



CITY OF LIBERTY, MISSOURI

Comprehensive Annual Financial Report

For The Year Ended December 31, 2014

CITY OF LIBERTY, MISSOURI
COMPREHENSIVE ANNUAL
FINANCIAL REPORT
FOR THE YEAR ENDED DECEMBER 31, 2014



*Report prepared and submitted by the
Department of Finance*

Contents

	Page
Part I - Introductory Section:	
Letter Of Transmittal.....	i - vii
Certificate Of Achievement For Excellence In Financial Reporting	viii
City Organizational Chart	ix
Principal Officials	x
Part II - Financial Section:	
Independent Auditors' Report	1 - 3
Management's Discussion And Analysis - Required Supplementary Information	4 - 19
Basic Financial Statements	
Government-Wide Financial Statements:	
Statement Of Net Position	20 - 21
Statement Of Activities	22
Fund Financial Statements:	
Governmental Funds:	
Balance Sheet.....	23
Reconciliation Of Total Governmental Fund Balances To Net Position Of Governmental Activities	24
Statement Of Revenues, Expenditures And Changes In Fund Balances - Governmental Funds	25
Reconciliation Of The Statement Of Revenues, Expenditures And Changes In Fund Balances Of Governmental Funds To The Statement Of Activities	26
Proprietary Funds:	
Statement Of Net Position - Enterprise Funds	27
Statement Of Revenues, Expenses And Changes In Net Position - Enterprise Funds	28
Statement Of Cash Flows - Enterprise Funds	29
Fiduciary Funds:	
Statement Of Assets And Liabilities - Agency Funds.....	30
Notes To Basic Financial Statements.....	31 - 60

Contents

	Page
Required Supplementary Information - Budgetary Comparison Information	
Schedule Of Revenues, Expenditures And Changes In Fund Balances - Budget And Actual - General Fund	61
Schedule Of Revenues, Expenditures And Changes In Fund Balances - Budget And Actual - Parks Fund.....	62
Note To Budgetary Comparison Information.....	63
Additional Required Supplementary Information	64 - 65
Supplementary Information	
Combining Balance Sheets:	
Nonmajor Governmental Funds	66
Nonmajor Special Revenue Funds	67
Nonmajor Capital Projects Funds.....	68
Nonmajor Debt Service Funds	69
Nonmajor Permanent Funds.....	70
Combining Statement Of Revenues, Expenditures And Changes In Fund Balances:	
Nonmajor Governmental Funds.....	71
Nonmajor Special Revenue Funds	72
Nonmajor Capital Projects Funds.....	73
Nonmajor Debt Service Funds	74
Nonmajor Permanent Funds.....	75
Schedule Of Revenues, Expenditures And Changes In Fund Balances - Budget And Actual:	
Capital Sales Tax Fund	76
Transportation Sales Tax Fund	77
Liberty TIF Fund	78
Cemetery Fund.....	79
Police Training Fund	80
Parks Capital Fund.....	81
Fire Sales Tax Fund.....	82
Cable Reserve Fund.....	83
Limited Capital Fund	84
Special Assessment Neighborhood Improvement Fund	85
Public Facilities Authority Fund.....	86
Frank Hughes Memorial Trust Fund	87
Mt. Memorial Cemetery Trust Fund	88
Fairview Cemetery Trust Fund.....	89
Statement Of Changes In Assets And Liabilities - Agency Funds	90 - 91

Contents

	Page
Part III - Statistical Section:	
Net Position By Component.....	92
Changes In Net Position	93 - 94
Program Revenues By Function/Program.....	95
Fund Balances, Governmental Funds.....	96
Changes In Fund Balances, Governmental Funds.....	97 - 98
Tax Revenues By Source, Governmental Funds.....	99
Assessed Value And Estimated Actual Value Of Taxable Property	100
Direct And Overlapping Property Tax Rates	101
Principal Property Taxpayers	102
Property Tax Levies And Collections	103
Ratios Of Net General Bonded Debt Outstanding By Type.....	104
Direct And Overlapping Governmental Activities Debt.....	105
Legal Debt Margin Information.....	106
Pledged Revenue Coverage	107
Demographic And Economic Statistics.....	108
Principal Employers	109
Full-Time Equivalent City Government Employees By Functions/Programs	110 - 113
Operating Indicators By Function/Program	114
Capital Asset Statistics By Function/Program	115

Introductory Section



June 23, 2015

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

Management Responsibility

The Comprehensive Annual Financial Report (CAFR) of the City of Liberty, Missouri (the City), for the fiscal year ended December 31, 2014, 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.

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 a population of 66,000 and is 85 square miles of Clay County, which includes the entire City of Liberty, as well as sections of Kansas City North.

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

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 business uses, Liberty has six shopping centers located along major highways within the City. Other area industry consists of printing, metal fabrication, auto parts assembly, paperboard manufacturing, industrial wholesale and retail distribution. The 10 principal employers within the City are listed in the Statistical Section of this report.

Residential construction has begun to show improvement in 2014 as reflected in the increase of building permits issued. In 2015, a 292 luxury apartment complex was approved for an infill site close to 291 Highway and recent retail development. A recent mixed use development, mostly consisting of residential development, was announced in May 2015. The development, Aviaara, will consist of over 1,100 acres and 3,500 residential units. Start of construction is expected in 2016.

Retail development is experiencing growth in the community during 2014. Initiated in earlier years through a tax incremental financing plan, the City has three major retail project areas (Liberty Triangle, Roger's Plaza and Blue Jay Crossing) that are continuing to build out. In 2013, the City saw the construction of a Ross Department Store; a national retailer. In 2015, Blue Jay Crossing will see the addition of a new, a state of the art, expanded movie and event center owned by B&B Theaters. B & B Theaters will relocate from an older shopping center within the community. For 2014, the City saw the opening of a sports rehabilitation facility in the Liberty Triangle. In 2014 a new TIF District was created at the location of the former Sears/Kmart center called Liberty Commons. The City is partnering with RED Legacy to complete Liberty Commons, a 320,000 square foot retail and restaurant shopping center that will also include a hotel and specialty grocery store. The center is currently 50% preleased with the remaining 25% to be leased in July of 2015. Construction is scheduled to start in the fall of 2015.

As a result of the City's incentive programs, Ford Stamping Plant completed construction in 2012 and was fully operational by the end of 2013. LMV Automotive Systems, a supplier to Ford, has also completed construction on their 212,000 square foot facility and just completed a 250,000 square foot expansion to accommodate a GM auto supply contract. Holland 1916 relocated to an existing vacant industrial building in Liberty bringing their headquarters and two additional companies. Combined, these plants will provide a total of 680 new jobs to the City.

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

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

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

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

Long-Term Financial Planning

Fiscal Year 2014 proved to be a positive and promising year on the economic front. The City believes its revenue base within the General Fund is showing not only stabilization, but also providing growth opportunities. This has allowed the City to provide modest employee adjustments, which is a positive occurrence after years of salary freezes. However, the City still is focused on cost containment efforts in order to meet fiscal priorities and service requirements to its residents and further prepare the City for long-term financial health and stability. Certain cost containment efforts begun in 2008 are continuing through the current year. Select vacant positions were carefully evaluated, approved and filled only when essential. Insurance benefits are still subject to cost controls; planned studies have been deferred; contractual expenditures are being controlled; and capital purchases were deferred, when possible.

Due to the need to treat the fiscal condition as an ongoing interactive process, staff develops and shares fiscal forecasts with the Budget Committee on a regular basis. This committee was formed in 2009 to better facilitate elected official communication and coordination. A multitude of meetings and work sessions were held with the Budget Committee/City Council during 2014 to keep Council informed on revenue trends and to partner with Council on prioritizing any additionally required expenditure adjustments. The City is continuing these processes in fiscal year 2015.

The City of Liberty developed long-term financial planning models for all of its major funds. These planning tools extend for a 20-year period, with the first 5 years of the forecasts being the element that establishes Council spending priorities. Capital/infrastructure financial forecasting is segmented into near-term and long-term models. Utility enterprise operating requirements are supported by a forecasting model developed by consultants used to establish annual user rate assessments. General Fund and Parks Fund models were finalized in 2013 and presented to the full Council during a strategic planning retreat. In 2013, the City formally adopted a fund balance policy that requires the maintenance of a 20% General Fund unreserved fund balance, a 12% Parks Fund balance, a minimum of \$1.0M to be held in the CIP funds, and utility funds are to maintain a minimum 45-day unrestricted cash reserve. These planning models and policy guidance have been used in 2014 to better predict long-term implications of budgetary decisions. The City Council is committed to maintain the long-term viability of city operations and services to the community through effective fiscal planning.

Staff and the Budget Committee have begun work on debt management and revised investment policies that will provide Council direction on these important operating elements.

Major Initiatives

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

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

In 2014, the citizens of Liberty approved a 3/8th cent Economic Development Sales Tax. Proceeds from this tax will be primarily used to finalize construction of the South Liberty Parkway. Once completed in 2016, this road system will link Interstate 35 on the west to Missouri Highway 291 on the east. This improvement, coupled with above mentioned items, will open up southern Liberty to significant development opportunities.

A substantial amount of work and review underpins the 2014 Water and Sewer Funds budgets. The City Council decided in 2010 that it was appropriate to secure advice and guidance from knowledgeable Liberty residents in the form of a taskforce. The taskforce met for a 12-week period and offered recommendations to the City Council. Some of the recommendations accepted by Council were to address aging water meters, repair and replace existing infrastructure, and take over water treatment operations of the water plant. One significant recommendation was to study the economics of building and operating a Liberty wastewater treatment plant.

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

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

Other Information

Independent Audit

City policy requires an annual audit to be made of financial statements of the various funds. The independent certified public accounting firm of RubinBrown LLP audited the financial statements contained in this report for the year ended December 31, 2014. The auditor's report on the basic financial statements is included in the financial section of this report.

Certificate Of Achievement

The 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, 2013. 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 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



Government Finance Officers Association

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

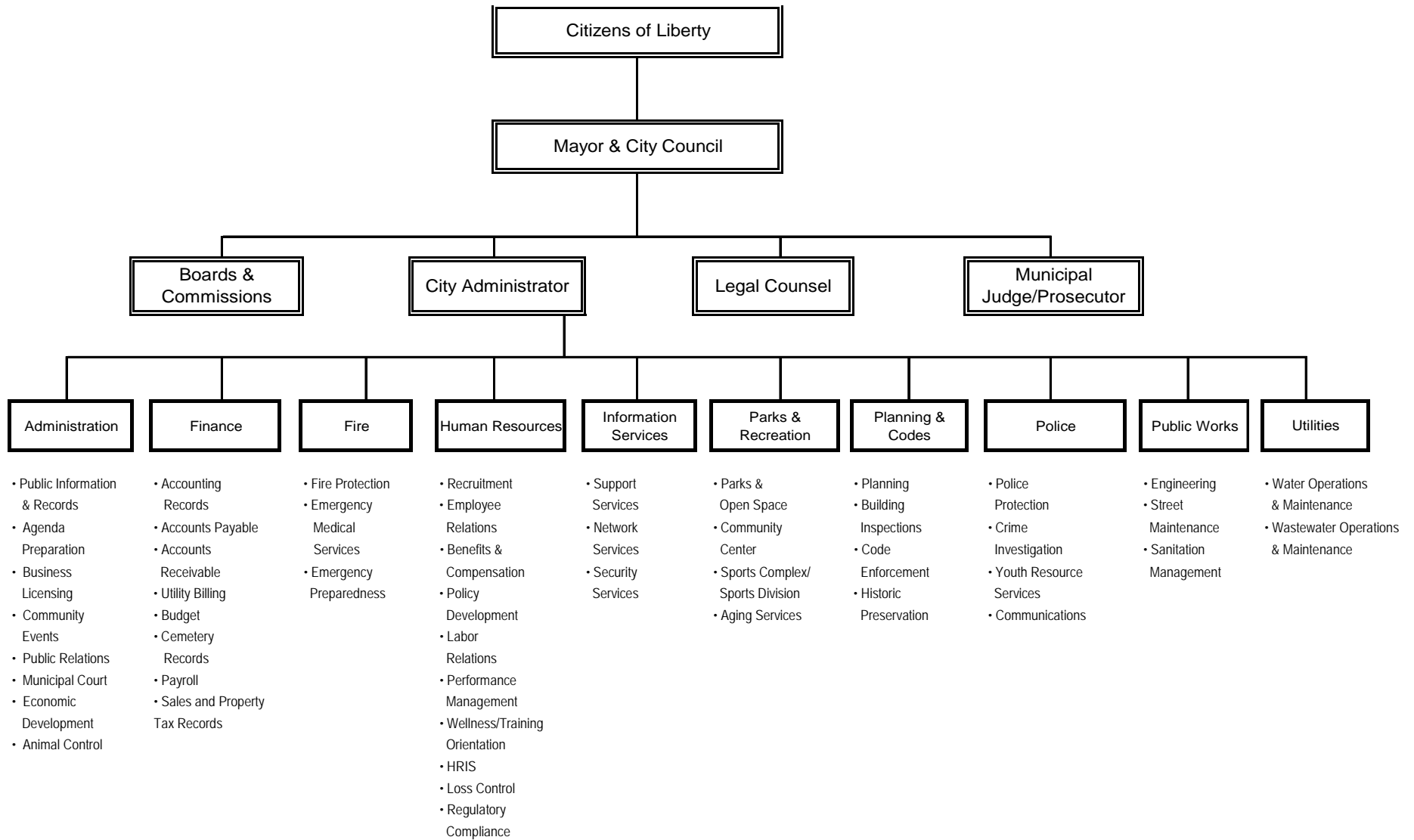
Presented to

**City of Liberty
Missouri**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

December 31, 2013

Executive Director/CEO



CITY OF LIBERTY, MISSOURI

LIST OF PRINCIPAL OFFICIALS

Elected Officials

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

Appointed Officials

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

Financial Section



RubinBrown LLP
Certified Public Accountants
& Business Consultants

10975 Grandview Drive
Suite 600
Overland Park, KS 66210

T 913.491.4144
F 913.491.6821

W rubinbrown.com
E info@rubinbrown.com

Independent Auditors' Report

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

Report On The Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of Liberty, Missouri as of and for the year ended December 31, 2014 and the related notes to the financial statements, which collectively comprise the City of Liberty, Missouri'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 of 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, 2014, 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.

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 schedules, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements and schedules 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 23, 2015 on our consideration of the City of Liberty, Missouri'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 of Liberty, Missouri's internal control over financial reporting and compliance.

RubinBrown LLP

June 23, 2015

This page was intentionally left blank.

Management's Discussion And Analysis

CITY OF LIBERTY, MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2014

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, 2014. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found in the introductory section of this report.

FINANCIAL HIGHLIGHTS

- The assets and deferred outflows of the City exceeded its liabilities and deferred inflows at the close of the fiscal year by \$90,636,386 (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 \$17,767,073. 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 \$2,831,330. Of this amount, \$1,841,481 was from the City's "governmental activities" and \$989,849 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 \$23,319,069; an decrease of \$5,177,325 in comparison with the prior year.
- Approximately \$3,601,827 (15.4%) of the combined governmental fund balances of \$23,319,069 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 \$3,639,567 or 20.5% percent of total General Fund expenditures.
- The City had a net decrease in debt totaling \$3,338,293 during the current fiscal year. Additions to debt totaled \$5,306,753. This increase was offset by 2014 retirements of \$8,645,046. In 2013, the City had a net increase in debt of \$4,619,684.

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.

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

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

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

Fund Financial Statements

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

Governmental Funds

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

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

CITY OF LIBERTY, MISSOURI

Management's Discussion and Analysis (*Continued*)

The City maintains a total of 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 and deferred outflows exceeded liabilities and deferred inflows by \$90,636,386 at the close of the fiscal year ended December 31, 2014. The following table reflects a condensed statement of net position.

Net Position

	Governmental		Business-Type		Governmental		Business-Type					
	Activities		Activities		Activities		Activities					
	2014		2014		2013		2013					
				Total 2014			Total 2013					
Current and other assets	\$	30,489,797	\$	9,176,059	\$	39,665,856	\$	34,361,398	\$	10,480,286	\$	44,841,684
Capital assets, net		58,651,396		58,523,292		117,174,688		53,257,926		56,643,856		109,901,782
Total Assets		89,141,193		67,699,351		156,840,544		87,619,324		67,124,142		154,743,466
Deferred Outflow Of Resources		26,106		232,380		258,486		18,852		232,380		251,232
Current liabilities		6,037,256		3,615,334		9,652,590		6,497,033		2,776,907		9,273,940
Noncurrent liabilities		37,134,010		13,611,198		50,745,208		38,265,497		14,864,265		53,129,762
Total Liabilities		43,171,266		17,226,532		60,397,798		44,762,530		17,641,172		62,403,702
Deferred Inflow Of Resources		6,064,846		—		6,064,846		4,785,940		—		4,785,940
Net position:												
Net investment in capital assets		37,647,696		47,132,623		84,780,319		31,343,975		43,833,948		75,177,923
Restricted		19,130,085		4,493,055		23,623,140		23,958,702		4,665,531		28,624,233
Unrestricted		(16,846,594)		(920,479)		(17,767,073)		(17,212,971)		1,215,871		(15,997,100)
Total Net Position	\$	39,931,187	\$	50,705,199	\$	90,636,386	\$	38,089,706	\$	49,715,350	\$	87,805,056

At the end of the current and prior fiscal years, the City is able to report a positive balance in the sum of all three categories of net position for the government as a whole. The PFA Construction Fund 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 \$87.8 million to \$90.6 million as a result of increases in General Fund revenues and transfers and increases in business-type activities performance resulting from increased user rates. An additional portion of the City's net position of \$23.6 million or 26.1% represents resources that are subject to external restrictions on how they may be used. The total unrestricted net position resulted in a deficit of \$17.8 million, representing an increase in the deficit of \$1.8 million. This is predominately due to the recording of certain TIF debt obligations in which the City must record the debt liability, but has no offsetting assets. The 2014 amount attributable to TIF is \$0.37 million lower than 2013 and is due to TIF debt pay down. The positive TIF amount is offset by a \$2.1 million increase in the amount found in business-type activities and is the result of the use of cash to acquire capital assets. The City will be reimbursing itself for this cash usage when bond funds are issued relative to the wastewater treatment plant project.

CITY OF LIBERTY, MISSOURI

Management's Discussion and Analysis (*Continued*)

By far, the largest portion of the City's net position, \$84,780,319 (93.5%), reflects its investment in capital assets (e.g., land, buildings, machinery, and equipment), less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources since the capital assets themselves cannot be used to liquidate these liabilities.

The City's \$90.6 million in net position is comprised of \$84.8 million of net investment in capital assets; \$23.6 million in restricted assets to be used for capital projects, debt service and other purposes, and a deficit of \$17.8 million in unrestricted net position. Total net position increased \$2.8 million or 3.2% during the current fiscal year.

The following table reflects the changes in net position of the City's activities for the years ended December 31, 2014 and 2013:

City Of Liberty's Changes In Net Position

	Governmental Activities 2014	Business-Type Activities 2014	Total 2014	Governmental Activities 2013	Business-Type Activities 2013	Total 2013
Revenues:						
Program revenues:						
Charges for services	\$ 4,605,255	\$ 13,752,415	\$ 18,357,670	\$ 4,526,932	\$ 13,744,862	\$ 18,271,794
Operating grants and contributions	527,651	—	527,651	243,004	—	243,004
Capital grants and contributions	900,480	75,320	975,800	1,130,664	611,099	1,741,763
General revenues:						
Property taxes	6,369,803	—	6,369,803	6,098,618	—	6,098,618
Franchise taxes	3,826,360	—	3,826,360	3,761,816	—	3,761,816
Sales taxes	12,320,585	—	12,320,585	11,211,196	—	11,211,196
Other taxes	1,241,758	—	1,241,758	1,241,394	—	1,241,394
Investment earnings	72,043	158,569	230,612	50,849	162,017	212,866
Other	729,515	38,387	767,902	707,580	17,943	725,523
Total Revenues	30,593,450	14,024,691	44,618,141	28,972,053	14,535,921	43,507,974
Expenses:						
General government	4,070,808	—	4,070,808	4,409,570	—	4,409,570
Community development and improvement	3,035,596	—	3,035,596	2,440,676	—	2,440,676
Public works	4,145,087	—	4,145,087	3,374,941	—	3,374,941
Culture and recreation	4,653,376	—	4,653,376	5,230,004	—	5,230,004
Cemetery maintenance	37,175	—	37,175	43,454	—	43,454
Public safety	11,173,782	—	11,173,782	10,569,376	—	10,569,376
Interest on long-term debt	1,636,145	—	1,636,145	1,790,466	—	1,790,466
Water	—	4,804,585	4,804,585	—	4,647,033	4,647,033
Sewer	—	6,764,802	6,764,802	—	6,362,039	6,362,039
Sanitation	—	1,465,455	1,465,455	—	1,404,386	1,404,386
Total Expenses	28,751,969	13,034,842	41,786,811	27,858,487	12,413,458	40,271,945
Increase In Net Position	1,841,481	989,849	2,831,330	1,113,566	2,122,463	3,236,029
Net position, beginning of year	38,089,706	49,715,350	87,805,056	36,976,140	47,592,887	84,569,027
Net position, end of year	\$ 39,931,187	\$ 50,705,199	\$ 90,636,386	\$ 38,089,706	\$ 49,715,350	\$ 87,805,056

CITY OF LIBERTY, MISSOURI

Management's Discussion and Analysis (Continued)

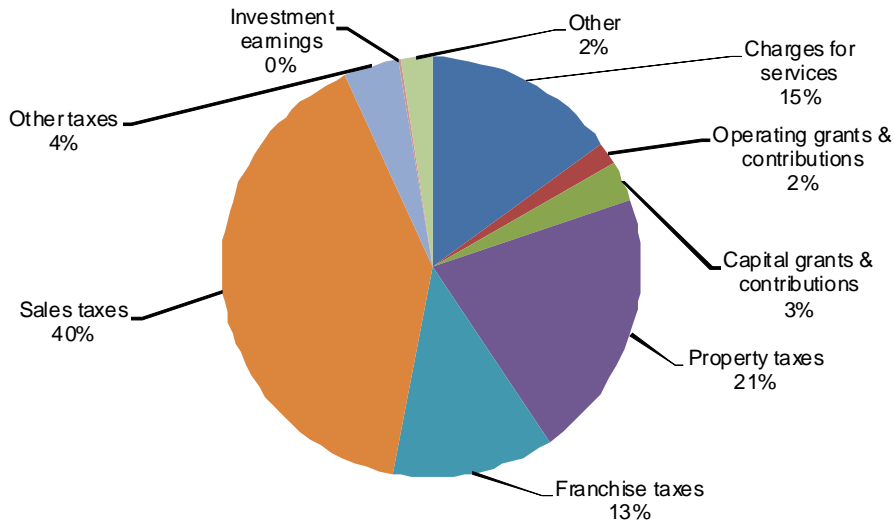
Governmental Activities

Governmental activities increased the City's net position by \$1,841,481, thereby accounting for 65% of the total increase in the net position of the City.

