



CITY OF LIBERTY, MISSOURI

Comprehensive Annual Financial Report

For The Year Ended December 31, 2016

CITY OF LIBERTY, MISSOURI
COMPREHENSIVE ANNUAL
FINANCIAL REPORT
FOR THE YEAR ENDED DECEMBER 31, 2016



*Report prepared and submitted by the
Department of Finance*

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Introductory Section



June 27, 2017

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, 2016, is hereby submitted for your review. This report was prepared by the Finance Department in close cooperation with the external auditor, **BKD, LLP**. The responsibility for the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with the City. We believe the data, as presented, is accurate in all material aspects, that it is presented in a manner designed to fairly set forth the financial activity of its various funds and that all disclosures necessary to enable the reader to gain the maximum understanding of the City's financial affairs have been included. Management's Discussion and Analysis (MD&A) immediately follows the independent auditor's report and provides a narrative introduction, overview and analysis of the basic financial statements. This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it.

The Financial Reporting Entity

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

Accounting Controls

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

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

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

Budgetary Controls

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

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

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

Government Structure

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

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

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

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

Economic Condition And Outlook

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

The City of Liberty is home to William Jewell College. Founded in 1849 as the first four-year men's college west of the Mississippi when a charter was granted by the Missouri legislature, it is now a nationally recognized co-ed, liberal arts college. The regional area is served by Liberty Hospital, which has emerged as a major health care provider in the metropolitan Kansas City area since its inception in the 1970s. The Liberty School District, recipient of numerous awards for excellence, serves a population of 66,000 and is 85 square miles of Clay County, which includes the entire City of Liberty, as well as sections of Kansas City North.

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

More than 120 businesses located in the downtown area, including both retail and other business uses, will benefit from the current Downtown Reconstruction project. This project will include streetscape, sewer and water line replacement and pedestrian amenities as part of the continued revitalization of our Historic Downtown. This project will be completed in the summer of 2017.

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

Residential construction has begun to show improvement since 2015, maintained in 2016, with additional growth enjoyed in 2017, as reflected in the increase of building permits issued. In 2015, a 292 luxury apartment complex was approved for an infill site close to 291 Highway, which has begun groundwork for construction. A 204 unit market-rate apartment complex and a 48 unit senior housing project were additional multi-family projects approved in 2016. A 191 unit senior housing complex was approved on 2017. Single family residential lots continue to be approved as well. Homestead of Liberty, a new residential subdivision approved in 2016, will add 126 lots to the southern portion of town.

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

Retail development is experiencing growth in the community during 2016, with further expansion to occur in 2107. Initiated in earlier years through a tax incremental financing plan, the City has three major retail project areas (Liberty Triangle, Roger's Plaza and Blue Jay Crossing) that are continuing to build out. In 2017, Blue Jay Crossing will see the addition of a new, a state of the art, expanded movie and event center owned by B&B Theaters. B & B Theaters is relocating from an older shopping center within the community. Further, North Haven Center, a newly created 7.5 acre commercial center on 291 Highway, gained approval in 2015 for 5 commercial lots and a 72 room hotel. In 2014 a new TIF District was created at the location of the former Sears/Kmart center called Liberty Commons. The City partnered with RED Legacy to complete Liberty Commons, a 270,000 square foot retail and restaurant shopping center that will also include a 110 room hotel and specialty grocery store. Construction began in the fall of 2015 and the first round of stores opened in late 2016. Once fully developed, the complex is forecasted to generate \$65M in new retails sales for the City.

As a result of the City's incentive programs, Ford Stamping Plant completed construction in 2012 and was fully operational by the end of 2013. LMV Automotive Systems, a supplier to Ford, has also completed construction on their 212,000 square foot facility and just completed a 250,000 square foot expansion to accommodate a GM auto supply contract. Holland 1916 relocated to an existing vacant industrial building in Liberty bringing their headquarters and two additional companies. An additional 400 jobs are expected to come to the Liberty Hallmark Distribution center. Combined, these plants will provide a total of 1080 new jobs to the City.

The City worked 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, which was updated in 2016. 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 2016 proved to be a 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 within the Property and Sales Tax categories. This has allowed the City to provide modest employee adjustments, which is a positive occurrence after years of salary freezes. However, the City still must be focused on cost containment efforts in order to meet fiscal priorities and service requirements to its residents and further prepare the City for long-term financial health and stability. Certain cost containment efforts begun in 2008 are continuing through the current year. Select vacant positions were carefully evaluated, approved and filled only when essential. Insurance benefits are still subject to cost controls; planned studies have been deferred; contractual expenditures are being controlled; and capital purchases were deferred, when possible.

In 2016, the General Fund was subject to significant turnover in its Public Safety departments, which caused an increase in overtime costs. These increases resulted in overall costs exceeding those respective budgets. This turnover was caused by uncompetitive salaries in the Public Safety sector when compared to other comparable cities. This level of turnover and high overtime expenditures has been a multi-year problem. Over the last number of years, an initiative to combat this service level/budgetary concern was being addressed through the efforts to obtain State of Missouri authorization to seek voter input on the implement a dedicated Public Safety Sales Tax, whose funding would be used to enhance salary stability within Public Safety. In 2016, the required State approval was secured and in April 2017, Liberty voters approved a ½-cent Public Safety Sales Tax. On an annual basis, the new tax will generate in excess of \$2.4 million and will allow the City to address not only uncompetitive salary levels, but future salary adjustments for our Public Safety staff. Starting in 2017, this new tax will relieve the General Fund of its requirements regarding future salary increases. The City has committed to maintain its historical 2016 expenditure base for Public Safety current salaries.

Further, 2016 Franchise Fee revenues for electricity and natural gas, being subject to weather fluctuations, did see actuals coming in under budget due to a milder than normal winter and assumed energy efficiency improvements implemented by consumers. To allow for conservatism, adjustments were made to the 2017 budget to account for these impacts. The City also sees a flattening of its Franchise Fee revenues attributable to cell phones. The 2017 budget contemplates the prices and plan competition being experienced in that industry.

Lastly, in 2015 the State of Missouri implemented state-wide controls on how local municipal courts can issue tickets and collect associated fines. This has resulted in Court fines coming in less than budget in 2015. Further State actions were implemented in 2016. Adjustments for these State mandates have been accounted for in the 2017 budget.

Due to the need to treat the fiscal condition as an ongoing interactive process, staff develops and shares fiscal forecasts with the Budget Committee on a regular basis. This committee was formed in 2009 to better facilitate elected official communication and coordination. A number of meetings and work sessions were held with the Budget Committee/City Council during 2016 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 2017.

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

45-day unrestricted cash reserve. These planning models and policy guidance have been used in 2015 to better predict long-term implications of budgetary decisions. The City Council is committed to maintain the long-term viability of city operations and services to the community through effective fiscal planning.

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

Major Initiatives

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

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

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 2018, this road system will link Interstate 35 on the west to Missouri Highway 291 on the east. This improvement, coupled with above mentioned items, will open up southern Liberty to significant development opportunities.

A substantial amount of work and review underpins the 2015 Water and Sewer Funds budgets. The City Council decided in 2010 that it was appropriate to secure advice and guidance from knowledgeable Liberty residents in the form of a taskforce. The taskforce met for a 12-week period and offered recommendations to the City Council. Some of the recommendations accepted by Council were to address aging water meters, repair and replace existing infrastructure, and take over water treatment operations of the water plant. One significant recommendation was to study the economics of building and operating a Liberty wastewater treatment plant.

The City had 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 was 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. Construction started in early 2015, which not only build a new treatment plant, but also improved the collection system and provide for rehabilitation of older sewer collection lines. The new treatment plant went fully online in early 2017.

Other Information

Independent Audit

City policy requires an annual audit to be made of financial statements of the various funds. The independent certified public accounting firm of **BKD, LLP** audited the financial statements contained in this report for the year ended December 31, 2016. The auditor's report on the basic financial statements is included in the financial section of this report.

Certificate Of Achievement

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Liberty, Missouri for its comprehensive annual financial report for the fiscal year ended December 31, 2015. The Certificate of Achievement of Excellence in Financial Reporting recognizes conformance with the highest standards for preparation of state and local government financial reports.

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

A Certificate of Achievement is valid for a period of one year only. The City of Liberty, Missouri has received a Certificate of Achievement consecutively since December 1986. We believe our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

Acknowledgments

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

Respectfully submitted,



Dan Estes
Assistant City Administrator/Finance Director



Government Finance Officers Association

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

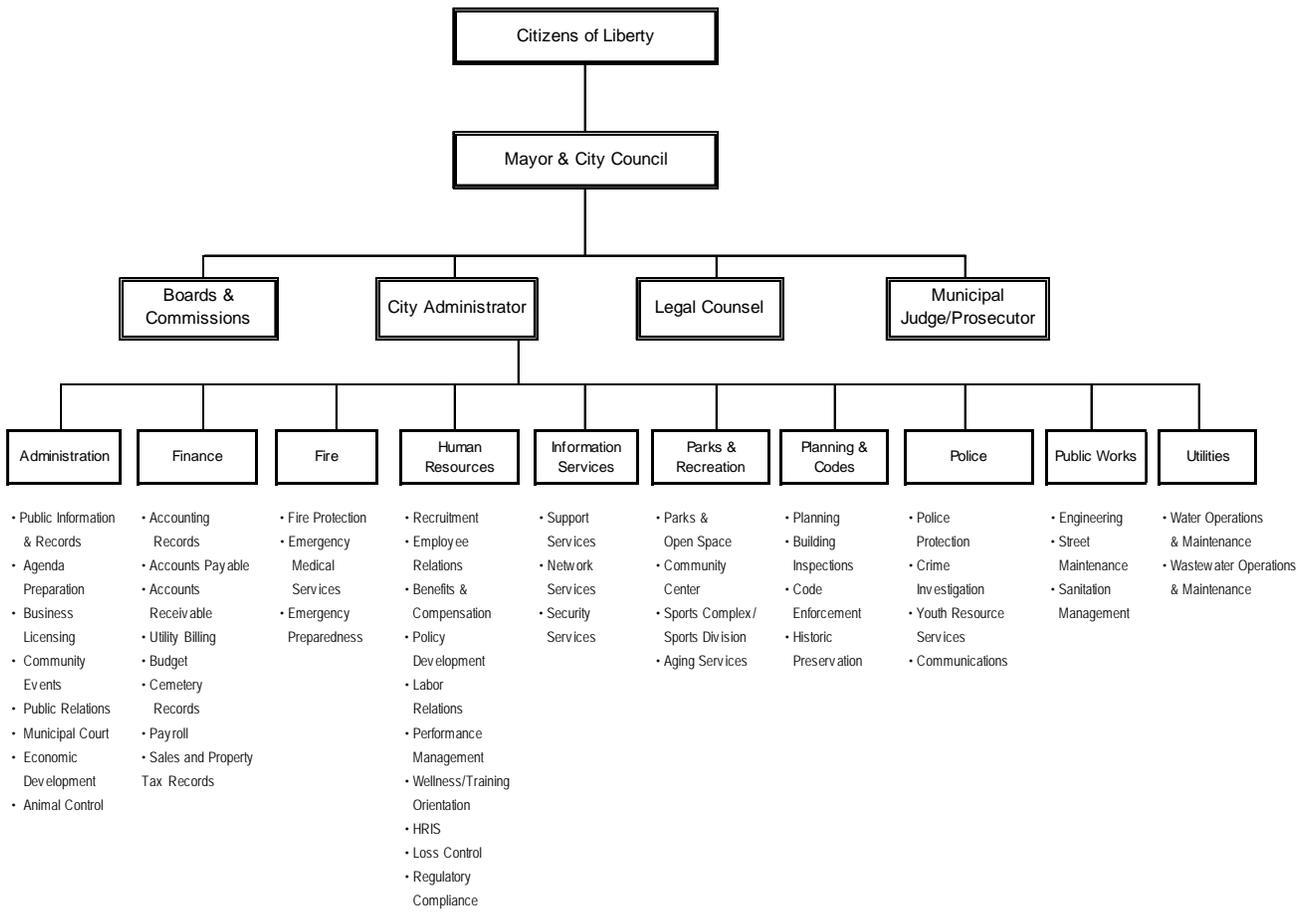
Presented to

**City of Liberty
Missouri**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

December 31, 2015

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	Rae 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 Blake
Informational Services Director	Tony Sage
Parks and Recreation Director	Janet Snook Bartnik
Police Chief	James Simpson
Public Works Director	Steven P. Hansen
Utilities Director	Brian Hess

Financial Section

Independent Auditor's Report

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

Report On The Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of Liberty, Missouri (the City) as of and for the year ended December 31, 2016 and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for The Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City as of December 31, 2016, and the respective changes in financial position and where applicable, cash flows, thereof 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, budgetary comparison and pension and other postemployment benefit information listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's response to our inquiries, the basic financial statements and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The Combining and Individual Fund Statements and Schedules, introductory section and statistical section, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The Combining and Individual Fund 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 basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Combining and Individual Fund Statements and Schedules are fairly stated in all material respects in relation to the basic financial statements as a whole.

The Honorable Mayor and
Members of the City Council

The introductory section and statistical section 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 our report dated June 27, 2017, on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

BKD, LLP

Kansas City, Missouri
June 27, 2017

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Management's Discussion And Analysis

CITY OF LIBERTY, MISSOURI

MANAGEMENT'S DISCUSSION AND ANALYSIS

December 31, 2016

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, 2016. 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 \$51,363,019 (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 \$48,057,457. This is predominately due to the recording of certain Tax Incremental Financing (TIF) debt obligations in which the City must record the debt liability, but has no offsetting assets.
- The City's total net position decreased by \$11,203,229. Of this amount, \$11,452,239 was from the City's "governmental activities" and an income of \$249,010 was from the "business-type activities." The majority of this decrease is due to usage of prior year bond proceeds attributable to the Tax Incremental Financing project (Liberty Commons) build out.
- As of the close of this current fiscal year, the City's governmental funds reported combined ending fund balances of \$47,903,117; a decrease of \$19,403,380 in comparison with the prior year. This decrease is primarily due to usage of prior year bond proceeds for TIF projects and planned draw down of certain City Capital Funds applicable to road infrastructure projects.
- Approximately \$2,581,814 (5.39%) of the combined governmental fund balances of \$47,903,117 is available for spending at the government's discretion (unassigned fund balance).
- At the end of the current fiscal year fund balance for the General Fund was \$3,109,206 or approximately 19% percent of total General Fund revenues.
- The City had a net increase in debt totaling \$38,904,800 during the current fiscal year. Additions to debt totaled \$45,267,319. This increase was offset by 2016 retirements of \$6,362,519. This increase in debt is primarily attributable to the build of the City's Wastewater Treatment Facility.

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.

CITY OF LIBERTY, MISSOURI

Management's Discussion and Analysis (*Continued*)

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

Proprietary Funds

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

Fiduciary Funds

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

Notes To Basic Financial Statements

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

Other Information

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

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

CITY OF LIBERTY, MISSOURI

Management's Discussion and Analysis (Continued)

Government-Wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City, assets and deferred outflows exceeded liabilities and deferred inflows by \$51,363,019 at the close of the fiscal year ended December 31, 2016. The following table reflects a condensed statement of net position.

Net Position

	Governmental		Business-Type		Governmental		Business-Type	
	Activities		Activities		Activities		Activities	
	2016	2016	Total 2016	2015	2015	Total 2015		
Current and other assets	\$ 55,799,469	\$ 5,772,616	\$ 61,572,085	\$ 74,939,102	\$ 7,072,426	\$ 82,011,528		
Capital assets, net	59,802,941	124,086,671	183,889,612	55,877,090	73,446,558	129,323,648		
Total Assets	115,602,410	129,859,287	245,461,697	130,816,192	80,518,984	211,335,176		
Deferred Outflows Of Resources	5,480,417	866,532	6,346,949	2,444,215	380,961	2,825,176		
Current liabilities	7,584,705	11,137,624	18,722,329	7,730,033	6,085,748	13,815,781		
Noncurrent liabilities	105,772,018	69,469,174	175,241,192	106,456,201	24,943,645	131,399,846		
Total Liabilities	113,356,723	80,606,798	193,963,521	114,186,234	31,029,393	145,215,627		
Deferred Inflows Of Resources	6,441,241	40,865	6,482,106	6,337,071	41,406	6,378,477		
Net position:								
Net investment in capital assets	38,646,267	52,595,025	91,241,292	37,284,881	46,760,260	84,045,141		
Restricted	6,630,554	1,548,630	8,179,184	6,753,226	1,347,735	8,100,961		
Unrestricted	(43,991,958)	(4,065,499)	(48,057,457)	(31,301,005)	1,721,151	(29,579,854)		
Total Net Position	\$ 1,284,863	\$ 50,078,156	\$ 51,363,019	\$ 12,737,102	\$ 49,829,146	\$ 62,566,248		

At the end of the current and prior fiscal years, the City is able to report a positive balance in the sum of all three categories of net position for the government as a whole.

The City's combined net position decreased by \$11.2 million in 2016 from \$62.6 million in 2015 to \$51.4 million. While the City did experience overall expenditure increases in all major funds, the primary reason for this decrease was due to the payment of \$10.6 million in TIF developer expenses related to the new Liberty Commons retail project. Additionally, the City saw an increase of \$1.3M in expenses within its Business Activities, which is due to contractual sewer treatment costs and salary costs increases.

An additional portion of the City's net position of \$8.2 million or 15.92% of the total net position represents resources that are subject to external restrictions on how they may be used. The total unrestricted net position resulted in a deficit of \$48.0 million, representing an increase in the deficit of \$18.5 million. This is predominately due to the recording of certain TIF debt obligations in which the City must record the debt liability, but has no offsetting assets.

By far, the largest portion of the City's net position, \$91,241,292 reflects its investment in capital assets (e.g., land, buildings, machinery, and equipment), less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens. Consequently, these assets are not available for future spending. Although the City's

CITY OF LIBERTY, MISSOURI

Management's Discussion and Analysis (Continued)

investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources since the capital assets themselves cannot be used to liquidate these liabilities.

The City's \$51.4 million in net position is comprised of \$91.2 million of net investment in capital assets, \$8.2 million in restricted assets to be used for capital projects, debt service and other purposes, and a deficit of \$48.0 million in unrestricted net position. Total net position decreased \$11.2 million or 18% 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, 2016 and 2015:

City Of Liberty's Changes In Net Position

	Governmental Activities			Business-Type Activities		
	2016	2016	Total 2016	2015	2015	Total 2015
Revenues:						
Program revenues:						
Charges for services	\$ 5,041,403	\$ 15,345,922	\$ 20,387,325	\$ 4,395,872	\$ 14,061,407	\$ 18,457,279
Operating grants and contributions	492,358	-	492,358	657,109	-	657,109
Capital grants and contributions	328,678	373,090	701,768	319,606	254,533	574,139
General revenues:						
Property taxes	6,274,468	-	6,274,468	6,195,969	-	6,195,969
Franchise taxes	3,544,972	-	3,544,972	3,760,453	-	3,760,453
Sales taxes	15,174,323	-	15,174,323	13,892,525	-	13,892,525
Other taxes	1,447,073	-	1,447,073	1,415,863	-	1,415,863
Investment earnings	230,266	160,012	390,278	81,731	152,792	234,523
Other	1,115,913	268,702	1,384,615	869,258	6,649	875,907
Total Revenues	33,649,454	16,147,726	49,797,180	31,688,386	14,475,381	46,063,767
Expenses:						
General government	5,140,449	-	5,140,449	4,960,224	-	4,960,224
Community development and improvement	13,338,549	-	13,338,549	25,081,992	-	25,081,992
Public works	5,352,526	-	5,352,526	3,633,562	-	3,633,562
Culture and recreation	5,380,857	-	5,380,857	5,003,851	-	5,003,851
Cemetery maintenance	51,281	-	51,281	52,078	-	52,078
Public safety	11,477,832	-	11,477,832	12,481,003	-	12,481,003
Interest on long-term debt	4,360,199	-	4,360,199	1,840,593	-	1,840,593
Water	-	5,536,119	5,536,119	-	5,100,859	5,100,859
Sewer	-	8,782,656	8,782,656	-	8,494,147	8,494,147
Sanitation	-	1,579,941	1,579,941	-	1,515,339	1,515,339
Total Expenses	45,101,693	15,898,716	61,000,409	53,053,303	15,110,345	68,163,648
Change In Net Position	(11,452,239)	249,010	(11,203,229)	(21,464,917)	(634,964)	(22,099,881)
Net position, beginning of year	12,737,102	49,829,146	62,566,248	34,202,019	50,464,110	84,666,129
Net position, end of year	\$ 1,284,863	\$ 50,078,156	\$ 51,363,019	\$ 12,737,102	\$ 49,829,146	\$ 62,566,248

CITY OF LIBERTY, MISSOURI

Management's Discussion and Analysis (Continued)

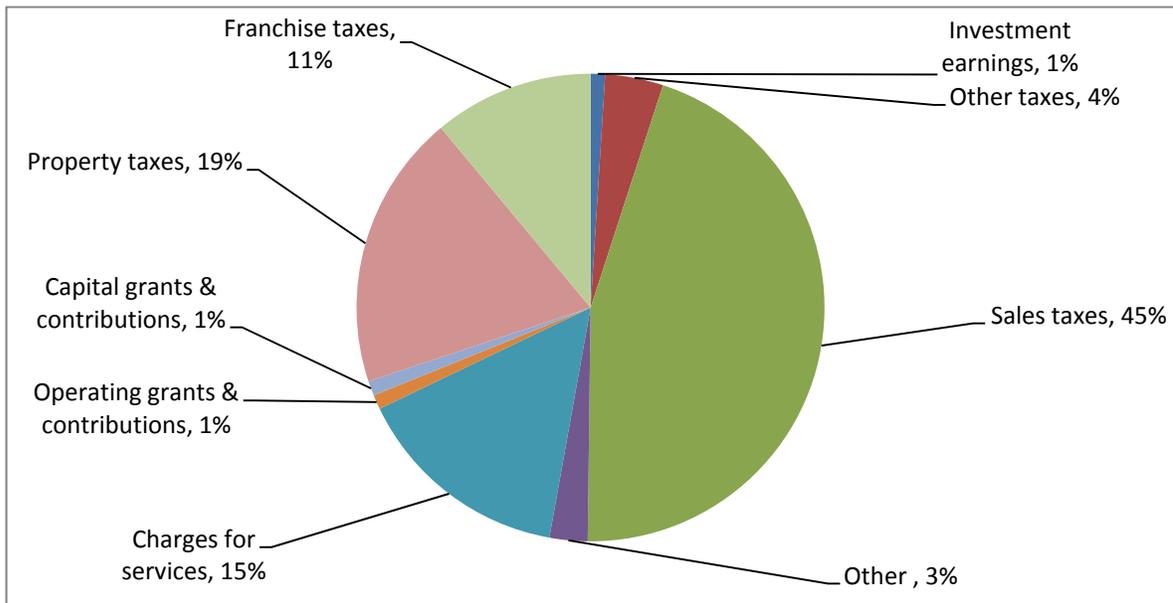
Governmental Activities

Governmental activities decreased the City's net position by \$11,452,239, thereby accounting for all of the total decrease in the net position of the City. The majority of this decrease is due to usage of prior year bond proceeds attributable to the Tax Incremental Financing project (Liberty Commons) built out.

