadway Improvements	1,000,093	3,500,376	8,175,455	2,752,262	2,443,903	2,295,492	1,765,991	1,401,422	926,632	820,876
Community Center Expansion	1,959,769	96,771	—	—	—	—	—	—	—	—
Remodel Fire Station #1	562,347	2,691	18,250	—	—	—	—	—	—	—
Storm Water Improvements	533,233	200,462	835,419	774	28,962	254,845	81,846	33,456	26,909	275,685
Parks & Recreation	380,598	190,134	284,130	174,861	77,983	—	—	—	—	—
Capital Equipment	333,532	517,868	564,123	194,755	301,889	615,659	585,419	3,068,026	432,283	598,365
Fire Equipment	145,598	391,495	155,733	523,725	132,949	11,437	5,610	5,750	20,875	5,112
Neighborhood Improvements	—	—	—	310,527	109,110	510,512	8,274	60,101	317,918	364,524
Water System Upgrades	—	—	—	1,089,220	981,841	—	—	182,431	82,345	758,171
Sewer System Upgrades	—	—	—	6,661,091	1,393,805	—	—	1,234	9,947	174,567

Source: City records