Property taxes totaled \$6.4 million which was an increase of \$271,185. Preliminary 2015 information shows a small increase in 2014 valuation in the amount of \$3.2 million. City franchise fees held relatively constant at \$3.8 million. Sales taxes increased by \$1.1 million with the increases attributable to retail growth in Liberty's TIF districts and general stabilization within that revenue source. Charges for services increased \$78,323 in 2014 for total revenues of \$4.6 million.

Governmental activities expenses increased \$893,482 for the 2014 fiscal year when compared to 2013. The increases were primarily due to the implementation of a 3% salary adjustment and other compensation related items, which are 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, 2014.



CITY OF LIBERTY, MISSOURI

Management's Discussion and Analysis (*Continued*)

Total governmental activities' revenue for the fiscal year was \$30,593,450, reflecting an increase of \$1,621,397 over 2013. The largest single revenue source for the City was sales taxes of \$12,320,585 (40.2%). Sales taxes increased by \$1.1 million (9.8%) from 2013. 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 12.5% of the governmental activities' revenue and showed a slight increase over 2013 of \$64,544. Natural gas and electrical franchise fees are impacted by weather events and the market pricing of said commodities. In 2014, the City saw a slight improvement in natural gas commodity pricing and a more seasonable winter, resulting in a small enhancement in this revenue source.

The 2014 General Fund budget did not include fee increases. Revenue received from charges for services showed an increase of \$78,323 or 1.7% when compared to 2013.

Capital grants and contributions decreased by \$230,184 when compared to the prior year. This was primarily due to reduced revenues attributable to receipt of a CDBG grant in 2014. While the City has been successful in securing revenues from this grant source, those receipts are based on project merit and should be considered nonrepeating or one-time in nature.

Certain revenues are generated that are specific to governmental program activities (operating grants and contributions). These totaled \$527,651 in 2014 and \$243,004 in 2013; an increase of \$284,647. The 2014 amount is more reflective of ongoing core funding levels.

The following table shows expenses and program revenues of the governmental activities for the years ended December 31, 2014 and 2013:

Net Cost Of Governmental Activities

	Total Cost Of Service		Net Cost Of Service	
	2014	2013	2014	2013
General government	\$ 4,070,808	\$ 4,409,570	\$ (3,111,872)	\$ (3,924,944)
Community development and improvement	3,035,596	2,440,676	(3,035,596)	(2,440,676)
Public works	4,145,087	3,374,941	(3,244,607)	(2,244,277)
Culture and recreation	4,653,376	5,230,004	(2,096,612)	(2,691,693)
Cemetery maintenance	37,175	43,454	(1,294)	12,221
Public safety	11,173,782	10,569,376	(9,592,457)	(8,878,052)
Interest on long-term debt	1,636,145	1,790,466	(1,636,145)	(1,790,466)
Total	\$ 28,751,969	\$ 27,858,487	\$ (22,718,583)	\$ (21,957,887)

Expenses from governmental activities totaled \$28,751,969; however, net costs of these services were \$22,718,583. The difference of \$6 million represents direct revenues received from charges for services (\$4.61 million), operating grants and contributions (\$0.527 million), and capital grants and contributions (\$0.900 million). Taxes and other revenues in the amount of \$24,560,064 were collected to cover these net costs.

Business-Type Activities

Business-type activities increased the City’s net position by \$989,849, thereby accounting for 35% of the total increase in net position of the City.

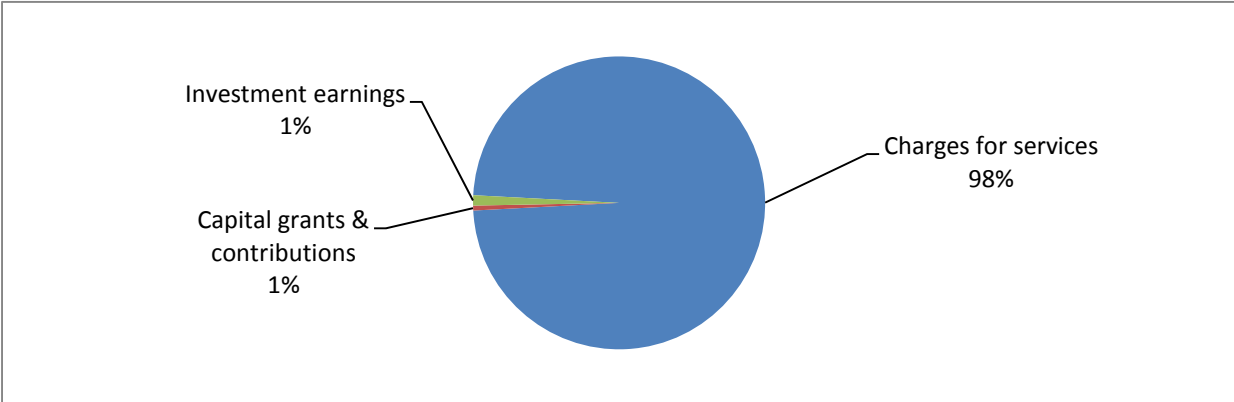
The Water Fund recorded an increase of \$132,957 in net position for the year, while revenues from user fees decreased by \$111,143 or -2.2% in 2014. As the City implemented a 4% water rate increase at the beginning of 2014, the price sensitivity encouraged water conservation activities, combined with normal precipitation levels reducing irrigation usage, water demand was further reduced from 2013. Operating expenses increased by \$152,255 and were \$4,699,540. Pumping and treatment expenses decreased by \$56,553 and are due to the decreased demand of water. Distribution and transmission expenses were at \$1,107,551 and showed an increase of \$174,326. The increase was mainly due to increased salary expenses and additional system maintenance. Depreciation expense increased by \$80,847 and is due to additional capital investment in the system. The Water Fund’s operating income was \$198,034 in 2014. This amount shows a reduction from the 2013 levels of \$242,954 and is due to lower water sales in 2014.

The Sewer Fund recorded an increase of \$913,609 in net position for the year. Revenues from user fees increased by \$52,550 (less than 1%) when compared to 2013 revenues. The City implemented a 5.5% sewer rate increase at the beginning of the year. Similar to trends found in the Water Fund, revenues are negatively impacted by conservation activities spurred by price sensitivity. Operating expenses increased \$434,737 or 7.3%. Expense attributable to distribution and transmission decreased \$13,026 or -2.2%. Expenses attributable to pumping and treatment increased by \$415,747 or 11%. This reflects increases in treatment expenses paid to Kansas City, Missouri due to their 2014 rate increase. Operating income at December 31, 2014 was \$1,094,399 which is a 35% decrease over the \$1,476,586 earned in 2013.

The Sanitation Fund recorded a decrease in net position of \$56,717 for the year. Revenues of \$1,408,568 increased over the 2013 revenues of \$1,342,422. Expenses for 2014 increased \$61,069 or 4.3% over expenses for 2013 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, 2014:

Revenues By Source - Business-Type Activities



CITY OF LIBERTY, MISSOURI

Management's Discussion and Analysis (*Continued*)

Total business-type activities' revenue for fiscal year 2014 was \$14,024,691, with charges for services (98.1%) being the major revenue source. All revenue, with the exception of \$158,569 received from investment earnings, was generated for specific business-type activity expenses. In the previous year, revenue for business-type activities was \$14,535,921 with all but \$162,017 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, 2014, the City's governmental funds reported combined ending fund balances of \$23,319,069; a decrease of \$5,177,325 from the previous year. Of this total, approximately 15.4% of this total amount (\$3,601,827) constitutes unassigned fund balance, which is available for spending at the government's discretion. The remaining \$19,717,242 of fund balance is as follows: (1) non-spendable (\$1,014,650) which is inventories, prepaid insurance and permanent fund principal, and (2) restricted (\$18,702,592) which has externally imposed constraints such as laws and regulations.

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 \$3,639,567, while total fund balance was \$4,178,397. Total fund balance decreased by \$317,806 over the previous fiscal year fund balance. This decrease is mainly attributable to the Public Safety Radio System replacement project. Lease funds for the project were secured in 2013. Related expenses were distributed over 2013 and 2014. In 2014, total expenses of \$0.772 million were recorded for that project.

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 20.4% of total General Fund expenditures, while total fund balance represents 24% of total General Fund expenditures.

The City recognizes the need for a fund balance that can adequately absorb any temporary downturns in economic events so as to avoid changes and reductions in service levels. The City revised its fiscal policy on fund balance in 2013. That policy established the requirement to maintain its General Fund unassigned fund balance at 20% of expenditures, with normal fluctuations of said percentage to range from 18% to 22%. In 2014, the fund balance policy was maintained within the General Fund.

The Park Fund had a fund balance of \$599,460 at December 31, 2014. This represents an increase of \$145,444 over the previous year fund balance. Revenues increased by \$138,632 or 4.5% and expenditures increased by \$112,426 or 3.3% when compared to 2013. Total fund balance represents 17.1% of 2014 expenditures. This exceeds the level required by policy of 12%. Transfers in from the Park Sales Tax Fund decreased by \$10,064 and was done so to retain capital funding in that fund.

CITY OF LIBERTY, MISSOURI

Management's Discussion and Analysis (*Continued*)

Improvements to the 2014 fiscal position were primarily due to increased property tax collections and the impact of 2014 lease purchase borrowing in the amount of \$121,000 for 2015 expenses.

The Capital Sales Tax Fund balance was \$7,799,241 at the 2014 fiscal year end; decrease of \$2,461,155 over fiscal year 2013. The City issued \$6.145 million in general obligation bonds in 2012 and \$2.127 million in 2013 for street and road infrastructure improvements that occurred in 2013 and 2014 and will occur in 2015. Usage of these bond proceeds accounts for the planned reduction in fund balance shown at the end of 2014. Ongoing revenues within this fund saw a slight decline in 2014. Taxes increased by \$153,560 when compared to 2013 collections, while intergovernmental revenues showed a decline of \$194,218 from 2013. Improvements in sales taxes are the result of improvement in Liberty's overall retail position. Reduction in intergovernmental revenues is the result of one-time revenues received in 2013. 2014 revenues from this source are more reflective of ongoing levels.

The Transportation Sales Tax Fund, a secondary source for road infrastructure projects, recorded an ending fund balance of \$1,062,662; a decrease of \$4,600,504 from the previous year's ending balance. This decrease is primarily due to \$4.2 million in general obligation bond proceeds borrowed in late 2013 for 2014 projects. Sales tax revenues improved in 2014 by \$159,174 and development impact fees showed a reduction of \$33,829. The net impacts of these revenue changes showed a \$125,344 reduction in total revenues and provide total tax revenues in 2014 of \$1,854,070. This reflected a 7.2% increase from 2013 revenue amounts of \$1,728,726. The major expenditure for this fund is the payback of the 2005 general obligation bonds let for the construction of South Liberty Parkway Phase I and payment for Liberty's local share of the Missouri Department of Revenue project for the rebuild of the Interstate 35/Missouri Highway 69 Interchange.

The Capital and Transportation Sales Tax Funds combine to provide the City with its Capital Improvement Plan. By policy, the fund balance requirement for the CIP is to maintain at least \$1.0 million balance. In 2014, and on a combined basis, this policy level was exceeded.

The Liberty TIF Fund has a fund balance of \$5,019,769 at year end 2014, which is an increase of \$17,430 or 0.3% from the 2013 balance of \$5,002,339. Revenues increased to \$4,080,750 from 2013 revenues of \$3,917,402. Established Liberty TIF projects are 90% built out and revenues are reflecting said status.

The Fire Sales Tax fund is categorized as a major fund in 2014 due to lease purchase funding in the amount of \$2,524,000. This funding will provide 2015 capacity for the purchase of three fire pumpers (\$1.9 million) and certain fire station improvements (\$0.624 million). In 2015, this fund is not expected to be recorded as a major fund.

Proprietary Funds

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

CITY OF LIBERTY, MISSOURI

Management's Discussion and Analysis (*Continued*)

Unrestricted net position of the Water Fund at the end of the year was \$1,752,596. The Sewer Fund showed a deficit of \$2,680,976; and the Sanitation Fund was positive at \$7,901. The total growth in net position over 2013 was \$132,957 for the Water Fund, \$913,609 for the Sewer Fund, and a \$56,717 reduction for the Sanitation Fund providing a total increase for the proprietary funds of \$989,849 or 2% over 2013. 2014 total ending net position is \$50,705,199.

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. Since 2011, the City has implemented necessary user rate increases and has maintained the necessary bond coverage requirements.

The City is responsible for water production and distribution. In 2014, the City implemented a 4% 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 resulted in positive net operating income of \$198,034 in 2014.

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

To address these increased costs, Liberty has increased its sewer user rates, as required. In 2014, the City implemented a 5.5% increase. These actions generated \$7,484,660 in operating revenues. This reflects a \$52,550 increase over 2013 results of \$7,432,110. Total operating expenses were \$6,390,261 or \$434,737 above 2013 amounts. Net operating income for 2014 was \$1,094,399 or \$382,187 less than 2013.

The unfavorable variance in the Sanitation Fund was the result of a planned spend-down of accumulated fund balance. The City contracts for its solid waste disposal. As rates for that service have and will increase at approximately 3.5% a year. To mitigate future rate demands, the City implemented a 6% rate increase in its Sanitation user rates.

CITY OF LIBERTY, MISSOURI

Management's Discussion and Analysis (*Continued*)

The output of this multi-year commitment has been positive as shown in the improvement of the Proprietary Funds' net position. In addition, and as indicated in the accompanying footnotes, the City is able to report that required bond coverage levels were met in both the Water Fund and Sewer Fund in 2014.

As indicated earlier, the City has conducted a feasibility study that indicates on a long-term basis it will be cost effective for Liberty to build and operate its own wastewater treatment facility. This will allow Liberty to trade the hard to predict rate increases implemented by Kansas City, Missouri with known debt service and operational treatment expenses.

GENERAL FUND BUDGETARY HIGHLIGHTS

Differences between the final budget and 2014 actual can be summarized as follows:

In 2014, final expenditures for the General Fund were \$17,795,344, representing a favorable \$422,924 variance from the final budget of \$18,218,268. The major contributor to the favorable variance is found in general government, in the amount of \$432,634 and is the result of deferral of certain capital asset purchases.

Actual revenue for the General Fund was \$16,523,488, representing a favorable \$300,678 variance from the final budget of \$16,222,810. Taxes are a major contributor to the favorable variance in the amount of \$319,509 and are the result of improved sales tax and delinquent property tax collections.

Other financing sources closed out at \$954,050. With the 2014 budget set at \$914,050, there was a favorable variance of \$40,000 for this category.

Required Statutory Disclosure

RSMo section 302.341 requires the City to annually calculate the percentage of its general revenue that comes from traffic violations. Any such revenues that exceed 30% of total general revenues are required to be transferred to the Director of the Missouri Department of Revenue. In the current year, the City has reported fines of \$516,622, which includes traffic violations and other additional items. This amount is approximately 3.1% of total general revenues of \$16,523,488 and, accordingly, the City believes that they are in compliance with the requirements of the statute.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

The City's investment in capital assets for its governmental and business-type activities as of December 31, 2014 amounts to \$117,174,688 (net of accumulated depreciation). This investment in capital assets includes land, construction-in-progress, buildings and systems, improvements other than buildings, vehicles, machinery and equipment, and infrastructure. The total increase in the City's investment in capital assets for the current fiscal year was \$7.3 million or an increase of 6.6%. Capital assets for governmental activities increase by \$5.4 million and those for business-type activities increased by \$1.9 million.

CITY OF LIBERTY, MISSOURI

Management's Discussion and Analysis (*Continued*)

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

- Utility Water Treatment Plant Improvements Construction in Process - \$2.388 million
- Interstate 35/Missouri Highway 69 Intersection Improvements Construction in Process - \$4.2 million
- Police Vehicles - \$0.133 million
- Franklin Street Reconstruction - \$1.757 million
- Liberty Drive Reconstruction - \$1.197 million
- Heartland Meadows Industrial Park - \$0.298 million
- Fire Capital Equipment - \$0.52 million
- Parks Capital Equipment - \$0.120 million
- Public Works Capital Equipment and Vehicles - \$0.311 million
- Finalization of the Public Safety Radio System - \$0.772 million

City Of Liberty's Capital Assets

	Governmental Activities		Business-Type Activities		Total	
	2014	2013	2014	2013	2014	2013
Land	\$ 1,937,752	\$ 1,927,066	\$ 840,677	\$ 840,677	\$ 2,778,429	\$ 2,767,743
Construction-in-progress	4,200,000	8,995,280	3,580,906	1,192,380	7,780,906	10,187,660
Buildings and system	13,337,453	13,337,453	10,315,455	10,276,663	23,652,908	23,614,116
Vehicles	5,878,526	5,769,968	2,016,620	2,008,063	7,895,146	7,778,031
Improvements other than buildings	10,491,045	10,477,730	194,143	194,143	10,685,188	10,671,873
Machinery and equipment	11,546,003	9,377,821	11,801,057	10,840,201	23,347,060	20,218,022
Infrastructure	48,062,097	37,215,268	59,589,306	59,513,986	107,651,403	96,729,254
Accumulated depreciation	(36,801,480)	(33,842,660)	(29,814,872)	(28,222,257)	(66,616,352)	(62,064,917)
Total	\$ 58,651,396	\$ 53,257,926	\$ 58,523,292	\$ 56,643,856	\$ 117,174,688	\$ 109,901,782

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 \$52,931,356. Of this amount, \$14,260,000 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, MISSOURI

Management's Discussion and Analysis (*Continued*)

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

	Governmental Activities		Business-Type Activities		Total	
	2014	2013	2014	2013	2014	2013
Special assessment bonds	\$ 4,345,410	\$ 4,739,690	\$ 164,590	\$ 185,310	\$ 4,510,000	\$ 4,925,000
Capital leases	4,115,456	1,699,960	257,825	306,124	4,373,281	2,006,084
General obligation bonds	14,260,000	16,060,000	—	—	14,260,000	16,060,000
TIF bonds	15,640,000	16,610,000	—	—	15,640,000	16,610,000
MDNR loan payable	34,175	44,868	—	—	34,175	44,868
SRF bonds	—	—	4,320,000	4,585,000	4,320,000	4,585,000
SRF note payable	—	—	3,113,900	3,299,400	3,113,900	3,299,400
Revenue bonds	—	1,060,000	6,680,000	7,765,000	6,680,000	8,825,000
Total	\$ 38,395,041	\$ 40,214,518	\$ 14,536,315	\$ 16,140,834	\$ 52,931,356	\$ 56,355,352

During the current fiscal year, the City's total debt decreased by \$3,423,996 or -6.1%. The City issued \$2,780,000 in capital leases to fund the purchase of three fire pumpers, police vehicles, and community center exercise equipment and to make certain improvements to fire stations. The City saw reduction of \$6,203,996 in all other long-term debt categories. 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 2014 end-of-year activity, it is anticipated that 2015 General Fund revenues will show stability and has been conservatively budgeted. The overall 2015 General Fund budget shows total revenues of \$16,753,580. Other financing sources are established at \$608,020, for a total available 2015 funding of \$17,361,600. Revenues and other financing sources for 2014 were \$17,477,538. The City anticipates decreased net revenues due from reductions of transfers-in from other funds by \$258,780, offset by improvements in ongoing revenue sources.

Property taxes for 2015 are budgeted at \$4,143,360 or \$308,521 lower than 2014 actual revenues. The City Council established the 2014 general levy rate at \$0.8570 per \$100 assessed valuation, which is \$0.0003 lower than the 2013 rate. This rate will be applied to a higher 2014 assessed valuation to produce an equal amount of current 2015 revenue as seen in 2014. The 2015 budget does not reflect the improvement in 2014 property tax revenues that resulted from Clay County collecting this category of revenue for the City. Valuations for 2014 were calculated to be \$445,545,196 or \$3,178,507 higher than 2013.

Sales tax revenue is budgeted at \$3,934,880, slightly above the budget for 2014 and due to increased business in the Liberty Triangle TIF areas and increased revenue from motor vehicle sales. Franchise fees have been budgeted at \$4,135,600 for 2015, an increase of \$309,239 from 2014. The increase anticipates a normal summer temperature event and improvement in electrical franchise fee revenues of \$325,696. This increase is primarily due to the Ford stamping plant and ancillary Ford part supplier beginning operation in 2013 as well as an increase in revenue for electrical franchise fees. Fees attributable to charges for services are expected to increase by \$121,000 in 2015.

CITY OF LIBERTY, MISSOURI

Management's Discussion and Analysis (*Continued*)

General Fund expenditures and transfers are projected to total \$17,318,940 compared to the 2014 close-out of \$17,795,344. This represents a \$476,404 decrease from 2014. Employee salary and fringe benefit costs are budgeted at \$272,917 higher for a 2015 total of \$12,666,120. This is due to the City providing a 3% salary adjustment and anticipated increases in health insurance costs. Nonsalary expenditures increased less than 1% in the 2015 budget due to anticipated small increases for minor computer equipment purchases and funding for further development support expenditures. Capital acquisitions within the General Fund are budgeted at \$636,180. This reflects a \$717,331 decrease when compared to 2014 and is primarily attributable to the one-time in nature replacement of the Public Safety Radio System being purchased in 2013 with cost finalized in 2014.

Based on programmed actions for 2014, the City anticipates a balanced General Fund budget, with unassigned fund balance being maintained within policy ranges. The City will continue to react to ongoing changes in the local economy and respond accordingly.

A substantial amount of work and review underpins the 2014 Water and Sewer Funds budgets. The City Council decided in 2010 that it was appropriate to secure advice and guidance from knowledgeable Liberty residents in the form of a taskforce. The taskforce met for a 12-week period and offered recommendations to the City Council. Some of the recommendations accepted by Council were to address aging water meters, repair and replace existing infrastructure, and take over water treatment operations of the water plant.

All improvements described earlier in this communication have been maintained and expanded in 2015. User rates were increased in both the Water and Sewer Funds. Water rates were increased by 2.0% and sewer rates were adjusted upward by 6.0% and sanitation rates were increased by 7.0%.