Revenues applicable to Government Activities increased by \$2,061,068 to \$33,649,454, representing a 6.5% increase from the prior year. This was predominately due to Economic Development Sales Tax collection. The Economic Development Sales Tax was approved by the voters in 2014 and collections started in the spring of 2015, 2016 represents the first full year of tax collection. Property taxes totaled \$6,274,468 which was an increase of \$78,499. Preliminary 2017 information shows an increase in 2016 valuation in the amount of \$7.5 million, which will speak to additional collections. City franchise fees held relatively constant at \$3,544,972 with declines attributable to reduced weather related utility demand and declining cell phone franchise fee revenue. Sales tax revenue increased by \$1,281,798 to \$15,174,323 and is attributable to retail growth and the inclusion of the new Economic Development Sales Tax discussed above. Charges for services increased \$645,531 in 2016 for total revenues of \$5,041,403.

Governmental activities expenses decreased \$7,951,610 for the 2016 fiscal year when compared to 2015. The decreases were primarily due payment of development related expenses in the amount of \$20.1 million in connection with the Liberty Commons retail development in 2015 reduced down to \$10.6 million in 2016. Additionally, the City implementation of a 3% salary adjustment and other compensation related items that impacted all Governmental Funds.

The following table reflects the revenues by source for the City's governmental activities for the year ended December 31, 2016.



CITY OF LIBERTY, MISSOURI

Management's Discussion and Analysis (*Continued*)

The following table shows expenses and program revenues of the governmental activities for the years ended December 31, 2016 and 2015:

Net Cost Of Governmental Activities

	Total Cost Of Service		Net Cost Of Service	
	2016	2015	2016	2015
General government	\$5,140,449	\$4,960,224	(\$4,323,304)	(\$3,993,513)
Community development and improvement	13,338,549	25,081,992	(13,338,549)	(25,081,992)
Public works	5,352,526	3,633,562	(5,023,848)	(3,313,956)
Culture and recreation	5,380,857	5,003,851	(2,607,542)	(2,467,734)
Cemetery maintenance	51,281	52,078	(6,846)	(10,383)
Public safety	11,477,832	12,481,003	(9,578,966)	(10,972,545)
Interest on long-term debt	4,360,199	1,840,593	(4,360,199)	(1,840,593)
Total	\$45,101,693	\$53,053,303	(\$39,239,254)	(\$47,680,716)

Expenses from governmental activities totaled \$45,101,693; however, net costs of these services were \$39,239,254. The difference of \$5.862 million represents direct revenues received from charges for services (\$5.041 million), operating grants and contributions (\$0.492 million), and capital grants and contributions (\$0.329 million). Taxes and other revenues in the amount of \$27,787,293 were collected to cover these net costs.

Business-Type Activities

Business-type activities increase the City's net position by \$249,010.

The Water Fund recorded an increase of \$7,516 in the net position for the year. Revenues from user fees were \$5,521,259 and showed an increase by \$730,325 or 8.7% in 2016. The City implemented a 6.9% water rate increase at the beginning of 2016. In 2016, water demand was greater due to a more normal summer precipitation and demand for summer watering was higher than prior year. Operating expenses increased by \$380,080 and were \$5,389,194. This increase consists of salary and fringe benefit increases in 2016.

Depreciation expense increased by \$74,074 and is due to additional capital investment in the system. The Water Fund's operating income was \$139,658 in 2016. The 2016 amounts are reflective of an increase of \$353,623 over 2015 totals, which were a loss of \$213,965. This amount is primarily due to more average summer weather temperatures and higher water sales in 2016. To ensure operating income remains positive and not in a deficit status, the City implemented a 3.7% water rate increase in 2017.

CITY OF LIBERTY, MISSOURI

Management’s Discussion and Analysis (*Continued*)

The Sewer Fund recorded an increase of \$248,350 in net position for the year. Revenues from user fees increased by \$494,806 (6.4%) when compared to 2015 revenues. The City implemented a 5.92% sewer rate increase at the beginning of the year. Operating expenses increased \$1,107,414 or 14.6%. Of that amount \$142,543 was due to increase salary and benefit costs. Treatment cost paid to Kansas City, Missouri saw an increase of \$899,118 and is the result of increased metered treatment volumes due to I&I and the KCMO treatment rate increase.

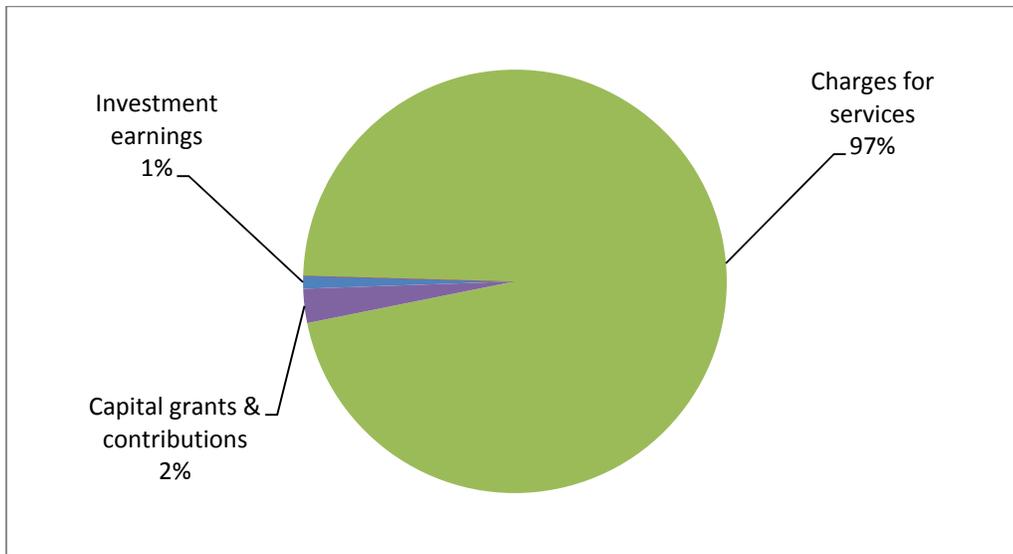
Depreciation expense decreased by \$15,710 this is primarily due to lower capital replacement in 2016. Operating income at December 31, 2016 was considered a loss of \$167,141 a decrease over the \$186,792 earned in 2015.

Net position increased by \$248,350 and is due to improved operations in the Wastewater Fund. To address future income generation, the City implemented a 5.92% sewer rate increase in 2017.

The Sanitation Fund recorded a decrease in net position of \$6,856 for the year. Revenues of \$1,572,792 increased over the 2015 revenues of \$1,513,408. Expenses for 2016 increased \$64,602 or 4.3% over expenses for 2015 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, 2016:

Revenues By Source - Business-Type Activities



CITY OF LIBERTY, MISSOURI

Management's Discussion and Analysis (Continued)

Total business-type activities' revenue for fiscal year 2016 was \$15,614,624, with charges for services (98.3%) being the major revenue source. All revenue in of \$16,147,726, with the exception of \$160,012 received from investment earnings and \$373,090 in Capital Contributions, was generated for specific business-type activity expenses. In the previous year, revenue for business-type activities was \$14,475,381.

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, 2016, the City's governmental funds reported combined ending fund balances of \$47,903,117 reflecting a decrease of \$19,403,380 from the previous year. This decrease is primarily due to the build out of TIF projects (\$12,396,958) for which the City has no corresponding asset and planned usage of fund balance within certain Capital Fund (\$3,975,400) for infrastructure improvements and new equipment purchases. Of this total, approximately 5.4% of this total amount \$2,581,814 constitutes unassigned fund balance, which is available for spending at the government's discretion. The remaining \$45,338,719 of fund balance is as follows: (1) non-spendable (\$961,497) which is inventories, prepaid insurance and permanent fund principal, (2) restricted (\$44,359,806), and (3) assigned (42,490) which have 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 \$2,590,842 with total fund balance at \$3,109,206. Total fund balance decreased by \$428,135 over the previous fiscal year fund balance. Revenues increased by \$311,465 in 2016 and are primarily the result of increases in Sales Tax collections, Intergovernmental and Licenses and Permits. Expenditures showed a slight increase of \$96,596. Also, other financing sources showed a slight decrease of \$183,419 from 2015 amounts of \$1,057,382. This is primarily from less borrowing in 2016.

The decrease in 2016 General Fund balance is not anticipated to be repeating in future fiscal years. The City will see a slight improvement in sales tax revenues when the Liberty Commons retail center opened a few of the stores in late 2016 and will fully be opened in May 2017. Additionally, the Voters approved a ½ cent Public Safety Sales Tax which will provide for future salary increases for the City's public safety employees. This action will relieve the General Fund of those future salary increases applicable to public safety.

As a measure of the General Fund's liquidity, it may be useful to review the City's total fund balance to total fund revenues. The ending Fund Balance for 2016 is calculated at 19% (rounded) of total General Fund revenues.

CITY OF LIBERTY, MISSOURI

Management's Discussion and Analysis (*Continued*)

The City recognizes the need for a fund balance that can adequately absorb any temporary downturns in economic events so as to avoid changes and reductions in service levels. The City revised its fiscal policy on fund balance in 2013. That policy established the requirement to maintain its General Fund unassigned fund balance at 20% of revenues, with normal fluctuations of said percentage to range from 18% to 22%. In 2016, the fund balance policy was maintained within the General Fund.

The Park Fund had a fund balance of \$469,367 at December 31, 2016. This represents a decrease of \$6,423 over the previous year fund balance. Revenues increased by \$239,947 or 7.8% and expenditures increased by \$81,214 or 2.14% when compared to 2015. Total fund balance represents 14.1% of 2016 revenues. This exceeds the level required by policy of 12%. Transfers in from the Park Sales Tax Fund decreased by \$82,336 this decrease in transfer to the General Fund was to help support Public Relations staff and services.

The Capital Sales Tax Fund balance was \$4,159,944 at the 2016 fiscal year end reflecting a decrease of \$3,010,328 over fiscal year 2015. The City issued \$6.145 million in general obligation bonds in 2012 and \$2.127 million in 2013 for street and road infrastructure improvements that occurred in 2013, 2014, 2015 and planned for 2016. As such, usage of bond proceeds accounts for the planned reduction in fund balance shown at the end of 2016. Ongoing revenues within this fund saw a decrease in 2016 of \$150,890. Sales Taxes revenues increased by \$106,162 when compared to 2016 collections, while intergovernmental revenues showed a decline of \$212,120 from 2015 and are a result of reduced County Road Fund receipts. Improvements in sales taxes are the result of improvement in Liberty's overall retail position.

The Transportation Sales Tax Fund, a secondary source for road infrastructure projects, recorded an ending fund balance of \$780,698 reflecting a decrease of \$154,275 from the previous year's ending balance. Total revenues of \$ 1,977,349 saw an increase of \$75,910 from 2015. Total sales tax revenues of \$1,976,599 showed an improvement in 2016 by \$75,974. Total expenditures were recorded at \$1,593,614, reflecting a decrease of \$176,494 from 2015. In 2016, the City made its final debt service payment on the bonds issued for the building of South Liberty Parkway Phase I.

The Economic Development Sales Tax fund is categorized as a major fund in 2016 and is showing a fund balance of 25,839,381. This special purpose sales tax of 3/8 cents was voter approved in 2014. It will support projects and Special/General Obligation Bond payments related to SLP Phase II and Downtown Reconstruction projects. The 2016 fund balance amount is primarily due to bonds issued in 2015 for those projects. Project expenditures that occurred in 2016 were \$8,140,495 with the remaining expenditures occurring in 2017 and 2018. Based on the level of ongoing sales tax collections, it is believed this fund will continue to be categorized as a major fund in future years.

The Capital, Transportation and Economic Development Sales Tax Funds combine to provide the City with its Road Infrastructure Capital Improvement Plan. By policy, the fund balance requirement for the CIP is to maintain at least \$1.0 million balance. In 2016, and on a combined basis, this policy level was exceeded.

The Liberty TIF Fund has a fund balance of \$10,058,655 at year end 2016, which is a decrease of \$12,396,958 from the 2015 balance of \$22,455,613. This decrease in fund balance is the result of the draw down of the bond proceeds to begin construction of the Liberty Commons

CITY OF LIBERTY, MISSOURI

Management's Discussion and Analysis *(Continued)*

retail center. Of the \$40,160,000 bond issuance, less developer reimbursements of \$30,101,345 to date with \$11,408,507 being reimbursed in 2016. Revenues decreased to \$4,648,418 from 2015 revenues of \$4,271,851.

The Fire Sales Tax Fund recorded an ending fund balance of \$1,136,631 reflecting a decrease of \$28,851 from the previous year's ending balance. Total revenues of \$1,186,420 saw an increase of \$159,943 from 2015. Total sales tax revenues of \$990,845 showed an improvement in 2016 by \$53,775. Total expenditures were recorded at \$878,761, reflecting a decrease of \$2,206,029 from 2015. The significant decrease in expenditures from 2015 to 2016 is primarily attributable to the purchase of the Fire Pumper in the amount of \$1,921,000 in 2015.

Proprietary Funds

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

Unrestricted net position of the Water Fund at the end of the year was \$1,716,652. The Sewer Fund showed an unrestricted net position deficit \$5,782,944, this is primarily due to an increase of Capital Assets and additions to debt related to the construction of the Waste Water Treatment Facility, and the Sanitation Fund was positive at \$793. The increase in total net position when compared to 2015 was \$7,516 for the Water Fund, \$248,350 for the Sewer Fund and a reduction of \$6,856 for the Sanitation Fund causing a total increase for the proprietary funds of \$249,010. 2016 total ending net position is \$50,078,616.

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 met bond covenant requirements. (see *Footnote 4* for further information)

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

CITY OF LIBERTY, MISSOURI

Management's Discussion and Analysis (*Continued*)

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

To address these increased costs, Liberty has increased its sewer user rates, as required. In 2016, the City implemented a 5.92% increase. These actions generated \$8,512,980 in operating revenues. This reflects a \$753,481 increase over 2015 results of \$7,759,499. Total operating expenses were \$8,680,121 or \$1,107,414 above 2015 amounts of \$7,572,707. This increase is primarily due to additional sewage treatment expenses paid to Kansas City Missouri (KCMO) resulting from KCMO rate increases and abnormally high metered sewage flow in 2016. Net operating income (loss) for 2016 was \$(167,141).

The City contracts for its solid waste disposal and records those associated revenues and expenses within the Sanitation Fund. As rates for that service have and will increase at approximately 3.5% a year. In 2016, the City implemented a 4.7% rate increase in its Sanitation user rates. The City believes this will allow future rate increase to closely parallel the cost of service increase.

The output of this multi-year commitment has been positive as shown in the improvement of the Proprietary Funds' fund net position. In addition, and as indicated in the accompanying footnotes, the City is able to report that required bond covenants were met in both the Water Fund and Sewer Fund in 2016.

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

GENERAL FUND BUDGETARY HIGHLIGHTS

Differences between the final budget and 2016 actual can be summarized as follows:

In 2016, final expenditures for the General Fund were \$17,841,157, representing a favorable \$775,046 variance from the final budget of \$18,616,203. The major contributor to the favorable variance is found in the general government, in the amount of \$214,248 and public safety, in the amount of \$359,485, and is primarily the result of under-expenditures within City non-salary and capital accounts. Additionally, the loss control insurance fund saw a favorable balance of \$68,640.

Actual revenue for the General Fund was \$16,539,059, representing an unfavorable \$562,291 variance from the final budget of \$17,101,350. Franchise Fee Taxes are a major contributor to the unfavorable variance and account for \$305,028 of the total variance. This was primarily due to a cooler than normal summer and a warmer than normal winter. Additionally, Municipal Court fines had an unfavorable balance of \$110,940 and are due to the State of Missouri implementing controls on municipal courts during the 2016 Fiscal Year.

CITY OF LIBERTY, MISSOURI

Management's Discussion and Analysis *(Continued)*

Other financing sources closed out at \$873,963. With the 2016 budget set at \$1,389,180 a variance of an unfavorable \$515,217. This is primarily due to the lease proceeds received for the 2016 Capital Lease that were received in 2017 instead of 2016, as planned.

Required Statutory Disclosure

State law requires the City to annually calculate the percentage of its general revenue that comes from traffic violations. In the current year, the City has reported fines of \$364,060, which includes traffic violations and other additional items. This amount is approximately 2.2% of total general revenues of \$16,539,059 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, 2016 amounts to \$183,889,612 (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 \$54.6 million or an increase of 42.2%. Capital assets for governmental activities increased by \$3.9 million and those for business-type activities increased by \$50.6 million.

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

- Utility Water Treatment Plant Improvements Construction in Process - \$50.6 million
- Police Vehicles - \$0.121 million
- Liberty Drive Reconstruction - \$1.017 million
- South Liberty Parkway Phase II - \$25.4 million project - Construction in Progress - \$3.249 million
- Downtown Reconstruction Project - \$5.0 million project - Construction in Progress - \$2.690 million
- Fire Vehicles, Capital Equipment and Building Construction - \$0.205 million
- Parks Capital Equipment - \$0.529 million
- Public Works Capital Equipment and Vehicles - \$0.613 million
- City wide computer equipment - \$0.391 million

CITY OF LIBERTY, MISSOURI

Management's Discussion and Analysis *(Continued)*

City Of Liberty's Capital Assets

	Governmental Activities		Business-Type Activities		Total	
	2016	2015	2016	2015	2016	2015
Land	\$ 1,969,467	\$ 1,969,467	\$ 840,677	\$ 840,677	\$ 2,810,144	\$ 2,810,144
Construction-in-progress	6,441,226	926,304	70,982,477	19,898,487	77,423,703	20,824,791
Buildings and system	13,764,295	13,646,857	10,315,455	10,315,455	24,079,750	23,962,312
Vehicles	7,275,294	7,505,791	2,314,927	1,942,979	9,590,221	9,448,770
Improvements other than buildings	10,939,270	10,850,297	194,143	194,143	11,133,413	11,044,440
Machinery and equipment	13,286,086	12,178,860	12,485,300	11,995,852	25,771,386	24,174,712
Infrastructure	50,167,516	49,209,706	60,932,892	60,349,352	111,100,408	109,559,058
Accumulated depreciation	(44,040,213)	(40,410,192)	(33,979,200)	(32,090,387)	(78,019,413)	(72,500,579)
Total	\$ 59,802,941	\$ 55,877,090	\$ 124,086,671	\$ 73,446,558	\$ 183,889,612	\$ 129,323,648

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 \$169,173,197. Of this amount, \$23,165,000 comprises debt backed by the full faith and credit of the government. The City plans to pay the debt on these general obligation bonds through capital, economic development and transportation sales tax sources and does not expect to issue any property tax debt levies. The remainder of the City's debt represents bonds secured solely by specified revenue sources (*i.e.*, revenue bonds).

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

	Governmental Activities		Business-Type Activities		Total	
	2016	2015	2016	2015	2016	2015
Special obligation bonds	\$ 19,823,430	\$ 20,976,920	\$ 101,570	\$ 133,080	\$ 19,925,000	\$ 21,110,000
Capital leases	3,516,347	3,864,355	157,465	208,400	3,673,812	4,072,755
General obligation bonds	23,165,000	25,390,000	-	-	23,165,000	25,390,000
TIF bonds	53,070,000	54,240,000	-	-	53,070,000	54,240,000
MDNR loan payable	11,863	23,120	-	-	11,863	23,120
SRF bonds	-	-	64,287,522	19,662,522	64,287,522	19,662,522
Revenue bonds	-	-	5,040,000	5,770,000	5,040,000	5,770,000
Total	\$ 99,586,640	\$ 104,494,395	\$ 69,586,557	\$ 25,774,002	\$ 169,173,197	\$ 130,268,397

During the current fiscal year, the City's total debt increased by \$38,904,800 or 29.9%. This is primarily due to the issuance of the 2016 Capital Lease Purchase and the majority of the Waste Water Treatment facility being completed. In 2016, the total debt within the City's governmental activities saw a net decrease of \$4,907,755. This decrease is primarily due the principal pay down within all bond and capital lease debt obligations. Additional information on the City's long-term debt can be found in *Note 4* of this report.

CITY OF LIBERTY, MISSOURI

Management's Discussion and Analysis (*Continued*)

ECONOMIC FACTORS, NEXT YEAR'S BUDGET AND RATES

Based on 2016 end-of-year activity, it is anticipated that 2017 General Fund revenues will show stability and have been conservatively budgeted. The overall 2017 General Fund budget shows total revenues of \$17,031,410. Other financing sources are established at \$801,000 and transfers in from other funds provide \$976,930, for a total available 2017 funding of \$18,809,340.

Property taxes for 2017 are budgeted at \$4,316,800 or \$80,320 higher than 2016 actual revenues. The City Council established the 2016 general levy rate at \$0.8287 per \$100 assessed valuation, which remains the same rate as 2015. This rate will be applied to a higher 2016 assessed valuation to produce a slight increase of current 2016 revenue over that earned in 2015. Valuations for 2016 were calculated to be \$472,307,107 or \$7,544,765 higher than 2015.

Sales tax revenue is budgeted at \$4,466,270, slightly above the budget for 2016 and due to increased business in the Liberty Triangle TIF areas and Liberty Commons retail center and increased revenue from motor vehicle sales. Franchise fees have been budgeted at \$3,780,500 for 2017, a decrease of \$69,500 from 2016. The decrease in Franchise fees is primarily due to a decrease in Cell phone revenues and decreased Electric and Gas revenues. The budgeted amounts for Electrical Franchise fees are based on an anticipated normal summer temperature event and this franchise fee revenue is anticipated to remain level at \$2.1 million, same as 2016. Fees attributable to charges for services are expected to increase by \$384,810 in 2017.

General Fund expenditures and transfers are projected to total \$18,786,920 compared to the 2016 close-out of \$17,916,384. This represents a \$611,180 increase from 2016 budget. Employee salary and fringe benefit costs are budgeted at \$188,190 higher for a 2017 total of \$13,445,560. This is due to the City providing a 3% salary adjustment and anticipated increases in health insurance costs and does reflect full City staffing for the entire year. Non-salary expenditures increased less than 1% in the 2017 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 \$1,185,150. This reflects anticipated expenditures for City computer equipment and replacement of Police vehicles.

Based on programmed actions for 2017, the City anticipates a balanced General Fund budget, with 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 2017 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 2017. User rates were increased in both the Water and Sewer Funds. Water rates were increased by 3.7% and sewer rates were adjusted upward by 5.92% and sanitation rates were increased by 4.7%.

CITY OF LIBERTY, MISSOURI

Management's Discussion and Analysis (*Continued*)

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

The 2017 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 2017 fiscal year.

REQUESTS FOR INFORMATION

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

Basic Financial Statements

CITY OF LIBERTY, MISSOURI

STATEMENT OF NET POSITION

Page 1 Of 2

December 31, 2016

	Governmental Activities	Business-Type Activity	Total
Assets			
Current Assets			
Cash and investments	\$ 10,238,280	\$ 2,015,438	\$ 12,253,718
Receivables:			
Taxes	8,934,120	—	8,934,120
Special assessments	—	284	284
Accounts	464,918	1,812,530	2,277,448
Accrued interest	69,870	67,896	137,766
Due from other governments	104,662	—	104,662
Inventory	31,233	180,221	211,454
Prepaid expenses	492,871	147,616	640,487
Restricted assets:			
Cash and investments	35,396,457	—	35,396,457
Accrued interest	662	—	662
Total Current Assets	55,733,073	4,223,985	59,957,058
Noncurrent Assets			
Restricted assets:			
Investments	66,396	1,548,631	1,615,027
Capital assets:			
Nondepreciable:			
Land	1,969,467	840,677	2,810,144
Construction in progress	6,441,226	70,982,477	77,423,703
Depreciable:			
Buildings and system	13,764,295	10,315,455	24,079,750
Improvements other than buildings	10,939,270	194,143	11,133,413
Vehicles	7,275,294	2,314,927	9,590,221
Machinery and equipment	13,286,086	12,485,300	25,771,386
Infrastructure	50,167,516	60,932,892	111,100,408
Less: Accumulated depreciation	(44,040,213)	(33,979,200)	(78,019,413)
Total Noncurrent Assets	59,869,337	125,635,302	185,504,639
Total Assets	115,602,410	129,859,287	245,461,697
Deferred Outflows Of Resources			
Pensions	5,347,098	866,532	6,213,630
Deferred loss on refunding	133,319	—	133,319
Total Assets And Deferred Outflows Of Resources	121,082,827	130,725,819	251,808,646

CITY OF LIBERTY, MISSOURI

STATEMENT OF NET POSITION

Page 2 Of 2

December 31, 2016

	Governmental Activities	Business-Type Activity	Total
Liabilities			
Current Liabilities			
Accounts payable and accrued liabilities	\$ 1,555,178	\$ 9,463,106	\$ 11,018,284
Deposits	75,068	—	75,068
Compensated absences	830,000	134,999	964,999
Accrued interest payable	868,898	403,966	1,272,864
Unearned revenue	16,896	11,688	28,584
Current maturities of long-term debt	4,238,665	1,123,865	5,362,530
Total Current Liabilities	7,584,705	11,137,624	18,722,329
Noncurrent Liabilities			
Compensated absences	830,643	131,103	961,746
Net pension liability	8,437,299	817,993	9,255,292
Other post employment benefits	490,315	—	490,315
Long-term debt	96,013,761	68,520,078	164,533,839
Total Noncurrent Liabilities	105,772,018	69,469,174	175,241,192
Total Liabilities	113,356,723	80,606,798	193,963,521
Deferred Inflows Of Resources			
Pensions	353,704	40,865	394,569
Property tax	6,087,537	—	6,087,537
Net Position			
Net investment in capital assets	38,646,267	52,595,025	91,241,292
Restricted for:			
Expendable:			
Debt service	4,438,575	1,419,992	5,858,567
Parks	1,701,506	—	1,701,506
Cemetery	53,080	—	53,080
Kansas City sewer line	—	128,638	128,638
Nonexpendable:			
Cemetery trust corpus	437,393	—	437,393
Unrestricted	(43,991,958)	(4,065,499)	(48,057,457)
Total Net Position	1,284,863	50,078,156	51,363,019
Total Liabilities, Deferred Inflows Of Resources and Net Position	\$ 121,082,827	\$ 130,725,819	\$ 251,808,646

CITY OF LIBERTY, MISSOURI

**STATEMENT OF ACTIVITIES
For The Year Ended December 31, 2016**

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue And Changes In Net Position		
		Charges For Services And Sales	Operating Grants And Contributions	Capital Grants And Contributions	Primary Government		
					Governmental Activities	Business- Type Activities	Total
Primary Government							
Governmental Activities							
General government	\$ 5,140,449	\$ 584,352	\$ 232,793	\$ —	\$ (4,323,304)	\$ —	\$ (4,323,304)
Community development and improvement	13,338,549	—	—	—	(13,338,549)	—	(13,338,549)
Public works	5,952,526	—	—	328,678	(5,023,848)	—	(5,023,848)
Culture and recreation	5,380,857	2,530,502	242,813	—	(2,607,542)	—	(2,607,542)
Cemetery maintenance	51,281	44,435	—	—	(6,846)	—	(6,846)
Public safety	11,477,832	1,882,114	16,752	—	(9,578,966)	—	(9,578,966)
Interest on long-term debt	4,360,199	—	—	—	(4,360,199)	—	(4,360,199)
Total Governmental Activities	45,101,693	5,041,403	492,358	328,678	(39,239,254)	—	(39,239,254)
Business-Type Activities							
Water	5,536,119	5,521,259	—	757	—	(14,103)	(14,103)
Sewer	8,782,656	8,251,871	—	372,333	—	(158,452)	(158,452)
Sanitation	1,579,941	1,572,792	—	—	—	(7,149)	(7,149)
Total Business-Type Activities	15,898,716	15,345,922	—	373,090	—	(179,704)	(179,704)
Total Primary Government	\$ 61,000,409	\$ 20,387,325	\$ 492,358	\$ 701,768	(39,239,254)	(179,704)	(39,418,958)
General Revenues							
Taxes:							
Property tax					6,274,468	—	6,274,468
Franchise taxes					3,544,972	—	3,544,972
Sales taxes					15,174,323	—	15,174,323
Other taxes					1,447,073	—	1,447,073
Investment income					230,266	160,012	390,278
Miscellaneous					1,115,913	268,702	1,384,615
Total General Revenues And Transfers					27,787,015	428,714	28,215,729
Change In Net Position					(11,452,239)	249,010	(11,203,229)
Net Position - Beginning Of Year					12,737,102	49,829,146	62,566,248
Net Position - End Of Year					\$ 1,284,863	\$ 50,078,156	\$ 51,363,019

CITY OF LIBERTY, MISSOURI

**BALANCE SHEET – GOVERNMENTAL FUNDS
December 31, 2016**

	General	Parks	Capital Sales Tax	Transportation Sales Tax	Liberty TIF	Fire Sales Tax	Economic Development Sales Tax	Nonmajor Governmental Funds	Total
Assets									
Cash and investments	\$ 1,848,946	\$ 491,246	\$ 3,390,160	\$ 425,429	\$ 910,132	\$ 1,151,254	\$ 1,383,561	\$ 637,552	\$ 10,238,280
Receivables									
Taxes	5,306,533	722,247	353,283	355,307	1,807,470	177,242	345,353	177,242	9,244,677
Accounts	467,785	55,288	8,616	—	—	—	360	38,924	570,973
Accrued interest	21,533	429	3,814	176	—	1,376	39,941	2,601	69,870
Allowance for uncollectible receivables	(370,092)	(46,520)	—	—	—	—	—	—	(416,612)
Due from other funds	107,056	35	—	—	—	—	—	491	107,582
Due from other governments	55,935	—	48,727	—	—	—	—	—	104,662
Inventory	31,233	—	—	—	—	—	—	—	31,233
Prepaid insurance	444,641	48,217	13	—	—	—	—	—	492,871
Restricted assets:									
Cash and investments	—	—	370,099	—	8,776,727	—	24,701,000	—	33,847,826
Investments	—	—	—	—	—	—	—	1,615,027	1,615,027
Accrued interest	—	—	424	—	—	—	—	238	662
Total Assets	\$ 7,913,570	\$ 1,270,942	\$ 4,175,136	\$ 780,912	\$ 11,494,329	\$ 1,329,872	\$ 26,470,215	\$ 2,472,075	\$ 55,907,051
Liabilities									
Accounts payable and accrued liabilities	\$ 518,852	\$ 80,481	\$ 5,551	\$ 213	\$ 15,711	\$ 193,240	\$ 630,828	\$ 110,302	\$ 1,555,178
Deposits	72,064	—	—	—	—	—	—	3,004	75,068
Due to other funds	6	3	(3)	1	98,034	1	6	9,534	107,582
Unearned revenue	—	7,252	9,644	—	—	—	—	—	16,896
Total Liabilities	590,922	87,736	15,192	214	113,745	193,241	630,834	122,840	1,754,724
Deferred Inflows Of Resources									
Charges for services	161,673	—	—	—	—	—	—	—	161,673
Property and special assessment taxes	4,051,769	713,839	—	—	1,321,929	—	—	—	6,087,537
Fund Balances									
Nonspendable:									
Inventory	31,233	—	—	—	—	—	—	—	31,233
Prepaid insurance	444,641	48,217	13	—	—	—	—	—	492,871
Permanent fund principal	—	—	—	—	—	—	—	437,393	437,393
Restricted for:									
Parks and recreation	—	421,150	—	—	—	—	—	1,686,923	2,108,073
Capital projects	—	—	4,159,931	—	—	—	25,839,381	—	29,999,312
Transportation projects	—	—	—	780,698	—	—	—	—	780,698
Public safety	—	—	—	—	—	1,136,631	—	—	1,136,631
Debt service	—	—	—	—	10,058,655	—	—	—	10,058,655
Cemetery	—	—	—	—	—	—	—	53,080	53,080
Law enforcement	—	—	—	—	—	—	—	4,828	4,828
Other purposes	—	—	—	—	—	—	—	176,039	176,039
Assigned to:									
General government	42,490	—	—	—	—	—	—	—	42,490
Unassigned	2,590,842	—	—	—	—	—	—	(9,028)	2,581,814
Total Fund Balances	3,109,206	469,367	4,159,944	780,698	10,058,655	1,136,631	25,839,381	2,349,235	47,903,117
Total Liabilities, Deferred Inflows Of Resources And Fund Balances	\$ 7,913,570	\$ 1,270,942	\$ 4,175,136	\$ 780,912	\$ 11,494,329	\$ 1,329,872	\$ 26,470,215	\$ 2,472,075	\$ 55,907,051

CITY OF LIBERTY, MISSOURI

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

December 31, 2016

Total Fund Balance - Governmental Funds \$ 47,903,117

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

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

Land	1,969,467
Construction in progress	6,441,226
Buildings and system	13,764,295
Improvements other than buildings	10,939,270
Vehicles	7,275,294
Machinery and equipment	13,286,086
Infrastructure	50,167,516
Accumulated depreciation	(44,040,213)

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. 161,673

Deferred inflows and outflows of resources in the governmental activities related to pensions are not recorded in the fund statements. 4,993,394

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

Current:

Compensated absences	(830,000)
Accrued interest payable	(868,898)
Capital lease obligations	(863,958)
General obligations, special obligation, TIF bonds	(3,368,258)
MDNR loan payable	(6,449)

Noncurrent:

Compensated absences	(830,643)
Net pension liability	(8,437,299)
Other post employment benefits	(490,315)
Bond discounts and deferral on refunding	411,955
Bond premium	(944,422)
Capital lease obligations	(2,652,389)
General obligations, special obligation, TIF bonds	(92,690,172)
MDNR loan payable	(5,414)

Total Net Position - Governmental Activities \$ 1,284,863

CITY OF LIBERTY, MISSOURI

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES GOVERNMENTAL FUNDS For The Year Ended December 31, 2016

	General	Parks	Capital Sales Tax	Transportation Sales Tax	Liberty TIF	Fire Sales Tax	Economic Development Sales Tax	Nonmajor Governmental Funds	Total
Revenues									
Taxes	\$ 13,213,851	\$ 741,406	\$ 1,980,462	\$ 1,976,599	\$ 4,636,733	\$ 990,845	\$ 1,728,673	\$ 1,172,267	\$ 26,440,836
Intergovernmental	427,435	9,963	383,638	—	—	—	—	—	821,036
Charges for services	1,864,670	2,530,502	—	—	—	—	—	62,884	4,458,056
Licenses and permits	509,749	—	—	—	—	—	—	—	509,749
Investment earnings	18,104	4,221	33,467	750	1,759	6,340	153,612	12,013	230,266
Miscellaneous	505,250	42,639	73,384	—	—	9,926	189,235	295,479	1,115,913
Total Revenues	16,539,059	3,328,731	2,470,951	1,977,349	4,648,418	1,186,420	1,882,285	1,542,643	33,575,856
Expenditures									
Current:									
General government	4,405,895	—	—	—	13,258	—	—	100,122	4,519,275
Community development and improvement	640,221	—	—	44,477	12,621,266	—	—	1,015	13,306,979
Public works	2,293,080	—	72,703	6,564	120,494	—	404,641	135	2,897,617
Culture and recreation	339,924	3,762,706	—	—	—	—	—	409,697	4,512,327
Cemetery maintenance	—	—	—	—	—	—	—	51,281	51,281
Public safety	9,719,925	—	—	—	—	—	—	18,488	9,738,413
Capital outlay	—	63,737	2,195,691	—	—	313,705	5,794,330	180,958	8,548,421
Debt service:									
Principal retirement	401,331	43,000	419,342	1,385,000	1,250,000	498,251	1,085,000	240,000	5,321,924
Interest and fiscal charges	40,781	1,749	218,906	157,573	3,040,358	66,805	856,524	49,336	4,432,032
Total Expenditures	17,841,157	3,871,192	2,906,642	1,593,614	17,045,376	878,761	8,140,495	1,051,032	53,328,269
Revenues Over (Under) Expenditures	(1,302,098)	(542,461)	(435,691)	383,735	(12,396,958)	307,659	(6,258,210)	491,611	(19,752,413)
Other Financing Sources (Uses)									
Capital lease	308,183	40,850	—	—	—	—	—	—	349,033
Transfers in	613,530	574,188	—	—	—	—	2,901,627	59,910	4,149,255
Transfers out	(47,750)	(79,000)	(2,574,637)	(538,010)	—	(336,510)	—	(573,348)	(4,149,255)
Total Other Financing Sources	873,963	536,038	(2,574,637)	(538,010)	—	(336,510)	2,901,627	(513,438)	349,033
Net Change In Fund Balances	(428,135)	(6,423)	(3,010,328)	(154,275)	(12,396,958)	(28,851)	(3,356,583)	(21,827)	(19,403,380)
Fund Balances - Beginning Of Year	3,537,341	475,790	7,170,272	934,973	22,455,613	1,165,482	29,195,964	2,371,062	67,306,497
Fund Balances - End Of Year	\$ 3,109,206	\$ 469,367	\$ 4,159,944	\$ 780,698	\$ 10,058,655	\$ 1,136,631	\$ 25,839,381	\$ 2,349,235	\$ 47,903,117

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, 2016

Net Change In Fund Balances - Total Governmental Funds \$ (19,403,380)

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	8,487,804
Depreciation	(4,356,467)
Loss on disposal of capital assets	(205,486)

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

Change in deferred inflows of resources	(73,598)
-----------------------------------------	----------

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	15,440
Change in accrued interest payable	—
Change in deferred inflow and outflow - pensions	2,894,664
Changes in net pension liability and OPEB liability	(3,754,580)

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	5,223,850
Issuance of long-term debt, including premium/discount	—
Payments to refunding escrow agent	—
Capital lease	(352,319)
Amortization of bond premium and discounts	88,498
Amortization of deferred loss on refunding	(16,665)

Change In Net Position Of Governmental Activities \$ (11,452,239)

CITY OF LIBERTY, MISSOURI

STATEMENT OF NET POSITION ENTERPRISE FUNDS December 31, 2016

	Water	Sewer	Sanitation (Nonmajor)	Total
Assets				
Current Assets:				
Cash and investments	\$ 1,965,719	\$ —	\$ 49,719	\$ 2,015,438
Receivables:				
Special assessments	—	284	—	284
Accounts	479,964	1,255,159	77,407	1,812,530
Accrued interest	3,376	64,457	63	67,896
Due from other funds	180,543	—	—	180,543
Inventory	174,763	5,458	—	180,221
Prepays	46,422	101,191	3	147,616
Total Current Assets	2,850,787	1,426,549	127,192	4,404,528
Noncurrent Assets:				
Restricted assets, cash and investments	543,057	1,005,574	—	1,548,631
Capital assets:				
Land	795,677	45,000	—	840,677
Construction in progress	466,707	70,515,770	—	70,982,477
Buildings and systems	9,064,644	1,250,811	—	10,315,455
Improvements other than buildings	143,116	51,027	—	194,143
Vehicles	978,497	1,336,430	—	2,314,927
Machinery and equipment	8,218,670	4,266,630	—	12,485,300
Infrastructure	31,229,294	29,703,598	—	60,932,892
Accumulated depreciation	(21,625,631)	(12,353,569)	—	(33,979,200)
Total Noncurrent Assets	29,814,031	95,821,271	—	125,635,302
Total Assets	32,664,818	97,247,820	127,192	130,039,830
Deferred Outflows of Resources				
Pensions	513,888	341,393	11,251	866,532
Total Deferred Outflows of Resources	513,888	341,393	11,251	866,532
Total Assets and Deferred Outflows of Resources	\$ 33,178,706	\$ 97,589,213	\$ 138,443	\$ 130,906,362
Liabilities				
Current Liabilities:				
Accounts payable and accrued expenses	\$ 972,576	\$ 8,366,197	\$ 124,333	\$ 9,463,106
Due to other funds	—	180,543	—	180,543
Compensated absences	75,422	58,479	1,098	134,999
Accrued interest payable	15,034	388,932	—	403,966
Unearned revenue	2,411	9,277	—	11,688
Current maturities of long-term debt	500,871	622,994	—	1,123,865
Total Current Liabilities	1,566,314	9,626,422	125,431	11,318,167
Noncurrent Liabilities:				
Compensated absences	73,245	56,791	1,067	131,103
Net pension liability	485,102	322,270	10,621	817,993
Long-term debt	2,136,316	66,383,762	—	68,520,078
Total Liabilities	4,260,977	76,389,245	137,119	80,787,341
Deferred Inflows Of Resources				
Pensions	24,234	16,100	531	40,865
Net Position				
Net investment in capital assets	26,633,787	25,961,238	—	52,595,025
Restricted for:				
Debt service	543,056	876,936	—	1,419,992
Kansas City sewer line	—	128,638	—	128,638
Unrestricted	1,716,652	(5,782,944)	793	(4,065,499)
Total Net Position	28,893,495	21,183,868	793	50,078,156
Total Liabilities, Deferred Inflows Of Resources and Net Position	\$ 33,178,706	\$ 97,589,213	\$ 138,443	\$ 130,906,362

CITY OF LIBERTY, MISSOURI

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION ENTERPRISE FUNDS For The Year Ended December 31, 2016

	Water	Sewer	Sanitation (Nonmajor)	Total
Operating Revenues				
Charges for services	\$ 5,521,259	\$ 8,251,871	\$ 1,572,792	\$ 15,345,922
Miscellaneous	7,593	261,109	—	268,702
Total Operating Revenues	5,528,852	8,512,980	1,572,792	15,614,624
Operating Expenses				
Pumping and treatment	2,430,812	6,292,163	—	8,722,975
Distribution and transmission	955,176	624,638	—	1,579,814
General and administrative	780,372	871,207	308	1,651,887
Sanitation	—	67,829	1,579,633	1,647,462
Depreciation	1,222,834	824,284	—	2,047,118
Total Operating Expenses	5,389,194	8,680,121	1,579,941	15,649,256
Operating Income (Loss)	139,658	(167,141)	(7,149)	(34,632)
Nonoperating Revenues (Expenses)				
Investment earnings	14,026	145,693	293	160,012
Interest expense	(110,615)	(150,919)	—	(261,534)
Other	(36,310)	48,384	—	12,074
Total Nonoperating Revenues (Expenses)	(132,899)	43,158	293	(89,448)
Income (Loss) Before Capital Contributions	6,759	(123,983)	(6,856)	(124,080)
Capital Contributions	757	372,333	—	373,090
Change in Net Position	7,516	248,350	(6,856)	249,010
Net Position - Beginning of Year	28,885,979	20,935,518	7,649	49,829,146
Net Position - End of Year	\$ 28,893,495	\$ 21,183,868	\$ 793	\$ 50,078,156

CITY OF LIBERTY, MISSOURI

STATEMENT OF CASH FLOWS ENTERPRISE FUNDS For The Year Ended December 31, 2016

	Water	Sewer	Sanitation (Nonmajor)	Total
Cash Flows from Operating Activities				
Receipts from customers and users	\$ 5,514,881	\$ 8,134,299	\$ 1,574,464	\$ 15,223,644
Payment to suppliers	(2,321,670)	(6,455,564)	(1,536,650)	(10,313,884)
Payments to employees	(1,499,143)	(937,474)	(37,040)	(2,473,657)
Other receipts	7,593	261,109	—	268,702
Net Cash Provided by (Used in) Operating Activities	1,701,661	1,002,370	774	2,704,805
Cash Flows from Capital and Related Financing Activities				
Purchase of capital assets	(826,028)	(46,912,354)	—	(47,738,382)
Interest payments	(124,112)	(283,056)	—	(407,168)
Interfund loan	(180,543)	180,543	—	-
Proceeds from issuance of revenue bonds, including premium	—	44,915,000	—	44,915,000
Principal payments on debt	(485,755)	(616,691)	—	(1,102,446)
Proceeds from sale of capital assets	89,110	—	—	89,110
Net Cash Used in Capital and Related Financing Activities	(1,527,328)	(2,716,558)	—	(4,243,886)
Cash Flows from Investing Activities				
Interest and dividends received	14,026	145,693	293	160,012
Increase (Decrease) in Cash and Cash Equivalents	188,359	(1,568,495)	1,067	(1,379,069)
Cash and Cash Equivalents - Beginning of Year	2,320,417	2,574,069	48,652	4,943,138
Cash and Cash Equivalents - End of Year	\$ 2,508,776	\$ 1,005,574	\$ 49,719	\$ 3,564,069
Components of Cash and Cash Equivalents				
Unrestricted	\$ 1,965,719	\$ -	\$ 49,719	\$ 2,015,438
Restricted	543,057	1,005,574	-	1,548,631
	\$ 2,508,776	\$ 1,005,574	\$ 49,719	\$ 3,564,069
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:				
Operating income (loss)	\$ 139,658	\$ (167,141)	\$ (7,149)	\$ (34,632)
Adjustments to reconcile operating income to net cash provided by (used in) operating activities				
Depreciation	1,222,834	824,284	—	2,047,118
Changes in assets and liabilities:				
Receivables	(6,378)	(117,572)	1,672	(122,278)
Inventory and other prepayments	(24,279)	65,047	26	40,794
Accounts payable and accrued expenses	265,197	306,993	6,065	578,255
Deferred outflows of resources - pensions	(310,912)	(216,549)	(7,028)	(534,489)
Deferred inflows of resources - pensions	(1,077)	532	4	(541)
Net pension liability	415,957	279,741	9,182	704,880
Compensated absences	661	27,035	(1,998)	25,698
Net Cash Provided by (Used in) Operating Activities	\$ 1,701,661	\$ 1,002,370	\$ 774	\$ 2,704,805
Noncash Investing and Financing Transactions				
Accounts payable incurred for purchase of capital assets	\$ 78,821	\$ 2,665,338	\$ —	\$ 2,744,159
Capital contributions	757	372,333	—	373,090

CITY OF LIBERTY, MISSOURI

**STATEMENT OF ASSETS AND LIABILITIES
AGENCY FUNDS
December 31, 2016**

Assets

Cash and cash equivalents	\$ 250,118
Accrued interest	<u>30</u>
	<u>\$ 250,148</u>

Liabilities

Protested taxes	\$ 3,806
Due to other entities	<u>246,342</u>
	<u>\$ 250,148</u>

CITY OF LIBERTY, MISSOURI

NOTES TO BASIC FINANCIAL STATEMENTS

December 31, 2016

1. Summary Of Significant Accounting Policies

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

Nature Of Operations

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

Reporting Entity

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

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

CITY OF LIBERTY, MISSOURI

Notes To Basic Financial Statements (*Continued*)

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

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

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

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

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

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

CITY OF LIBERTY, MISSOURI

Notes To Basic Financial Statements (*Continued*)

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

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

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

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

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

Liberty TIF Fund: This fund is a capital projects fund. The Liberty TIF Fund was established to track the redevelopment of land between I-35, M-291 and 152 Hwy, I-35 and M-291 at A Hwy, and development along South Liberty Parkway. Various bonds have been issued between 2004 and 2015 to finance redevelopment project expenses through payments in lieu of taxes and economic activity taxes. These bonds will be paid from tax increment financing of increased revenue from both payments in lieu of taxes and economic activity taxes.

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

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

CITY OF LIBERTY, MISSOURI

Notes To Basic Financial Statements (*Continued*)

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

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

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

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

Inmate Security Fund: This fund reports the two dollars assessed for the inmate security fund. Funds deposited shall be used for the maintenance of biometric verification system to properly identify and track inmates and to pay for all expenses related to custody and housing for inmates.

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

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.

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.