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

The 2015 Park Department budget was developed with no expansion of services in mind. Although property taxes have stayed relatively flat, sales tax revenues are anticipated to increase. To address declining program and membership fees, the cities of Liberty and Kansas City plan to form a Regional Community Center District, whose boundaries will be contiguous with the Liberty School District boundaries. It is believed that cooperative planning and resource sharing will provide for the revitalization of the current Liberty Community Center and mitigate further declines in operating revenues. The department has been able to continue to streamline operation expenditures to maintain a balanced budget.

All of these factors were considered in preparing the City's budget for the 2015 fiscal year.

CITY OF LIBERTY, MISSOURI

Management's Discussion and Analysis (*Continued*)

REQUESTS FOR INFORMATION

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

Basic Financial Statements

CITY OF LIBERTY, MISSOURI

STATEMENT OF NET POSITION

Page 1 Of 2

December 31, 2014

	Governmental Activities	Business-Type Activity	Total
Assets			
Current Assets			
Cash and investments	\$ 15,978,286	\$ 2,741,761	\$ 18,720,047
Receivables:			
Taxes	8,504,483	—	8,504,483
Special assessments	—	674	674
Accounts	500,411	1,676,082	2,176,493
Accrued interest	33,260	11,482	44,742
Due from other governments	346,330	—	346,330
Inventory	42,094	137,295	179,389
Prepaid expenses	545,212	115,710	660,922
Restricted assets:			
Cash and investments	647,691	—	647,691
Accrued interest	1,055	—	1,055
Total Current Assets	26,598,822	4,683,004	31,281,826
Noncurrent Assets			
Restricted assets:			
Investments	3,890,975	4,493,055	8,384,030
Capital assets:			
Nondepreciable:			
Land	1,937,752	840,677	2,778,429
Construction in progress	4,200,000	3,580,906	7,780,906
Depreciable:			
Buildings and system	13,337,453	10,315,455	23,652,908
Improvements other than buildings	10,491,045	194,143	10,685,188
Vehicles	5,878,526	2,016,620	7,895,146
Machinery and equipment	11,546,003	11,801,057	23,347,060
Infrastructure	48,062,097	59,589,306	107,651,403
Accumulated depreciation	(36,801,480)	(29,814,872)	(66,616,352)
Total Noncurrent Assets	62,542,371	63,016,347	125,558,718
Total Assets	89,141,193	67,699,351	156,840,544
Deferred Outflow Of Resources			
Deferred loss on refunding	26,106	232,380	258,486
Total Assets And Deferred Outflow Of Resources	89,167,299	67,931,731	157,099,030

CITY OF LIBERTY, MISSOURI

STATEMENT OF NET POSITION

Page 2 Of 2

December 31, 2014

	Governmental Activities	Business-Type Activity	Total
Liabilities			
Current Liabilities			
Accounts payable and accrued liabilities	\$ 537,056	\$ 2,006,049	\$ 2,543,105
Deposits	89,070	—	89,070
Compensated absences	631,381	70,816	702,197
Accrued interest payable	813,428	254,852	1,068,280
Unearned revenue	440,777	20,402	461,179
Current maturities of long-term debt	3,525,544	1,263,215	4,788,759
Total Current Liabilities	6,037,256	3,615,334	9,652,590
Noncurrent Liabilities			
Compensated absences	956,762	137,464	1,094,226
Net pension obligation	444,295	—	444,295
Other post employment benefits	378,691	—	378,691
SRF note payable	—	2,921,400	2,921,400
Long-term debt	35,354,262	10,552,334	45,906,596
Total Noncurrent Liabilities	37,134,010	13,611,198	50,745,208
Total Liabilities	43,171,266	17,226,532	60,397,798
Deferred Inflow Of Resources			
Property tax	6,064,846	—	6,064,846
Total Liabilities And Deferred Inflow Of Resources	49,236,112	17,226,532	66,462,644
Net Position			
Net investment in capital assets	37,647,696	47,132,623	84,780,319
Restricted for:			
Expendable:			
Debt service	5,019,769	4,383,386	9,403,155
Capital improvements	7,799,241	—	7,799,241
Parks	1,157,575	—	1,157,575
Transportation	1,062,662	—	1,062,662
Public safety	3,508,795	—	3,508,795
Cemetery	89,551	—	89,551
Law enforcement	21,497	—	21,497
Other purposes	43,502	—	43,502
Kansas City sewer line	—	109,669	109,669
Nonexpendable:			
Cemetery trust corpus	427,493	—	427,493
Unrestricted	(16,846,594)	(920,479)	(17,767,073)
Total Net Position	\$ 39,931,187	\$ 50,705,199	\$ 90,636,386

CITY OF LIBERTY, MISSOURI
STATEMENT OF ACTIVITIES
For The Year Ended December 31, 2014

Functions/Programs	Expenses	Program Revenues			Net Revenue (Expense) And Changes In Net Position Primary Government		
		Charges For Services And Sales	Operating Grants And Contributions	Capital Grants And Contributions	Governmental Activities	Business- Type Activities	Total
Primary Government							
Governmental Activities							
General government	\$ 4,070,808	\$ 655,384	\$ 303,552	\$ —	\$ (3,111,872)	\$ —	\$ (3,111,872)
Community development and improvement	3,035,596	—	—	—	(3,035,596)	—	(3,035,596)
Public works	4,145,087	—	—	900,480	(3,244,607)	—	(3,244,607)
Culture and recreation	4,653,376	2,346,377	210,387	—	(2,096,612)	—	(2,096,612)
Cemetery maintenance	37,175	35,881	—	—	(1,294)	—	(1,294)
Public safety	11,173,782	1,567,613	13,712	—	(9,592,457)	—	(9,592,457)
Interest on long-term debt	1,636,145	—	—	—	(1,636,145)	—	(1,636,145)
Total Governmental Activities	28,751,969	4,605,255	527,651	900,480	(22,718,583)	—	(22,718,583)
Business-Type Activities							
Water	4,804,585	4,859,187	—	31,348	—	85,950	85,950
Sewer	6,764,802	7,484,660	—	43,972	—	763,830	763,830
Sanitation	1,465,455	1,408,568	—	—	—	(56,887)	(56,887)
Total Business-Type Activities	13,034,842	13,752,415	—	75,320	—	792,893	792,893
Total Primary Government	\$ 41,786,811	\$ 18,357,670	\$ 527,651	\$ 975,800	(22,718,583)	792,893	(21,925,690)
General Revenues							
Taxes:							
Property tax					6,369,803	—	6,369,803
Franchise taxes					3,826,360	—	3,826,360
Sales taxes					12,320,585	—	12,320,585
Other taxes					1,241,758	—	1,241,758
Investment income					72,043	158,569	230,612
Miscellaneous					729,515	38,387	767,902
Total General Revenues And Transfers					24,560,064	196,956	24,757,020
Change In Net Position					1,841,481	989,849	2,831,330
Net Position - Beginning Of Year					38,089,706	49,715,350	87,805,056
Net Position - End Of Year					\$ 39,931,187	\$ 50,705,199	\$ 90,636,386

CITY OF LIBERTY, MISSOURI
BALANCE SHEET - GOVERNMENTAL FUNDS
December 31, 2014

	General	Parks	Capital Sales Tax	Transportation Sales Tax	Liberty TIF	Fire Sales Tax	Nonmajor Governmental Funds	Total
Assets								
Cash and investments	\$ 2,146,429	\$ 862,467	\$ 7,107,742	\$ 737,146	\$ 1,201,039	\$ 3,344,087	\$ 579,376	\$ 15,978,286
Receivables, net of allowance for uncollectibles:								
Taxes	5,303,300	669,161	324,137	324,047	1,556,730	162,053	165,055	8,504,483
Accounts	445,574	3,934	42,271	—	—	—	8,632	500,411
Accrued interest	4,136	2,210	20,263	1,675	12	2,655	2,309	33,260
Due from other funds	135,770	67	195,000	—	—	—	931	331,768
Due from other governments	13,608	—	332,722	—	—	—	—	346,330
Inventory	42,094	—	—	—	—	—	—	42,094
Prepaid insurance	496,736	48,327	149	—	—	—	—	545,212
Restricted assets:								
Cash and investments	—	—	389,183	—	3,709,044	—	—	4,098,227
Investments	—	—	—	—	—	—	440,439	440,439
Accrued interest	—	—	922	7	—	—	126	1,055
Total Assets	\$ 8,587,647	\$ 1,586,166	\$ 8,412,389	\$ 1,062,875	\$ 6,466,825	\$ 3,508,795	\$ 1,196,868	\$ 30,821,565
Liabilities								
Accounts payable and accrued liabilities	\$ 259,400	\$ 48,136	\$ 200,418	\$ 213	\$ 21,504	\$ —	\$ 7,385	\$ 537,056
Deposits	89,070	—	—	—	—	—	—	89,070
Due to other funds	—	195,000	—	—	98,030	—	38,738	331,768
Unearned revenue	—	28,047	412,730	—	—	—	—	440,777
Total Liabilities	348,470	271,183	613,148	213	119,534	—	46,123	1,398,671
Deferred Inflow Of Resources								
Property and special assessment taxes	4,060,780	715,523	—	—	1,327,522	—	—	6,103,825
Fund Balances								
Nonspendable:								
Inventory	42,094	—	—	—	—	—	—	42,094
Prepaid insurance	496,736	48,327	—	—	—	—	—	545,063
Permanent fund principal	—	—	—	—	—	—	427,493	427,493
Restricted for:								
Parks and recreation	—	551,133	—	—	—	—	606,442	1,157,575
Capital projects	—	—	7,799,241	—	—	—	—	7,799,241
Transportation projects	—	—	—	1,062,662	—	—	—	1,062,662
Public safety	—	—	—	—	—	3,508,795	—	3,508,795
Debt service	—	—	—	—	5,019,769	—	—	5,019,769
Cemetery	—	—	—	—	—	—	89,551	89,551
Law enforcement	—	—	—	—	—	—	21,497	21,497
Other purposes	—	—	—	—	—	—	43,502	43,502
Unassigned	3,639,567	—	—	—	—	—	(37,740)	3,601,827
Total Fund Balances	4,178,397	599,460	7,799,241	1,062,662	5,019,769	3,508,795	1,150,745	23,319,069
Total Liabilities, Deferred Inflow Of Resources And Fund Balances	\$ 8,587,647	\$ 1,586,166	\$ 8,412,389	\$ 1,062,875	\$ 6,466,825	\$ 3,508,795	\$ 1,196,868	\$ 30,821,565

CITY OF LIBERTY, MISSOURI

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

December 31, 2014

Total Fund Balance - Governmental Funds \$ 23,319,069

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	1,937,752
Construction in progress	4,200,000
Buildings and system	13,337,453
Improvements other than buildings	10,491,045
Vehicles	5,878,526
Machinery and equipment	11,546,003
Infrastructure	48,062,097
Accumulated depreciation	(36,801,480)

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	(631,381)
Accrued interest payable	(813,428)
Capital lease obligations	(545,999)
General obligation, special obligation, special assessment, leasehold revenue and TIF bonds	(2,968,490)
MDNR loan payable	(11,055)

Noncurrent:

Compensated absences	(956,762)
Net pension obligation	(444,295)
Other post employment benefits	(378,691)
Bond discounts and deferral on refunding	169,390
Bond premium	(628,049)
Capital lease obligations	(3,569,457)
General obligation bonds	(12,405,000)
TIF bonds	(14,950,000)
MDNR loan payable	(23,120)
Special obligation bonds	(3,921,920)

Total Net Position - Governmental Activities \$ 39,931,187

CITY OF LIBERTY, MISSOURI

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For The Year Ended December 31, 2014**

	General	Parks	Capital Sales Tax	Transportation Sales Tax	Liberty TIF	Fire Sales Tax	Nonmajor Governmental Funds	Total
Revenues								
Taxes	\$ 13,396,579	\$ 783,178	\$ 1,824,317	\$ 1,854,070	\$ 4,073,199	\$ 912,079	\$ 915,084	\$ 23,758,506
Intergovernmental	356,619	10,000	693,862	—	—	—	367,650	1,428,131
Charges for services	1,812,058	2,346,377	—	—	—	—	51,963	4,210,398
Licenses and permits	394,857	—	—	—	—	—	—	394,857
Investment earnings	13,655	4,710	35,479	4,369	432	9,334	4,064	72,043
Miscellaneous	549,720	51,950	25,630	626	7,119	30,000	64,470	729,515
Total Revenues	16,523,488	3,196,215	2,579,288	1,859,065	4,080,750	951,413	1,403,231	30,593,450
Expenditures								
Current:								
General government	3,680,402	—	—	—	11,432	—	12,499	3,704,333
Community development and improvement	766,968	—	—	41,000	1,848,482	—	372,620	3,029,070
Public works	2,312,630	—	1,131,848	15,159	80,352	—	—	3,539,989
Culture and recreation	311,674	3,478,626	—	—	—	—	29,934	3,820,234
Cemetery maintenance	—	—	—	—	—	—	37,175	37,175
Public safety	10,452,390	—	—	—	—	52,433	20,211	10,525,034
Capital outlay	—	—	3,313,061	4,200,000	—	—	132,872	7,645,933
Debt service:								
Principal retirement	225,866	19,334	371,376	1,470,000	1,040,000	215,563	198,000	3,540,139
Interest and fiscal charges	44,734	489	224,158	220,610	1,083,054	23,454	24,478	1,620,977
Bond issuance costs	680	609	—	—	—	12,723	99	14,111
Total Expenditures	17,795,344	3,499,058	5,040,443	5,946,769	4,063,320	304,173	827,888	37,476,995
Revenues Over (Under) Expenditures	(1,271,856)	(302,843)	(2,461,155)	(4,087,704)	17,430	647,240	575,343	(6,883,545)
Other Financing Sources (Uses)								
Payments to refunding escrow agent	—	—	—	—	—	—	(1,073,780)	(1,073,780)
Capital lease	135,000	121,000	—	—	—	2,524,000	—	2,780,000
Transfers in	866,800	406,287	—	—	—	—	59,305	1,332,392
Transfers out	(47,750)	(79,000)	—	(512,800)	—	(285,000)	(407,842)	(1,332,392)
Total Other Financing Sources	954,050	448,287	—	(512,800)	—	2,239,000	(1,422,317)	1,706,220
Net Change In Fund Balances	(317,806)	145,444	(2,461,155)	(4,600,504)	17,430	2,886,240	(846,974)	(5,177,325)
Fund Balances - Beginning Of Year	4,496,203	454,016	10,260,396	5,663,166	5,002,339	622,555	1,997,719	28,496,394
Fund Balances - End Of Year	\$ 4,178,397	\$ 599,460	\$ 7,799,241	\$ 1,062,662	\$ 5,019,769	\$ 3,508,795	\$ 1,150,745	\$ 23,319,069

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, 2014

Net Change In Fund Balances - Total Governmental Funds \$ (5,177,325)

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	9,206,907
Depreciation:	
General government	(167,465)
Public safety	(655,365)
Public works	(2,128,073)
Culture and recreation	(816,439)
Loss on disposal of capital assets	(46,095)

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	(51,007)
Public safety	6,617
Public works	(37,999)
Culture and recreation	(16,703)
Change in accrued interest payable	(138,688)
Changes in net pension obligation	(17,159)
Changes in other post employment benefits	(70,638)

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

Principal payments on long-term debt	3,540,139
Payments to refunding escrow agent	1,073,780
Capital lease	(2,780,000)
Amortization of bond discounts	(10,176)
Amortization of bond premiums	133,696
Amortization of deferred loss on refunding	(6,526)

Change In Net Position Of Governmental Activities \$ 1,841,481

CITY OF LIBERTY, MISSOURI

STATEMENT OF NET POSITION ENTERPRISE FUNDS December 31, 2014

	Water	Sewer	Sanitation (Nonmajor)	Total
Assets				
Current Assets:				
Cash and investments	\$ 1,785,600	\$ 905,271	\$ 50,890	\$ 2,741,761
Receivables:				
Special assessments	—	284	390	674
Accounts	488,546	1,111,364	76,172	1,676,082
Accrued interest	4,977	6,399	106	11,482
Inventory	129,903	7,392	—	137,295
Prepays	49,648	66,031	31	115,710
Total Current Assets	2,458,674	2,096,741	127,589	4,683,004
Noncurrent Assets:				
Restricted assets, cash and investments	404,470	4,088,585	—	4,493,055
Capital assets:				
Land	795,677	45,000	—	840,677
Construction in progress	535,455	3,045,451	—	3,580,906
Buildings and systems	9,064,644	1,250,811	—	10,315,455
Improvements other than buildings	143,116	51,027	—	194,143
Vehicles	923,291	1,093,329	—	2,016,620
Machinery and equipment	7,625,623	4,175,434	—	11,801,057
Infrastructure	30,604,860	28,984,446	—	59,589,306
Accumulated depreciation	(18,986,928)	(10,827,944)	—	(29,814,872)
Total Noncurrent Assets	31,110,208	31,906,139	—	63,016,347
Total Assets	33,568,882	34,002,880	127,589	67,699,351
Deferred Outflow Of Resources				
Deferred loss on refunding	232,380	—	—	232,380
Liabilities				
Current Liabilities				
Accounts payable and accrued expenses	487,963	1,403,153	114,933	2,006,049
Compensated absences	41,866	27,333	1,617	70,816
Accrued interest payable	83,856	170,996	—	254,852
Unearned revenue	11,125	9,277	—	20,402
Current maturities of long-term debt	455,000	808,215	—	1,263,215
Total Current Liabilities	1,079,810	2,418,974	116,550	3,615,334
Noncurrent Liabilities:				
Compensated absences	81,268	53,058	3,138	137,464
SRF note payable	—	2,921,400	—	2,921,400
Long-term debt	3,182,285	7,370,049	—	10,552,334
Total Noncurrent Liabilities	3,263,553	10,344,507	3,138	13,611,198
Total Liabilities	4,343,363	12,763,481	119,688	17,226,532
Net Position				
Net investment in capital assets	27,300,833	19,831,790	—	47,132,623
Restricted for:				
Debt service	404,470	3,978,916	—	4,383,386
Kansas City sewer line	—	109,669	—	109,669
Unrestricted	1,752,596	(2,680,976)	7,901	(920,479)
Total Net Position	\$ 29,457,899	\$ 21,239,399	\$ 7,901	\$ 50,705,199

CITY OF LIBERTY, MISSOURI

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION ENTERPRISE FUNDS For The Year Ended December 31, 2014

	Water	Sewer	Sanitation (Nonmajor)	Total
Operating Revenues				
Charges for services	\$ 4,859,187	\$ 7,484,660	\$ 1,408,568	\$ 13,752,415
Miscellaneous	38,387	—	—	38,387
Total Operating Revenues	4,897,574	7,484,660	1,408,568	13,790,802
Operating Expenses				
Pumping and treatment	1,932,667	4,352,648	—	6,285,315
Distribution and transmission	1,107,551	583,828	—	1,691,379
General and administrative	562,487	668,496	—	1,230,983
Sanitation	—	—	1,465,455	1,465,455
Depreciation	1,096,835	785,289	—	1,882,124
Total Operating Expenses	4,699,540	6,390,261	1,465,455	12,555,256
Operating Income (Loss)	198,034	1,094,399	(56,887)	1,235,546
Nonoperating Revenues (Expenses)				
Investment earnings	8,620	149,779	170	158,569
Interest expense	(100,259)	(374,541)	—	(474,800)
Loss on sale of capital asset	(4,786)	—	—	(4,786)
Total Nonoperating Revenues (Expenses)	(96,425)	(224,762)	170	(321,017)
Income (Loss) Before Capital Contributions	101,609	869,637	(56,717)	914,529
Capital Contributions	31,348	43,972	—	75,320
Change In Net Position	132,957	913,609	(56,717)	989,849
Net Position - Beginning Of Year	29,324,942	20,325,790	64,618	49,715,350
Net Position - End Of Year	\$ 29,457,899	\$ 21,239,399	\$ 7,901	\$ 50,705,199

CITY OF LIBERTY, MISSOURI

STATEMENT OF CASH FLOWS
ENTERPRISE FUNDS
For The Year Ended December 31, 2014

	Water	Sewer	Sanitation (Nonmajor)	Total
Cash Flows From Operating Activities				
Receipts from customers and users	\$ 4,868,974	\$ 7,505,939	\$ 1,403,666	\$ 13,778,579
Payments to suppliers	(2,134,855)	(3,733,588)	(1,320,714)	(7,189,157)
Payments to employees	(1,459,642)	(819,814)	(32,253)	(2,311,709)
Other receipts	38,387	—	—	38,387
Net Cash Provided By Operating Activities	1,312,864	2,952,537	50,699	4,316,100
Cash Flows From Capital And Related Financing Activities				
Purchase of capital assets	(990,940)	(2,700,086)	—	(3,691,026)
Interest payments	(103,597)	(386,713)	—	(490,310)
Principal payments on debt	(455,360)	(1,149,159)	—	(1,604,519)
Net Cash Used In Capital And Related Financing Activities	(1,549,897)	(4,235,958)	—	(5,785,855)
Cash Flows Provided By Investing Activities				
Interest and dividends received	6,054	145,844	191	152,089
Increase (Decrease) In Cash And Cash Equivalents	(230,979)	(1,137,577)	50,890	(1,317,666)
Cash And Cash Equivalents - Beginning Of Year	2,421,049	6,131,433	—	8,552,482
Cash And Cash Equivalents - End Of Year	\$ 2,190,070	\$ 4,993,856	\$ 50,890	\$ 7,234,816
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:				
Operating income (loss)	\$ 198,034	\$ 1,094,399	\$ (56,887)	\$ 1,235,546
Adjustments to reconcile operating income to net cash provided by (used in) operating activities:				
Depreciation	1,096,835	785,289	—	1,882,124
Changes in assets and liabilities:				
Receivables	9,787	21,279	(4,902)	26,164
Inventory and other prepayments	(22,957)	(10,157)	(9)	(33,123)
Accounts payable and accrued expenses	21,880	1,048,502	112,453	1,182,835
Compensated absences	9,285	13,225	44	22,554
Net Cash Provided By Operating Activities	\$ 1,312,864	\$ 2,952,537	\$ 50,699	\$ 4,316,100
Noncash Investing And Financing Transactions				
Capital contributions	\$ 31,348	\$ 43,972	\$ —	\$ 75,320

CITY OF LIBERTY, MISSOURI

**STATEMENT OF ASSETS AND LIABILITIES
AGENCY FUNDS
December 31, 2014**

Assets

Cash and cash equivalents	\$ 182,620
Accrued interest	83
	<hr/>
	\$ 182,703
	<hr/> <hr/>

Liabilities

Protested taxes	\$ 3,806
Due to other entities	178,897
	<hr/>
	\$ 182,703
	<hr/> <hr/>

CITY OF LIBERTY, MISSOURI

NOTES TO BASIC FINANCIAL STATEMENTS

December 31, 2014

1. Summary Of Significant Accounting Policies

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

Nature Of Operations

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

Reporting Entity

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

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

CITY OF LIBERTY, MISSOURI

Notes To Basic Financial Statements (*Continued*)

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

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

Government-wide and fund financial statements: The government-wide financial statements (i.e., the statement of net 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:

CITY OF LIBERTY, MISSOURI

Notes To Basic Financial Statements (*Continued*)

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

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

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

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.

CITY OF LIBERTY, MISSOURI

Notes To Basic Financial Statements (*Continued*)

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

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

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

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

Tax Abatement Fund: This fund is used to record the activity related to the Chapter 353 Tax Abatement projects within the designated downtown residential and commercial areas of the City.

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

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

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

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

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

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

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

CITY OF LIBERTY, MISSOURI

Notes To Basic Financial Statements (*Continued*)

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

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

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

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

Enterprise Funds: These are used to account for those operations that are financed and operated in a manner similar to private business or where the City has decided that the determination of revenues earned, costs incurred and/or net income is necessary for management accountability.

The following are the City's major enterprise funds:

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

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

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

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

Fiduciary Fund Types: Fiduciary fund types are used to account for assets held by a governmental unit in a trustee capacity or as an agent for individuals, private organizations, other governmental units and/or other funds. Agency funds are custodial in nature and do not involve the measurement of results of operations. Agency funds apply the accrual basis of accounting, however they do not have a measurement focus. The City has the following fiduciary fund type:

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

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

CITY OF LIBERTY, MISSOURI

Notes To Basic Financial Statements (*Continued*)

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 within the Community Improvement District established as a separate entity that provides payment of the TIF debt.

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

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

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

Measurement Focus And Basis Of Accounting

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and agency fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the following year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

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

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

CITY OF LIBERTY, MISSOURI

Notes To Basic Financial Statements (*Continued*)

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

Property taxes are recognized as a receivable at the time they become an enforceable legal claim. The current taxes receivable represent the 2014 levy plus any uncollected amounts from the 2013 levy. Property taxes that are not available for current year operations are shown as a deferred inflow. Property taxes are levied each year on all taxable real and personal property in the City. The City's property tax is levied each September 1 on the assessed value as of the prior January 1. Property taxes are billed in total by November 1 following the levy date and considered delinquent after January 1. On January 1, a lien attaches to all property for which taxes are unpaid.

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

House Bill 103 amending RSMo Section 302.341 became effective August 28, 2013. The amendments to the statute now require the City to annually calculate the percentage of its general revenue that comes from traffic violations and to report an accounting of that calculation. Any such revenues that exceed 30% of total general revenues are required to be transferred to the Director of the Missouri Department of Revenue. In the current year, the City has reported fines of \$516,622, which includes traffic violations and other additional items. This amount is approximately 3.1% of total general revenues and, accordingly, the City believes that it is in compliance with the requirements of the statute.

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

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

Cash And Investments

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

CITY OF LIBERTY, MISSOURI

Notes To Basic Financial Statements (*Continued*)

Statement Of Cash Flows

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

Accounts Receivable And Unbilled Usage

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

Inventory And Prepaids

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

Capital Assets

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

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

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

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

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

CITY OF LIBERTY, MISSOURI

Notes To Basic Financial Statements (*Continued*)

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

Deferred 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 represent receipts where the City has not met all eligibility requirements imposed by the provider.

Interfund Transactions

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

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

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

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

Compensated Absences

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

CITY OF LIBERTY, MISSOURI

Notes To Basic Financial Statements (*Continued*)

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

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

Fund Balance

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

1. *Nonspendable* - Assets legally or contractually required to be maintained or are not in spendable form. Such constraint is binding until the legal requirement is repealed or the amounts become spendable.
2. *Restricted* - Assets with externally imposed constraints, such as those mandated by creditors, grantors and contributors or laws and regulations. Such constraint is binding unless modified or rescinded by the applicable external body, laws or regulations.
3. *Committed* - Assets with a purpose formally imposed by resolution of the City Council, binding unless modified or rescinded by the City Council through a similar action.
4. *Unassigned* - All amounts not included in the other fund balance classifications. The General Fund shall be the only fund to report positive unassigned fund balance. All other governmental funds may report negative unassigned fund balance.

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

Net Position

Net position represents the difference between 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 its use through enabling legislation or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. Net position, restricted consists of restrictions related to capital improvements, parks, transportation, TIF projects, debt service, fire, Kansas City sewer line and trust corpus.

CITY OF LIBERTY, MISSOURI

Notes To Basic Financial Statements (*Continued*)

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

Long-Term Liabilities

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

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

Deferred 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, 2014, the City had the following investments and maturities:

Investment Type	Amount	Investment Maturities (In Years)			
		Less Than 1	1 - 3	3 - 5	More Than 5
Federal Farm Credit Bank	\$ 2,276,000	\$ 676,000	\$ 1,600,000	\$ —	\$ —
Federal National Mortgage Association	5,243,043	1,000,821	4,242,222	—	—
Federal Home Loan Mortgage Corporation	1,499,972	1,499,972	—	—	—
Federal Home Loan Bank	4,247,769	1,248,783	2,998,986	—	—
Certificates of Deposit	3,000,000	2,500,000	500,000	—	—
Repurchase Agreements	2,788,235	2,788,235	—	—	—
Money Market Funds:					
Fidelity Treasury	3,907,795	3,907,795	—	—	—
State Revolving Fund Program - Open Market Securities	3,113,679	—	—	—	3,113,679
	<u>\$ 26,076,493</u>	<u>\$ 13,621,606</u>	<u>\$ 9,341,208</u>	<u>\$ —</u>	<u>\$ 3,113,679</u>

Authorized Investments

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

Interest Rate Risk

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

Credit Risk

Generally, credit risk is the risk the issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The City does not have a formal policy relating to credit risk. As of December 31, 2014, the City's investments were rated as follows:

CITY OF LIBERTY, MISSOURI

Notes To Basic Financial Statements (*Continued*)

<u>Investment Type</u>	<u>Rating</u>	<u>Company</u>	<u>Rating</u>	<u>Company</u>
Federal Farm Credit Bank	Aaa	Moody's	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	
State Revolving Fund Program - Open Market Securities	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 (9%); Federal National Mortgage Association (20%); Federal Home Loan Mortgage Corporation (6%); Federal Home Loan Bank (16%); Certificates of Deposit (11%); Repurchase Agreements (11%); State Revolving Fund Program – Open Market Securities (12%); and Money Market Funds: Fidelity Treasury (15%).

Custodial Credit Risk

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

CITY OF LIBERTY, MISSOURI

Notes To Basic Financial Statements (*Continued*)

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

Deposits	\$ 1,857,895
Investments	<u>26,076,493</u>
	<u>\$ 27,934,388</u>
Cash and investments	\$ 18,720,047
Restricted assets:	
Cash and investments	647,691
Investments	8,384,030
Agency fund, cash and cash equivalents	<u>182,620</u>
	<u>\$ 27,934,388</u>

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

3. Capital Assets

The following is a summary of changes in capital assets for the year ended December 31, 2014:

	Balance - January 1, 2014	Additions	Retirements	Balance - December 31, 2014
Governmental Activities				
Capital assets, not being depreciated:				
Land	\$ 1,927,066	\$ 10,686	\$ —	\$ 1,937,752
Construction in progress	8,995,280	4,697,956	9,493,236	4,200,000
Total capital assets, not being depreciated	<u>10,922,346</u>	<u>4,708,642</u>	<u>9,493,236</u>	<u>6,137,752</u>
Capital assets being depreciated:				
Buildings and system	13,337,453	—	—	13,337,453
Improvements other than buildings	10,477,730	13,315	—	10,491,045
Vehicles	5,769,968	472,965	364,407	5,878,526
Machinery and equipment	9,377,821	2,658,392	490,210	11,546,003
Infrastructure	37,215,268	10,846,829	—	48,062,097
Total capital assets being depreciated	<u>76,178,240</u>	<u>13,991,501</u>	<u>854,617</u>	<u>89,315,124</u>
Less: Accumulated depreciation for:				
Buildings and system	5,250,093	315,901	—	5,565,994
Improvements other than buildings	6,439,908	426,234	—	6,866,142
Vehicles	2,454,442	445,859	356,658	2,543,643
Machinery and equipment	6,925,289	608,930	451,864	7,082,355
Infrastructure	12,772,928	1,970,418	—	14,743,346
Total accumulated depreciation	<u>33,842,660</u>	<u>3,767,342</u>	<u>808,522</u>	<u>36,801,480</u>
Total capital assets being depreciated, net	<u>42,335,580</u>	<u>10,224,159</u>	<u>46,095</u>	<u>52,513,644</u>
Governmental activities capital assets, net	<u>\$ 53,257,926</u>	<u>\$ 14,932,801</u>	<u>\$ 9,539,331</u>	<u>\$ 58,651,396</u>

CITY OF LIBERTY, MISSOURI

Notes To Basic Financial Statements (Continued)

	Balance - January 1, 2014	Additions	Retirements	Balance - December 31, 2014
Business-Type Activities				
Capital assets, not being depreciated:				
Land	\$ 840,677	\$ —	\$ —	\$ 840,677
Construction in progress	1,192,380	2,725,890	337,364	3,580,906
Total capital assets, not being depreciated	2,033,057	2,725,890	337,364	4,421,583
Capital assets being depreciated:				
Buildings and system	10,276,663	38,792	—	10,315,455
Improvements other than buildings	194,143	—	—	194,143
Vehicles	2,008,063	91,320	82,763	2,016,620
Machinery and equipment	10,840,201	1,172,386	211,530	11,801,057
Infrastructure	59,513,986	75,320	—	59,589,306
Total capital assets being depreciated	82,833,056	1,377,818	294,293	83,916,581
Less: Accumulated depreciation for:				
Buildings and system	3,450,980	208,591	—	3,659,571
Improvements other than buildings	185,728	6,652	—	192,380
Vehicles	858,838	146,316	82,763	922,391
Machinery and equipment	5,529,657	347,842	206,746	5,670,753
Infrastructure	18,197,054	1,172,723	—	19,369,777
Total accumulated depreciation	28,222,257	1,882,124	289,509	29,814,872
Total capital assets being depreciated, net	54,610,799	(504,306)	4,784	54,101,709
Business-type activities capital assets, net	\$ 56,643,856	\$ 2,221,584	\$ 342,148	\$ 58,523,292

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

Governmental Activities	
General government	\$ 167,465
Public safety	655,365
Culture and recreation	816,439
Public works	2,128,073
	<u>\$ 3,767,342</u>

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

Business-Type Activities	
Water	\$ 1,096,835
Sewer	785,289
	<u>\$ 1,882,124</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, 2014:

	Balance - January 1, 2014	Additions	Retirements	Balance - December 31, 2014	Due Within One Year
Governmental Activities					
Special assessment bonds	\$ 40,000	\$ —	\$ 40,000	\$ —	\$ —
Special obligation bonds	4,699,690	—	354,280	4,345,410	423,490
Capital leases	1,699,960	2,780,000	364,504	4,115,456	545,999
General obligation bonds	16,060,000	—	1,800,000	14,260,000	1,855,000
Leasehold revenue bonds	1,060,000	—	1,060,000	—	—
TIF bonds	16,610,000	—	970,000	15,640,000	690,000
MDNR loan payable	44,868	—	10,693	34,175	11,055
Net pension obligation	427,136	1,447,182	1,430,023	444,295	—
Other post employment benefits	308,053	70,638	—	378,691	—
Compensated absences	1,489,051	869,481	770,389	1,588,143	631,381
Bond premiums	761,745	—	133,696	628,049	—
Bond discounts	(153,460)	—	(10,176)	(143,284)	—
	\$ 43,047,043	\$ 5,167,301	\$ 6,923,409	\$ 41,290,935	\$ 4,156,925
Business-Type Activities					
Revenue bonds	\$ 7,765,000	\$ —	\$ 1,085,000	\$ 6,680,000	\$ 715,000
SRF bonds	4,585,000	—	265,000	4,320,000	275,000
SRF note payable	3,299,400	—	185,500	3,113,900	192,500
Special obligation bonds	185,310	—	20,720	164,590	31,510
Capital leases	306,124	—	48,299	257,825	49,205
Compensated absences	185,726	139,452	116,898	208,280	70,816
Bond premiums	200,854	—	220	200,634	—
	\$ 16,527,414	\$ 139,452	\$ 1,721,637	\$ 14,945,229	\$ 1,334,031

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:

Governmental Activities	
General obligation bonds:	
2013 General Obligation Bonds, 3 - 3.30%, due in varying amounts through 2030	\$ 6,225,000
2012 General Obligation Refunding & Improvement Bonds, 3 - 4%, due in varying amounts through 2016	8,035,000
Special obligation bonds:	
2013 Special Obligation Refunding and Improvement Bonds, 3%, due in varying amounts through 2023	2,135,410
2010 Clay County Health Center Relocation Project Refunding Bonds, 2% - 4.35%, due in varying amounts through 2032	2,210,000
MDNR loan payable	34,175
Tax increment revenue bonds:	
2004 Liberty Triangle Project Tax Increment Revenue Bonds, 4% - 5.875%, due in varying amounts through 2026	5,135,000
2007 Liberty Triangle Project Tax Increment Revenue Bonds, 5% - 5.875%, due in varying amounts through 2029	5,195,000
2010 Roger's Plaza Project Tax Increment Revenue Bonds, 6.75%, due in varying amounts through 2030	5,310,000
Compensated absences	1,588,143
Net pension obligation	444,295
Other post employment benefits	378,691
Capital leases	
Lease purchase of fitness equipment, 2.01% due in annual installments of \$34,000 to \$44,000 through 2017	121,000
Lease purchase of police cars, 2.01% due in annual installments between \$38,000 and \$49,000 through 2017	135,000
Lease purchase of fire pump truck, 2.01% due in annual installments between \$159,000 and \$236,000 through 2023	1,921,000
Lease purchase of roof and parking lot, 2.01% due in annual installments between \$50,000 and \$74,000 through 2023	603,000
Lease purchase of ambulance, 3.43% due in semi-annual installments between \$42,680 and \$43,310 through 2016	165,729
Lease purchase of fitness equipment, 4.25% due in monthly installments of \$1,521 through 2015	1,521
Lease purchase of aerial fire truck, 2.97% due in annual installments of \$131,259 through 2022	945,071
Lease purchase of street sweeper, 2.97% due in annual installments of \$45,219 through 2017	130,009
Lease purchase of fire tanker truck, 2.97% due in annual installments of \$32,391 through 2017	93,126
Total Governmental Activities	<u>\$ 40,806,170</u>
Business-Type Activities:	
Revenue bonds:	
2005 A Sewer System Revenue Bonds, 3.00% - 4.25%, due in varying amounts through 2025	\$ 3,220,000
2011 Waterworks Refunding Bonds, 1.75%-3.00%, due in varying amounts through 2021	3,460,000
2005 State Revolving Fund Program Bonds, 3.25% - 5.25%, due in varying amounts through 2026	4,320,000
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	3,113,900
Lease purchase of sewer vacuum truck, 2.97%, due in annual installments of \$55,346 through 2019	257,825
2013 Special Obligation Refunding and Improvement Bonds, 3%, due in varying amounts through 2023.	164,590
Compensated absences	208,280
Total Business-Type Activities	<u>\$ 14,744,595</u>

CITY OF LIBERTY, MISSOURI

Notes To Basic Financial Statements (*Continued*)

General Obligation Bonds: During the fiscal year ended December 31, 2013, the City issued General Obligation Bonds, Series 2013 in the amount of \$6,225,000 with an interest rate of 3.0 to 3.3%. The net proceeds of \$6,293,377 after payment of \$90,550 of issuance costs and receipt of \$158,927 in premiums will be used for constructing and improving streets and other transportation-related improvements within the City, including Franklin Street and the Pleasant Valley Interchange.

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 10 years. The Series 2005 bonds were originally used to fund roadway improvement projects.

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 10 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.

CITY OF LIBERTY, MISSOURI

Notes To Basic Financial Statements (*Continued*)

Special Obligation Bonds: During the fiscal year ended December 31, 2013, the City issued Special Obligation Refunding and Improvements Bonds, Series 2013 in the amount of \$2,605,000 with an interest rate of 3%. On January 15, 2014, a portion of the proceeds were used, together with other available funds of the City, to refund the Series 2003 Bonds in the amount of \$1,060,000. The remaining proceeds were used to purchase police vehicles, a utility dump truck, video equipment for police cars and improvements to the public safety radio system of the City. As a result of the refunding, the city decreased its total debt service requirements by \$72,582 resulting in an economic gain of \$79,906.

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, 2014, the reserve fund has approximately \$3,114,000.

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

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

CITY OF LIBERTY, MISSOURI

Notes To Basic Financial Statements (*Continued*)

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

	Restricted Assets
Water:	
Depreciation and replacement account	\$ 404,470
Sewer:	
Bond reserve account	\$ 583,491
Depreciation and replacement account	96,000
	<u>\$ 679,491</u>
Sewer, Shoal Creek upgrade	<u>\$ 8,161</u>
Sewer, Kansas City sewer line	<u>\$ 115,705</u>
Sewer:	
SRF reserve account	\$ 3,113,679
SRF trustee interest account	34,042
SRF trustee rebate account	2
SRF trustee principal	137,505
	<u>\$ 3,285,228</u>

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

- The City, in accordance with and subject to applicable legal requirements, will fix, establish, maintain and collect such rates and charges for the use and services furnished by or through the System as will produce revenues sufficient to:
 - Pay the costs of the operation and maintenance of the system.
 - Pay the principal of and interest on the bonds as and when the same become due at the maturity thereof or any interest payment date.
 - Enable the City to have in each fiscal year net revenues available for debt service from sewer system activities not less than 120% of the amount required to be paid in such fiscal year on account of both principal and interest on sewer system revenue bonds at the time outstanding.
 - Enable the City to have in each fiscal year net revenues available for debt service waterworks activity not less than 110% of the amount required to be paid in such fiscal year on account of both principal and interest on waterworks revenue bonds at the time outstanding.
 - Maintain a Debt Service Reserve Account of not less than \$571,818 for the Sewer Fund. As of December 31, 2014, this amount is \$583,491.

CITY OF LIBERTY, MISSOURI

Notes To Basic Financial Statements (Continued)

- 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, 2014 are as follows:

For The Years Ended December 31,	Debt Service General Obligation Bonds		Debt Service Special Obligation Bonds	
	Principal	Interest	Principal	Interest
2015	\$ 1,855,000	\$ 434,890	\$ 455,000	\$ 153,825
2016	1,755,000	372,190	460,000	140,175
2017	660,000	327,415	440,000	126,375
2018	680,000	307,315	445,000	113,600
2019	700,000	286,615	245,000	100,250
2020-2024	3,905,000	1,051,050	1,200,000	380,338
2025-2029	3,860,000	451,718	665,000	218,469
2030-2034	845,000	13,515	600,000	58,844
	\$ 14,260,000	\$ 3,244,708	\$ 4,510,000	\$ 1,291,875

For The Years Ended December 31,	Enterprise Revenue Bonds		Enterprise Capital Leases	
	Principal	Interest	Principal	Interest
2015	\$ 715,000	\$ 213,996	\$ 49,205	\$ 6,018
2016	735,000	189,846	50,578	4,866
2017	755,000	165,046	51,757	3,688
2018	765,000	139,796	52,421	2,483
2019	770,000	120,446	53,864	1,257
2020-2024	2,380,000	296,871	—	—
2025-2029	560,000	11,760	—	—
	\$ 6,680,000	\$ 1,137,763	\$ 257,825	\$ 18,311

For The Years Ended December 31,	Governmental Capital Leases		Debt Service Tax Increment Revenue Bonds	
	Principal	Interest	Principal	Interest
2015	\$ 545,999	\$ 76,926	\$ 690,000	\$ 934,888
2016	630,186	76,166	690,000	896,006
2017	558,428	62,179	725,000	856,169
2018	396,795	49,810	800,000	813,706
2019	404,495	42,721	860,000	305,100
2020-2024	1,579,553	64,143	5,480,000	1,263,938
2025-2029	—	—	5,620,000	678,375
2030-2034	—	—	775,000	26,156
	\$ 4,115,456	\$ 371,945	\$ 15,640,000	\$ 5,774,338

CITY OF LIBERTY, MISSOURI

Notes To Basic Financial Statements (Continued)

For The Years Ended December 31,	Debt Service		Enterprise	
	MDNR Loan Payable		SRF Bonds	
	Principal	Interest	Principal	Interest
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	5,414	130	315,000	168,373
2019	—	—	330,000	151,835
2020-2024	—	—	1,910,000	492,988
2025-2029	—	—	900,000	63,220
	\$ 34,175	\$ 2,243	\$ 4,320,000	\$ 1,452,858

For The Years Ended December 31,	Enterprise	
	SRF Note Payable	
	Principal	Interest
2015	\$ 192,500	\$ —
2016	203,000	—
2017	210,000	—
2018	241,486	—
2019	253,371	—
2020-2024	1,380,206	—
2025-2029	633,337	—
	\$ 3,113,900	\$ —

Pledges Of Revenue On Outstanding Debt

Utility revenues pledged: The City has pledged future water customer revenues, net of specified operating expenses, to repay a debt issuance originally totaling \$4,335,000 in Waterworks Refunding bonds. Proceeds from this 2011 issuance were used to refund the 2002 and 2005 bond issuance, reducing the interest rate to between 1.75% and 3.0% for the remaining 10 years of the bonds. The bonds are payable solely from water customer net revenues through 2021. Annual principal and interest payments on the 2011 bonds required 42% 2014 net revenues. The total principal and interest remaining to be paid on the 2011 bonds is \$3,799,663. Principal and interest paid during 2014 totaled \$545,486.

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 62% of net revenues. The total principal and interest remaining to be paid on the bonds is \$9,790,958. Principal and interest paid for the current year and total customer net revenues were \$1,263,808 and \$2,029,467, respectively.