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.

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.

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

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

The following are the City's major enterprise funds:

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

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

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

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

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

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

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

CITY OF LIBERTY, MISSOURI

Notes To Basic Financial Statements (*Continued*)

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

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

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 2016 levy plus any uncollected amounts from the 2015 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.

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 acquisition value at the date of donation.

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

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

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

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

CITY OF LIBERTY, MISSOURI

Notes To Basic Financial Statements (*Continued*)

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

Deferred Outflows Of Resources

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

Unearned Revenues

Unearned revenues in the statement of net position represent receipts where the City has not met all eligibility requirements imposed by the provider.

Interfund Transactions

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

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

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

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

Compensated Absences

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

CITY OF LIBERTY, MISSOURI

Notes To Basic Financial Statements (*Continued*)

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

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

Fund Balance

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

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

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

Net Position

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

CITY OF LIBERTY, MISSOURI

Notes To Basic Financial Statements *(Continued)*

Net position, restricted consists of restrictions related to parks, debt service, fire, Kansas City sewer line and trust corpus.

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

Long-Term Liabilities

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

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

Deferred Inflows Of Resources

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

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

Use Of Estimates

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

CITY OF LIBERTY, MISSOURI

Notes To Basic Financial Statements (Continued)

Impact of Adoption of New Accounting Standard

In 2016, the City adopted the provisions of GASB Statement No. 72, *Fair Value Measurements and Application*. This statement sets forth guidance for determining and disclosing fair value of assets and liabilities in the financial statements. Adoption did not have a significant impact on amounts reported, but did result in additional note disclosures.

In 2016, the City adopted GASB Statement No. 77, *Tax Abatement Disclosures*. This statement provides information to assist the users of financial statements in assessing (1) whether a government's current year revenues were sufficient to pay for current-year services, (2) whether a government complied with finance-related legal and contractual obligations (3) where a government's financial resources come from and how it uses them and (4) a government's financial position and economic condition and how they have changed over time. The adoption of this accounting standard had no impact on amounts reported but did result in additional note disclosures.

2. Deposits And Investments

As of December 31, 2016, the City had the following investments and maturities:

Investment Type	Amount	Investment Maturity (In Years)			
		Less Than 1	1-3	3-5	More Than 5
Federal National Mortgage Association	\$ 2,249,806	\$ 2,249,806	\$ -	\$ -	\$ -
Federal Home Loan Mortgage Corporation	7,499,972	6,499,972	1,000,000	-	-
Federal Home Loan Bank Certificates of Deposit	14,749,573	14,749,573	-	-	-
Repurchase Agreements	4,500,000	4,500,000	-	-	-
	11,716,938	11,716,938	-	-	-
	<u>\$ 40,716,289</u>	<u>\$ 39,716,289</u>	<u>\$ 1,000,000</u>	<u>\$ -</u>	<u>\$ -</u>

Authorized Investments

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

Interest Rate Risk

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

CITY OF LIBERTY, MISSOURI

Notes To Basic Financial Statements *(Continued)*

Credit Risk

Generally, credit risk is the risk the issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The City does not have a formal policy relating to credit risk. As of December 31, 2016, the City's investments were rated as follows:

Investment Type	Rating	Company	Rating	Company
Federal National Mortgage Association	Aaa	Moody's	AA+	Standard & Poor's
Federal Home Loan Mortgage Corporation	Aaa	Moody's	AA+	Standard & Poor's
Federal Home Loan Bank Repurchase Agreements	Aaa Not Rated	Moody's	AA+ Not Rated	Standard & Poor's

Concentration Of Credit Risk

The City's investment policy is to apply the prudent-person rule: investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital, as well as the probable income to be derived. In addition, with the exception of U.S. Treasury securities, government pools collateralized by U.S. Treasury securities and repurchase agreements, it is the City's policy that no more than 50% of the City's total investment portfolio be deposited in a single financial institution/primary dealer. More than 5% of the City's portfolio is invested in Federal National Mortgage Association (6%); Federal Home Loan Mortgage Corporation (18%); Federal Home Loan Bank (36%); Certificates of Deposit (11%); and Repurchase Agreements (29%).

Custodial Credit Risk

Custodial credit risk is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (*e.g.*, broker-dealer) to a transaction, a government will not be able to recover the value of its investments that are in the possession of another party. The City's investment policy requires all collateral securities pledged to be held by the City or a designated independent third-party custodian with whom the City has a current custodial agreement and requires the custodian to hold the securities as pledged to the City in an account in the City's name. As of December 31, 2016, all deposits were adequately and fully collateralized.

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	\$ 8,799,031
Investments	40,716,289
	<u>49,515,320</u>
	<u>\$ 49,515,320</u>
Cash and investments	\$ 12,253,718
Restricted assets:	
Cash and investments	35,396,457
Investments	1,615,027
Agency fund, cash and cash equivalents	250,118
	<u>49,515,320</u>
	<u>\$ 49,515,320</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, 2016:

	Balance - January 1, 2016	Additions	Retirements	Balance - December 31, 2016
Governmental Activities				
Capital assets, not being depreciated:				
Land	\$ 1,969,467	\$ —	\$ —	\$ 1,969,467
Construction in progress	926,304	5,982,929	468,007	6,441,226
Total capital assets, not being depreciated	2,895,771	5,982,929	468,007	8,410,693
Capital assets being depreciated:				
Buildings and system	13,646,857	117,438	—	13,764,295
Improvements other than buildings	10,850,297	88,973	—	10,939,270
Vehicles	7,505,791	593,908	824,405	7,275,294
Machinery and equipment	12,178,860	1,214,753	107,527	13,286,086
Infrastructure	49,209,706	957,810	—	50,167,516
Total capital assets being depreciated	93,391,511	2,972,882	931,932	95,432,461
Less: Accumulated depreciation for:				
Buildings and system	5,881,458	343,994	—	6,225,452
Improvements other than buildings	7,316,086	442,259	—	7,758,345
Vehicles	2,636,168	645,899	616,584	2,665,483
Machinery and equipment	7,694,211	781,956	103,262	8,372,905
Infrastructure	16,882,269	2,142,359	6,600	19,018,028
Total accumulated depreciation	40,410,192	4,356,467	726,446	44,040,213
Total capital assets being depreciated, net	52,981,319	(1,383,585)	205,486	51,392,248
Governmental activities capital assets, net	\$ 55,877,090	\$ 4,599,344	\$ 673,493	\$ 59,802,941

CITY OF LIBERTY, MISSOURI

Notes To Basic Financial Statements (*Continued*)

	Balance - January 1, 2016	Additions	Retirements	Transfers/ Adjustments	Balance - December 31, 2016
Business-Type Activities					
Capital assets, not being depreciated:					
Land	\$ 840,677	\$ —	\$ —	\$ —	\$ 840,677
Construction in progress	19,898,487	51,467,345	383,355	—	70,982,477
Total capital assets, not being depreciated	20,739,164	51,467,345	383,355	—	71,823,154
Capital assets being depreciated:					
Buildings and system	10,315,455	—	—	—	10,315,455
Improvements other than buildings	194,143	—	—	—	194,143
Vehicles	1,942,979	573,946	201,998	—	2,314,927
Machinery and equipment	11,995,852	489,448	—	—	12,485,300
Infrastructure	60,349,352	583,540	—	—	60,932,892
Total capital assets being depreciated	84,797,781	1,646,934	201,998	—	86,242,717
Less: Accumulated depreciation for:					
Buildings and system	3,869,777	210,207	—	—	4,079,984
Improvements other than buildings	193,022	640	—	—	193,662
Vehicles	999,547	176,876	162,805	—	1,013,618
Machinery and equipment	6,068,076	413,094	—	4,500	6,485,670
Infrastructure	20,959,965	1,246,301	—	—	22,206,266
Total accumulated depreciation	32,090,387	2,047,118	162,805	4,500	33,979,200
Total capital assets being depreciated, net	52,707,394	(400,184)	39,193	4,500	52,263,517
Business-type activities capital assets, net	\$ 73,446,558	\$ 51,067,161	\$ 422,548	\$ 4,500	\$ 124,086,671

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

Governmental Activities

General government	\$ 268,681
Public safety	891,956
Culture and recreation	856,651
Public works	2,339,179
	<u>4,356,467</u>
	<u>\$ 4,356,467</u>

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

Business-Type Activities

Water	\$ 1,222,834
Sewer	824,284
	<u>2,047,118</u>
	<u>\$ 2,047,118</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, 2016:

	Balance - January 1, 2016	Additions	Retirements	Balance - December 31, 2016	Due Within One Year
Governmental Activities					
Special obligation bonds	\$ 20,976,920	\$ —	\$ 1,153,490	\$ 19,823,430	\$ 1,158,258
Capital leases	3,864,355	352,319	700,327	3,516,347	863,958
General obligation bonds	25,390,000	—	2,225,000	23,165,000	1,145,000
TIF bonds	54,240,000	—	1,170,000	53,070,000	1,065,000
MDNR loan payable	23,120	—	11,257	11,863	6,449
Other post employment benefits	441,359	59,956	11,000	490,315	—
Compensated absences	1,676,083	815,794	831,234	1,660,643	830,000
Bond premiums	1,043,726	—	99,304	944,422	—
Bond discounts	(289,442)	—	10,806	(278,636)	—
	<u>\$ 107,366,121</u>	<u>\$ 1,228,069</u>	<u>\$ 6,190,806</u>	<u>\$ 102,403,384</u>	<u>\$ 5,068,665</u>
Business-Type Activities					
Revenue bonds	\$ 5,770,000	\$ —	\$ 730,000	\$ 5,040,000	\$ 740,000
SRF bonds	19,662,522	44,915,000	290,000	64,287,522	300,000
Special obligation bonds	133,080	—	31,510	101,570	31,742
Capital leases	208,400	—	50,935	157,465	52,123
Compensated absences	240,406	159,109	133,413	266,102	134,999
Bond premiums	68,571	—	11,185	57,386	—
	<u>\$ 26,082,979</u>	<u>\$ 45,074,109</u>	<u>\$ 1,247,043</u>	<u>\$ 69,910,045</u>	<u>\$ 1,258,864</u>

The accrued compensated absences, and other postemployment benefits attributable to the governmental activities are generally liquidated by the General Fund.

CITY OF LIBERTY, MISSOURI

Notes To Basic Financial Statements (Continued)

Bonds, notes and lease purchase payables of the City at December 31, 2016 are as follows:

Governmental Activities

General obligation bonds:	
2013 General Obligation Bonds, 3-3.30%, due in varying amounts through 2030	\$ 6,180,000
2012 General Obligation Refunding & Improvement Bonds, 3-4%, due in varying amounts through 2022	4,470,000
2015 General Obligation Bonds, 2-5%, due in varying amounts through 2035	12,515,000
Special obligation bonds:	
2013 Special Obligation Refunding and Improvement Bonds, 3%, due in varying amounts through 2023	1,438,430
2010 Clay County Health Center Relocation Project Refunding Bonds, 2%-4.35%, due in varying amounts through 2032	2,055,000
2015 Special Obligation Bonds, 2-3.5%, due in varying amounts through 2035	16,330,000
MDNR loan payable	11,863
Tax increment revenue bonds:	
2007 Liberty Triangle Project Tax Increment Revenue Bonds, 5%-5.875%, due in varying amounts through 2029	4,785,000
2010 Roger's Plaza Project Tax Increment Revenue Bonds, 6.75%, due in varying amounts through 2030	4,975,000
2015 Liberty Triangle Project Tax Increment Revenue Bonds, 2.7%, due in 2021	3,150,000
Series 2015A Special Obligation Tax Increment and Special Districts Bonds, 5.125%-6%, due in varying amounts through 2046	31,065,000
Series 2015B Subordinate Special Obligation Tax Increment and Special Districts Bonds, 8.5%, due in 2046	9,095,000
Capital leases:	
Lease purchase of fitness equipment, 2.01% due in annual installments of \$34,000 to \$44,000 through 2017	44,000
Lease purchase of police cars, 2.01% due in annual installments between \$38,000 and \$49,000 through 2017	49,000
Lease purchase of fire pump truck, 2.01% due in annual installments between \$159,000 and \$236,000 through 2023	1,557,000
Lease purchase of roof and parking lot, 2.01% due in annual installments between \$50,000 and \$74,000 through 2023	489,000
Lease purchase of a IT equipment, .00% due in annual installments of \$58,089 through 2013	224,051
Lease purchase of aerial fire truck, 2.97% due in annual installments of \$131,259 through 2022	725,670
Lease purchase of street sweeper, 2.97% due in annual installments of \$45,219 through 2017	44,189
Lease purchase of fire tanker truck, 2.97% due in annual installments of \$32,391 through 2017	31,118
Lease purchase of IT and fitness equipment, 1.63% due in annual installments between \$35,000 and \$295,000 through 2021	352,319
Total Governmental Activities	<u>\$ 99,586,640</u>

Business-Type Activities

Revenue bonds:	
2011 Waterworks Refunding Bonds, 1.75%-3.00%, due in varying amounts through 2021	\$ 2,535,000
2015B Sewer System Refunding Revenue Bonds, 2.5% due in 2025	2,505,000
2005 State Revolving Fund Program Bonds, 3.25%-5.25%, due in varying amounts through 2026	3,755,000
2015 State Revolving Fund Program Bonds, 1.22%, due in varying amounts through 2037	60,532,522
Lease purchase of sewer vacuum truck, 2.97%, due in annual installments of \$55,346 through 2019	157,465
2013 Special Obligation Refunding and Improvement Bonds, 3%, due in varying amounts through 2023	101,570
	<u>\$ 69,586,557</u>

CITY OF LIBERTY, MISSOURI

Notes To Basic Financial Statements (*Continued*)

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

	Restricted Assets
Water:	
Bond reserve account	\$ 136,097
Depreciation and replacement account	406,960
	<u>\$ 543,057</u>
Sewer:	
Bond reserve account	\$ 319,437
Depreciation and replacement account	98,205
Sewer, Shoal Creek upgrade	8,161
Sewer, Kansas City sewer line	128,638
Sewer:	
SRF trustee interest account	31,333
SRF trustee rebate account	2
SRF trustee principal	419,798
	<u>\$ 1,005,574</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 110% 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. For the year ended December 31, 2016, the City did not meet this 110% ratio, due to unusual non-recurring expenses. During 2017, the City is planning on obtaining the required consultant report to remedy the situation, as such, the City is not in violation of the bond covenant.

CITY OF LIBERTY, MISSOURI

Notes To Basic Financial Statements (*Continued*)

- Enable the City to have in each fiscal year net revenues available for debt service waterworks activity not less than 110% of the amount required to be paid in such fiscal year on account of both principal and interest on waterworks revenue bonds at the time outstanding.
- Maintain a Debt Service Reserve Account of not less than \$739,235 for the Sewer Fund. As of December 31, 2016, this amount is \$739,235.
- 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.

CITY OF LIBERTY, MISSOURI

Notes To Basic Financial Statements (*Continued*)

Annual debt service requirements to service all outstanding indebtedness as of December 31, 2016 are as follows:

For The Years Ended December 31,	Debt Service General Obligation Bonds		Debt Service Special Obligation Bonds	
	Principal	Interest	Principal	Interest
2017	\$ 1,145,000	\$ 731,378	\$ 1,158,258	\$ 565,099
2018	1,180,000	689,153	1,178,026	538,128
2019	1,215,000	648,153	982,794	510,636
2020	1,345,000	607,178	1,007,562	488,339
2021	1,385,000	564,153	1,032,328	465,494
2022-2026	6,735,000	2,178,745	4,934,462	1,952,142
2027-2031	6,785,000	1,040,745	5,210,000	1,210,072
2032-2036	3,375,000	222,775	4,320,000	298,206
	\$ 23,165,000	\$ 6,682,280	\$ 19,823,430	\$ 6,028,116

For The Years Ended December 31,	Enterprise Revenue Bonds		Enterprise Capital Leases	
	Principal	Interest	Principal	Interest
2017	\$ 740,000	\$ 119,676	\$ 52,123	\$ 3,651
2018	760,000	98,599	51,627	2,436
2019	770,000	83,196	53,716	1,232
2020	785,000	65,913	—	—
2021	810,000	46,611	—	—
2022-2026	1,175,000	60,533	—	—
	\$ 5,040,000	\$ 474,528	\$ 157,465	\$ 7,319

For The Years Ended December 31,	Governmental Capital Leases		Debt Service Tax Increment Revenue Bonds	
	Principal	Interest	Principal	Interest
2017	\$ 863,958	\$ 73,616	\$ 1,065,000	\$ 3,268,039
2018	591,226	58,219	1,135,000	3,225,090
2019	482,145	43,726	1,525,000	3,169,789
2020	414,310	32,958	1,660,000	3,101,307
2021	423,162	24,237	1,425,000	3,027,286
2022-2026	741,546	31,559	6,865,000	14,029,103
2027-2031	—	—	8,940,000	11,525,775
2032-2036	—	—	6,805,000	9,298,125
2037-2041	—	—	6,300,000	7,112,275
2042-2046	—	—	17,350,000	5,480,425
2047-2051	—	—	—	—
	\$ 3,516,347	\$ 264,315	\$ 53,070,000	\$ 63,237,213

The City is obligated under leases accounted for as capital leases. Assets under capital leases at December 31, 2016 totaled \$4,441,947, net of accumulated depreciation of \$1,118,853. Amortization expense is included with depreciation expense for these capital assets.

CITY OF LIBERTY, MISSOURI

Notes To Basic Financial Statements (*Continued*)

For The Years Ended December 31,	Debt Service MDNR Loan Payable		Enterprise SRF Bonds		Enterprise Special Obligation	
	Principal	Interest	Principal	Interest	Principal	Interest
2017	\$ 6,449	\$ 354	\$ 300,000	\$ 919,244	\$ 31,742	\$ 3,760
2018	5,414	130	1,869,500	1,025,197	31,974	2,716
2019	—	—	1,904,000	990,865	7,206	1,152
2020	—	—	1,938,500	955,541	7,438	936
2021	—	—	2,788,250	916,937	7,672	712
2022-2026	—	—	21,271,750	3,762,604	15,538	724
2027-2031	—	—	23,310,000	2,249,470	—	—
2032-2036	—	—	10,905,522	891,290	—	—
	\$ 11,863	\$ 484	\$ 64,287,522	\$ 11,711,147	\$ 101,570	\$ 10,000

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 30% 2016 net revenues. The total principal and interest remaining to be paid on the 2011 bonds is \$2,714,040. Principal and interest paid during the current year and total customer net revenues were \$543,486 and \$1,785,002, respectively.

The City has pledged future sewer customer revenues, net of specified operating expenses, to repay three debt issues with outstanding principal of \$22,427,522 in sewer system revenue bonds. Series 2015 were issued October 2015 in the amount of \$2,765,000. State Revolving Fund Bonds were issued November 2005 and November 2015 in the total amount of \$21,912,522. Proceeds from the 2015 series bonds were used to refund the 2005A bond issue. Proceeds from the State Revolving Fund bonds were used to construct the Rush Creek Project and the wastewater treatment plant. The bonds are payable solely from the sewer customer net revenues and are payable through 2037. Annual principal and interest payments on the bonds required 467% of net revenues. The total principal and interest remaining to be paid on the bonds is \$78,799,158. Principal and interest paid for the current year and total customer net revenues were \$899,747 and \$802,836, respectively.

CITY OF LIBERTY, MISSOURI

Notes To Basic Financial Statements (*Continued*)

TIF revenues pledged: The City has pledged a portion of future payments in lieu of taxes (PILOTS) and Economic Activity Tax (EATS) revenues to repay \$7,795,000 in Tax Increment Revenue Bonds originally issued in December 2004 and refunded in 2015. The bonds were used to finance Project A of the Liberty Triangle Redevelopment Plan. The bonds are payable solely from the incremental property and sales taxes generated by increased development in the TIF district. Incremental PILOTS and EATS were projected to produce \$18,486,690 over the life of the bonds. Total principal and interest remaining on the bonds is \$3,399,210, payable through 2026. For the current year, principal and interest paid and total incremental PILOTS and EATS revenues were \$889,153 and \$331,016, 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 \$6,934,225 payable through 2029. For the current year, principal and interest paid and total incremental PILOTS, EATS and CID revenues were \$492,644 and \$865,312, 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 \$7,900,619 payable through 2030. For the current year, principal and interest paid and total incremental PILOTS, EATS and CID revenues were \$519,756 and \$1,433,872, respectively.

The City has pledged a portion of future PILOTS and EATS revenues to repay \$40,160,000 in Tax Increment Revenue Bonds issued in September 2015. The bonds were used to finance the Liberty Commons Project. The bonds are payable solely from the incremental property, sales taxes, CID sales tax, TDD sales tax, and City Hotel Sales Tax Rebate generated by increased development in the TIF district. Incremental PILOTS, EATS and CID sales tax, TDD sales tax, and City Hotel Sales Tax Rebate were projected to produce \$94,520,800 over the life of the bonds. Total principal and interest remaining on the bonds is \$98,073,159 payable through 2046. For the current year, principal and interest paid and total incremental revenues were \$2,396,760 and \$123,235, respectively.

CITY OF LIBERTY, MISSOURINotes 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, 2016, there were seven issues of industrial revenue bonds outstanding. These issues have an aggregate original issue amount of approximately \$390 million and a balance as of December 31, 2016 of approximately \$369 million.

5. Interfund Transactions

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

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General	TIF	\$ 98,030
General	Nonmajor governmental funds	9,026
Parks	Nonmajor governmental funds	35
Nonmajor	Nonmajor governmental funds	491
Water	Sewer	180,543
		<u>\$ 288,125</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	\$ 613,530	\$ 47,750
Parks	574,188	79,000
Capital sales tax	—	2,574,637
Economic development sales tax	2,901,627	—
Transportation sales tax	—	538,010
Fire sales tax	—	336,510
Nonmajor governmental funds	59,910	573,348
	<u>\$ 4,149,255</u>	<u>\$ 4,149,255</u>

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

Payments to the general fund by the enterprise funds for certain administrative, accounting, legal and other services for the year ended December 31, 2016 were \$283,400.

6. Missouri Local Government Employees Retirement System (LAGERS)

General Information about the Pension Plan

Plan Description - The City of Liberty’s defined benefit pension plan provides certain retirement, disability and death benefits to plan members and beneficiaries. The City of Liberty participates in the Missouri Local Government Employees Retirement System (LAGERS). LAGERS is an agent multiple-employer, statewide public employee pension plan established in 1967 and administered in accordance with RSMo. 70.600-70.755. As such, it is LAGERS responsibility to administer the law in accordance with the expressed intent of the General Assembly. The plan is qualified under the Internal Revenue Code Section 401(a) and it is tax exempt. The responsibility for the operations and administration of LAGERS is vested in the LAGERS Board of Trustees consisting of seven persons. LAGERS issues a publicly available financial report that includes financial statements and required supplementary information. This report may be obtained by accessing the LAGERS website at www.molagers.org.

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

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

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

Employees Covered by Benefit Terms at December 31, 2016, the following employees were covered by benefit terms:

	General	Police Officers	Firefighters	Total
Retirees and beneficiaries				
currently receiving benefits	74	22	28	124
Terminated vested members	63	14	18	95
Fully vested active members	124	37	44	205
Total	<u>261</u>	<u>73</u>	<u>90</u>	<u>424</u>

CITY OF LIBERTY, MISSOURI

Notes To Basic Financial Statements *(Continued)*

Contributions - The City is required to contribute amounts at least equal to the actuarially determined rate, as established by LAGERS. The actuarially determined rate is an estimated amount necessary to finance the cost of benefits earned by employees during the year, with an additional amount to finance an unfunded accrued liability. Full-time employees of the City contribute 4% of their gross pay to LAGERS. Employer contribution rates are 9.5% (General), 15.0% (Police) and 21.6% (Fire) of annual covered payroll.