CITY OF LIBERTY, MISSOURI

Notes To Basic Financial Statements (*Continued*)

TIF revenues pledged: The City has pledged a portion of future payments in lieu of taxes (PILOTS) and Economic Activity Tax (EATS) revenues to repay \$7,795,000 in Tax Increment Revenue Bonds 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 \$7,182,919, payable through 2026. For the current year, principal and interest paid and total incremental PILOTS and EATS revenues were \$876,350 and \$651,380, respectively.

The City has pledged a portion of future PILOTS and EATS revenues to repay \$7,840,000 in Tax Increment Revenue Bonds issued in October 2007. The bonds were used to finance Projects B-2, C-3 and D-1 (The Series 2007 Projects), of the Liberty Triangle Redevelopment Plan. The bonds are payable solely from the incremental property, sales taxes and community improvement district (CID) sales tax generated by increased development in the TIF district. Incremental PILOTS, EATS and CID sales tax were projected to produce \$16,606,938 over the life of the bonds. Total principal and interest remaining on the bonds is \$7,927,781 payable through 2029. For the current year, principal and interest paid and total incremental PILOTS, EATS and CID revenues were \$572,950 and \$649,394, respectively.

The City has pledged a portion of future PILOTS and EATS revenues to repay \$5,710,000 in Tax Increment Revenue Bonds issued in May 2010. The bonds were used to finance the Roger's Plaza Project. The bonds are payable solely from the incremental property, sales taxes and CID sales tax generated by increased development in the TIF district. Incremental PILOTS, EATS and CID sales tax were projected to produce \$13,172,019 over the life of the bonds. Total principal and interest remaining on the bonds is \$8,936,600 payable through 2030. For the current year, principal and interest paid and total incremental PILOTS, EATS, and CID revenues were \$510,850 and \$544,140, 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, amounts sufficient to cover the principal and interest requirements on the Liberty Missouri Public Facilities Authority debt. The Liberty Missouri Public Facilities Authority has pledged as sole security for the bonds the appropriation from the City. Total principal and interest remaining on the debt is \$1,009,000. 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 \$194,325 and \$915,084, respectively.

CITY OF LIBERTY, MISSOURI

Notes To Basic Financial Statements (Continued)

Conduit Debt

The City has issued industrial development bonds to provide financial assistance to private businesses for economic development purposes. The debt is payable solely from payments received from the private businesses involved. As of December 31, 2014, there were four issues of industrial revenue bonds outstanding. These issues have an aggregate original issue amount of approximately \$322 million.

In August 2013, Liberty voters approved a \$95 million bond issue to build a Liberty owned and operated wastewater treatment plant and to make capital improvements to the wastewater collection system. As of December 31, 2014, the bonds had not been issued and no liability has been incurred by the City.

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	\$ 98,030
General	Nonmajor governmental funds	38,738
Capital sales tax	Parks	194,002
Parks	Nonmajor governmental funds	67
Nonmajor governmental funds	Nonmajor governmental funds	931
		<u>\$ 331,768</u>

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

Interfund transfers for the year were as follows:

	<u>Transfers In</u>	<u>Transfers Out</u>
Governmental activities		
General	\$ 866,800	\$ 47,750
Parks	406,287	79,000
Fire sales tax	—	285,000
Transportation sales tax	—	512,800
Nonmajor governmental funds	59,305	407,842
	<u>\$ 1,332,392</u>	<u>\$ 1,332,392</u>

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

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 RSMo. 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 contribute 4% of their gross pay to the pension plan. The June 30th statutorily required contribution rates are 9.9% (General), 15.2% (Police), and 18.6% (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.

Annual Pension Cost

Annual required contribution	\$ 1,443,010
Interest on net pension obligation	30,967
Adjustment to annual required contribution	(26,795)
Annual pension cost	<u>1,447,182</u>
Actual contributions	<u>1,430,023</u>
Increase in net pension obligation	17,159
Net pension obligation - beginning of year	<u>427,136</u>
Net pension obligation - end of year	<u><u>\$ 444,295</u></u>

CITY OF LIBERTY, MISSOURI

Notes To Basic Financial Statements (*Continued*)

The required contribution (ARC) was determined as part of the February 29, 2012 and February 28, 2013 annual actuarial valuation using the entry age actuarial cost method. The actuarial assumptions as of February 28, 2014 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 29, 2012 was 30 years for the General division, 24 years for the Police division and 26 years for the Fire division. The amortization period as of February 28, 2013 was 30 years for the General division, 24 years for the Police division and 21 years for the Fire division.

Fiscal Year Ending	Three-Year Trend Information		
	Annual Pension Cost (APC)	Percentage Of APC Contributed	Net Pension Obligation
June 30, 2014	\$ 1,447,182	98.8%	\$ 444,295
June 30, 2013	1,226,750	96.4%	427,136
June 30, 2012	1,000,578	90.1%	383,244

Funding Status And Funding Progress

As of February 28, 2014, the most recent actuarial valuation date, the City's participation in LAGERS was 69% funded. The actuarial accrued liability for benefits was \$28,158,299 and the actuarial value of assets was \$19,327,687, resulting in an unfunded actuarial accrued liability (UAAL) of \$8,830,612. The covered payroll was \$10,860,584, and the ratio of the UAAL to the covered payroll was 81%.

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:	
Capital Sales Tax Fund	\$ 953,920
Fire Sales Tax	1,906,893
Water Capital	49,925
Wastewater Capital	66,962
WWTP	<u>63,286,746</u>
	<u>\$ 66,264,446</u>

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, 2014, significant amounts of grant expenditures have not been audited by grantor governments, but the City believes that disallowed expenditures, if any, based on subsequent audits will not have a material effect on any of the individual government funds or the overall financial position of the City.

9. Risk Management

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

CITY OF LIBERTY, MISSOURI

Notes To Basic Financial Statements (*Continued*)

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

The City is self-insured for unemployment claims and accounts for the activity in the General Fund with the liability reported as part of accounts payable and accrued liabilities. Changes in the City's unemployment claims liability amounts in 2014 and 2013 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>
2014	\$ 30,000	\$ 1	\$ 107	\$ 29,894
2013	30,000	7,496	7,496	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's share of any premium cost is determined on the basis of a blended rate or implicit rate subsidy calculation. A stand-alone financial report is not available regarding the OPEB benefits provided.

CITY OF LIBERTY, MISSOURI

Notes To Basic Financial Statements (Continued)

Funding Policy

The City does not pay retiree benefits directly; they are paid implicitly over time through employer subsidization of active premiums that would be lower if retirees were not part of the experience group. As of December 31, 2014, the City has not set aside assets in trust to pay future benefits and has not established a plan or equivalent arrangement that contains an irrevocable transfer of assets dedicated to providing benefits to retirees. Since no trust fund has been established for funding the OPEB obligation related to the implicit rate subsidy, the entire OPEB obligation is classified as unfunded. A schedule of funding progress is included as required supplementary information.

Annual OPEB Costs And Net OPEB Obligation

The City's annual OPEB cost and net OPEB obligation for the years ended December 31, 2014, 2013 and 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
2014	\$ 308,053	\$ 86,874	\$ 13,862	\$ 18,098	\$ 82,638	\$ 12,000	\$ 378,691
2013	247,324	80,685	12,366	15,322	77,729	17,000	308,053
2012	177,800	80,685	9,040	11,201	78,524	9,000	247,324

For The Year Ended December 31,	Annual OPEB Cost	Percentage Of Annual OPEB Cost Contributed	Net OPEB Obligation
2014	\$ 82,638	15%	\$ 378,691
2013	77,729	22%	308,053
2012	78,524	11%	247,324

As of December 31, 2014, the funded status of the plan is as follows:

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

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

Actuarial Methods And Assumptions

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

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

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

11. Fund Balance Deficits

As December 31, 2014, the PFA Construction Fund had a fund deficit of \$29,026 that will be resolved in future years by transfers from the Public Facilities Authority Debt Services Fund and the Tax Abatement Fund had a fund deficit of \$8,714 that will be resolved in future years by General Fund reserves.

Required Supplementary Information

CITY OF LIBERTY, MISSOURI

**REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL - GENERAL FUND
For The Year Ended December 31, 2014**

	Budget Final	Actual	Variance With Final Budget (Over) Under
Revenues			
Taxes	\$ 13,077,070	\$ 13,396,579	\$ (319,509)
Intergovernmental	348,020	356,619	(8,599)
Charges for services	1,911,600	1,812,058	99,542
Licenses and permits	362,400	394,857	(32,457)
Investment earnings	30,700	13,655	17,045
Miscellaneous	493,020	549,720	(56,700)
Total Revenues	16,222,810	16,523,488	(300,678)
Expenditures			
Current:			
General government	4,113,036	3,680,402	432,634
Community development and improvement	753,820	766,968	(13,148)
Public works	2,356,570	2,312,630	43,940
Culture and recreation	291,060	311,674	(20,614)
Public safety	10,385,762	10,452,390	(66,628)
Debt service:			
Principal retirement	268,750	225,866	42,884
Interest and fiscal charges	49,270	44,734	4,536
Bond issuance costs	—	680	(680)
Total Expenditures	18,218,268	17,795,344	422,924
Revenues Under Expenditures	(1,995,458)	(1,271,856)	(723,602)
Other Financing Sources			
Capital lease	135,000	135,000	—
Transfers in	826,800	866,800	(40,000)
Transfers out	(47,750)	(47,750)	—
Total Other Financing Sources (Uses)	914,050	954,050	(40,000)
Net Change In Fund Balances	\$ (1,081,408)	(317,806)	\$ (763,602)
Fund Balances - Beginning Of Year		4,496,203	
Fund Balances - End Of Year		\$ 4,178,397	

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, 2014

	Budget Final	Actual	Variance With Final Budget (Over) Under
Revenues			
Taxes	\$ 721,500	\$ 783,178	\$ (61,678)
Intergovernmental	10,000	10,000	—
Charges for services	2,494,100	2,346,377	147,723
Investment earnings	—	4,710	(4,710)
Miscellaneous	13,900	51,950	(38,050)
Total Revenues	3,239,500	3,196,215	43,285
Expenditures			
Current:			
Culture and recreation	3,589,695	3,478,626	111,069
Debt service:			
Principal retirement	—	19,334	(19,334)
Interest and fiscal charges	—	489	(489)
Bond issuance costs	—	609	(609)
Total Expenditures	3,589,695	3,499,058	90,637
Revenues Under Expenditures	(350,195)	(302,843)	(47,352)
Other Financing Sources (Uses)			
Capital lease	—	121,000	(121,000)
Transfers in	397,930	406,287	(8,357)
Transfers out	(79,000)	(79,000)	—
Total Other Financing Sources (Uses)	318,930	448,287	(129,357)
Net Change In Fund Balances	\$ (31,265)	145,444	\$ (176,709)
Fund Balances - Beginning Of Year		454,016	
Fund Balances - End Of Year		\$ 599,460	

CITY OF LIBERTY, MISSOURI

REQUIRED SUPPLEMENTARY INFORMATION NOTES TO BUDGETARY COMPARISON INFORMATION December 31, 2014

1. Budgetary Data

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

2. Exceptions To Budgetary Laws And Regulations

Expenditures exceeded appropriations in the Parks Capital Fund and Limited Capital Fund by \$211,702 and 248,796, respectively.

CITY OF LIBERTY, MISSOURI

ADDITIONAL REQUIRED SUPPLEMENTARY INFORMATION

December 31, 2014

LAGERS

Schedule Of Funding Progress

Actuarial Valuation Date	Actuarial Value Of Assets (a)	Entry Age Actuarial Accrued Liability (b)	(Overfunded)/ Unfunded Accrued Liability (UAL) (b-a)	Funded Ratio (a/b)	Annual Covered Payroll (c)	UAL As A Percentage Of Covered Payroll [(b-a)/c]
February 29, 2012	\$ 15,664,463	\$ 18,916,118	\$ 3,251,655	83%	\$ 10,117,461	32%
February 28, 2013	17,589,022	26,688,233	9,099,211	66%	10,404,302	87%
February 28, 2014	19,327,687	28,158,299	8,830,612	69%	10,860,584	81%

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

Year End	Annual Required Contribution (ARC) (a)	Total Contribution (b)	Percentage Of ARC Contributed (b/a)
December 31, 2012	\$ 995,661	\$ 901,073	90.5%
December 31, 2013	1,221,961	1,182,858	96.8%
December 31, 2014	1,443,010	1,430,023	99.1%

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)* December 31, 2014

Other Post Employment Benefits

Schedule Of Funding Progress

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

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

Supplementary Information

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

CITY OF LIBERTY, MISSOURI

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
December 31, 2014

	Special Revenue	Capital Projects	Debt Service	Permanent	Total
Assets					
Cash and investments	\$ 111,317	\$ 43,401	\$ —	\$ 424,658	\$ 579,376
Receivables, net of allowance for uncollectibles:					
Taxes	—	165,055	—	—	165,055
Accounts	1,797	4,000	—	2,835	8,632
Accrued interest	276	1,035	—	998	2,309
Due from other funds	931	—	—	—	931
Restricted assets:					
Investments	—	440,439	—	—	440,439
Accrued interest	—	126	—	—	126
Total Assets	\$ 114,321	\$ 654,056	\$ —	\$ 428,491	\$ 1,196,868
Liabilities					
Accounts payable and accrued liabilities	\$ 3,273	\$ 4,112	\$ —	\$ —	\$ 7,385
Due to other funds	8,714	29,026	—	998	38,738
Total Liabilities	11,987	33,138	—	998	46,123
Fund Balances					
Nonspendable:					
Permanent fund principal	—	—	—	427,493	427,493
Restricted for:					
Parks and recreation	—	606,442	—	—	606,442
Cemetery	89,551	—	—	—	89,551
Law enforcement	21,497	—	—	—	21,497
Other purposes	—	43,502	—	—	43,502
Unassigned	(8,714)	(29,026)	—	—	(37,740)
Total Fund Balances	102,334	620,918	—	427,493	1,150,745
Total Liabilities, Deferred Inflow Of Resources And Fund Balances	\$ 114,321	\$ 654,056	\$ —	\$ 428,491	\$ 1,196,868

CITY OF LIBERTY, MISSOURI

**COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
December 31, 2014**

	Cemetery	Police Training	Tax Abatement	Total
Assets				
Cash and investments	\$ 89,530	\$ 21,787	\$ —	\$ 111,317
Receivables, net of allowance for uncollectibles:				
Accounts	1,797	—	—	1,797
Accrued interest	218	58	—	276
Due from other funds	931	—	—	931
Total Assets	\$ 92,476	\$ 21,845	\$ —	\$ 114,321
Liabilities				
Accounts payable and accrued liabilities	\$ 2,925	\$ 348	\$ —	\$ 3,273
Due to other funds	—	—	8,714	8,714
Total Liabilities	2,925	348	8,714	11,987
Fund Balances				
Reserved for:				
Restricted for:				
Community development and improvement	—	—	—	—
Cemetery	89,551	—	—	89,551
Law enforcement	—	21,497	—	21,497
Unassigned	—	—	(8,714)	(8,714)
Total Fund Balances	89,551	21,497	(8,714)	102,334
Total Liabilities And Fund Balances	\$ 92,476	\$ 21,845	\$ —	\$ 114,321

CITY OF LIBERTY, MISSOURI

**COMBINING BALANCE SHEET
NONMAJOR CAPITAL PROJECTS FUNDS
December 31, 2014**

	Parks Capital	PFA Constru- ction	Cable Reserve	Limited Capital	Total
Assets					
Cash and investments	\$ —	\$ —	\$ 43,401	\$ —	\$ 43,401
Receivables, net of allowance for uncollectibles:					
Taxes	165,055	—	—	—	165,055
Accounts	—	—	—	4,000	4,000
Accrued interest	921	—	114	—	1,035
Investments	440,439	—	—	—	440,439
Accrued interest	126	—	—	—	126
Total Assets	\$ 606,541	\$ —	\$ 43,515	\$ 4,000	\$ 654,056
Liabilities					
Accounts payable and accrued liabilities	\$ 99	\$ —	\$ 13	\$ 4,000	\$ 4,112
Due to other funds	—	29,026	—	—	29,026
Total Liabilities	99	29,026	13	4,000	33,138
Fund Balances					
Restricted for:					
Parks and recreation	606,442	—	—	—	606,442
Other purposes	—	—	43,502	—	43,502
Unassigned	—	(29,026)	—	—	(29,026)
Total Fund Balances	606,442	(29,026)	43,502	—	620,918
Total Liabilities And Fund Balances	\$ 606,541	\$ —	\$ 43,515	\$ 4,000	\$ 654,056

CITY OF LIBERTY, MISSOURI

**COMBINING BALANCE SHEET
NONMAJOR DEBT SERVICE FUNDS
December 31, 2014**

	Special Assessment Neighborhood Improvement	Public Facilities Authority	Total
Assets			
Cash and investments	\$ —	\$ —	\$ —
Liabilities			
Accounts payable and accrued liabilities	\$ —	\$ —	\$ —
Deferred Inflow Of Resources			
Property and special assessment taxes	—	—	—
Fund Balances			
Restricted for:			
Debt service	—	—	—
Total Liabilities, Deferred Inflow Of Resources And Fund Balances	\$ —	\$ —	\$ —

CITY OF LIBERTY, MISSOURI

**COMBINING BALANCE SHEET
NONMAJOR PERMANENT FUNDS
December 31, 2014**

	Frank Hughes Memorial Trust	Mt. Memorial Cemetery Trust	Fairview Cemetery Trust	Total
Assets				
Cash and investments	\$ 30,000	\$ 33,755	\$ 360,903	\$ 424,658
Receivables, net of allowance for uncollectibles:				
Accounts	—	—	2,835	2,835
Accrued interest	67	78	853	998
Total Assets	\$ 30,067	\$ 33,833	\$ 364,591	\$ 428,491
Liabilities				
Due to other funds	\$ 67	\$ 78	\$ 853	\$ 998
Fund Balances				
Nonspendable:				
Permanent fund principal	30,000	33,755	363,738	427,493
Total Liabilities And Fund Balances	\$ 30,067	\$ 33,833	\$ 364,591	\$ 428,491

CITY OF LIBERTY, MISSOURI

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS
For The Year Ended December 31, 2014**

	Special Revenue	Capital Projects	Debt Service	Permanent	Total
Revenues					
Taxes	\$ —	\$ 915,084	\$ —	\$ —	\$ 915,084
Intergovernmental	—	367,650	—	—	367,650
Charges for services	51,963	—	—	—	51,963
Investment earnings	468	1,880	31	1,685	4,064
Miscellaneous	—	15,016	45,479	3,975	64,470
Total Revenues	52,431	1,299,630	45,510	5,660	1,403,231
Expenditures					
Current:					
General government	—	12,483	—	16	12,499
Community development and improvement	8,714	363,906	—	—	372,620
Culture and recreation	—	29,918	16	—	29,934
Cemetery maintenance	37,175	—	—	—	37,175
Public safety	20,211	—	—	—	20,211
Capital outlay	—	132,872	—	—	132,872
Debt service:					
Principal retirement	—	158,000	40,000	—	198,000
Interest and fiscal charges	—	23,313	1,165	—	24,478
Bond issuance costs	—	99	—	—	99
Total Expenditures	66,100	720,591	41,181	16	827,888
Revenues Over (Under) Expenditures	(13,669)	579,039	4,329	5,644	575,343
Other Financing Sources (Uses)					
Payments to refunding escrow agent	—	—	(1,073,780)	—	(1,073,780)
Transfers in	49,305	10,000	—	—	59,305
Transfers out	(47,750)	(358,423)	—	(1,669)	(407,842)
Total Other Financing Sources (Uses)	1,555	(348,423)	(1,073,780)	(1,669)	(1,422,317)
Net Change In Fund Balances	(12,114)	230,616	(1,069,451)	3,975	(846,974)
Fund Balances - Beginning Of Year	114,448	390,302	1,069,451	423,518	1,997,719
Fund Balances - End Of Year	\$ 102,334	\$ 620,918	\$ —	\$ 427,493	\$ 1,150,745

CITY OF LIBERTY, MISSOURI

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - NONMAJOR SPECIAL REVENUE FUNDS
For The Year Ended December 31, 2014**

	Cemetery	Police Training	Tax Abatement	Total
Revenues				
Charges for services	\$ 35,881	\$ 16,082	\$ —	\$ 51,963
Investment earnings	373	95	—	468
Total Revenues	36,254	16,177	—	52,431
Expenditures				
Current:				
Community development and improvement	—	—	8,714	8,714
Cemetery maintenance	37,175	—	—	37,175
Public safety	—	20,211	—	20,211
Total Expenditures	37,175	20,211	8,714	66,100
Revenues Over Expenditures	(921)	(4,034)	(8,714)	(13,669)
Other Financing Sources (Uses)				
Transfers in	49,305	—	—	49,305
Transfers out	(47,750)	—	—	(47,750)
Total Other Financing Sources (Uses)	1,555	—	—	1,555
Net Change In Fund Balances	634	(4,034)	(8,714)	(12,114)
Fund Balances - Beginning Of Year	88,917	25,531	—	114,448
Fund Balances - End Of Year	\$ 89,551	\$ 21,497	\$ (8,714)	\$ 102,334

CITY OF LIBERTY, MISSOURI

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - NONMAJOR CAPITAL PROJECTS FUNDS
For The Year Ended December 31, 2014**

	Parks Capital	PFA Constru- ction	Cable Reserve	Limited Capital	Total
Revenues					
Taxes	\$ 915,084	\$ —	\$ —	\$ —	\$ 915,084
Intergovernmental	3,744	—	—	363,906	367,650
Investment earnings	1,685	—	195	—	1,880
Miscellaneous	15,016	—	—	—	15,016
Total Revenues	935,529	—	195	363,906	1,299,630
Expenditures					
Current:					
General government	—	—	12,483	—	12,483
Community development and improvement	—	—	—	363,906	363,906
Culture and recreation	29,918	—	—	—	29,918
Capital outlay	132,872	—	—	—	132,872
Debt service:					
Principal retirement	158,000	—	—	—	158,000
Interest and fiscal charges	23,313	—	—	—	23,313
Bond issuance costs	99	—	—	—	99
Total Expenditures	344,202	—	12,483	363,906	720,591
Revenues Over (Under) Expenditures	591,327	—	(12,288)	—	579,039
Other Financing Sources (Uses)					
Transfers in	—	10,000	—	—	10,000
Transfers out	(358,423)	—	—	—	(358,423)
Total Other Financing Sources (Uses)	(358,423)	10,000	—	—	(348,423)
Net Change In Fund Balances	232,904	10,000	(12,288)	—	230,616
Fund Balances - Beginning Of Year	373,538	(39,026)	55,790	—	390,302
Fund Balances - End Of Year	\$ 606,442	\$ (29,026)	\$43,502	\$ —	\$ 620,918

CITY OF LIBERTY, MISSOURI

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - NONMAJOR DEBT SERVICE FUNDS For The Year Ended December 31, 2014

	Special Assessment Neighborhood Improvement	Public Facilities Authority	Total
Revenues			
Investment earnings	\$ 23	\$ 8	\$ 31
Miscellaneous	45,479	—	45,479
Total Revenues	45,502	8	45,510
Expenditures			
Current:			
Culture and recreation	—	16	16
Debt service:			
Principal retirement	40,000	—	40,000
Interest and fiscal charges	1,165	—	1,165
Total Expenditures	41,165	16	41,181
Revenues Over (Under) Expenditures	4,337	(8)	4,329
Other Financing Sources (Uses)			
Payments to refunding escrow agent	—	(1,073,780)	(1,073,780)
Net Change In Fund Balances	4,337	(1,073,788)	(1,069,451)
Fund Balances - Beginning Of Year	(4,337)	1,073,788	1,069,451
Fund Balances - End Of Year	\$ —	\$ —	\$ —

CITY OF LIBERTY, MISSOURI

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - NONMAJOR PERMANENT FUNDS For The Year Ended December 31, 2014

	Frank Hughes Memorial Trust	Mt. Memorial Cemetery Trust	Fairview Cemetery Trust	Total
Revenues				
Investment earnings	\$ 130	\$ 132	\$ 1,423	\$ 1,685
Miscellaneous	—	—	3,975	3,975
Total Revenues	130	132	5,398	5,660
Expenditures				
Current:				
General government	16	—	—	16
Revenues Over Expenditures	114	132	5,398	5,644
Other Financing Uses				
Transfers out	(114)	(132)	(1,423)	(1,669)
Net Change In Fund Balances	—	—	3,975	3,975
Fund Balances - Beginning Of Year	30,000	33,755	359,763	423,518
Fund Balances - End Of Year	\$ 30,000	\$ 33,755	\$ 363,738	\$ 427,493

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, 2014

	Final Budget	Actual	Variance With Final Budget - (Over) Under
Revenues			
Taxes	\$ 1,655,000	\$ 1,824,317	\$ (169,317)
Intergovernmental	358,950	693,862	(334,912)
Investment earnings	15,000	35,479	(20,479)
Miscellaneous	—	25,630	(25,630)
Total Revenues	2,028,950	2,579,288	(550,338)
Expenditures			
Current:			
Public works	1,625,648	1,131,848	493,800
Capital outlay	5,199,095	3,313,061	1,886,034
Debt service:			
Principal retirement	371,130	371,376	(246)
Interest and fiscal charges	251,470	224,158	27,312
Total Expenditures	7,447,343	5,040,443	2,406,900
Revenues Under Expenditures	(5,418,393)	(2,461,155)	(2,957,238)
Net Change In Fund Balances	\$ (5,418,393)	(2,461,155)	\$ (2,957,238)
Fund Balance - Beginning Of Year		10,260,396	
Fund Balance - End Of Year		\$ 7,799,241	

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, 2014**

	Final Budget	Actual	Variance With Final Budget - (Over) Under
Revenues			
Taxes	\$ 1,715,000	\$ 1,854,070	\$ (139,070)
Investment earnings	—	4,369	(4,369)
Miscellaneous	—	626	(626)
Total Revenues	1,715,000	1,859,065	(144,065)
Expenditures			
Current:			
Community development and improvement	41,000	41,000	—
Capital outlay	4,200,000	4,200,000	—
Debt service:			
Principal retirement	1,470,000	1,470,000	—
Interest and fiscal charges	254,400	220,610	33,790
Total Expenditures	6,085,400	5,946,769	138,631
Revenues Under Expenditures	(4,370,400)	(4,087,704)	(282,696)
Other Financing Sources (Uses)			
Transfers out	(512,800)	(512,800)	—
Net Change In Fund Balances	\$ (4,883,200)	(4,600,504)	\$ (282,696)
Fund Balance - Beginning Of Year		5,663,166	
Fund Balance - End Of Year		\$ 1,062,662	

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, 2014

	Final Budget	Actual	Variance With Final Budget - (Over) Under
Revenues			
Taxes	\$ 3,964,670	\$ 4,073,199	\$ (108,529)
Investment earnings	430	432	(2)
Miscellaneous	(8,660)	7,119	(15,779)
Total Revenues	3,956,440	4,080,750	(124,310)
Expenditures			
Current:			
General government	1,920	11,432	(9,512)
Community development and improvement	1,855,810	1,848,482	7,328
Public works	96,380	80,352	16,028
Debt service:			
Principal retirement	1,040,000	1,040,000	—
Interest and fiscal charges	1,093,150	1,083,054	10,096
Total Expenditures	4,087,260	4,063,320	23,940
Net Change In Fund Balances	\$ (130,820)	17,430	\$ (148,250)
Fund Balance - Beginning Of Year		5,002,339	
Fund Balance - End Of Year		\$ 5,019,769	

CITY OF LIBERTY, MISSOURI

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL - CEMETERY FUND
For The Year Ended December 31, 2014**

	Final Budget	Actual	Variance With Final Budget - (Over) Under
Revenues			
Charges for services	\$ 39,800	\$ 35,881	\$ 3,919
Investment earnings	250	373	(123)
Total Revenues	40,050	36,254	3,796
Expenditures			
Current:			
Cemetery maintenance	41,800	37,175	4,625
Total Expenditures	41,800	37,175	4,625
Revenues Under Expenditures	(1,750)	(921)	(829)
Other Financing Sources (Uses)			
Transfers in	49,180	49,305	(125)
Transfers out	(47,750)	(47,750)	—
Total Other Financing Sources (Uses)	1,430	1,555	(125)
Net Change In Fund Balances	\$ (320)	634	\$ (954)
Fund Balance - Beginning Of Year		88,917	
Fund Balance - End Of Year		\$ 89,551	

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, 2014**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget - (Over) Under</u>
Revenues			
Charges for services	\$ 18,500	\$ 16,082	\$ 2,418
Investment earnings	200	95	105
Total Revenues	<u>18,700</u>	<u>16,177</u>	<u>2,523</u>
Expenditures			
Current:			
Public safety	30,000	20,211	9,789
Net Change In Fund Balances	<u>\$ (11,300)</u>	<u>(4,034)</u>	<u>\$ (7,266)</u>
Fund Balance - Beginning Of Year		<u>25,531</u>	
Fund Balance - End Of Year		<u>\$ 21,497</u>	

CITY OF LIBERTY, MISSOURI

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - PARKS CAPITAL FUND For The Year Ended December 31, 2014

	Final Budget	Actual	Variance With Final Budget - (Over) Under
Revenues			
Taxes	\$ 827,510	\$ 915,084	\$ (87,574)
Intergovernmental	—	3,744	(3,744)
Investment earnings	500	1,685	(1,185)
Miscellaneous	15,000	15,016	(16)
Total Revenues	843,010	935,529	(92,519)
Expenditures			
Current:			
Culture and recreation	120,000	29,918	90,082
Capital outlay	99,500	132,872	(33,372)
Debt service:			
Principal retirement	—	158,000	(158,000)
Interest and fiscal charges	—	23,313	(23,313)
Bond issuance costs	—	99	(99)
Total Expenditures	219,500	344,202	(124,702)
Revenues Over Expenditures	623,510	591,327	32,183
Other Financing Sources (Uses)			
Transfers out	(644,380)	(358,423)	285,957
Net Change In Fund Balances	\$ (20,870)	232,904	\$ (253,774)
Fund Balance - Beginning Of Year		373,538	
Fund Balance - End Of Year		\$ 606,442	

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, 2014**

	Final Budget	Actual	Variance With Final Budget - (Over) Under
Revenues			
Taxes	\$ 827,510	\$ 912,079	\$ (84,569)
Investment earnings	105,500	9,334	96,166
Miscellaneous	30,000	30,000	—
Total Revenues	963,010	951,413	11,597
Expenditures			
Current:			
Public safety	1,869,080	52,433	1,816,647
Debt service:			
Principal retirement	215,640	215,563	77
Interest and fiscal charges	34,200	23,454	10,746
Bond issuance costs	—	12,723	(12,723)
Total Expenditures	2,118,920	304,173	1,814,747
Revenues Over (Under) Expenditures	(1,155,910)	647,240	(1,803,150)
Other Financing Sources (Uses)			
Issuance of long-term debt	2,524,000	2,524,000	—
Transfers out	(285,000)	(285,000)	—
Total Other Financing Sources (Uses)	2,239,000	2,239,000	—
Net Change In Fund Balances	\$ 1,083,090	2,886,240	\$ (1,803,150)
Fund Balance - Beginning Of Year		622,555	
Fund Balance - End Of Year		\$ 3,508,795	

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, 2014**

	Final Budget	Actual	Variance With Final Budget - (Over) Under
Revenues			
Investment earnings	\$ (350)	\$ 195	\$ (545)
Expenditures			
Current:			
General government	14,060	12,483	1,577
Net Change In Fund Balances	<u>\$ (14,410)</u>	<u>(12,288)</u>	<u>\$ (2,122)</u>
Fund Balance - Beginning Of Year		<u>55,790</u>	
Fund Balance - End Of Year		<u>\$ 43,502</u>	

CITY OF LIBERTY, MISSOURI

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL - LIMITED CAPITAL FUND
For The Year Ended December 31, 2014**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget - (Over) Under</u>
Revenues			
Intergovernmental	\$ 384,990	\$ 363,906	\$ 21,084
Expenditures			
Current:			
Community development and improvement	115,110	363,906	(248,796)
Net Change In Fund Balances	<u>\$ 269,880</u>	—	<u>\$ 269,880</u>
Fund Balance - Beginning Of Year		<u>—</u>	
Fund Balance - End Of Year		<u>\$ —</u>	

CITY OF LIBERTY, MISSOURI

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL - SPECIAL ASSESSMENT
NEIGHBORHOOD IMPROVEMENT FUND
For The Year Ended December 31, 2014**

	Final Budget	Actual	Variance With Final Budget - (Over) Under
Revenues			
Investment earnings	\$ —	\$ 23	\$ (23)
Miscellaneous	220	45,479	(45,259)
Total Revenues	220	45,502	(45,282)
Expenditures			
Debt service:			
Principal retirement	40,000	40,000	—
Interest and fiscal charges	1,400	1,165	235
Total Expenditures	41,400	41,165	235
Net Change In Fund Balances	\$ (41,180)	4,337	\$ (45,517)
Fund Balance - Beginning Of Year		(4,337)	
Fund Balance - End Of Year		\$ —	

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, 2014**

	Final Budget	Actual	Variance With Final Budget - (Over) Under
Revenues			
Investment earnings	\$ 30	\$ 8	\$ 22
Expenditures			
Current:			
Culture and recreation	—	16	(16)
Debt service:			
Interest and fiscal charges	47,330	—	47,330
Total Expenditures	47,330	16	47,314
Revenues Under Expenditures	(47,300)	(8)	(47,292)
Other Financing Sources (Uses)			
Payments to refunding escrow agent	(1,060,000)	(1,073,780)	13,780
Net Change In Fund Balances	\$ (1,107,300)	(1,073,788)	\$ (33,512)
Fund Balance - Beginning Of Year		1,073,788	
Fund Balance - End Of Year		\$ —	

CITY OF LIBERTY, MISSOURI

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL -
FRANK HUGHES MEMORIAL TRUST FUND
For The Year Ended December 31, 2014**

	Final Budget	Actual	Variance With Final Budget - (Over) Under
Revenues			
Investment earnings	\$ 130	\$ 130	\$ —
Expenditures			
Current:			
General government	16	16	—
Revenues Over Expenditures	114	114	—
Other Financing Uses			
Transfers out	(114)	(114)	—
Net Change In Fund Balances	<u>\$ —</u>	<u>—</u>	<u>\$ —</u>
Fund Balance - Beginning Of Year		<u>30,000</u>	
Fund Balance - End Of Year		<u>\$ 30,000</u>	

CITY OF LIBERTY, MISSOURI

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL -
MT. MEMORIAL CEMETERY TRUST FUND
For The Year Ended December 31, 2014**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget - (Over) Under</u>
Revenues			
Investment earnings	\$ 130	\$ 132	\$ (2)
Other Financing Uses			
Transfers out	(130)	(132)	(2)
Net Change In Fund Balances	<u>\$ —</u>	<u>—</u>	<u>\$ —</u>
Fund Balance - Beginning Of Year		<u>33,755</u>	
Fund Balance - End Of Year		<u>\$ 33,755</u>	

CITY OF LIBERTY, MISSOURI

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL -
FAIRVIEW CEMETERY TRUST FUND
For The Year Ended December 31, 2014**

	Final Budget	Actual	Variance With Final Budget - (Over) Under
Revenues			
Investment earnings	\$ 1,300	\$ 1,423	\$ (123)
Miscellaneous	—	3,975	(3,975)
Total Revenues	1,300	5,398	(4,098)
Other Financing Uses			
Transfers out	(1,300)	(1,423)	(123)
Net Change In Fund Balances	<u>\$ —</u>	3,975	<u>\$ (3,975)</u>
Fund Balance - Beginning Of Year		<u>359,763</u>	
Fund Balance - End Of Year		<u>\$ 363,738</u>	

CITY OF LIBERTY, MISSOURI

STATEMENT OF CHANGES IN ASSETS AND LIABILITIES AGENCY FUNDS

Page 1 Of 2

For The Year Ended December 31, 2014

	Balance January 1, 2014	Additions	Deductions	Balance December 31, 2014
Tax Escrow Fund				
Assets				
Cash and cash equivalents	\$ 5,602	\$ —	\$ 1,796	\$ 3,806
Liabilities				
Protested taxes	\$ 4,113	\$ —	\$ 307	\$ 3,806
Due to other entities	1,489	—	1,489	—
Total Liabilities	\$ 5,602	\$ —	\$ 1,796	\$ 3,806
Preservation And Development Fund				
Assets				
Cash and cash equivalents	\$ 35,467	\$ 447	\$ —	\$ 35,914
Accrued interest	39	44	—	83
Total Assets	\$ 35,506	\$ 491	\$ —	\$ 35,997
Liabilities				
Due to other entities	\$ 35,506	\$ 491	\$ —	\$ 35,997
Triangle CID Sales Tax Fund				
Assets				
Cash and cash equivalents	\$ 39,107	\$ 10,676	\$ —	\$ 49,783
Liabilities				
Due to other entities	\$ 39,107	\$ 10,676	\$ —	\$ 49,783
Total				
Assets				
Cash and cash equivalents	\$ 80,176	\$ 11,123	\$ 1,796	\$ 89,503
Accrued interest	39	44	—	83
Total Assets	\$ 80,215	\$ 11,167	\$ 1,796	\$ 89,586
Liabilities				
Protested taxes	\$ 4,113	\$ —	\$ 307	\$ 3,806
Due to other entities	76,102	11,167	1,489	85,780
Total Liabilities	\$ 80,215	\$ 11,167	\$ 1,796	\$ 89,586

CITY OF LIBERTY, MISSOURI

STATEMENT OF CHANGES IN ASSETS AND LIABILITIES AGENCY FUNDS

Page 2 Of 2

For The Year Ended December 31, 2014

	Balance January 1, 2014	Additions	Deductions	Balance December 31, 2014
Roger's Plaza CID				
Assets				
Cash and cash equivalents	\$ 25,000	\$ 32,500	\$ —	\$ 57,500
Liabilities				
Due to other entities	\$ 25,000	\$ 32,500	\$ —	\$ 57,500
Blue Jay Crossing CID				
Assets				
Cash and cash equivalents	\$ (902)	\$ —	\$ 420	\$ (1,322)
Liabilities				
Due to other entities	\$ (902)	\$ —	\$ 420	\$ (1,322)
Liberty Corners CID				
Assets				
Cash and cash equivalents	\$ 47,534	\$ —	\$ 10,595	\$ 36,939
Liabilities				
Due to other entities	\$ 47,534	\$ —	\$ 10,595	\$ 36,939
Total				
Assets				
Cash and cash equivalents	\$ 151,808	\$ 43,623	\$ 12,811	\$ 182,620
Accrued interest	39	44	—	83
Total Assets	\$ 151,847	\$ 43,667	\$ 12,811	\$ 182,703
Liabilities				
Protested taxes	\$ 4,113	\$ —	\$ 307	\$ 3,806
Due to other entities	147,734	43,667	12,504	178,897
Total Liabilities	\$ 151,847	\$ 43,667	\$ 12,811	\$ 182,703

Statistical Section

CITY OF LIBERTY, MISSOURI
Statistical Section
December 31, 2014

This part of the City of Liberty, Missouri's (the City), comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City's overall financial health.

Contents

	Page
Financial Trends	
These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	92 - 98
Revenue Capacity	
These schedules contain information to help the reader assess the City's most significant local revenue sources, property and sales tax.	99 - 103
Debt Capacity	
These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.	104 - 106
Demographic And Economic Information	
These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.	107 - 109
Operating Information	
These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.....	110 - 115

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

CITY OF LIBERTY, MISSOURI
NET POSITION BY COMPONENT

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Governmental activities:										
Invested in capital assets, net of related debt	\$ 25,727,620	\$ 30,606,456	\$ 32,693,499	\$ 36,347,646	\$ 37,716,660	\$ 39,600,922	\$ 41,136,051	\$ 37,403,710	\$ 31,343,975	\$ 37,647,696
Restricted	13,205,216	11,099,463	11,341,861	7,603,657	6,603,720	6,656,505	9,889,748	16,637,160	23,958,702	19,130,085
Unrestricted	2,176,847	1,049,219	1,415,824	(11,826,072)	(8,929,008)	(14,926,994)	(17,509,228)	(17,477,207)	(17,212,971)	(16,846,594)
Total Governmental Activities Net Position	\$ 41,109,683	\$ 42,755,138	\$ 45,451,184	\$ 32,125,231	\$ 35,391,372	\$ 31,330,433	\$ 33,516,571	\$ 36,563,663	\$ 38,089,706	\$ 39,931,187
Business-type activities:										
Invested in capital assets, net of related debt	\$ 33,208,056	\$ 36,632,860	\$ 38,090,982	\$ 39,218,958	\$ 39,436,429	\$ 39,560,719	\$ 41,314,470	\$ 42,053,574	\$ 43,833,948	\$ 47,132,623
Restricted	2,341,553	2,601,005	2,699,150	6,854,108	6,511,688	6,372,833	4,998,064	4,832,099	4,665,531	4,493,055
Unrestricted	6,053,855	4,142,409	2,552,583	(3,184,583)	(2,072,707)	(1,052,848)	(817,529)	707,214	1,215,871	(920,479)
Total Business-Type Activities Net Position	\$ 41,603,464	\$ 43,376,274	\$ 43,342,715	\$ 42,888,483	\$ 43,875,410	\$ 44,880,704	\$ 45,495,005	\$ 47,592,887	\$ 49,715,350	\$ 50,705,199
Primary government:										
Invested in capital assets, net of related debt	\$ 58,935,676	\$ 67,239,316	\$ 70,784,481	\$ 75,566,604	\$ 77,153,089	\$ 79,161,641	\$ 82,450,521	\$ 79,457,284	\$ 75,177,923	\$ 84,780,319
Restricted	15,546,769	13,700,468	14,041,011	14,457,765	13,115,408	13,029,338	14,887,812	21,469,259	28,624,233	23,623,140
Unrestricted	8,230,702	5,191,628	3,968,407	(15,010,655)	(11,001,715)	(15,979,842)	(18,326,757)	(16,769,993)	(15,997,100)	(17,767,073)
Total Primary Government Net Position	\$ 82,713,147	\$ 86,131,412	\$ 88,793,899	\$ 75,013,714	\$ 79,266,782	\$ 76,211,137	\$ 79,011,576	\$ 84,156,550	\$ 87,805,056	\$ 90,636,386