Net Pension Liability

The City's net pension liability was measured as of June 30, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of February 29, 2016. The roll-forward of total pension liability from February 29, 2016 to June 30, 2016, reflects expected service cost and interest reduced by actual benefit payments and administrative expenses.

Actuarial Assumptions - The total pension liability in the February 29, 2016, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial cost method	Entry age normal
Inflation	3.25% wage inflation, 2.5% price inflation
Salary increases	3.25% to 6.55%, including wage inflation
Net investment rate of return	7.25%
Mortality	The healthy retiree mortality tables, for post-retirement mortality, were the RP-2014 Healthy Annuitant mortality table for males and females. The disabled retiree mortality tabs, for post-retirement mortality, were the RP-2014 disabled mortality table for males and females. The pre-retirement mortality tables used were the RP-2014 employees mortality table for males and females.

Both the post-retirement and pre-retirement

The actuarial assumptions used in the February 29, 2016 valuation were based on the results of an actuarial experience study for the period March 1, 2010 through February 28, 2015.

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

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

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Equity	51.75%	4.81%
Fixed Income	26.75%	0.67%
Real Assets/Real Return	21.50%	3.42%

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

Changes in the Net Pension Liability

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Changes in Net Pension Liability (Asset) (a) - (b)
Balances as of January 1, 2016	\$ 47,154,493	\$ 42,309,705	\$ 4,844,788
Changes for the year:			
Service cost	1,300,713	-	1,300,713
Interest on total pension liability	3,400,555	-	3,400,555
Difference between expected and actual experience	(236,513)	-	(236,513)
Changes of assumptions	1,855,247	-	1,855,247
Benefit payments	(1,810,201)	(1,810,201)	-
Employer contributions	-	1,433,344	(1,433,344)
Employee contributions	-	458,444	(458,444)
Net investment income (loss)	-	(51,526)	51,526
Administrative expenses	-	(31,968)	31,968
Other (Net Transfer)	-	101,204	(101,204)
Net changes	4,509,801	99,297	4,410,504
Balances as of December 31, 2016	\$ 51,664,294	\$ 42,409,002	\$ 9,255,292

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

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

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Total pension liability	\$ 60,011,264	\$ 51,664,294	\$ 44,843,142
Fiduciary net position	<u>42,409,002</u>	<u>42,409,002</u>	<u>42,409,002</u>
Net pension liability	<u>\$ 17,602,262</u>	<u>\$ 9,255,292</u>	<u>\$ 2,434,140</u>

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

For the year ended December 31, 2016, the City recognized pension expense of \$2,419,076 related to LAGERS. The City reported deferred outflows and inflows of resources related to LAGERS from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 125,849	\$ 394,569
Assumption changes	1,550,337	-
Net difference between projected and actual earnings	3,816,062	-
Contributions subsequent to the measurement date*	<u>721,382</u>	<u>-</u>
Total	<u>\$ 6,213,630</u>	<u>\$ 394,569</u>

*The amount reported as deferred outflows of resources resulting from contributions subsequent to the measurement date will be recognized as a reduction in the net pension liability for the year ending December 31, 2017.

CITY OF LIBERTY, MISSOURI

Notes To Basic Financial Statements (*Continued*)

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

Year ended December 31:	
2017	\$ 1,318,313
2018	1,318,313
2019	1,318,315
2020	879,449
2021	211,808
Thereafter	<u>51,481</u>
Total	<u>\$ 5,097,679</u>

Allocation of LAGERS Net Pension Liability

The City's full-time equivalents at December 31, 2016, was used to allocate the net pension liability and deferred inflows of resources and deferred outflows of resources related to pension.

7. Deferred Compensation Plan

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

CITY OF LIBERTY, MISSOURI

Notes To Basic Financial Statements (*Continued*)

8. Commitments And Contingent Liabilities

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

Capital projects:	
General Fund	\$ 42,490
Capital Sales Tax	92,589
Transportation Sales Tax	31,860
Economic Development	24,307,160
Fire Sales Tax	13,578
Parks	6,509
Nonmajor Funds	40,525
	<hr/>
	\$ 24,534,711
	<hr/>

The City participates in a number of federal and state programs that are fully or partially funded by grants received from other governmental units. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grant program regulations, the City may be required to reimburse the grantor government. As of December 31, 2016, 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.

The City is currently involved in various claims and pending legal actions related to matters arising from the ordinary conduct of business. The City believes the ultimate disposition of the actions will not have a material effect on the basic financial statements.

9. Reimbursement Projects

The City has entered into various Redevelopment Agreements (Agreements) with various redevelopers whereby the redeveloper has agreed to construct certain improvements under specific agreements approved by the City. Under the Agreements, the City reimburses the redeveloper, with interest, for project costs incurred by the redeveloper in an amount not to exceed the maximum reimbursable project costs specified in the Agreements. These reimbursements are payable solely from tax increment revenue (payment in lieu of taxes and economic activity taxes) generated by each project and are not a general obligation of the City. Tax increment revenue is based on the project's current property value and retail sales performance. The redevelopment agreements have original expiration terms of 23 years. Tax increment revenue received is paid to the developer monthly for reimbursable project costs. As of December 31, 2016, the City has the following open redevelopment agreements:

CITY OF LIBERTY, MISSOURI

Notes To Basic Financial Statements (*Continued*)

	Unpaid Reimbursable Project Costs	
Triangle (Areas B - H)	\$	11,471,968
Blue Jay Crossing		4,637,918
Rogers		137,024
	<u>\$</u>	<u>16,246,910</u>

The unpaid reimbursable project costs only become a liability to the City once developer reimbursement requests are received and approved by the City and applicable incremental sales and property taxes are received by the City. As of December 31, 2016, the City did not accrue a liability for these unpaid reimbursable project costs.

10. Risk Management

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

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 2016 were:

Year	Beginning Of Year Liability	Current Year Claims And Changes In Estimates	Claims Payments	Balance Year Ended
2016	\$ 29,361	\$ 299	\$ -	\$ 29,062

CITY OF LIBERTY, MISSOURI

Notes To Basic Financial Statements (*Continued*)

11. Other Post-Employment Benefits

Program Description

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

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

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, 2016, 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, 2016, 2015 and 2014 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
2016	\$ 441,359	\$ 66,024	\$ 19,861	\$ 25,929	\$ 59,956	\$ 11,000	\$ 490,315
2015	378,691	86,874	17,041	22,247	81,668	19,000	441,359
2014	308,053	86,874	13,862	18,098	82,638	12,000	378,691

For The Year Ended December 31,	Annual OPEB Cost	Percentage Of Annual OPEB Cost Contributed	Net OPEB Obligation
2016	\$ 59,956	18%	\$ 490,315
2015	81,668	23%	441,359
2014	82,638	15%	378,691

CITY OF LIBERTY, MISSOURI

Notes To Basic Financial Statements (*Continued*)

As of December 31, 2016, the funded status of the plan is as follows:

Actuarial Accrued Liability	\$	439,794
Actuarial Value Of Assets		<u>—</u>
Unfunded Actuarial Accrued Liability (UAAL)	\$	<u>439,794</u>
Funded Ratio		0%
Covered Payroll	\$	10,711,053
UAAL As Percentage Of Covered Payroll		4.1%

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, 2015 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 inflation rate of 7%. There are no projected salary or post-retirement benefit increases used in this valuation. The City is only required to get an actuarial valuation on a bi-annual basis.

12. Disclosures About Fair Value of Assets

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

The City has the following recurring fair value measurements:

- Federal agency securities of \$24,499,351 valued using quoted prices for similar assets, quoted prices in markets that are not active or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets (Level 2 inputs).

13. Tax Abatement Disclosures

For the fiscal year ended December 31, 2016, the City’s tax revenue was diverted through various abatements necessary to incent development within the City totaling an estimated \$4,780,219 under the following programs:

Tax Abatement Program	Amount of Taxes Abated during the Fiscal Year
Tax Increment Financing	\$ 4,106,058
Chapter 353	113,103
Chapter 100 Bonds	<u>561,058</u>
	<u>\$ 4,780,219</u>

The City does not believe the amounts depicted above represent “lost taxes.” Under each particular project, the City requires a stringent “but for” test to insure the public infrastructure improvements (Tax Incremental Financing) or commercial development (Chapter 353 and Chapter 100) requires tax incentives. In the majority of cases, without said incentives, the developments would not have occurred and the value of taxes shown above would not have been realized. Under Missouri Tax Incremental Financing law, the base, predevelopment taxes continue to be paid, with only the incremental taxes ties directly to the development being used to pay for public infrastructure improvements.

CITY OF LIBERTY, MISSOURI

Notes To Basic Financial Statements (*Continued*)

The City of Liberty can grant tax abatements as outlined below:

- Tax Increment Financing – The City of Liberty grants tax diversion to promote new investment, infrastructure improvements and job growth by providing financial assistance and incentive to redevelopers. Created pursuant to Section 99.800 of the Revised Statutes of Missouri (RSMo).
- Chapter 353 Tax Abatement – Grants tax abatement to encourage investment and assist in the removal of blight and blighting conditions within urban redevelopment areas.
- Chapter 100 Bonds – The City of Liberty can issue taxable bonds to assist with the construction or rehabilitation of eligible commercial facilities. The City takes formal ownerships of the business assets and, therefore, provides property (real and personal) abatement for up to 15 years. Created pursuant to Sections 100.010 to 100.200 RSMo.

14. Fund Balance Deficits

As December 31, 2016, the PFA Construction Fund had a fund deficit of \$9,028 that will be resolved in future years by transfers from the Parks Capital Fund.

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, 2016**

	Budget Final	Actual	Variance With Final Budget (Over) Under
Revenues			
Taxes	\$ 13,704,540	\$ 13,213,851	\$ 490,689
Intergovernmental	399,190	427,435	(28,245)
Charges for services	1,975,480	1,864,670	110,810
Licenses and permits	462,500	509,749	(47,249)
Investment earnings	20,740	18,104	2,636
Miscellaneous	538,900	505,250	33,650
Total Revenues	17,101,350	16,539,059	562,291
Expenditures			
Current:			
General government	4,620,143	4,405,895	214,248
Community development and improvement	684,400	640,221	44,179
Public works	2,425,990	2,293,080	132,910
Culture and recreation	426,310	339,924	86,386
Public safety	10,079,410	9,719,925	359,485
Debt service:			
Principal retirement	330,830	401,331	(70,501)
Interest and fiscal charges	49,120	40,781	8,339
Bond issuance costs	-	-	-
Total Expenditures	18,616,203	17,841,157	775,046
Revenues Under Expenditures	(1,514,853)	(1,302,098)	(212,755)
Other Financing Sources			
Capital lease	823,400	308,183	515,217
Transfers in	613,530	613,530	-
Transfers out	(47,750)	(47,750)	-
Total Other Financing Sources (Uses)	1,389,180	873,963	515,217
Net Change In Fund Balances	\$ (125,673)	(428,135)	\$ 302,462
Fund Balances - Beginning of Year		3,537,341	
Fund Balances - End of Year		\$ 3,109,206	

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, 2016**

	Budget Final	Actual	Variance With Final Budget (Over) Under
Revenues			
Taxes	\$ 758,730	\$ 741,406	\$ 17,324
Intergovernmental	-	9,963	(9,963)
Charges for services	2,631,880	2,530,502	101,378
Investment earnings	3,720	4,221	(501)
Miscellaneous	200	42,639	(42,439)
Total Revenues	3,394,530	3,328,731	65,799
Expenditures			
Current:			
Culture and recreation	3,758,270	3,826,443	(68,173)
Debt service:			
Principal retirement	43,000	43,000	-
Interest and fiscal charges	1,750	1,749	1
Total Expenditures	3,803,020	3,871,192	(68,172)
Revenues Under Expenditures	(408,490)	(542,461)	133,971
Other Financing Sources (Uses)			
Capital lease	66,750	40,850	25,900
Transfers in	430,740	574,188	(143,448)
Transfers out	(79,000)	(79,000)	-
Total Other Financing Sources (Uses)	418,490	536,038	(117,548)
Net Change In Fund Balances	\$ 10,000	(6,423)	\$ 16,423
Fund Balances - Beginning of Year		475,790	
Fund Balances - End of Year		\$ 469,367	

CITY OF LIBERTY, MISSOURI

REQUIRED SUPPLEMENTARY INFORMATION NOTES TO BUDGETARY COMPARISON INFORMATION December 31, 2016

1. Budgetary Data

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

2. Exceptions To Budgetary Laws And Regulations

Expenditures exceeded appropriations in the Parks Fund, Capital Sales Tax Fund, Liberty TIF Fund, Frank Hughes Memorial Trust Fund, Mt. Memorial Trust Fund and Fairview Cemetery Fund by \$68,172, \$557,922, \$1,184,122, \$61, \$81 and \$579, respectively.

CITY OF LIBERTY, MISSOURI

REQUIRED SUPPLEMENTARY INFORMATION

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

	2016	2015
Total Pension Liability		
Service cost	\$ 1,300,713	\$ 1,290,766
Interest on total pension liability	3,400,555	3,211,265
Difference between expected and actual experience	(236,513)	(95,628)
Effect of assumption changes or inputs	1,855,247	—
Benefit payments	(1,810,201)	(1,790,929)
Net Change in Total Pension Liability	4,509,801	2,615,474
Total Pension Liability - Beginning	47,154,493	44,539,019
Total Pension Liability - Ending (a)	51,664,294	47,154,493
Fiduciary Net Position		
Employer contributions	1,433,344	1,405,597
Employee contributions	458,444	442,608
Net investment income (loss)	(51,526)	822,220
Benefit payments	(1,810,201)	(1,790,929)
Administrative expenses	(31,968)	(35,605)
Other (net transfer)	101,204	(256,996)
Net Change in Fiduciary Net Position	99,297	586,895
Fiduciary Net Position - Beginning	42,309,705	41,722,810
Fiduciary Net Position - Ending (b)	42,409,002	42,309,705
Net Pension Liability, Ending = (a) - (b)	\$ 9,255,292	\$ 4,844,788
Fiduciary Net Position as a Percentage of Total Pension Liability	82.09%	89.73%
Covered Payroll	\$ 11,234,166	\$ 10,833,407
Net Pension Liability as a Percentage of Covered Payroll	82.39%	44.72%

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

Assumption Changes – During 2016, new assumptions were adopted based on the 5-year experience study for the period of March 1, 2010 through February 28, 2015. The major changes was a decrease in projected price inflation from 3.0% to 2.5%, decrease in future projected salaries from a range of 3.5% - 8.6%, including wage inflation of 7.25% and switching to a new mortality table.

Benefit Changes – There were no benefit changes during 2015 or 2016.

CITY OF LIBERTY, MISSOURI

REQUIRED SUPPLEMENTARY INFORMATION (Continued)

Schedule of City Contributions

Missouri Local Government Employees Retirement System

Fiscal Year Ending December 31	Actuarially Determined Contribution	Actual Employer Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contribution as a % of Covered Payroll
2007	\$ 681,751	\$ 681,751	\$ -	\$ 9,363,873	7.28%
2008	744,216	736,513	7,703	10,011,811	7.36%
2009	653,476	653,476	-	9,858,988	6.63%
2010	959,902	728,251	231,651	9,504,304	7.66%
2011	990,573	832,250	158,323	9,672,270	8.60%
2012	1,082,418	976,076	106,342	10,261,441	9.51%
2013	1,084,760	1,392,354	(307,594)	10,631,361	13.10%
2014	1,426,079	1,426,081	(2)	11,022,687	12.94%
2015	1,449,446	1,413,118	36,328	11,302,557	12.50%
2016	1,478,569	1,439,370	39,199	11,498,367	12.52%

Notes to Schedule:

Actuarial cost method	Entry age normal
Amortization method	Level percentage of payroll, closed
Remaining amortization period	Multiple bases from 13 to 26 years
Asset valuation method	5 year smoothed market, 20% corridor
Inflation	3.25% wage inflation, 2.5% price inflation
Salary increases	3.25% to 6.55%, including wage inflation
Net investment rate of return	7.25%
Retirement age	Experience-based table of rates that are specific to the type of eligibility condition.
Mortality	The healthy retiree mortality tables, for post-retirement mortality, were the RP-2014 Healthy Annuitant mortality table for males and females. The disabled retiree mortality tabs, for post-retirement mortality, were the RP-2014 disabled mortality table for males and females. The pre-retirement mortality tables used were the RP-2014 employees mortality table for males and females.

Actuarially Determined Contributions – There were no changes that impacted actuarially determined contributions.

CITY OF LIBERTY, MISSOURI

ADDITIONAL REQUIRED SUPPLEMENTARY INFORMATION *(Continued)* December 31, 2016

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)
July 1, 2011	—	\$539,777	\$ 539,777	—	\$9,337,615	6%
July 1, 2013	—	591,737	591,737	—	9,519,461	6%
July 1, 2015	—	439,794	439,794	—	10,711,053	4%

* 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, 2016**

	Special Revenue	Capital Projects	Permanent	Total
Assets				
Cash and investments	\$ 169,492	\$ 33,232	\$ 434,828	\$ 637,552
Receivables, net of allowance for uncollectibles:				
Taxes	-	177,242	-	177,242
Accounts	36,359	-	2,565	38,924
Accrued interest	217	1,878	506	2,601
Due from other funds	491	-	-	491
Restricted assets:				
Investments	-	1,615,027	-	1,615,027
Accrued interest	-	238	-	238
Total Assets	\$ 206,559	\$ 1,827,617	\$ 437,899	\$ 2,472,075
Liabilities				
Accounts payable and accrued liabilities	\$ 2,878	\$ 107,424	\$ -	\$ 110,302
Deposits	3,004	-	-	3,004
Due to other funds	-	9,028	506	9,534
Total Liabilities	5,882	116,452	506	122,840
Fund Balances				
Nonspendable:				
Permanent fund principal	-	-	437,393	437,393
Restricted for:				
Parks and recreation	-	1,686,923	-	1,686,923
Cemetery	53,080	-	-	53,080
Law enforcement	4,828	-	-	4,828
Other purposes	142,769	33,270	-	176,039
Unassigned	-	(9,028)	-	(9,028)
Total Fund Balances	200,677	1,711,165	437,393	2,349,235
Total Liabilities and Fund Balances	\$ 206,559	\$ 1,827,617	\$ 437,899	\$ 2,472,075

CITY OF LIBERTY, MISSOURI

**COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
December 31, 2016**

	Cemetery	Police Training	Inmate Security Fund	Transient Guest Tax	Total
Assets					
Cash and investments	\$ 56,440	\$ 2,885	\$ 3,189	\$ 106,978	\$ 169,492
Receivables, net of allowance for uncollectibles:					
Accounts	436	-	-	35,923	36,359
Accrued interest	69	4	-	144	217
Due from other funds	491	-	-	-	491
Total Assets	\$ 57,436	\$ 2,889	\$ 3,189	\$ 143,045	\$ 206,559
Liabilities					
Accounts payable and accrued liabilities	\$ 1,352	\$ 1,250	-	\$ 276	\$ 2,878
Deposits	3,004	-	-	-	3,004
Total Liabilities	4,356	1,250	-	276	5,882
Fund Balances					
Restricted for:					
Cemetery	53,080	-	-	-	53,080
Law enforcement	-	1,639	3,189	-	4,828
Other purposes	-	-	-	142,769	142,769
Total Fund Balances	53,080	1,639	3,189	142,769	200,677
Total Liabilities And Fund Balances	\$ 57,436	\$ 2,889	\$ 3,189	\$ 143,045	\$ 206,559

CITY OF LIBERTY, MISSOURI

**COMBINING BALANCE SHEET
NONMAJOR CAPITAL PROJECTS FUNDS
December 31, 2016**

	Parks Capital	PFA Construction	Cable Reserve	Total
Assets				
Cash and investments	\$ -	\$ -	\$ 33,232	\$ 33,232
Receivables, net of allowance for uncollectibles:				
Taxes	177,242	-	-	177,242
Accrued interest	1,840	-	38	1,878
Restricted assets:				
Investments	1,615,027	-	-	1,615,027
Accrued interest	238	-	-	238
Total Assets	\$ 1,794,347	\$ -	\$ 33,270	\$ 1,827,617
Liabilities				
Accounts payable and accrued liabilities	\$ 107,424	\$ -	\$ -	\$ 107,424
Due to other funds	-	9,028	-	9,028
Total Liabilities	107,424	9,028	-	116,452
Fund Balances				
Restricted for:				
Parks and recreation	1,686,923	-	-	1,686,923
Other purposes	-	-	33,270	33,270
Unassigned	-	(9,028)	-	(9,028)
Total Fund Balances	1,686,923	(9,028)	33,270	1,711,165
Total Liabilities And Fund Balances	\$ 1,794,347	\$ -	\$ 33,270	\$ 1,827,617

CITY OF LIBERTY, MISSOURI

COMBINING BALANCE SHEET NONMAJOR PERMANENT FUNDS December 31, 2016

	Frank Hughes Memorial Trust	Mt. Memorial Cemetery Trust	Fairview Cemetery Trust	Total
Assets				
Cash and investments	\$ 30,000	\$ 33,755	\$ 371,073	\$ 434,828
Receivables, net of allowance for uncollectibles:				
Accounts	-	-	2,565	2,565
Accrued interest	35	40	431	506
Total Assets	\$ 30,035	\$ 33,795	\$ 374,069	\$ 437,899
Liabilities				
Due to other funds	\$ 35	\$ 40	\$ 431	\$ 506
Fund Balances				
Nonspendable:				
Permanent fund principal	30,000	33,755	373,638	437,393
Total Liabilities And Fund Balances	\$ 30,035	\$ 33,795	\$ 374,069	\$ 437,899

CITY OF LIBERTY, MISSOURI

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS**

For The Year Ended December 31, 2016

	Special Revenue	Capital Projects	Permanent	Total
Revenues				
Taxes	\$ 190,905	\$ 981,362	\$ -	\$ 1,172,267
Intergovernmental	-	-	-	-
Charges for services	62,884	-	-	62,884
Investment earnings	883	8,809	2,321	12,013
Miscellaneous	1,800	289,854	3,825	295,479
Total Revenues	256,472	1,280,025	6,146	1,542,643
Expenditures				
Current:				
General government	98,559	1,563	-	100,122
Community development and improvement	1,015	-	-	1,015
Public works	135	-	-	135
Culture and recreation	16,730	392,967	-	409,697
Cemetery maintenance	51,281	-	-	51,281
Public safety	18,488	-	-	18,488
Capital outlay	6,945	174,013	-	180,958
Debt service:				
Principal retirement	-	240,000	-	240,000
Interest and fiscal charges	-	49,336	-	49,336
Total Expenditures	193,153	857,879	-	1,051,032
Revenues Over Expenditures	63,319	422,146	6,146	491,611
Other Financing Sources (Uses)				
Issuance of long-term debt	-	-	-	-
Transfers in	49,910	10,000	-	59,910
Transfers out	(59,750)	(511,277)	(2,321)	(573,348)
Total Other Financing Sources (Uses)	(9,840)	(501,277)	(2,321)	(513,438)
Net Change In Fund Balances	53,479	(79,131)	3,825	(21,827)
Fund Balances - Beginning of Year	147,198	1,790,296	433,568	2,371,062
Fund Balances - End of Year	\$ 200,677	\$ 1,711,165	\$ 437,393	\$ 2,349,235

CITY OF LIBERTY, MISSOURI

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - NONMAJOR SPECIAL REVENUE FUNDS For The Year Ended December 31, 2016

	Cemetery	Police Training	Inmate Security Fund	Transient Guest Tax	Total
Revenues					
Taxes	\$ -	\$ -	\$ -	\$ 190,905	\$ 190,905
Intergovernmental	-	-	-	-	-
Charges for services	44,457	12,536	5,891	-	62,884
Investment earnings	387	8	-	488	883
Miscellaneous	1,800	-	-	-	1,800
Total Revenues	46,644	12,544	5,891	191,393	256,472
Expenditures					
Current:					
General government	-	-	-	98,559	98,559
Community development and improvement	-	-	-	1,015	1,015
Public works	135	-	-	-	135
Culture and recreation	-	-	-	16,730	16,730
Cemetery maintenance	51,281	-	-	-	51,281
Public safety	-	15,786	2,702	-	18,488
Capital outlay	6,945	-	-	-	6,945
Total Expenditures	58,361	15,786	2,702	116,304	193,153
Revenues Over (Under) Expenditures	(11,717)	(3,242)	3,189	75,089	63,319
Other Financing Sources (Uses)					
Transfers in	49,910	-	-	-	49,910
Transfers out	(57,750)	-	-	(2,000)	(59,750)
Total Other Financing Sources (Uses)	(7,840)	-	-	(2,000)	(9,840)
Net Change In Fund Balances	(19,557)	(3,242)	3,189	73,089	53,479
Fund Balances - Beginning of Year	72,637	4,881	-	69,680	147,198
Fund Balances - End of Year	\$ 53,080	\$ 1,639	\$ 3,189	\$ 142,769	\$ 200,677

CITY OF LIBERTY, MISSOURI

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - NONMAJOR CAPITAL PROJECTS FUNDS

For The Year Ended December 31, 2016

	Parks Capital	PFA Construction	Cable Reserve	Total
Revenues				
Taxes	\$ 981,362	\$ -	\$ -	\$ 981,362
Investment earnings	8,630	-	179	8,809
Miscellaneous	289,854	-	-	289,854
Total Revenues	1,279,846	-	179	1,280,025
Expenditures				
Current:				
General government	-	-	1,563	1,563
Community development and improvement	-	-	-	-
Culture and recreation	392,967	-	-	392,967
Capital outlay	174,013	-	-	174,013
Debt service:				
Principal retirement	240,000	-	-	240,000
Interest and fiscal charges	49,336	-	-	49,336
Total Expenditures	856,316	-	1,563	857,879
Revenues Over (Under) Expenditures	423,530	-	(1,384)	422,146
Other Financing Sources (Uses)				
Transfers in	-	10,000	-	10,000
Transfers out	(511,277)	-	-	(511,277)
Total Other Financing Sources (Uses)	(511,277)	10,000	-	(501,277)
Net Change In Fund Balances	(87,747)	10,000	(1,384)	(79,131)
Fund Balances - Beginning of Year	1,774,670	(19,028)	34,654	1,790,296
Fund Balances - End of Year	\$ 1,686,923	\$ (9,028)	\$ 33,270	\$ 1,711,165

CITY OF LIBERTY, MISSOURI

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - NONMAJOR PERMANENT FUNDS
For The Year Ended December 31, 2016**

	Frank Hughes Memorial Trust	Mt. Memorial Cemetery Trust	Fairview Cemetery Trust	Total
Revenues				
Investment earnings	\$ 161	\$ 181	\$ 1,979	\$ 2,321
Miscellaneous	-	-	3,825	3,825
Total Revenues	161	181	5,804	6,146
Expenditures				
Current:				
Cemetery maintenance	-	-	-	-
Revenues Over Expenditures	161	181	5,804	6,146
Other Financing Uses				
Transfers out	(161)	(181)	(1,979)	(2,321)
Net Change In Fund Balances	-	-	3,825	3,825
Fund Balances - Beginning of Year	30,000	33,755	369,813	433,568
Fund Balances - End of Year	\$ 30,000	\$ 33,755	\$ 373,638	\$ 437,393

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, 2016**

	Final Budget	Actual	Variance With Final Budget - (Over) Under
Revenues			
Taxes	\$ 2,038,500	\$ 1,980,462	\$ 58,038
Intergovernmental	399,941	383,638	16,303
Investment earnings	15,000	33,467	(18,467)
Miscellaneous	17,000	73,383	(56,383)
Total Revenues	2,470,441	2,470,950	(509)
Expenditures			
Current:			
Public works	1,099,290	1,086,327	12,963
Capital outlay	610,370	1,182,067	(571,697)
Debt service:			
Principal retirement	419,490	419,342	148
Interest and fiscal charges	219,570	218,906	664
Total Expenditures	2,348,720	2,906,642	(557,922)
Revenues Under Expenditures	121,721	(435,692)	557,413
Other Financing Sources			
Transfers out	(2,745,820)	(2,574,637)	(171,183)
Total Other Financing	(2,745,820)	(2,574,637)	(171,183)
Net Change In Fund Balances	<u>\$(2,624,099)</u>	<u>(3,010,329)</u>	<u>\$ 386,230</u>
Fund Balance - Beginning of Year		<u>7,170,272</u>	
Fund Balance - End of Year		<u><u>\$ 4,159,943</u></u>	

CITY OF LIBERTY, MISSOURI

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL -
TRANSPORTATION SALES TAX FUND
For The Year Ended December 31, 2016**

	Final Budget	Actual	Variance With Final Budget - (Over) Under
Revenues			
Taxes	\$ 2,038,500	\$ 1,976,599	\$ 61,901
Investment earnings	-	750	(750)
Miscellaneous	-	-	-
Total Revenues	2,038,500	1,977,349	61,151
Expenditures			
Current:			
Community development and improvement	47,850	44,477	3,373
Public works	65,000	6,564	58,436
Debt service:			
Principal retirement	1,385,000	1,385,000	-
Interest and fiscal charges	157,860	157,573	287
Total Expenditures	1,655,710	1,593,614	62,096
Revenues Over (Under) Expenditures	382,790	383,735	(945)
Other Financing Sources (Uses)			
Transfers out	(538,010)	(538,010)	-
Net Change In Fund Balances	\$ (155,220)	(154,275)	\$ (945)
Fund Balance - Beginning of Year		<u>934,973</u>	
Fund Balance - End of Year		<u>\$ 780,698</u>	

CITY OF LIBERTY, MISSOURI

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

For The Year Ended December 31, 2016

	Final Budget	Actual	Variance With Final Budget - (Over) Under
Revenues			
Taxes	\$ 4,986,920	\$ 4,636,733	\$ 350,187
Investment earnings	130,400	1,759	128,641
Miscellaneous	7,500	9,926	(2,426)
Total Revenues	5,124,820	4,648,418	476,402
Expenditures			
Current:			
General government	20,140	13,258	6,882
Community development and improvement	14,860,210	12,621,266	2,238,944
Public works	92,340	120,494	(28,154)
Debt service:			
Principal retirement	1,110,000	1,250,000	(140,000)
Interest and fiscal charges	2,623,210	3,040,358	(417,148)
Total Expenditures	18,705,900	17,045,376	1,660,524
Revenues Over (Under) Expenditures	(13,581,080)	(12,396,958)	(1,184,122)
Net Change In Fund Balances	\$ (13,581,080)	(12,396,958)	\$ (1,184,122)
Fund Balance - Beginning of Year		22,455,613	
Fund Balance - End of Year		\$ 10,058,655	

CITY OF LIBERTY, MISSOURI

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

CEMETERY FUND

For The Year Ended December 31, 2016

	Final Budget	Actual	Variance With Final Budget - (Over) Under
Revenues			
Charges for services	\$ 45,000	\$ 44,457	\$ 543
Investment earnings	350	387	(37)
Miscellaneous	-	1,800	(1,800)
Total Revenues	45,350	46,644	(1,294)
Expenditures			
Current:			
Public works	-	135	(135)
Cemetery maintenance	60,420	51,281	9,139
Capital outlay	15,000	6,945	8,055
Total Expenditures	75,420	58,361	17,059
Revenues Under Expenditures	(30,070)	(11,717)	(18,353)
Other Financing Sources (Uses)			
Transfers in	49,250	49,910	(660)
Transfers out	(57,750)	(57,750)	-
Total Other Financing Sources (Uses)	(8,500)	(7,840)	(660)
Net Change In Fund Balances	\$ (38,570)	(19,557)	\$ (19,013)
Fund Balance - Beginning of Year		72,637	
Fund Balance - End of Year		\$ 53,080	

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, 2016**

	Final Budget	Actual	Variance With Final Budget - (Over) Under
Revenues			
Charges for services	\$ 12,810	\$ 12,536	\$ 274
Investment earnings	30	8	22
Total Revenues	12,840	12,544	296
Expenditures			
Current:			
Public safety	17,450	15,786	1,664
Net Change In Fund Balances	\$ (4,610)	(3,242)	\$ (1,368)
Fund Balance - Beginning of Year		<u>4,881</u>	
Fund Balance - End of Year		<u>\$ 1,639</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, 2016**

	Final Budget	Actual	Variance With Final Budget - (Over) Under
Revenues			
Taxes	\$ 1,019,250	\$ 981,362	\$ 37,888
Investment earnings	1,000	8,630	(7,630)
Miscellaneous	-	289,854	(289,854)
Total Revenues	1,020,250	1,279,846	(259,596)
Expenditures			
Current:			
Culture and recreation	515,000	392,967	122,033
Capital outlay	204,500	174,013	30,487
Debt service:			
Principal retirement	240,000	240,000	-
Interest and fiscal charges	49,240	49,336	(96)
Bond issuance costs	-	-	-
Total Expenditures	1,008,740	856,316	152,424
Revenues Over (Under) Expenditures	11,510	423,530	(412,020)
Other Financing Sources (Uses)			
Issuance of long-term debt	-	-	-
Transfers in	-	-	-
Transfers out	(367,890)	(511,277)	143,387
Total Other Financing Sources (Uses)	(367,890)	(511,277)	143,387
Net Change In Fund Balances	\$ (356,380)	(87,747)	\$ (268,633)
Fund Balance - Beginning of Year		<u>1,774,670</u>	
Fund Balance - End of Year		<u>\$ 1,686,923</u>	

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, 2016**

	Final Budget	Actual	Variance With Final Budget - (Over) Under
Revenues			
Taxes	\$ 1,019,250	\$ 990,845	\$ 28,405
Investment earnings	1,000	6,340	(5,340)
Miscellaneous	45,000	189,235	(144,235)
Total Revenues	1,065,250	1,186,420	(121,170)
Expenditures			
Current:			
Public safety	410,180	-	410,180
Capital outlay	1,235,000	313,705	921,295
Debt service:			
Principal retirement	598,060	498,251	99,809
Interest and fiscal charges	91,340	66,805	24,535
Bond issuance costs	-	-	-
Total Expenditures	2,334,580	878,761	1,455,819
Revenues Under Expenditures	(1,269,330)	307,659	(1,576,989)
Other Financing Sources (Uses)			
Issuance of long-term debt	1,235,000	-	1,235,000
Transfers out	(336,510)	(336,510)	-
Total Other Financing Sources (Uses)	898,490	(336,510)	1,235,000
Net Change In Fund Balances	\$ (370,840)	(28,851)	\$ (341,989)
Fund Balance - Beginning of Year		<u>1,165,482</u>	
Fund Balance - End of Year		<u>\$ 1,136,631</u>	

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, 2016**

	Final Budget	Actual	Variance With Final Budget - (Over) Under
Revenues			
Investment earnings	\$ 150	\$ 179	\$ (29)
Expenditures			
Current:			
General government	33,500	1,563	31,937
Net Change In Fund Balances	<u>\$ (33,350)</u>	<u>(1,384)</u>	<u>\$ (31,966)</u>
Fund Balance - Beginning of Year		<u>34,654</u>	
Fund Balance - End of Year		<u>\$ 33,270</u>	

CITY OF LIBERTY, MISSOURI

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL -
FRANK HUGHES MEMORIAL TRUST FUND
For The Year Ended December 31, 2016**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget - (Over) Under</u>
Revenues			
Investment earnings	\$ 100	\$ 161	\$ (61)
Expenditures			
Current:			
Cemetery maintenance	100	161	(61)
Revenues Over (Under) Expenditures	-	-	-
Other Financing Uses			
Transfers out	-	-	-
Net Change In Fund Balances	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
Fund Balance - Beginning of Year		<u>30,000</u>	
Fund Balance - End of Year		<u>\$ 30,000</u>	

CITY OF LIBERTY, MISSOURI

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL -
MT. MEMORIAL CEMETERY TRUST FUND
For The Year Ended December 31, 2016**

	Final Budget	Actual	Variance With Final Budget - (Over) Under
Revenues			
Investment earnings	\$ 100	\$ 181	\$ (81)
Expenditures			
Cemetery maintenance	100	181	(81)
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, 2016**

	Final Budget	Actual	Variance With Final Budget - (Over) Under
Revenues			
Investment earnings	\$ 1,400	\$ 1,979	\$ (579)
Miscellaneous	6,600	3,825	2,775
Total Revenues	8,000	5,804	2,196
Expenditures			
Cemetery maintenance	1,400	1,979	(579)
Net Change In Fund Balances	<u>\$ 6,600</u>	3,825	<u>\$ 2,775</u>
Fund Balance - Beginning of Year		<u>369,813</u>	
Fund Balance - End of Year		<u>\$ 373,638</u>	

CITY OF LIBERTY, MISSOURI

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL -
ECONOMIC DEVELOPMENT SALES TAX FUND
For The Year Ended December 31, 2016**

	Final Budget	Actual	Variance With Final Budget - (Over) Under
Taxes	\$ 1,779,990	\$ 1,728,673	\$ 51,317
Investment earnings	-	153,612	(153,612)
Miscellaneous	-	-	-
Total Revenues	1,779,990	1,882,285	(102,295)
Expenditures			
Current:			
Public works	8,219,387	404,641	7,814,746
Capital outlay	15,300,000	5,794,330	9,505,670
Debt service:			
Principal retirement	1,085,000	1,085,000	-
Interest and fiscal charges	855,960	855,888	72
Bond issuance costs	-	636	(636)
Total Expenditures	25,460,347	8,140,495	17,319,852
Revenues Over Expenditures	(23,680,357)	(6,258,210)	(17,422,147)
Other Financing Sources			
Issuance of long-term debt	-	-	-
Transfers in	2,893,400	2,901,627	(8,227)
Transfers out	-	-	-
Total Other Financing	2,893,400	2,901,627	(8,227)
Net Change In Fund Balances	<u>\$(20,786,957)</u>	(3,356,583)	<u>\$ (17,430,374)</u>
Fund Balance - Beginning Of Year		<u>29,195,964</u>	
Fund Balance - End Of Year		<u>\$ 25,839,381</u>	

CITY OF LIBERTY, MISSOURI

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

Page 1 Of 2

For The Year Ended December 31, 2016

	Balance January 1, 2016	Additions	Deductions	Balance December 31, 2016
Tax Escrow Fund				
Assets				
Cash and cash equivalents	\$ 3,806	\$ -	\$ -	\$ 3,806
Liabilities				
Protested taxes	\$ 3,806	\$ -	\$ -	\$ 3,806
Due to other entities	-	-	-	-
Total Liabilities	\$ 3,806	\$ -	\$ -	\$ 3,806
Triangle CID Sales Tax Fund				
Assets				
Cash and cash equivalents	\$ 60,412	\$ 11,939	\$ -	\$ 72,351
Liabilities				
Due to other entities	\$ 60,412	\$ 11,939	\$ -	\$ 72,351
Preservation and Development				
Assets				
Cash and cash equivalents	\$ 36,280	\$ -	\$ 18,893	\$ 17,387
Accrued interest	39	-	9	30
Total Assets	\$ 36,319	\$ -	\$ 18,902	\$ 17,417
Liabilities				
Due to other entities	\$ 36,319	\$ -	\$ 18,902	\$ 17,417

CITY OF LIBERTY, MISSOURI

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

Page 2 Of 2

For The Year Ended December 31, 2016

	Balance January 1, 2016	Additions	Deductions	Balance December 31, 2016
Roger's Plaza CID				
Assets				
Cash and cash equivalents	\$ 87,500	\$ 30,000	\$ -	\$ 117,500
Liabilities				
Due to other entities	\$ 87,500	\$ 30,000	\$ -	\$ 117,500
Blue Jay Crossing CID				
Assets				
Cash and cash equivalents	\$ (1,742)	\$ -	\$ 420	\$ (2,162)
Liabilities				
Due to other entities	\$ (1,742)	\$ -	\$ 420	\$ (2,162)
Liberty Corners CID				
Assets				
Cash and cash equivalents	\$ 37,052	\$ 4,184	\$ -	\$ 41,236
Liabilities				
Due to other entities	\$ 37,052	\$ 4,184	\$ -	\$ 41,236
Total				
Assets				
Cash and cash equivalents	\$ 223,308	\$ 46,123	\$ 19,313	\$ 250,118
Accrued interest	39	-	9	30
Total Assets	\$ 223,347	\$ 46,123	\$ 19,322	\$ 250,148
Liabilities				
Protested taxes	\$ 3,806	\$ -	\$ -	\$ 3,806
Due to other entities	219,541	46,123	19,322	246,342
Total Liabilities	\$ 223,347	\$ 46,123	\$ 19,322	\$ 250,148

Statistical Section

CITY OF LIBERTY, MISSOURI
Statistical Section
December 31, 2016

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

Contents

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

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

CITY OF LIBERTY, MISSOURI
NET POSITION BY COMPONENT

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Governmental activities:										
Net Investment in capital assets of related debt	\$ 32,693,499	\$ 36,347,646	\$ 37,716,660	\$ 39,600,922	\$ 41,136,051	\$ 37,403,710	\$ 31,343,975	\$ 37,647,696	\$ 37,284,881	\$ 38,646,267
Restricted	11,341,861	7,603,657	6,603,720	6,656,505	9,889,748	16,637,160	22,830,476	19,130,085	6,753,226	6,630,554
Unrestricted	1,415,824	(11,826,072)	(8,929,008)	(14,926,994)	(17,509,228)	(17,477,207)	(16,084,745)	(16,846,594)	(31,301,005)	(43,991,958)
Total Governmental Activities Net Position	\$ 45,451,184	\$ 32,125,231	\$ 35,391,372	\$ 31,330,433	\$ 33,516,571	\$ 36,563,663	\$ 38,089,706	\$ 39,931,187	\$ 12,737,102	\$ 1,284,863
Business-type activities:										
Invested in capital assets, net of related debt	\$ 38,090,982	\$ 39,218,958	\$ 39,436,429	\$ 39,560,719	\$ 41,314,470	\$ 42,053,574	\$ 43,833,948	\$ 47,132,623	\$ 46,760,260	\$ 52,595,025
Restricted	2,699,150	6,854,108	6,511,688	6,372,833	4,998,064	4,832,099	4,665,531	4,493,055	1,347,735	1,548,630
Unrestricted	2,552,583	(3,184,583)	(2,072,707)	(1,052,848)	(817,529)	707,214	1,215,871	(920,479)	1,721,151	(4,065,499)
Total Business-Type Activities Net Position	\$ 43,342,715	\$ 42,888,483	\$ 43,875,410	\$ 44,880,704	\$ 45,495,005	\$ 47,592,887	\$ 49,715,350	\$ 50,705,199	\$ 49,829,146	\$ 50,078,156
Primary government:										
Invested in capital assets, net of related debt	\$ 70,784,481	\$ 75,566,604	\$ 77,153,089	\$ 79,161,641	\$ 82,450,521	\$ 79,457,284	\$ 75,177,923	\$ 84,780,319	\$ 84,045,141	\$ 91,241,292
Restricted	14,041,011	14,457,765	13,115,408	13,029,338	14,887,812	21,469,259	27,496,007	23,623,140	8,100,961	8,179,184
Unrestricted	3,968,407	(15,010,655)	(11,001,715)	(15,979,842)	(18,326,757)	(16,769,993)	(14,868,874)	(17,767,073)	(29,579,854)	(48,057,457)
Total Primary Government Net Position	\$ 88,793,899	\$ 75,013,714	\$ 79,266,782	\$ 76,211,137	\$ 79,011,576	\$ 84,156,550	\$ 87,805,056	\$ 90,636,386	\$ 62,566,248	\$ 51,363,019

CITY OF LIBERTY, MISSOURI

CHANGES IN NET POSITION

Page 1 Of 2

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Expenses:										
Governmental activities:										
General government	\$ 2,307,516	\$ 3,316,763	\$ 3,315,775	\$ 4,098,088	\$ 4,488,682	\$ 5,578,298	\$ 4,409,570	\$ 4,070,808	\$ 4,960,224	\$ 5,140,449
Community development and Improvement	1,100,673	2,057,328	1,335,337	6,213,788	1,963,294	3,077,802	2,440,676	3,035,596	25,081,992	13,338,549
Public works	3,559,623	5,807,510	3,541,594	6,381,711	2,434,200	2,234,374	3,374,941	4,145,087	3,633,562	5,352,526
Culture and recreation	5,700,504	5,872,958	6,584,138	5,846,413	5,256,583	5,301,867	5,230,004	4,653,376	5,003,851	5,380,857
Cemetery maintenance	35,903	37,104	40,370	31,920	71,061	45,600	43,454	37,175	52,078	51,281
Public safety	8,698,281	9,688,707	8,654,817	8,755,802	9,039,729	9,331,920	10,569,376	11,173,782	12,481,003	11,477,832
Interest on long-term debt	1,345,901	1,642,311	1,535,865	1,755,580	1,565,218	1,924,369	1,790,466	1,636,145	1,840,593	4,360,199
Total Governmental Activities Expenses	22,748,401	28,422,681	25,007,896	33,083,302	24,818,767	27,494,230	27,858,487	28,751,969	53,053,303	45,101,693
Business-type activities:										
Water	4,173,039	4,057,237	3,887,962	4,084,298	4,230,222	4,683,122	4,647,033	4,804,585	5,100,859	5,536,119
Sewer	5,138,788	5,328,147	5,314,243	5,530,579	5,788,305	6,019,808	6,362,039	6,764,802	8,494,147	8,782,656
Sanitation	1,299,474	1,363,000	1,437,803	1,240,494	1,296,758	1,346,538	1,404,386	1,465,455	1,515,339	1,579,941
Total Business-Type Activities Expenses	10,611,301	10,748,384	10,640,008	10,855,371	11,315,285	12,049,468	12,413,458	13,034,842	15,110,345	15,898,716
Total Primary Government Expenses	33,359,702	39,171,065	35,647,904	43,938,673	36,134,052	39,543,698	40,271,945	41,786,811	68,163,648	61,000,409
Program revenue:										
Governmental activities:										
Charges for services										
General government	420,539	370,478	485,778	416,234	570,776	416,114	467,610	655,384	199,985	584,352
Public Works	214,968	280,375	1,067,170	101,212	137,768	148,575	-	-	-	-
Culture and recreation	3,477,997	3,715,924	3,423,899	3,445,210	2,813,673	2,761,851	2,326,010	2,346,377	2,314,001	2,530,502
Cemetery maintenance	36,450	34,850	37,399	28,351	18,901	31,110	55,675	35,881	41,695	44,435
Public safety	1,520,423	2,561,983	1,621,760	1,572,578	1,539,830	1,664,281	1,677,637	1,567,613	1,500,729	1,882,114
Operating grants and contributions	600,645	1,481,832	414,473	359,560	229,030	-	-	-	-	-
General Government	-	-	-	-	-	8,143	17,016	303,552	427,264	232,793
Public Works	-	-	-	-	-	228,950	-	-	-	-
Culture and Recreation	-	-	-	-	-	101,006	212,301	210,387	222,116	242,813
Public Safety	-	-	-	-	-	10,761	13,687	13,712	7,729	16,752
Capital grants and contributions	466,913	762,267	2,452,265	2,069,324	417,785	2,683,237	1,130,664	900,480	319,606	328,678
Total Governmental Activities Program Revenue	6,737,935	9,207,509	9,502,744	7,992,469	5,727,763	8,054,028	5,900,600	6,033,386	5,033,125	5,862,439
Business-type activities:										
Charges for services:										
Water	4,150,119	3,821,493	3,851,743	4,609,913	4,894,776	5,584,656	4,970,330	4,859,187	4,790,934	5,521,259
Sewer	4,424,439	4,494,668	4,951,824	5,702,170	5,528,214	6,439,371	7,432,110	7,484,660	7,757,065	8,251,871
Sanitation	1,345,744	1,420,096	1,427,468	1,289,414	1,156,496	1,317,865	1,342,422	1,408,568	1,513,408	1,572,792
Capital grants and contributions:										
Water	48,080	116,611	269,563	68,998	80,113	387,731	276,174	31,348	59,305	757
Sewer	22,800	100,026	205,251	-	89,912	248,825	334,925	43,972	195,228	372,333
Total Business-Type Activities Program Revenues	9,991,182	9,952,894	10,705,849	11,670,495	11,749,511	13,978,448	14,355,961	13,827,735	14,315,940	15,719,012
Total Primary Government Program Revenues	16,729,117	19,160,403	20,208,593	19,662,964	17,477,274	22,032,476	20,256,561	19,861,121	19,349,065	21,581,451
Net (expense) revenue:										
Governmental activities	(16,010,466)	(19,215,172)	(15,505,152)	(25,090,833)	(19,091,004)	(19,440,202)	(21,957,887)	(22,718,583)	(48,020,178)	(39,239,254)
Business-type activities	(620,119)	(795,490)	65,841	815,124	434,226	1,928,980	1,942,503	792,893	(794,405)	(179,704)
Total Primary Government Net Expense	(16,630,585)	(20,010,662)	(15,439,311)	(24,275,709)	(18,656,778)	(17,511,222)	(20,015,384)	(21,925,690)	(48,814,583)	(39,418,958)