GASB Statement No. 34 Implemented in Fiscal Year 2004

CITY OF LIBERTY, MISSOURI

CHANGES IN NET POSITION

Page 1 Of 2

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Expenses:										
Governmental activities:										
General government	\$ 2,025,212	\$ 2,470,105	\$ 2,307,516	\$ 3,316,763	\$ 3,315,775	\$ 4,098,088	\$ 4,488,682	\$ 5,578,298	\$ 4,409,570	\$ 4,070,808
Community development and improvement	809,519	1,128,375	1,100,673	2,057,328	1,335,337	6,213,788	1,963,294	3,077,802	2,440,676	3,035,596
Public works	3,735,164	4,905,388	3,559,623	5,807,510	3,541,594	6,381,711	2,434,200	2,234,374	3,374,941	4,145,087
Culture and recreation	5,072,303	5,245,366	5,700,504	5,872,958	6,584,138	5,846,413	5,256,583	5,301,867	5,230,004	4,653,376
Cemetery maintenance	43,787	38,527	35,903	37,104	40,370	31,920	71,061	45,600	43,454	37,175
Public safety	7,880,751	8,380,805	8,698,281	9,688,707	8,654,817	8,755,802	9,039,729	9,331,920	10,569,376	11,173,782
Interest on long-term debt	1,293,272	1,366,984	1,345,901	1,642,311	1,535,865	1,755,580	1,565,218	1,924,369	1,790,466	1,636,145
Total Governmental Activities Expenses	20,860,008	23,535,550	22,748,401	28,422,681	25,007,896	33,083,302	24,818,767	27,494,230	27,858,487	28,751,969
Business-type activities:										
Water	3,486,029	3,506,383	4,173,039	4,057,237	3,887,962	4,084,298	4,230,222	4,683,122	4,647,033	4,804,585
Sewer	4,139,694	4,218,863	5,138,788	5,328,147	5,314,243	5,530,579	5,788,305	6,019,808	6,362,039	6,764,802
Sanitation	1,160,099	1,221,536	1,299,474	1,363,000	1,437,803	1,240,494	1,296,758	1,346,538	1,404,386	1,465,455
Total Business-Type Activities Expenses	8,785,822	8,946,782	10,611,301	10,748,384	10,640,008	10,855,371	11,315,285	12,049,468	12,413,458	13,034,842
Total Primary Government Expense	29,645,830	32,482,332	33,359,702	39,171,065	35,647,904	43,938,673	36,134,052	39,543,698	40,271,945	41,786,811
Program revenue:										
Governmental activities:										
Charges for services:										
General government	437,457	373,149	420,539	370,478	485,778	416,234	570,776	416,114	467,610	655,384
Public works	166,363	136,738	214,968	280,375	1,067,170	101,212	137,768	148,575	—	—
Culture and recreation	3,318,922	3,350,635	3,477,997	3,715,924	3,423,899	3,445,210	2,813,673	2,761,851	2,326,010	2,346,377
Cemetery maintenance	45,113	53,793	36,450	34,650	37,399	28,351	18,901	31,110	55,675	35,881
Public safety	1,200,923	1,405,930	1,520,423	2,561,983	1,621,760	1,572,578	1,539,830	1,664,281	1,677,637	1,567,613
Operating grants and contributions:										
General government	234,643	433,541	600,645	1,481,832	414,473	359,560	229,030	—	—	—
Public works	—	—	—	—	—	—	—	8,143	17,016	303,552
Culture and recreation	—	—	—	—	—	—	—	228,950	—	—
Public safety	—	—	—	—	—	—	—	101,006	212,301	210,387
Capital grants and contributions	—	—	—	—	—	—	—	10,761	13,687	13,712
Capital grants and contributions	1,496,320	428,486	466,913	762,267	2,452,265	2,069,324	417,785	2,683,237	1,130,664	900,480
Total Governmental Activities Program Revenue	6,899,741	6,182,272	6,737,935	9,207,509	9,502,744	7,992,469	5,727,763	8,054,028	5,900,600	6,033,386
Business-type activities:										
Charges for services:										
Water	4,469,403	4,217,493	4,150,119	3,821,493	3,851,743	4,609,913	4,894,776	5,584,656	4,970,330	4,859,187
Sewer	4,463,162	4,421,418	4,424,439	4,494,668	4,951,824	5,702,170	5,528,214	6,439,371	7,432,110	7,484,660
Sanitation	1,201,091	1,267,305	1,345,744	1,420,096	1,427,468	1,289,414	1,156,496	1,317,865	1,342,422	1,408,568
Capital grants and contributions:										
Water	183,649	61,676	48,080	116,611	269,563	68,998	80,113	387,731	276,174	31,348
Sewer	211,443	156,692	22,800	100,026	205,251	—	89,912	248,825	334,925	43,972
Total Business-Type Activities Program Revenues	10,528,748	10,124,584	9,991,182	9,952,894	10,705,849	11,670,495	11,749,511	13,978,448	14,355,961	13,827,735
Total Primary Government Program Revenues	17,428,489	16,306,856	16,729,117	19,160,403	20,208,593	19,662,964	17,477,274	22,032,476	20,256,561	19,861,121
Net revenue (expense):										
Governmental activities	(13,960,267)	(17,353,278)	(16,010,466)	(19,215,172)	(15,505,152)	(25,090,833)	(19,091,004)	(19,440,202)	(21,957,887)	(22,718,583)
Business-type activities	1,742,926	1,177,802	(620,119)	(795,490)	65,841	815,124	434,226	1,928,980	1,942,503	792,893
Total Primary Government Net Expense	(12,217,341)	(16,175,476)	(16,630,585)	(20,010,662)	(15,439,311)	(24,275,709)	(18,656,778)	(17,511,222)	(20,015,384)	(21,925,690)

CITY OF LIBERTY, MISSOURI

CHANGES IN NET POSITION

Page 2 Of 2

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
General revenues and other changes in net assets:										
Governmental activities:										
Taxes:										
Property taxes	\$ 4,052,093	\$ 4,454,329	\$ 4,580,046	\$ 4,968,036	\$ 5,497,483	\$ 6,177,644	\$ 6,507,625	\$ 7,147,343	\$ 6,098,618	\$ 6,369,803
Franchise taxes	2,492,911	2,567,518	3,075,617	4,327,161	3,844,459	4,385,343	3,878,488	3,731,525	3,761,816	3,826,360
Sales taxes	7,709,037	8,461,337	8,316,447	8,312,753	7,995,060	8,446,974	8,945,418	9,877,630	11,211,196	12,320,585
Other taxes	1,531,505	1,498,315	1,528,764	1,385,860	1,362,775	1,235,186	1,210,748	1,411,627	1,241,394	1,241,758
Investment earnings	430,554	703,417	873,996	433,980	157,135	59,471	47,348	51,651	50,849	72,043
Miscellaneous	326,531	1,313,817	281,642	740,686	590,848	725,288	687,515	679,995	707,580	729,515
Transfers	15,000	—	50,000	—	(676,467)	—	—	—	—	—
Gain on sale of capital asse	16,029	—	—	—	—	—	—	—	—	—
Total Governmental Activities	16,573,660	18,998,733	18,706,512	20,168,476	18,771,293	21,029,906	21,277,142	22,899,771	23,071,453	24,560,064
Business-type activities:										
Investment earnings	212,384	595,008	569,860	338,239	244,619	190,170	180,075	167,902	162,017	158,569
Miscellaneous	—	—	66,700	3,019	—	—	—	1,000	17,943	38,387
Transfers	(15,000)	—	(50,000)	—	676,467	—	—	—	—	—
Total Business-Type Activities	197,384	595,008	586,560	341,258	921,086	190,170	180,075	168,902	179,960	196,956
Total Primary Government	16,771,044	19,593,741	19,293,072	20,509,734	19,692,379	21,220,076	21,457,217	23,068,673	23,251,413	24,757,020
Changes in net position:										
Governmental activities	2,613,393	1,645,455	2,696,046	953,304	3,266,141	(4,060,927)	2,186,138	3,459,569	1,113,566	1,841,481
Business-type activities	1,940,310	1,772,810	(33,559)	(454,232)	986,927	1,005,294	614,301	2,097,882	2,122,463	989,849
Total Primary Government	\$ 4,553,703	\$ 3,418,265	\$ 2,662,487	\$ 499,072	\$ 4,253,068	\$ (3,055,633)	\$ 2,800,439	\$ 5,557,451	\$ 3,236,029	\$ 2,831,330

GASB Statement No. 34 implemented in Fiscal Year 2004

CITY OF LIBERTY, MISSOURI

CHARGES FOR SERVICES BY FUNCTION/PROGRAM

Function / Program	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Governmental activities:										
General government	\$ 440,754	\$ 383,601	\$ 431,878	\$ 385,191	\$ 508,981	\$ 422,156	\$ 570,996	\$ 416,114	\$ 467,610	\$ 958,936
Community development and improvement	—	—	98,346	946,629	—	—	—	—	—	—
Public works	1,662,683	754,083	901,131	1,322,205	3,753,085	2,404,186	649,462	148,575	—	900,480
Culture and recreation	3,434,236	3,466,993	3,595,086	3,857,536	3,535,391	3,547,149	2,920,191	2,761,851	2,326,010	2,556,764
Cemetery maintenance	45,113	53,793	36,450	34,650	37,399	28,351	18,901	31,110	55,675	35,881
Public safety	1,316,955	1,523,802	1,675,044	2,661,298	1,667,888	1,590,627	1,568,213	1,664,281	1,677,637	1,581,325
Total Governmental Activities	6,899,741	6,182,272	6,737,935	9,207,509	9,502,744	7,992,469	5,727,763	5,021,931	4,526,932	6,033,386
Business-type activities:										
Water	4,653,052	4,279,169	4,198,199	3,938,104	4,121,306	4,678,911	4,974,889	5,584,656	4,970,330	4,890,535
Sewer	4,674,605	4,578,110	4,447,239	4,594,694	5,157,075	5,702,170	5,618,126	6,439,371	7,432,110	7,528,632
Sanitation	1,201,091	1,267,305	1,345,744	1,420,096	1,427,468	1,289,414	1,156,496	1,317,865	1,342,422	1,408,568
Total Business-Type Activities	10,528,748	10,124,584	9,991,182	9,952,894	10,705,849	11,670,495	11,749,511	13,341,892	13,744,862	13,827,735
Total Government	\$ 17,428,489	\$ 16,306,856	\$ 16,729,117	\$ 19,160,403	\$ 20,208,593	\$ 19,662,964	\$ 17,477,274	\$ 18,363,823	\$ 18,271,794	\$ 19,861,121

Source: City records.

CITY OF LIBERTY, MISSOURI
FUND BALANCES, GOVERNMENTAL FUNDS

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
General Fund										
Reserved	\$ 475,471	\$ 453,688	\$ 417,101	\$ 402,214	\$ 410,559	\$ 689,406	\$ —	\$ —	\$ —	\$ —
Unreserved	1,988,685	1,716,601	1,935,964	2,243,914	2,055,644	2,497,862	—	—	—	—
Nonspendable	—	—	—	—	—	—	480,371	377,301	456,208	538,830
Unassigned	—	—	—	—	—	—	3,668,127	3,918,515	4,039,995	3,639,567
Total General Fund	\$ 2,464,156	\$ 2,170,289	\$ 2,353,065	\$ 2,646,128	\$ 2,466,203	\$ 3,187,268	\$ 4,148,498	\$ 4,295,816	\$ 4,496,203	\$ 4,178,397
All Other Governmental Funds										
Reserved	\$ 8,840,067	\$ 6,015,584	\$ 8,876,787	\$ 7,335,807	\$ 9,287,943	\$ 4,379,751	\$ —	\$ —	\$ —	\$ —
Unreserved, Reported In										
Special revenue funds	86,461	86,803	212,015	414,893	(197,996)	137,393	—	—	—	—
Capital projects funds	4,260,317	5,006,949	4,535,316	3,599,281	1,670,811	5,725,072	—	—	—	—
Permanent fund	361,755	44,278	—	404,361	406,836	410,661	—	—	—	—
Fund Balances										
Nonspendable										
Prepaid insurance	—	—	—	—	—	—	34,055	39,708	41,489	48,327
Permanent fund principal	—	—	—	—	—	—	406,977	412,477	423,518	427,493
Restricted For										
Parks and recreation	—	—	—	—	—	—	496,485	749,885	747,039	1,157,575
Capital projects funds	—	—	—	—	—	—	4,129,933	9,309,726	10,260,396	7,799,241
Transportation projects	—	—	—	—	—	—	489,539	1,382,576	5,663,166	1,062,662
Public safety	—	—	—	—	—	—	336,693	480,403	622,555	3,508,795
Debt service	—	—	—	—	—	—	4,246,615	4,917,428	6,071,790	5,019,769
Cemetery	—	—	—	—	—	—	70,999	75,083	88,917	89,551
Law enforcement	—	—	—	—	—	—	31,857	35,720	25,531	21,497
Other purposes	—	—	—	—	—	—	74,412	59,728	55,790	43,502
Unassigned	—	—	—	—	—	—	—	—	—	(37,740)
Total All Other Government Funds	\$ 13,548,600	\$ 11,153,614	\$ 13,624,118	\$ 11,754,342	\$ 11,167,594	\$ 10,652,877	\$ 10,317,565	\$ 17,462,734	\$ 24,000,191	\$ 19,140,672

CITY OF LIBERTY, MISSOURI

CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS

Page 1 Of 2

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Revenues										
Taxes	\$ 15,785,546	\$ 16,981,499	\$ 17,500,874	\$ 18,993,810	\$ 18,608,689	\$ 20,154,888	\$ 20,542,279	\$ 22,034,017	\$ 22,313,024	\$ 23,758,506
Intergovernmental	1,148,099	862,027	1,080,660	2,244,099	1,552,867	2,519,143	671,815	3,216,205	1,373,668	1,428,131
Licenses and permits	—	—	376,236	370,478	389,111	316,961	443,914	270,115	318,505	394,857
Charges for services	4,861,068	4,960,066	4,165,979	4,951,234	5,366,460	4,375,101	4,294,872	4,519,972	4,208,427	4,210,398
Investment earnings	430,554	703,417	873,996	433,980	157,135	59,471	47,348	51,651	50,849	72,043
Lease	1,082,937	1,090,410	1,083,859	1,158,108	863,059	862,023	303,771	198,744	—	—
Reimbursement of services provided	—	—	—	—	—	—	—	—	—	—
Fines and forfeitures	—	—	—	—	—	—	—	—	—	—
Contributions	—	—	—	—	—	—	—	—	—	—
Interest	—	—	—	—	—	—	—	—	—	—
Special assessments	—	—	—	—	—	—	—	—	—	—
Miscellaneous	335,928	1,377,110	1,110,387	849,147	686,123	803,330	835,292	772,620	707,580	729,515
Total Revenues	23,644,132	25,974,529	26,191,991	29,000,856	27,623,444	29,090,917	27,139,291	31,063,324	28,972,053	30,593,450
Expenditures										
General government	2,607,204	2,631,925	2,909,155	3,142,783	2,920,813	3,186,676	3,625,547	4,894,141	3,637,245	3,704,333
Community development and improvement	806,345	1,056,563	1,090,028	1,291,386	1,095,806	5,905,370	1,517,740	2,840,988	2,440,676	3,029,070
Public works	2,300,908	3,929,263	3,131,286	3,957,941	3,693,908	6,066,133	3,276,623	5,878,187	5,203,950	3,539,989
Culture and recreation	4,326,742	4,779,873	4,886,143	5,080,716	4,513,774	4,528,504	3,975,630	3,980,267	3,909,162	3,820,234
Cemetery maintenance	43,787	38,527	35,903	37,104	40,370	31,920	30,617	36,687	43,454	37,175
Public safety	7,535,159	7,753,758	8,154,847	8,466,182	8,245,818	8,248,571	8,512,558	8,881,333	10,041,922	10,525,034
Highway and streets	—	—	—	—	—	—	—	—	—	—
Sanitation	—	—	—	—	—	—	—	—	—	—
City wide programs	—	—	—	—	—	—	—	—	—	—
Capital outlay	10,575,983	4,618,392	9,261,303	3,951,534	2,850,274	1,009,967	1,542,056	1,829,211	826,465	7,645,933
Debt service:										
Principal	2,104,858	2,399,874	2,521,106	2,959,207	2,768,453	4,547,331	3,115,362	1,825,010	3,256,863	3,540,139
Bond issuance costs	108,838	—	241,599	—	—	229,126	—	—	104,197	14,111
Interest	1,056,123	1,455,207	1,276,769	1,690,716	1,584,434	1,639,777	1,637,696	1,449,484	1,671,255	1,620,977
Total Expenditures	31,465,947	28,663,382	33,508,139	30,577,569	27,713,650	35,393,375	27,233,829	31,615,308	31,135,189	37,476,995
Excess Of Revenues Under Expenditures	(7,821,815)	(2,688,853)	(7,316,148)	(1,576,713)	(90,206)	(6,302,458)	(94,538)	(551,984)	(2,163,136)	(6,883,545)

CITY OF LIBERTY, MISSOURI

CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS

Page 2 Of 2

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Other Financing Sources (Uses)										
Transfers in	\$ 1,041,732	\$ 1,275,453	\$ 1,414,937	\$ 1,550,512	\$ 1,400,432	\$ 1,717,821	\$ 887,509	\$ 671,667	\$ 1,872,124	\$ 1,332,392
Transfers out	(1,026,732)	(1,275,453)	(1,364,937)	(1,550,512)	(2,076,899)	(1,717,821)	(887,509)	(671,667)	(1,872,124)	(1,332,392)
Issuance of long-term debt	6,790,842	—	9,960,560	—	—	8,105,000	—	10,230,000	8,644,690	—
Discount on debt issuance	—	—	(48,874)	—	—	(15,469)	—	—	—	—
Premium on debt issuance	481,242	—	7,742	—	—	—	—	658,963	256,290	—
Proceeds of refunding bonds	—	—	—	—	—	—	—	—	—	—
Payment to refunded bond escrow agent	—	—	—	—	—	(2,111,400)	—	(4,613,824)	—	(1,073,780)
Proceeds from capital leases	—	—	—	—	—	—	—	—	—	2,780,000
Lease proceeds	—	—	—	—	—	—	—	—	—	—
Capital contributions	—	—	—	—	—	530,687	720,456	1,571,160	—	—
Proceeds from sale of property	40,875	—	—	—	—	—	—	—	—	—
Total Other Financing Sources (Uses)	7,327,959	—	9,969,428	—	(676,467)	6,508,818	720,456	7,846,299	8,900,980	1,706,220
Net Change In Fund Balances	(493,856)	(2,688,853)	2,653,280	(1,576,713)	(766,673)	206,360	625,918	7,294,315	6,737,844	(5,177,325)
Fund Balances, Beginning Of Year	16,506,612	16,012,756	13,323,903	15,977,183	14,400,470	13,633,785	13,840,145	14,466,063	21,758,550	28,496,394
Fund Balances, End Of Year	\$ 16,012,756	\$ 13,323,903	\$ 15,977,183	\$ 14,400,470	\$ 13,633,797	\$ 13,840,145	\$ 14,466,063	\$ 21,760,378	\$ 28,496,394	\$ 23,319,069
Debt service as a percentage of noncapital expenditures	15.13%	16.03%	15.66%	16.76%	17.55%	18.05%	19.43%	12.85%	18.27%	18.30%

CITY OF LIBERTY, MISSOURI

TAX REVENUES BY SOURCE, GOVERNMENTAL FUNDS

Fiscal Year	Property	Local Option Sales Tax	Franchise Fees	Other Tax	Total
2005	\$ 4,052,093	\$ 7,709,037	\$ 2,492,911	\$ 1,531,505	\$ 15,785,546
2006	4,454,329	8,461,337	2,567,518	1,498,315	16,981,499
2007	4,580,046	8,316,447	3,075,617	1,528,764	17,500,874
2008	4,968,036	8,312,753	4,327,161	1,385,860	18,993,810
2009	5,497,483	7,995,060	3,844,459	1,362,775	18,699,777
2010	5,058,730	8,763,669	3,958,095	2,112,197	19,892,691
2011	5,071,047	8,727,836	3,886,396	1,086,671	18,771,950
2012	7,147,343	9,877,630	3,731,525	1,411,627	22,168,125
2013	6,098,618	11,211,196	3,761,816	1,241,394	22,313,024
2014	6,746,251	12,255,994	3,826,361	1,241,758	24,070,364
Change 2005-2014	66.49%	58.98%	53.49%	(18.92)%	52.48%

Source: City records.

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

CITY OF LIBERTY, MISSOURI

ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY

Fiscal Year	Residential Property Assessed	Residential Property Estimated	Agriculture Property	Commercial/Industrial Property	Personal Property	Railroad Utility Real Property	Railroad Utility Personal Property	Total Taxable Assessed Value	CPI Per Year	Estimated Actual Taxable Value	Taxable Assessed Value As A Percentage Of Actual Taxable Value	Total Direct Tax Rate
2005	\$ 264,174,105	\$ 1,390,390,026	\$ 4,730,000	\$ 222,373,375	\$ 262,669,661	\$ 21,587,816	\$ 9,067,703	\$ 423,359,911	3.5%	\$ 1,883,223,116	22.48%	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
2013	269,959,220	1,420,838,000	6,460,583	290,584,281	231,588,164	42,964,266	10,373,939	457,317,519	1.7%	2,002,809,233	22.83%	1.0084
2014	271,096,770	1,426,825,105	6,238,833	290,530,031	235,396,803	46,420,919	11,653,173	461,196,226	1.5%	2,017,064,864	22.86%	1.0080

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
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
2013	0.8573	0.1511	—	1.0084	6.0950	0.8824	0.1500	0.0300	8.1658
2014	0.8570	0.1510	—	1.0080	6.4550	0.8693	0.1500	0.0300	8.5123

Source: Office of Clay County Clerk

Notes:

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

CITY OF LIBERTY, MISSOURI
PRINCIPAL PROPERTY TAXPAYERS

Taxpayer	2014			2005		
	Taxable Assessed Value	Rank	Percentage Of Total City Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage Of Total City Taxable Assessed Value
Hallmark Cards	\$ 5,174,260	1	1.13%	\$ 6,244,440	1	1.47%
Hy-Vee Food Stores, Inc.	2,772,100	2	0.61%	2,806,040	2	0.66%
Star Development	2,325,210	3	0.51%			
Lowe's Home Centers, Inc.	2,239,490	4	0.49%			
Centro Bradley SPE 5 LLC	2,211,520	5	0.48%			
RR Donnelley	1,693,190	6	0.37%			
American Central Transport	1,597,800	7	0.35%			
Southern Union Company	1,444,990	8	0.31%	2,133,990	9	0.48%
Triangle Land Reserve, LLC	1,286,750	9	0.28%			
Continental Disc Corporation	1,217,790	10	0.26%	1,315,770	8	0.31%
Clark Printing Company, Inc.						
O'Dell Publishing				1,280,040	7	0.30%
Bradley Operating LP				2,175,780	3	0.51%
Stone Container Corporation				881,180	10	0.21%
Ferrell Companies				1,734,460	5	0.41%
Metals USA				1,553,950	6	0.37%
Monmouth Real Estate Inv				1,521,280	7	0.36%
S&D Holding						
Total	\$ 21,963,100		4.76%	\$ 21,646,930		5.09%

Source: City records

CITY OF LIBERTY, MISSOURI
PROPERTY TAX LEVIES AND COLLECTIONS

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
2005	\$ 4,096,721	\$ 3,815,540	93.14%	\$ 297,276	\$ 4,112,816	100.39%
2006	4,302,844	3,785,934	87.99%	356,484	4,142,418	96.27%
2007	4,519,288	4,064,024	89.93%	349,401	4,413,425	97.66%
2008	4,601,180	4,182,202	90.89%	380,093	4,562,295	99.15%
2009	4,603,135	4,169,701	90.58%	296,164	4,465,865	97.02%
2010	4,592,237	4,168,359	90.77%	273,831	4,442,190	96.73%
2011	4,478,756	4,055,486	90.55%	261,587	4,317,073	96.39%
2012	4,492,368	4,199,817	93.49%	301,739	4,501,556	100.20%
2013	4,470,089	170,416	3.81%	4,272,400	4,442,816	99.39%
2014	4,491,096	326,153	7.26%	—	326,153	7.26%

Source: City records

Note:

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

CITY OF LIBERTY, MISSOURI

RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING BY TYPE

Fiscal Year	General Bonded Debt			Other Governmental Activities Debt				Business Type Activities					Total Primary Government	Percentage Of Personal Income	Debt Per Capita
	General/ Special Assessment Bonds (Net)	Percentage Of Actual Taxable Value Of Property	Debt Per Capita	MDNR Loan Payable	Capital Leases	Special Obligation/ Leasehold Revenue Bonds	TIF Bonds	SRF Note Payable	State Revolving Fund	Special Obligation/ Revenue Bonds	Capital Leases				
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	6.72%	\$ 1,882	
2006	13,705,000	0.70%	501	110,527	929,569	5,565,000	7,605,000	—	6,180,000	16,780,000	—	50,875,096	5.92%	1,720	
2007	12,555,000	0.59%	416	102,058	722,491	4,685,000	7,380,000	—	5,975,000	15,525,000	—	46,944,549	5.31%	1,555	
2008	11,290,000	0.53%	374	93,302	427,041	3,560,000	14,955,000	—	5,765,000	14,230,000	—	50,320,343	5.66%	1,666	
2009	11,970,000	0.56%	411	84,249	147,641	2,855,000	14,570,000	3,988,541	9,533,541	12,885,000	—	56,033,972	6.21%	1,833	
2010	10,770,000	0.51%	369	74,890	375,355	2,120,000	18,305,000	3,831,041	9,151,041	11,485,000	—	56,112,327	6.70%	1,925	
2011	6,710,000	0.31%	230	65,214	895,125	3,740,000	17,840,000	3,661,905	8,746,905	8,880,000	—	50,539,149	5.92%	1,734	
2012	12,211,430	0.59%	436	55,211	2,133,194	3,545,000	17,335,000	3,479,152	4,840,000	8,545,000	353,235	52,497,222	6.40%	1,795	
2013	16,708,285	0.83%	553	44,868	1,699,960	5,759,690	16,610,000	3,299,400	4,585,000	7,950,310	306,124	56,963,637	6.33%	1,911	
2014	14,744,765	0.71%	462	34,175	4,115,456	4,345,410	15,640,000	3,113,900	4,320,000	6,844,590	257,825	53,416,121	5.75%	1,775	

CITY OF LIBERTY, MISSOURI

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable	Amount Applicable To City
Overlapping:			
Liberty Hospital District	\$ —	—	\$ —
Liberty School District	161,089,267	61.09%	98,409,433
Clay County	—	—	—
Subtotal, Overlapping Debt			
City Direct Debt	38,395,041	100.00%	38,395,041
Bond Premiums	628,049	100.00%	628,049
Bond Discounts	(143,284)	100.00%	<u>(143,284)</u>
Total Direct And Overlapping Debt			<u><u>\$ 113,094,198</u></u>

Sources: Individual Governmental entity and City records

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

(2) Individual Governmental entity and City records

Note: Liberty School District's amount is as of 6/30/2014

CITY OF LIBERTY, MISSOURI
LEGAL DEBT MARGIN INFORMATION

Legal Debt Margin Calculation for Fiscal Year 2013

Assessed value	\$ 461,196,226
Debt limit (20% of assessed value)	92,239,245
City Debt applicable to debt limit:	
General obligation bonds	\$ 14,260,000
Special assessment bonds	4,345,410
Less-amount available debt service fund, Special Assessment Neighborhood Improvement Fund	—
Total net debt applicable to limit	18,605,410
Legal debt margin	\$ 73,633,835

	<u>2005</u>		<u>2006</u>		<u>2007</u>		<u>2008</u>		<u>2009</u>		<u>2010</u>		<u>2011</u>		<u>2012</u>		<u>2013</u>		<u>2014</u>
Debt limit	\$ 84,671,982	\$	75,325,156	\$	96,586,611	\$	84,976,817	\$	84,587,251	\$	94,159,605	\$	93,206,380	\$	93,206,380	\$	91,463,504	\$	92,239,245
Total net debt applicable to limit	14,659,200		13,613,330		14,530,775		13,360,000		11,970,000		10,969,345		6,799,767		14,095,000		20,799,690		18,605,410
Legal debt margin	\$ 70,012,782	\$	61,711,826	\$	82,055,836	\$	71,616,817	\$	72,617,251	\$	83,190,260	\$	86,406,613	\$	79,111,380	\$	70,663,814	\$	73,633,835

Total Net Debt Applicable

To The Limit As A

Percentage Of Debt Limit

	20.94%		22.06%		17.71%		18.65%		16.48%		13.19%		7.87%		17.82%		29.43%		25.27%
--	--------	--	--------	--	--------	--	--------	--	--------	--	--------	--	-------	--	--------	--	--------	--	---------------

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		
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	1,485,000	747,877	2,232,877	1.59	
2013	12,420,383	10,502,809	1,917,574	780,000	278,046	1,058,046	1.81	
2014	12,540,633	11,569,387	971,246	1,085,000	245,346	1,330,346	0.73	

(1) Operating revenue includes interest earnings

(2) Operating expenses excludes interest expense and depreciation expense

CITY OF LIBERTY, MISSOURI

DEMOGRAPHIC AND ECONOMIC STATISTICS

Fiscal Year Ended	Population	Personal Income ⁽¹⁾	Per Capita Income ⁽¹⁾	Median Age ⁽¹⁾	School Enrollment ⁽²⁾	Unemployment Rate ⁽³⁾
December 31,						
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%
2013	29,811	900,471,066	30,206	36.4	11,194	7.1%
2014	30,096	929,214,000	30,875	36.4	11,427	5.2%

Sources:

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

CITY OF LIBERTY, MISSOURI

PRINCIPAL EMPLOYERS

Employer	2014			2005		
	Employees	Rank	Percentage Of Total County Employment	Employees	Rank	Percentage Of Total County Employment
Liberty School District	1,424	1	1.55%	1,500	1	1.76%
Liberty Hospital	1,168	2	1.27%	1,421	2	1.67%
Hallmark Cards	732	3	0.80%	1,193	3	1.40%
Clay County	404	4	0.44%	550	4	0.64%
RR Donnelley	330	5	0.36%	—	—	—
Ferrell Corp	246	7	0.27%	323	7	0.38%
William Jewell	235	6	0.26%	391	6	0.46%
City of Liberty	231	8	0.25%	238	9	0.28%
Ford Stamping Plant	256	9	0.28%	—	—	—
LMV	186	10	0.20%	—	—	—
Banta Publications	—	—	—	441	5	0.52%
HyVee	—	—	—	250	8	0.29%
	5,212		4.12%	4,807		5.64%

Sources: Individual employer records and MARC website

CITY OF LIBERTY, MISSOURI

FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTIONS/PROGRAMS

Functions/Program	Full-Time Equivalent Employees as of December 31									
	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Administration										
City Administrator	1	1	1	1	1	1	1	1	1	1
Assistant City Administrator	1	1	1	1	—	—	1	1	1	1
Assistant Deputy City Clerk	1	1	1	—	—	—	—	—	—	—
Deputy City Clerk	1	1	1	1	1	1	1	1	1	1
Management Analyst	—	—	—	—	—	—	—	—	—	1
Communication Manager	1	1	1	1	1	1	1	1	1	1
Communication/Public Relations Specialist	1	1	1	—	—	—	—	—	—	—
Executive Assistant	—	—	—	—	—	—	1	1	1	1
Court Administrator	1	1	1	1	1	1	1	1	1	1
Municipal Court Technician	2	2	2	2	2	2	1	1	1	1
Assistant to the City Administrator	1	1	1	1	1	1	1	1	1	—
Asst. to the City Administrator HR	—	—	—	—	—	—	—	—	—	—
Management Assistant	—	—	—	—	—	—	—	—	—	—
Administrative Secretary	—	—	2	2	2	2	—	—	—	—
Economic & Business Development Mgr	1	1	1	1	1	1	—	—	—	—
Information Services										
Information Technology Services Director	1	1	1	1	1	1	1	1	1	1
Information Systems Manager	—	—	—	—	—	—	—	—	—	—
Information Systems Specialist III	—	2	2	2	2	2	2	2	3	3
Information Systems Specialist II	2	1	1	1	1	1	1	1	—	—
Information Systems Specialist I	1	2	2	—	—	—	—	1	—	—
Information Support Specialist	—	—	—	—	—	—	—	—	—	—
Senior Information System Specialist	2	—	—	—	—	—	—	—	—	—
GIS Specialist II	1	1	1	1	1	1	1	1	—	—
GIS Specialist III	1	—	—	—	—	—	—	—	—	—
Human Resources										
Human Resources Director	1	1	1	1	1	1	1	1	1	1
Human Resources Coordinator	1	1	1	—	—	—	1	1	1	1
Administrative Assistant	—	—	—	1	1	1	1	1	1	1
Finance										
Finance Director/Assistant City Administrator	1	1	1	1	1	1	1	1	1	1
Finance Manager	—	1	—	—	—	—	—	1	2	2
Assistant Finance Director	1	1	1	1	1	1	1	1	—	—
Finance Analyst	1	1	1	1	1	1	1	1	2	2
Payroll Specialist	1	1	1	1	1	1	1	1	1	1
Finance Technician	4	4	4	4	4	4	3	3	3	3
Utility Technician	—	—	—	—	—	—	—	—	—	—
Part time Account Clerk	—	—	—	—	—	—	—	—	—	—
Finance Assistant	—	—	—	—	—	—	1	1	1	1
Cashier	—	—	—	—	—	—	—	—	—	—
Receptionist	—	—	—	—	—	—	1	1	1	1
Accountant	1	1	1	1	1	1	—	—	—	—
Meter Service Technician	2	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	1	1	—	—

CITY OF LIBERTY, MISSOURI

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

	Full-Time Equivalent Employees as of December 31									
	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Fire										
Fire Chief	1	1	1	1	1	1	1	1	1	1
Deputy Fire Chief	—	—	1	1	1	1	1	1	1	1
Administrative Assistant	0.5	0.5	1	1	1	1	1	1	1	1
Shift Commanders	3	3	3	3	3	3	3	3	4	4
Training Officer	—	—	—	—	—	—	1	1	1	1
Fire Captain	9	9	9	9	9	9	9	9	9	8
Company Officers	—	—	—	—	—	—	—	—	—	—
Division Chief-Fire Marshal	1	1	—	—	—	—	—	—	—	—
Division Chief-Training	1	1	—	—	—	—	—	—	—	—
Firefighter/Paramedic	24	24	24	22	22	22	23	22	23	20
Firefighter/EMT	12	9	9	9	9	9	10	11	4	6
Fire Prevention Officer	—	—	1	1	1	1	1	1	—	—
Aging Services										
Administrative Assistant	1	1	1	—	—	—	—	—	—	—
Bus Driver	1	1	1	—	—	—	—	—	—	—
Recreation Program Coordinator	1	—	—	—	—	—	—	—	—	—
Senior Center Technician	1	1	1	—	—	—	—	—	—	—
Senior Services Manager	1	1	1	—	—	—	—	—	—	—
Police										
Police Chief	1	1	1	1	1	1	1	1	1	1
Deputy Police Chief	—	—	1	1	1	1	1	1	1	—
Evidence & Property Technician	0.5	—	—	—	—	—	—	—	—	—
Police Captain	2	2	1	1	1	1	1	1	1	2
Police Lieutenant	2	2	4	4	4	4	5	5	5	6
Police Sergeant	6	6	6	6	6	6	4	4	4	3
Detectives	—	—	—	—	—	—	—	—	—	—
Police Corporal	4	4	4	4	4	4	3	3	3	—
Community Service Officer	—	—	—	—	—	—	—	—	—	—
Police Officer	25	25	25	23	23	23	24	24	25	27
School Resource Officer	—	—	—	—	—	—	—	—	—	—
Communications Supervisor	1	1	1	1	1	1	1	1	1	1
Communications Officer	9	9	8	8	8	8	9	9	7	8
Animal Control Officer	2	2	2	2	2	2	2	2	2	2
Animal Control Shelter Attendant	0.5	0.5	—	—	—	—	—	—	—	—
Parking Control Officer	—	—	—	—	—	—	1	1	1	1
Administrative Assistant	0.5	0.5	—	—	1	1	1	1	1	1
Support Services Supervisor	1	1	1	—	—	—	—	—	—	—
Records Technician	3	3	3	3	3	3	3	3	3	3
Public Works										
Public Works Director	1	1	1	1	1	1	1	1	1	1
City Engineer/Assistant Public Works Director	1	1	1	1	1	1	1	1	1	1
Facilities Management Supervisor	1	1	1	2	—	—	—	—	—	—
Capital Projects Engineer	—	—	—	—	—	—	—	—	—	—
Development Review Engineer	—	—	—	—	—	—	—	—	—	—
Capital Review Engineer	1	1	1	1	1	1	2	2	2	2

CITY OF LIBERTY, MISSOURI

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

	Full-Time Equivalent Employees as of December 31									
	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Public Works, <i>continued</i>										
Public Works Operations Manager	1	1	1	1	1	1	1	1	1	1
Senior Engineering Technician	—	—	—	—	—	—	—	—	1	1
Engineering Technician	—	—	—	—	—	—	—	1	1	1
Senior Project Inspector	2	2	2	2	2	2	2	2	2	1
Project Inspector	—	—	—	1	1	1	1	1	1	2
Chief Building Official	—	—	—	—	—	—	—	—	—	—
Building Inspection Manager	—	—	—	—	—	—	—	—	—	—
Building Inspector	—	—	—	—	—	—	—	—	—	—
Building Maintenance Technician	—	1	1	2	2	2	2	1	1	1
Administrative Assistant	2	2	2	2	2	2	2	2	2	1
Public Works Maintenance Worker I	7	7	7	6	6	6	10	11	10	10
Public Works Maintenance Supervisor	—	—	—	—	—	—	2	2	2	1
Public Works Maintenance Worker II	5	5	5	9	9	9	6	6	7	7
Mechanic II	—	—	—	1	1	1	1	1	1	—
Clerk	—	—	—	—	—	—	—	—	—	—
City Planner	—	—	—	—	—	—	—	—	—	—
Planner	—	—	—	—	—	—	—	—	—	—
Code Enforcement Officer	—	—	—	—	—	—	—	—	—	—
Part time Officer	—	—	—	—	—	—	—	—	—	—
Executive Assistant	—	—	—	—	—	—	—	—	—	1
Development Services										
Development Director	—	—	—	—	1	1	1	1	1	1
Assistant Director of Planning & Development	—	—	—	—	—	—	—	—	—	1
Community Development Manager	1	1	1	1	1	1	1	1	—	—
Planning and Economic Development Manager	—	—	—	—	—	—	1	1	—	—
Planner	1	1	1	1	1	1	2	2	2	3
City Planner	1	1	1	—	—	—	—	—	—	—
Chief Building Official	1	1	1	1	1	1	1	1	1	1
Senior Building Inspector	1	1	1	1	1	1	1	1	2	3
Building Inspector	1	1	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	1	1	2	2	2	2
Project Manager	—	—	—	—	—	—	—	—	1	—
Historic Preservation Planner	—	—	—	—	—	—	—	—	1	—
Parks & Recreation										
Parks Director	1	1	1	1	1	1	1	1	1	1
Parks & Open Spaces Manager	1	1	1	1	1	1	1	1	1	1
Recreation Coordinator	3	3	3	2	2	2	3	3	2	6
Program Coordinator	—	—	—	—	—	—	—	—	—	—
Parks Crew Chief	2	2	2	3	3	3	2	2	1	1
Parks Maintenance Worker II	3	3	3	3	3	3	4	3	3	1
Parks Maintenance Worker I	—	—	—	4	4	4	4	5	5	8
Events Coordinator	1	1	1	—	—	—	—	—	—	—
Horticulturist	1	1	1	—	—	—	—	—	—	—
Administrative Assistant	—	—	—	1	1	1	1	1	1	1
Sports Complex Manager	1	1	1	1	1	1	1	1	1	1
Sports Complex Maintenance Worker	—	—	—	—	—	—	—	—	—	—

CITY OF LIBERTY, MISSOURI

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

	Full-Time Equivalent Employees as of December 31									
	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Parks & Recreation, <i>continued</i>										
Sport Complex Coordinator	—	—	—	—	—	—	—	—	—	—
Athletic Fields Ground Keeper	2	1	1	2	2	2	2	2	2	2
Community Center Manager	1	1	1	1	1	1	1	1	1	1
Senior Recreation Coordinator	3	3	3	—	—	—	—	—	—	—
Facility Rental Supervisor	—	—	—	—	—	—	—	1	1	1
Office Supervisor	1	1	1	1	1	1	1	1	1	1
Account Clerk	—	—	—	—	—	—	—	—	—	—
Office Assistant	1	1	1	1	1	1	1	1	1	1
Custodian	—	1	1	1	1	1	2	2	2	2
Community Center Coordinator	—	—	—	—	—	—	—	—	—	—
Senior Building Supervisor	—	—	—	—	—	—	—	—	—	—
Building Maintenance Technician	1	1	1	1	1	1	2	2	2	2
Theater Coordinator	1	1	1	1	1	1	1	1	1	1
Lead Theater Technician	1	1	1	1	1	1	1	1	1	1
Marketing/Special Events Coordinator	—	—	—	1	1	1	1	1	1	1
Senior Services Coordinator	—	—	—	1	1	1	1	1	1	1
Administrative Secretary	—	—	—	—	—	—	—	—	—	—
Mechanic	1	1	1	—	—	—	—	—	—	—
Mechanical Systems Specialist	1	1	1	—	—	—	—	—	—	—
Nutrition Site Coordinator	—	—	—	—	—	—	—	—	—	—
Senior Recreation Coordinator	—	—	—	3	3	3	3	3	4	1
Part time Driver	—	—	—	—	—	—	—	—	—	—
Bus Driver	—	—	—	1	1	1	2	2	2	2
Senior Center Technician	—	—	—	1	1	1	1	1	1	—
Parks Supervisor	1	1	1	—	—	—	1	1	1	—
Assistant Parks & Recreation Director	1	1	1	1	1	1	1	—	—	—
Utilities										
Construction Manager-Wastewater Collection	1	1	1	—	—	—	—	—	—	—
Construction Manger-Water Distibution	1	1	1	—	—	—	—	—	—	—
Construction Worker I	1	1	2	—	—	—	—	—	—	—
Crew Chief	2	2	2	—	—	—	—	—	—	—
Lead Operator-Water Treatment Operations	1	1	1	—	—	—	—	—	—	—
Maintenance Mecahnic-Water Treatment Operations	1	1	1	—	—	—	—	—	—	—
Mainteance Supervisor-Water Treatment Operations	1	1	1	—	—	—	—	—	—	—
Maintenance Worker I	8	8	8	—	—	—	—	—	—	—
Maintenance Worker II	2	2	2	—	—	—	—	—	—	—
Operator-Water Tratment Operations	4	4	4	—	—	—	—	—	—	—
Utilities Director	1	1	1	—	—	—	—	—	—	—
Utilities Assistant Director Production & Treatment	1	1	1	—	—	—	—	—	—	—
Utilities Assistant Director Operations & Construction	1	1	1	—	—	—	—	—	—	—
Totals City-Wide	231	227	226	219	196	196	212	214	205	200

Source: City records

CITY OF LIBERTY, MISSOURI
OPERATING INDICATORS BY FUNCTION/PROGRAM

Function/Program	Calendar Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Police:										
Calls for service	37,168	42,015	35,970	33,925	37,613	33,333	30,441	30,210	31,540	29,594
Adult arrest	5,071	4,979	1,473	1,493	1,331	746	1,514	1,897	471	467
Speeding citations only	1,769	1,861	1,689	2,303	2,066	1,760	1,710	1,768	1,443	1,359
Traffic citations	5,248	6,140	5,133	5,223	5,361	5,975	5,620	5,012	4,923	5,307
Fire:										
Total fire runs	**	2,940	3,070	3,134	2,897	3,366	3,338	894	3,338	3,265
Total rescue runs	**	3,087	3,343	3,235	3,138	3,299	3,232	3,380	2,898	2,847
Property loss	**	505,850	501,450	637,250	436,300	250,100	452,250	670,100	250,500	699,200
Property saved	**	2,884,650	1,039,000	6,019,750	3,353,700	11,504,400	9,982,750	10,834,350	1,249,500	3,081,800
Building permits:										
Commercial:										
Total building permits	24	18	12	17	8	2	5	31	4	9
Total value all permits	\$ 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	7,931,171	20,418,975
Residential:										
Total building permits	162	51	61	36	11	15	17	12	39	30
Total value all permits	\$ 23,573,523	\$ 9,515,452	11,572,869	6,632,480	3,365,544	31,824,093	4,221,266	5,203,410	7,464,240	5,741,988
Parks and Recreation:										
Recreation program attendance	**	22,250	25,110	13,239	1,733	3,794	3,511	3,827	4,564	
Sports	**	**	**	**	**	**	**	**	**	5,065
Community Programs	**	**	**	**	**	**	**	**	**	817
Aquatics program attendance	**	1,807	3,811	2,163	3,919	4,340	3,839	3,119	2,244	2,481
Fitness	**	**	**	**	**	**	**	**	**	3,371
Community Center Memberships	**	20,252	20,755	23,384	22,138	17,513	2,496	17,669	4,411	4,484
Rentals	**	1,843	1,064	994	854	411	421	1,360	1,434	
Meeting Room Hours	**	**	**	**	**	**	**	**	**	8,193
Theater Hours	**	**	**	**	**	**	**	**	**	2,133
Street trees maintained (1)	**	741	685	700	625	430	675	700	700	680

Source: City Records

Note: ** Indicator Not Available

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

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

Function/Program	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Transfers Out	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
Major Roadway	—	—	—	—	—	—	—	—	—	—
Public Safety	—	—	—	—	—	—	—	—	—	—
Debt Service/Lease Payments	2,828,390	5,823,968	6,365,294	5,838,710	5,292,048	5,675,615	2,982,444	1,933,770	3,013,902	3,532,211
Street and Major Roadway Improvements	8,175,455	2,752,262	2,443,903	2,295,492	1,765,991	1,401,422	926,632	820,876	29,839	4,201,556
Community Center Expansion	—	—	—	—	—	—	—	—	—	—
Remodel Fire Station #1	18,250	—	—	—	—	—	—	—	—	—
Storm Water Improvements	835,419	774	28,962	254,845	81,846	33,456	26,909	275,685	205,599	56,822
Parks & Recreation	284,130	174,861	77,983	—	—	—	—	—	—	—
Capital Equipment	564,123	194,755	301,889	615,659	585,419	3,068,026	432,283	598,365	692,643	363,226
Fire Equipment	155,733	523,725	132,949	11,437	5,610	5,750	20,875	5,112	4,710	—
Sports Complex Construction	—	—	—	—	—	—	—	—	—	—
Neighborhood Improvements	—	310,527	109,110	510,512	8,274	60,101	317,918	364,524	123,339	420,015
Water System Upgrades	—	1,089,220	981,841	—	—	182,431	82,345	758,171	1,266,184	990,939
Sewer System Upgrades	—	6,661,091	1,393,805	—	—	1,234	9,947	174,567	1,066,823	319,556
Waste Water System	—	—	—	—	—	—	—	—	—	2,380,590