CITY OF LIBERTY, MISSOURI

CHANGES IN NET POSITION

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	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
General revenues and other changes in net assets:										
Governmental activities:										
Taxes:										
Property taxes	\$ 4,580,046	\$ 4,968,036	\$ 5,497,483	\$ 6,177,644	\$ 6,507,625	\$ 7,147,343	\$ 6,098,618	\$ 6,369,803	\$ 6,362,431	\$ 6,274,468
Franchise taxes	3,075,617	4,327,161	3,844,459	4,385,343	3,878,488	3,731,525	3,761,816	3,826,360	3,760,453	3,544,972
Sales taxes	8,316,447	8,312,753	7,995,060	8,446,974	8,945,418	9,877,630	11,211,196	12,320,585	12,373,730	15,174,323
Other taxes	1,528,764	1,385,860	1,362,775	1,235,186	1,210,748	1,411,627	1,241,394	1,241,758	3,107,658	1,447,073
Investment earnings	873,996	433,980	157,135	59,471	47,348	51,651	212,866	72,043	81,731	230,266
Miscellaneous	281,642	740,686	590,848	725,288	687,515	679,995	725,523	729,515	869,258	1,115,913
Transfers	50,000	-	(676,467)	-	-	-	-	-	-	-
Gain on sale of capital assets	-	-	-	-	-	-	-	-	-	-
Total Governmental Activities	18,706,512	20,168,476	18,771,293	21,029,906	21,277,142	22,899,771	23,251,413	24,560,064	26,555,261	27,787,015
Business-type activities:										
Investment earnings	569,860	338,239	244,619	190,170	180,075	167,902	162,017	158,569	152,792	160,012
Miscellaneous	66,700	3,019	-	-	-	1,000	17,943	38,387	6,649	268,702
Transfers	(50,000)	-	676,467	-	-	-	-	-	-	-
Total Business-Type Activities	586,560	341,258	921,086	190,170	180,075	168,902	179,960	196,956	159,441	428,714
Total Primary Government	19,293,072	20,509,734	19,692,379	21,220,076	21,457,217	23,068,673	23,431,373	24,757,020	26,714,702	28,215,729
Changes in net assets:										
Governmental activities	2,696,046	953,304	3,266,141	(4,060,927)	2,186,138	3,459,569	1,293,526	1,841,481	(21,464,917)	(11,452,239)
Business-type activities	(33,559)	(454,232)	986,927	1,005,294	614,301	2,097,882	2,122,463	989,849	(634,964)	249,010
Total Primary Government	\$ 2,662,487	\$ 499,072	\$ 4,253,068	\$ (3,055,633)	\$ 2,800,439	\$ 5,557,451	\$ 3,415,989	\$ 2,831,330	\$ (22,099,881)	\$ (11,203,229)

GASB Statement No. 34 implemented in Fiscal Year 2004

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

Function / Program	Fiscal Year										
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	
Governmental activities:											
General government	\$ 431,878	\$ 385,191	\$ 508,981	\$ 422,156	\$ 570,996	\$ 416,114	\$ 467,610	\$ 958,936	\$ 627,249	\$ 817,145	
Community development and improvement	98,346	946,629	—	—	—	—	—	-	-	-	
Public works	901,131	1,322,205	3,753,085	2,404,186	649,462	148,575	-	900,480	319,606	328,678	
Culture and recreation	3,595,086	3,857,536	3,535,391	3,547,149	2,920,191	2,761,851	2,326,010	2,556,764	2,536,117	2,773,315	
Cemetery maintenance	36,450	34,650	37,399	28,351	18,901	31,110	55,675	35,881	41,695	44,435	
Public safety	1,675,044	2,661,298	1,667,888	1,590,627	1,568,213	1,664,281	1,677,637	1,581,325	1,508,458	1,898,866	
Total Governmental Activities	6,737,935	9,207,509	9,502,744	7,992,469	5,727,763	5,021,931	4,526,932	6,033,386	5,033,125	5,862,439	
Business-type activities:											
Water	4,198,199	3,938,104	4,121,306	4,678,911	4,974,889	5,584,656	4,970,330	4,890,535	4,850,239	5,522,016	
Sewer	4,447,239	4,594,694	5,157,075	5,702,170	5,618,126	6,439,371	7,432,110	7,528,632	7,952,293	8,624,204	
Sanitation	1,345,744	1,420,096	1,427,468	1,289,414	1,156,496	1,317,865	1,342,422	1,408,568	1,513,408	1,572,792	
Total Business-Type Activities	9,991,182	9,952,894	10,705,849	11,670,495	11,749,511	13,341,892	13,744,862	13,827,735	14,315,940	15,719,012	
Total Government	\$ 16,729,117	\$ 19,160,403	\$ 20,208,593	\$ 19,662,964	\$ 17,477,274	\$ 18,363,823	\$ 18,271,794	\$ 19,861,121	\$ 19,349,065	\$ 21,581,451	

GASB Statement No. 34 implemented in fiscal year 2004.

Source: City records.

CITY OF LIBERTY, MISSOURI
FUND BALANCES, GOVERNMENTAL FUNDS

	Fiscal Year									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
General Fund:										
Reserved	\$ 417,101	\$ 402,214	\$ 410,559	\$ 689,406	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	1,935,964	2,243,914	2,055,644	2,497,862	-	-	-	-	-	-
Nonspendable	-	-	-	-	480,371	377,301	456,208	538,830	548,017	475,874
Restricted	-	-	-	-	-	-	-	-	73,259	-
Assigned	-	-	-	-	-	-	-	-	37,881	42,490
Unassigned	-	-	-	-	3,668,127	3,918,515	4,039,995	3,639,567	2,878,184	2,590,842
Total General Fund	\$ 2,353,065	\$ 2,646,128	\$ 2,466,203	\$ 3,187,268	\$ 4,148,498	\$ 4,295,816	\$ 4,496,203	\$ 4,178,397	\$ 3,537,341	\$ 3,109,206
All Other Governmental Funds:										
Reserved	\$ 8,876,787	\$ 7,335,807	\$ 9,287,943	\$ 4,379,751	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved, reported in:										
Special revenue funds	212,015	414,893	(197,996)	137,393	-	-	-	-	-	-
Capital projects funds	4,535,316	3,599,281	1,670,811	5,725,072	-	-	-	-	-	-
Permanent fund	—	404,361	406,836	410,661	-	-	-	-	-	-
Fund Balances										
Nonspendable										
Inventory	-	-	-	-	42,796	55,034	-	-	-	-
Prepaid Ins	-	-	-	-	471,630	374,975	41,489	48,327	48,969	48,230
Permanent fund principal	-	-	-	-	406,977	412,477	420,533	427,493	433,568	437,393
Restricted for										
Parks and Recreation	-	-	-	-	496,485	749,885	747,039	1,157,575	2,201,605	2,108,073
Capital projects funds	-	-	-	-	4,129,933	9,309,726	10,260,396	7,799,241	36,366,122	29,999,312
Transportation projects	-	-	-	-	489,539	1,382,576	5,663,166	1,062,662	934,973	780,698
Public Safety	-	-	-	-	336,693	480,403	622,555	3,508,795	1,165,482	1,136,631
Debt Service	-	-	-	-	3,927,265	4,603,767	5,002,339	5,019,769	22,455,613	10,058,655
Cemetery	-	-	-	-	70,999	75,083	88,917	89,551	72,637	53,080
Law Enforcement	-	-	-	-	31,857	35,720	25,531	21,497	4,881	4,828
Assigned to:										
Debt Service	-	-	-	-	319,350	313,661	1,069,451	-	-	-
Other Purposes	-	-	-	-	74,412	59,728	58,775	43,502	140,558	176,039
Unassigned	-	-	-	-	3,668,127	3,905,515	-	(37,740)	(19,028)	(9,028)
Total All Other Governmental Funds	\$ 13,624,118	\$ 11,754,342	\$ 11,167,594	\$ 10,652,877	\$ 14,466,063	\$ 21,758,550	\$ 24,000,191	\$ 19,140,672	\$ 63,805,380	\$ 44,793,911

Source: City records

CITY OF LIBERTY, MISSOURI

CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS

Page 1 Of 2

	Fiscal Year									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Revenues:										
Taxes	\$ 17,500,874	\$ 18,993,810	\$ 18,608,689	\$ 20,154,888	\$ 20,542,279	\$ 22,034,017	\$ 22,313,024	\$ 23,758,506	\$ 25,264,810	\$ 26,440,836
Intergovernmental	1,080,660	2,244,099	1,552,867	2,519,143	671,815	3,216,205	1,373,668	1,428,131	976,715	821,036
Licenses and permits	376,236	370,478	389,111	316,961	443,914	270,115	318,505	394,857	339,462	509,749
Charges for services	4,165,979	4,951,234	5,366,460	4,375,101	4,294,872	4,519,972	4,208,427	4,210,398	4,110,210	4,458,056
Investment earnings	873,996	433,980	157,135	59,471	47,348	51,651	50,849	72,043	81,731	230,266
Lease	1,083,859	1,158,108	863,059	862,023	303,771	198,744	—	—	—	—
Reimbursement of services provided	—	—	—	—	—	—	—	—	—	—
Fines and forfeitures	—	—	—	—	—	—	—	—	—	—
Contributions	—	—	—	—	—	—	—	—	—	—
Interest	—	—	—	—	—	—	—	—	—	—
Special assessments	—	—	—	—	—	—	—	—	—	—
Miscellaneous	1,110,387	849,147	686,123	803,330	835,292	772,620	707,580	729,515	824,547	1,115,913
Total Revenues	26,191,991	29,000,856	27,623,444	29,090,917	27,139,291	31,063,324	28,972,053	30,593,450	31,597,475	33,575,856
Expenditures:										
General government	2,909,155	3,142,783	2,920,813	3,186,676	3,625,547	4,894,141	3,637,245	3,704,333	4,647,549	4,519,275
Community development and improvement	1,090,028	1,291,386	1,095,806	5,905,370	1,517,740	2,840,988	2,440,676	3,029,070	22,802,592	13,306,979
Public works	3,131,286	3,957,941	3,693,908	6,066,133	3,276,623	5,878,187	5,203,950	3,539,989	4,085,325	2,897,617
Culture and recreation	4,886,143	5,080,716	4,513,774	4,528,504	3,975,630	3,980,267	3,909,162	3,820,234	4,160,582	4,512,327
Cemetery maintenance	35,903	37,104	40,370	31,920	30,617	36,687	43,454	37,175	52,078	51,281
Public safety	8,154,847	8,466,182	8,245,818	8,248,571	8,512,558	8,881,333	10,041,922	10,525,034	11,526,676	9,738,413
Highway and streets	—	—	—	—	—	—	—	—	—	—
Sanitation	—	—	—	—	—	—	—	—	—	—
City wide programs	—	—	—	—	—	—	—	—	—	—
Capital outlay	9,261,303	3,951,534	2,850,274	1,009,967	1,542,056	1,829,211	826,465	7,645,933	2,921,467	8,548,421
Debt service:										
Principal	2,521,106	2,959,207	2,768,453	4,547,331	3,115,362	1,825,010	3,256,863	3,540,139	3,963,201	5,321,924
Bond issuance costs	241,599	—	—	229,126	—	—	104,197	14,111	2,274,248	—
Interest	1,276,769	1,690,716	1,584,434	1,639,777	1,637,696	1,449,484	1,671,255	1,620,977	1,590,031	4,432,032
Payment to refunding bond escrow agent	—	—	—	—	—	—	—	—	500,013	—
Total Expenditures	33,508,139	30,577,569	27,713,650	35,393,375	27,233,829	31,615,308	31,135,189	37,476,995	58,523,762	53,328,269
Excess Of Revenues Under Expenditures	(7,316,148)	(1,576,713)	(90,206)	(6,302,458)	(94,538)	(551,984)	(2,163,136)	(6,883,545)	(26,926,287)	(19,752,413)

CITY OF LIBERTY, MISSOURI

CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS

Page 2 Of 2

	Fiscal Year									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Other financing sources (uses):										
Transfers in	\$ 1,414,937	\$ 1,550,512	\$ 1,400,432	\$ 1,717,821	\$ 887,509	\$ 671,667	\$ 1,872,124	\$ 1,332,392	\$ 2,230,806	\$ 4,149,255
Transfers out	(1,364,937)	(1,550,512)	(2,076,899)	(1,717,821)	(887,509)	(671,667)	(1,872,124)	(1,332,392)	(2,230,806)	(4,149,255)
Issuance of long-term debt	9,960,560	—	—	8,105,000	—	10,230,000	8,644,690	—	74,805,312	—
Discount on debt issuance	(48,874)	—	—	(15,469)	—	—	—	—	—	—
Premium on debt issuance	7,742	—	—	—	—	658,963	256,290	—	—	—
Proceeds of refunding bonds	—	—	—	—	—	—	—	—	—	—
Payment to refunded bond escrow agent	—	—	—	(2,111,400)	—	(4,613,824)	—	(1,073,780)	(4,435,000)	—
Proceeds from capital leases	—	—	—	—	—	—	—	2,780,000	395,368	349,033
Lease proceeds	—	—	—	—	—	—	—	—	—	—
Capital contributions	—	—	—	530,687	720,456	1,571,160	—	—	—	—
Proceeds from sale of property	—	—	—	—	—	—	—	—	—	—
Total Other Financing Sources (Uses)	9,969,428	—	(676,467)	6,508,818	720,456	7,846,299	8,900,980	1,706,220	70,765,680	349,033
Net Changes In Fund Balance	2,653,280	(1,576,713)	(766,673)	206,360	625,918	7,294,315	6,737,844	(5,177,325)	43,839,393	(19,403,380)
Fund balances (deficits), beginning of year	13,323,903	15,977,183	14,400,470	13,633,785	13,840,145	14,466,063	21,758,550	28,496,394	23,503,328	67,306,497
Fund balances (deficits), end of year	\$ 15,977,183	\$ 14,400,470	\$ 13,633,797	\$ 13,840,145	\$ 14,466,063	\$ 21,760,378	\$ 28,496,394	\$ 23,319,069	\$ 67,342,721	\$ 47,903,117
Debt service as a percentage of noncapital expenditures	15.66%	17.46%	17.51%	17.99%	18.50%	10.99%	16.26%	17.30%	9.99%	21.78%

CITY OF LIBERTY, MISSOURI

TAX REVENUES BY SOURCE, GOVERNMENTAL FUNDS

Fiscal Year	Property	Local Option Sales Tax	Franchise Fees	Other Tax	Total
2007	4,580,046	8,316,447	3,075,617	1,528,764	17,500,874
2008	4,968,036	8,312,753	4,327,161	1,385,860	18,993,810
2009	5,497,483	7,995,060	3,844,459	1,362,775	18,699,777
2010	5,058,730	8,763,669	3,958,095	2,112,197	19,892,691
2011	5,071,047	8,727,836	3,886,396	1,086,671	18,771,950
2012	7,147,343	9,877,630	3,731,525	1,411,627	22,168,125
2013	6,098,618	11,211,196	3,761,816	1,241,394	22,313,024
2014	6,746,251	12,255,994	3,826,361	1,241,758	24,070,364
2015	6,362,431	12,373,730	3,760,453	3,107,658	25,604,272
2016	6,274,468	15,174,323	3,544,972	1,447,073	26,440,836
Change 2007-2016	37.00%	82.46%	15.26%	-5.34%	51.08%

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
2007	284,539,230	1,497,574,895	17,003,500	289,116,406	283,133,318	21,765,597	10,415,657	482,933,053	2.6%	2,130,359,313	22.67%	0.9676
2008	287,785,260	1,514,659,263	19,598,417	299,017,563	290,213,364	20,775,625	10,432,676	491,684,083	3.9%	2,154,696,907	22.82%	0.9358
2009	284,219,490	1,495,892,053	20,043,000	307,905,375	255,701,315	20,762,634	9,755,364	479,399,117	0.1%	2,110,059,741	22.72%	0.9715
2010	285,370,000	1,501,947,368	19,750,583	315,738,344	213,223,100	26,243,916	9,878,818	470,798,026	2.7%	2,086,782,129	22.56%	0.9957
2011	278,008,900	1,463,204,737	15,253,667	303,710,906	223,209,764	31,310,491	8,367,576	463,466,709	1.5%	2,045,057,140	22.66%	0.9957
2012	278,558,900	1,466,099,474	13,729,333	302,005,094	226,871,027	35,052,525	9,392,736	466,031,900	3.0%	2,053,150,189	22.70%	0.9900
2013	269,959,220	1,420,838,000	6,460,583	290,584,281	231,588,164	42,964,266	10,373,939	457,317,519	1.7%	2,002,809,233	22.83%	1.0084
2014	271,096,770	1,426,825,105	6,238,833	290,530,031	235,396,803	46,420,919	11,653,173	461,196,226	1.5%	2,017,064,864	22.86%	1.0080
2015	282,091,190	1,484,690,474	6,439,583	295,348,625	247,300,694	50,933,219	15,849,615	480,513,732	0.8%	2,100,562,210	22.88%	0.9747
2016	283,588,870	1,492,573,000	6,469,667	294,998,094	266,478,464	52,811,728	13,380,397	488,017,797	0.7%	2,126,711,349	22.95%	0.9747

Source: City records

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

CITY OF LIBERTY, MISSOURI

DIRECT AND OVERLAPPING PROPERTY TAX RATES

Tax Year Levied	City Direct Rates				Overlapping Rates				
	General Fund	Parks Fund	Debt Service Fund	Total City Tax Rate	School District Tax Rate	County Tax Rate	Hospital Tax Rate	State Tax Rate	Total Tax Rate
2007	0.7955	0.1403	—	0.9358	5.6400	0.9260	0.1343	0.0300	7.6661
2008	0.7955	0.1403	—	0.9358	5.6400	0.9263	0.1349	0.0300	7.6670
2009	0.8259	0.1456	—	0.9715	5.9069	0.9253	0.1444	0.0300	7.9781
2010	0.8465	0.1492	—	0.9957	6.0950	0.9253	0.1500	0.0300	8.1960
2011	0.8465	0.1492	—	0.9957	6.0950	0.8953	0.1500	0.0300	8.1660
2012	0.8417	0.1483	—	0.9900	6.0950	0.8953	0.1500	0.0300	8.1603
2013	0.8573	0.1511	—	1.0084	6.0950	0.8824	0.1500	0.0300	8.1658
2014	0.8570	0.1510	—	1.0080	6.4550	0.8693	0.1500	0.0300	8.5123
2015	0.8287	0.1460	—	0.9747	6.4550	0.8374	0.1483	0.0300	8.4454
2016	0.8287	0.1460	—	0.9747	6.4550	0.8362	0.1483	0.0300	8.4442

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	2016			2007		
	Taxable Assessed Value	Rank	Percentage Of Total City Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage Of Total City Taxable Assessed Value
Hallmark Cards	\$ 5,176,900	1	1.06%	\$ 11,642,406	1	2.41%
Star Development	2,808,270	2	0.58%	3,271,462	4	0.68%
Lowe's Home Centers, Inc.	2,211,520	3	0.45%	3,580,616	3	0.74%
Hy-Vee Food Stores, Inc.	2,113,020	4	0.43%	—	—	—
Centro Bradley SPE 5 LLC	2,014,400	5	0.41%	2,338,340	6	0.48%
Legacy Liberty, LLC	1,897,660	6	0.39%	—	—	—
LTD Enterprises, LLC	1,597,800	7	0.33%	—	—	—
Clark Printing Company, Inc.	1,444,990	8	0.30%	6,745,101	2	1.40%
Rogers Sporting Goods	1,429,730	9	0.29%	—	—	—
Amber Meadows HH, LLC	1,217,790	10	0.25%	—	—	—
Continental Disc Corporation	—	—	—	1,535,397	9	0.32%
Stone Container Corporation	—	—	—	2,424,722	5	0.50%
Monmouth Real Estate Inv	—	—	—	1,708,420	7	0.35%
Crossroads West Assoc. LP	—	—	—	1,482,620	10	0.31%
Metals USA Specialty	—	—	—	1,687,157	8	0.35%
Total	\$ 21,912,080		4.49%	\$ 36,416,241		7.54%

Source: City records

CITY OF LIBERTY, MISSOURI
PROPERTY TAX LEVIES AND COLLECTIONS

Fiscal Year	Taxes Levied for Fiscal Year	Collected Within the Fiscal Year Of The Levy		Collections in Subsequent Years	Total Collections To Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2007	4,519,288	4,064,024	89.93%	349,737	4,413,761	97.66%
2008	4,601,180	4,182,202	90.89%	381,024	4,563,226	99.18%
2009	4,603,135	4,169,701	90.58%	297,604	4,467,305	97.05%
2010	4,592,237	4,168,359	90.77%	276,835	4,445,194	96.80%
2011	4,478,756	4,055,486	90.55%	273,537	4,329,023	96.66%
2012	4,492,368	4,199,817	93.49%	404,644	4,604,461	102.50%
2013	4,470,089	170,416	3.81%	4,321,714	4,492,130	100.49%
2014	4,491,096	326,153	7.26%	4,199,822	4,525,975	100.78%
2015	4,530,039	161,404	3.56%	4,322,016	4,483,420	98.97%
2016	4,530,039	223,215	4.93%	-	223,215	4.93%

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 received by Clay County. Taxes collected by Clay County in December are not received by the City until January of the following year.

CITY OF LIBERTY, MISSOURI

RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING BY TYPE

Fiscal Year	General Bonded Debt		Other Governmental Activities Debt				Business Type Activities					Total Primary Government	Percentage Of Personal Income	Debt Per Capita
	General Special Assessment Bonds	Percentage Of Actual Taxable Value Of Property	Debt Per Capita	MDNR Loan Payable	Capital Leases	Leasehold Revenue Bonds	TIF Bonds	Loan Payable	State Revolving Fund	Revenue Bonds	Capital Leases			
2007	12,555,000	0.59%	416	102,058	722,491	4,685,000	7,380,000	—	5,975,000	15,525,000	—	46,944,549	5.31%	1,555
2008	11,290,000	0.53%	374	93,302	427,041	3,560,000	14,955,000	—	5,765,000	14,230,000	—	50,320,343	5.66%	1,667
2009	11,970,000	0.56%	411	84,249	147,641	2,855,000	14,570,000	—	9,533,541	12,885,000	—	52,045,431	5.77%	1,785
2010	10,770,000	0.51%	369	74,890	375,355	2,120,000	18,305,000	—	9,151,041	11,485,000	—	52,281,286	6.24%	1,794
2011	6,710,000	0.31%	230	65,214	895,125	1,345,000	17,840,000	—	8,746,905	8,880,000	—	44,482,244	5.21%	1,526
2012	11,679,083	0.57%	417	55,211	1,615,809	975,491	13,661,392	—	3,135,390	3,876,911	—	34,999,287	4.27%	1,248
2013	16,100,000	0.80%	533	44,868	1,699,960	1,060,000	16,610,000	—	4,585,000	7,765,000	306,124	48,170,952	5.35%	1,595
2014	14,260,000	0.71%	462	34,175	4,115,456	-	15,640,000	—	4,320,000	6,680,000	257,825	45,307,456	4.88%	1,467
2015	25,390,000	1.21%	831	23,120	3,864,355	-	54,240,000	—	19,662,522	5,770,000	208,400	109,158,397	11.77%	3,575
2016	23,165,000	1.09%	760	11,863	3,516,347	-	53,070,000	—	64,287,522	5,040,000	157,465	149,248,197	16.07%	4,894

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

CITY OF LIBERTY, MISSOURI

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable	Amount Applicable To City
Overlapping:			
Liberty Hospital District	\$ —	0.00%	\$ —
Liberty School District	159,920,000	56.16%	89,809,109
Clay County	—	0.00%	—
Subtotal, Overlapping Debt			
City Direct Debt	23,165,000	100.00%	23,165,000
Bond Premiums	944,422	100.00%	944,422
Bond Discounts	(278,636)	100.00%	(278,636)
Total Direct And Overlapping Debt			<u><u>\$ 113,639,895</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 06/30/2016

CITY OF LIBERTY, MISSOURI
LEGAL DEBT MARGIN INFORMATION

Legal Debt Margin Calculation for Fiscal Year 2016

Assessed value	\$ 488,017,797
Debt limit (20% of assessed value)	97,603,559
City Debt applicable to debt limit:	
General obligation bonds	\$ 23,165,000
Special assessment bonds	19,823,430
Less-amount available debt service fund, Special Assessment Neighborhood Improvement Fund	-
Total net debt applicable to limit	42,988,430
Legal debt margin	\$ 54,615,129

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Debt limit	\$ 96,586,611	\$ 84,976,817	\$ 84,587,251	\$ 94,159,605	\$ 93,206,380	\$ 93,206,380	\$ 91,463,504	\$ 92,239,245	\$ 96,102,746	\$ 97,603,559
Total net debt applicable to limit	14,530,775	13,360,000	11,970,000	10,969,345	6,799,767	14,095,000	20,799,690	18,605,410	9,575,826	54,615,129
Legal debt margin	\$ 82,055,836	\$ 71,616,817	\$ 72,617,251	\$ 83,190,260	\$ 86,406,613	\$ 79,111,380	\$ 70,663,814	\$ 73,633,835	\$ 86,526,920	\$ 42,988,430
Total Net Debt Applicable To The Limit As A Percentage Of Debt Limit	17.71%	18.65%	16.48%	13.19%	7.87%	17.82%	29.43%	25.27%	11.07%	127.05%

Source: City records

CITY OF LIBERTY, MISSOURI
PLEDGED REVENUE COVERAGE

Waterworks and Sewer System Bonds							
Fiscal Year	Operating Revenue (1)	Operating Expenses (2)	Net Revenues	Debt Service		Total Debt Payments	Coverage
			Available For Debt Services	Principal	Interest		
2007	9,196,650	7,063,977	2,132,673	1,460,000	832,942	2,292,942	0.93
2008	9,196,650	7,048,861	2,147,789	1,038,747	900,681	1,939,428	1.11
2009	9,752,369	6,774,550	2,977,819	1,565,000	879,507	2,444,507	1.22
2010	10,569,620	7,140,809	3,428,811	1,625,000	620,792	2,245,792	1.53
2011	10,602,124	7,569,340	3,032,784	1,690,000	729,751	2,419,751	1.25
2012	12,034,578	8,494,390	3,540,188	1,485,000	747,877	2,232,877	1.59
2013	12,420,383	10,502,809	1,917,574	780,000	278,046	1,058,046	1.81
2014	12,540,633	11,569,387	971,246	1,085,000	245,346	1,330,346	0.73
2015	12,707,273	13,595,006	(887,733)	715,000	213,996	928,996	(0.96)
2016	14,201,551	12,022,197	2,179,354	730,000	123,580	853,580	2.55

(1) Operating revenue includes interest earnings

(2) Operating expenses excludes interest expense and depreciation expense

CITY OF LIBERTY, MISSOURI

DEMOGRAPHIC AND ECONOMIC STATISTICS

Fiscal Year Ended December 31,	Population	Personal Income⁽¹⁾	Per Capita Income⁽¹⁾	Median Age⁽¹⁾	School Enrollment⁽²⁾	Unemployment Rate⁽³⁾
2007	30,191	883,569,806	29,266	36.7	9,555	4.8%
2008	30,200	888,438,908	29,419	36.5	9,987	5.3%
2009	30,568	901,756,000	29,500	36.2	10,000	5.5%
2010	29,149	837,188,429	28,721	35.1	11,000	7.6%
2011	29,149	853,045,485	29,265	36.4	11,400	7.8%
2012	29,243	819,856,748	28,036	36.4	11,213	7.1%
2013	29,811	900,471,066	30,206	36.4	11,194	7.1%
2014	30,096	929,214,000	30,875	36.4	11,427	5.2%
2015	30,376	927,561,536	30,536	38.6	11,745	4.4%
2016	30,450	928,664,100	30,498	37.4	12,000	3.3%

Sources:

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

CITY OF LIBERTY, MISSOURI

PRINCIPAL EMPLOYERS

Employer	2016			2007		
	Employees	Rank	Percentage Of Total County Employment	Employees	Rank	Percentage Of Total County Employment
Liberty School District	1,800	1	1.37%	1,044	2	0.96%
Liberty Hospital	1,400	2	1.06%	1,100	1	1.01%
Hallmark Cards	1,351	3	1.03%	996	3	0.92%
LMV	700	4	0.53%	—	—	—
Clay County	688	5	0.52%	500	5	0.46%
RR Donnelley	350	6	0.27%	574	4	0.53%
City of Liberty	335	7	0.25%	212	8	0.20%
HyVee	320	8	0.24%	—	—	—
Ford Stamping Plant	310	9	0.24%	—	—	—
Ferrellgas	268	10	0.20%	260	7	0.24%
Smurfit	—	—	—	163	10	0.15%
Continental Disc	—	—	—	166	9	0.15%
William Jewell	—	—	—	288	6	0.27%
	7,522		5.71%	5,303		4.88%

Sources: Liberty Economic Development Council

CITY OF LIBERTY, MISSOURI

FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTIONS/PROGRAMS

Functions/Program	Full-Time Equivalent Employees as of December 31										
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007	
Administration											
City Administrator	1	1	1	1	1	1	1	1	1	1	
Assistant City Administrator	1	1	1	1	1	1	—	—	1	1	
Assistant Deputy City Clerk	1	1	1	1	1	—	—	—	—	—	
Deputy City Clerk	1	1	1	1	1	1	1	1	1	1	
Communication Manager	1	1	1	1	1	1	1	1	1	1	
Communication/Public Relations Specialist	1	1	1	1	1	—	—	—	—	—	
Animal Control Officer	2	2	—	—	—	—	—	—	—	—	
Animal Shelter Attendant	1	0.5	—	—	—	—	—	—	—	—	
Executive Assistant	—	—	—	—	—	—	—	—	1	1	
Court Administrator	1	1	1	1	1	1	1	1	1	1	
Municipal Court Technician	2	2	2	2	2	2	2	2	1	1	
Assistant to the City Administrator	1	1	1	1	1	1	1	1	1	1	
Administrative Assistant	1	0.5	—	—	2	2	2	2	—	—	
Economic & Business Development Mgr	1	1	1	1	1	1	1	1	—	—	
Information Services											
Information Technology Services Director	1	1	1	1	1	1	1	1	1	1	
Information Systems Specialist III	1	1	—	2	2	2	2	2	2	2	
Information Systems Specialist II	1	1	2	1	1	1	1	1	1	1	
Information Systems Specialist I	1.5	1	1	2	2	—	—	—	—	1	
Information Security Officer	1	1	—	—	—	—	—	—	—	—	
Senior Information System Specialist	1	1	2	—	—	—	—	—	—	—	
GIS Specialist II	1	1	1	1	1	1	1	1	1	1	
GIS Specialist III	1	1	1	—	—	—	—	—	—	—	
Human Resources											
Human Resources Director	1	1	1	1	1	1	1	1	1	1	
Human Resources Manager	1	1	—	—	—	—	—	—	—	—	
Human Resources Coordinator	—	—	1	1	1	—	—	—	1	1	
Administrative Assistant	—	—	—	—	—	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	
Assistant Finance Director	1	1	1	1	1	1	1	1	1	1	
Finance Analyst	1	1	1	1	1	1	1	1	1	1	
Payroll Specialist	1	1	1	1	1	1	1	1	1	1	
Finance Technician	3	3	4	4	4	4	4	4	3	3	
Lead Finance Technician	1	1	—	—	—	—	—	—	—	—	
Finance Assistant	—	—	—	—	—	—	—	—	1	1	
Receptionist	—	—	—	—	—	—	—	—	1	1	
Accountant	1	1	1	1	1	1	1	1	—	—	
Meter Service Technician	2	2	2	1	1	1	1	1	1	1	
Lead Meter Technician	1	1	1	1	1	1	1	1	1	1	
Accounting Manager	1	1	1	1	1	1	1	1	1	1	
Administrative Assistant	—	—	—	—	—	—	—	—	1	—	
Office Supervisor	1	1	1	1	1	1	1	1	1	—	
Fire											
Fire Chief	1	1	1	1	1	1	1	1	1	1	
Deputy Fire Chief	—	—	—	—	1	1	1	1	1	1	
Administrative Assistant	0.5	0.5	0.5	0.5	1	1	1	1	1	1	
Assisant Chief - Shift Commanders	3	3	3	3	3	3	3	3	3	3	

CITY OF LIBERTY, MISSOURI

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

	Full-Time Equivalent Employees as of December 31									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Fire <i>(Continued)</i>										
Training Officer	—	—	—	—	—	—	—	—	1	1
Fire Captain	9	9	9	9	9	9	9	9	9	9
Division Chief-Fire Marshal	1	1	1	1	—	—	—	—	—	—
Division Chief-Training	1	1	1	1	—	—	—	—	—	—
Firefighter/Paramedic	21	28	24	24	24	22	22	22	23	22
Firefighter/EMT	12	8	12	9	9	9	9	9	10	11
Fire Prevention Officer	—	—	—	—	1	1	1	1	1	1
Aging Services										
Administrative Assistant	1	1	1	1	1	—	—	—	—	—
Bus Driver	1	1	1	1	1	—	—	—	—	—
Recreation Program Coordinator	1	1	1	—	—	—	—	—	—	—
Senior Center Technician	1	1	1	1	1	—	—	—	—	—
Senior Services Manager	1	1	1	1	1	—	—	—	—	—
Police										
Police Chief	1	1	1	1	1	1	1	1	1	1
Deputy Police Chief	—	—	—	—	1	1	1	1	1	1
Evidence & Property Technician	0.5	0.5	0.5	—	—	—	—	—	—	—
Police Captain	2	2	2	2	1	1	1	1	1	1
Police Lieutenant	2	2	2	2	4	4	4	4	5	5
Police Sergeant	6	6	6	6	6	6	6	6	4	4
Police Corporal	4	4	4	4	4	4	4	4	3	3
Police Officer	25	25	25	25	25	23	23	23	24	24
Communications Supervisor	1	1	1	1	1	1	1	1	1	1
Communications Officer	9	9	9	9	8	8	8	8	9	9
Animal Control Officer	—	—	2	2	2	2	2	2	2	2
Animal Control Shelter Attendant	—	—	0.5	0.5	—	—	—	—	—	—
Parking Control Officer	0.5	—	—	—	—	—	—	—	1	1
Administrative Assistant	0.5	1	0.5	0.5	—	—	1	1	1	1
Support Services Supervisor	1	1	1	1	1	—	—	—	—	—
Records Technician	3	3	3	3	3	3	3	3	3	3
Public Works										
Public Works Director	1	1	1	1	1	1	1	1	1	1
City Engineer/Assistant Public Works Director	1	1	1	1	1	1	1	1	1	1
Facilities Management Supervisor	1	1	1	1	1	2	—	—	—	—
Capital Review Engineer	1	1	1	1	1	1	1	1	2	2
Public Works Operations Manager	1	1	1	1	1	1	1	1	1	1
Senior Engineering Technician	—	—	—	—	—	—	—	—	—	—
Engineering Technician	—	—	—	—	—	—	—	—	—	1
Senior Project Inspector	1	1	2	2	2	2	2	2	2	2
Project Inspector	1	1	—	—	—	1	1	1	1	1
Building Maintenance Technician	—	—	—	1	1	2	2	2	2	1
Administrative Assistant	2	2	2	2	2	2	2	2	2	2
Public Works Crew Chief	2	2	—	—	—	—	—	—	—	—
Public Works Maintenance Worker I	—	—	7	7	7	6	6	6	10	11
Public Works Maintenance Supervisor	—	—	—	—	—	—	—	—	2	2
Public Works Maintenance Worker II	9	9	5	5	5	9	9	9	6	6
Mechanic I	1	1	—	—	—	—	—	—	—	—
Mechanic II	—	—	—	—	—	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									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Development Services										
Development Director	—	—	—	—	—	—	1	1	1	1
Community Development Manager	1	1	1	1	1	1	1	1	1	1
Planning and Economic Development Manager	—	—	—	—	—	—	—	—	1	1
Assistant Director	1	1	1	1	1	1	1	1	2	2
City Planner	1	1	1	1	1	—	—	—	—	—
Chief Building Official	1	1	1	1	1	1	1	1	1	1
Senior Building Inspector	1	1	1	1	1	1	1	1	1	1
Building Inspector	1	1	1	1	1	1	1	1	1	2
Rental Inspector	1	0.5	—	—	—	—	—	—	—	—
Code Enforcement Officer	1	1	1	1	1	1	1	1	1	1
Administrative Assistant	1	1	1	1	1	1	1	1	2	2
Parks & Recreation										
Parks and Recreation Director	1	1	1	1	1	1	1	1	1	1
Parks & Natural Resources Manager	1	1	1	1	1	1	1	1	1	1
Recreation Coordinator	2	2	3	3	3	2	2	2	3	3
Parks Crew Chief	1	1	2	2	2	3	3	3	2	2
Maintenance Supervisor	1	1	—	—	—	—	—	—	—	—
Parks Maintenance Worker II	3	3	3	3	3	3	3	3	4	3
Parks Maintenance Worker I	1	1	—	—	—	4	4	4	4	5
Events Coordinator	—	—	1	1	1	—	—	—	—	—
Horticulturist	1	1	1	1	1	—	—	—	—	—
Administrative Assistant	—	—	—	—	—	1	1	1	1	1
Recreation Program (Sports Complex) Manager	1	1	1	1	1	1	1	1	1	1
Athletic Fields Ground Keeper	2	2	2	1	1	2	2	2	2	2
Membership Services (LCC) Manager	1	1	1	1	1	1	1	1	1	1
Senior Recreation Coordinator	3	3	3	3	3	3	3	3	3	3
Facility Rental Supervisor	—	—	—	—	—	—	—	—	—	1
Office Supervisor	1	1	1	1	1	1	1	1	1	1
Office Assistant	1	1	1	1	1	1	1	1	1	1
Custodian	—	—	—	1	1	1	1	1	2	2
Building Maintenance Technician	1	1	1	1	1	1	1	1	2	2
Theater Productions/Facility Rental Supervisor	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
Mechanic	1	1	1	1	1	—	—	—	—	—
Mechanical Systems Specialist	—	—	1	1	1	—	—	—	—	—
Bus Driver	—	—	—	—	—	1	1	1	2	2
Senior Center Technician	—	—	—	—	—	1	1	1	1	1
Parks Supervisor	2	2	1	1	1	—	—	—	1	1
Assistant Parks & Recreation Director	1	1	1	1	1	1	1	1	1	—
Utilities										
Construction Manager-Wastewater Collection	1	1	1	1	1	—	—	—	—	—
Construction Manager-Water Distribution	1	1	1	1	1	—	—	—	—	—
Construction Worker I	1	1	1	1	2	—	—	—	—	—
Construction Worker II (New Position)	1	1	—	—	—	—	—	—	—	—
Crew Chief	—	—	2	2	2	—	—	—	—	—
Collection Manager (Previous Crew Chief)	1	1	—	—	—	—	—	—	—	—
Collection Worker I (Previous Maintenance Worker I)	3	3	—	—	—	—	—	—	—	—
Collection Worker II (Previous Maintenance Worker II)	1	1	—	—	—	—	—	—	—	—
Distribution Manager (Previous Crew Chief)	1	1	—	—	—	—	—	—	—	—
Distribution Worker I (Previous Maintenance Worker I)	5	5	—	—	—	—	—	—	—	—
Distribution Worker II (Previous Maintenance Worker II)	2	2	—	—	—	—	—	—	—	—
Lead Operator-Water Treatment Operations	—	—	1	1	1	—	—	—	—	—
Maintenance Mechanic-Water Treatment Operations	—	—	1	1	1	—	—	—	—	—
Maintenance Supervisor-Water Treatment Operations	—	—	1	1	1	—	—	—	—	—
Maintenance Worker I	—	—	8	8	8	—	—	—	—	—
Maintenance Worker II	—	—	2	2	2	—	—	—	—	—
Operator-Water Treatment Operations	—	—	4	4	4	—	—	—	—	—
Production Manager	1	1	—	—	—	—	—	—	—	—
Production Technician	6	6	—	—	—	—	—	—	—	—
Treatment Manager (New Position)	1	1	—	—	—	—	—	—	—	—
Treatment Technician (New Position)	2	2	—	—	—	—	—	—	—	—
Utilities Director	1	1	1	1	1	—	—	—	—	—
Utilities Assistant Director Production & Treatment	1	1	1	1	1	—	—	—	—	—
Utilities Assistant Director Operations & Construction	1	1	1	1	1	—	—	—	—	—
Totals City-Wide	237	237	231	226	228	201	199	199	216	218

Source: City records

CITY OF LIBERTY, MISSOURI
OPERATING INDICATORS BY FUNCTION/PROGRAM

Function/Program	Calendar Year									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Police:										
Calls for service	35,970	33,925	37,613	33,333	30,441	30,210	31,540	29,594	26,815	31,324
Adult arrest	1,473	1,493	1,331	746	1,514	1,897	471	467	1,138	888
Speeding citations only	1,689	2,303	2,066	1,760	1,710	1,768	1,443	1,359	955	622
Traffic citations	5,133	5,223	5,361	5,975	5,620	5,012	4,923	5,307	4,672	2,823
Fire:										
Total fire runs	3,070	3,134	2,897	3,366	3,338	894	3,338	3,265	3,330	3,358
Total rescue runs	3,343	3,235	3,138	3,299	3,232	3,380	2,898	2,847	2,896	2,817
Property loss	501,450	637,250	436,300	250,100	452,250	670,100	250,500	699,200	4,152,500	887,000
Property saved	1,039,000	6,019,750	3,353,700	11,504,400	9,982,750	10,834,350	1,249,500	3,081,800	76,485,900	4,318,000
Building permits:										
Commercial:										
Total building permits	12	17	8	2	5	31	4	9	11	18
Total value all permits	29,333,289	20,960,559	9,873,810	7,149,100	61,155,184	21,981,026	7,931,171	20,418,975	17,180,155	46,411,213
Residential:										
Total building permits	61	36	11	15	17	12	39	30	24	42
Total value all permits	11,572,869	6,632,480	3,365,544	31,824,093	4,221,266	5,203,410	7,464,240	5,741,988	6,508,954	22,954,229
Parks and Recreation:										
Recreation program attendance	25,110	13,239	1,733	3,794	3,511	3,827	4,564			
Sports	**	**	**	**	**	**	**	5,065	6,443	5,366
Community Programs	**	**	**	**	**	**	**	817	271	-
Camps	**	**	**	**	**	**	**	**	**	381
Aquatics program attendance	3,811	2,163	3,919	4,340	3,839	3,119	2,244	2,481	3,315	2,733
Fitness	**	**	**	**	**	**	**	3,371	3,591	-
Community Center Memberships	20,755	23,384	22,138	17,513	2,496	17,669	4,411	4,484	4,620	5,196
Rentals	1,064	994	854	411	421	1,360	1,434			
Meeting Rooms	**	**	**	**	**	**	**			
# of Reservations	**	**	**	**	**	**	**	8,193	3,539	4,856
# of Hours	**	**	**	**	**	**	**	**	7,588	7,997
Theater	**	**	**	**	**	**	**			
# of Reservations	**	**	**	**	**	**	**	**	265	293
# of Hours	**	**	**	**	**	**	**	2,133	2,099	2,540
Street trees maintained (1)	685	700	625	430	675	700	700	680	1,810	280

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.

(2) In the middle of 2015 Fitness/Group Classes became included in Community Center Memberships.

CITY OF LIBERTY, MISSOURI

CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM

Function/Program	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Transfers Out	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
Major Roadway	—	—	—	—	—	—	—	—	—	—
Public Safety	—	—	—	—	—	—	—	—	—	—
Debt Service/Lease Payments	6,365,294	5,838,710	5,292,048	5,675,615	2,982,444	1,933,770	3,013,902	3,532,211	2,682,551	2,392,830
Street and Major Roadway Improvements	2,443,903	2,295,492	1,765,991	1,401,422	926,632	820,876	29,839	4,201,556	—	—
Community Center Expansion	—	—	—	—	—	—	—	—	—	—
Remodel Fire Station #1	—	—	—	—	—	—	—	—	—	—
Storm Water Improvements	28,962	254,845	81,846	33,456	26,909	275,685	205,599	56,822	404,472	553,786
Parks & Recreation	77,983	—	—	—	—	—	—	—	—	—
Capital Equipment	301,889	615,659	585,419	3,068,026	432,283	598,365	692,643	363,226	708,041	818,809
Fire Equipment	132,949	11,437	5,610	5,750	20,875	5,112	4,710	—	1,906,893	82,353
Sports Complex Construction	—	—	—	—	—	—	—	—	—	—
Neighborhood Improvements	109,110	510,512	8,274	60,101	317,918	364,524	123,339	420,015	—	—
Water System Upgrades	981,841	—	—	182,431	82,345	758,171	1,266,184	990,939	490,970	910,107
Sewer System Upgrades	1,393,805	—	—	1,234	9,947	174,567	1,066,823	319,556	741,859	381,072
WasteWater System	—	—	—	—	—	—	—	2,380,590	16,534,500	50,728,915

Source: City records