



CITY OF LIBERTY, MISSOURI

Comprehensive Annual Financial Report
For The Year Ended December 31, 2017

CITY OF LIBERTY, MISSOURI
COMPREHENSIVE ANNUAL
FINANCIAL REPORT
FOR THE YEAR ENDED DECEMBER 31, 2017



*Report prepared and submitted by the
Department of Finance*

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Introductory Section



June 27, 2018

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, 2017, 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 and Capital budgets are monitored on a department or fund 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.

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.

The Downtown Reconstruction project was completed in 2017. This project included improvements and enhancements to the current streetscape along with the replacement of more than 2,200 feet of water lines and 1,000 feet of sewer lines. It also included enhancements to pedestrian amenities as part of the revitalization of our Historic Downtown. More than 120 businesses located in the downtown area, including both retail and other business uses, will benefit from the completion of this project.

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 continues to show improvement since 2016, maintained in 2017, with additional growth enjoyed in 2018, as reflected in the increase of building permits issued. Single family residential lots continue to be approved and constructed. Homestead of Liberty, a new residential subdivision approved in 2016, is under construction and will add 126 lots to the southern portion of town. Homestead Hills, with 121 single family lots was approved for the area south of Homestead in 2017. Several subdivisions completed the necessary public improvements within the last year, have subdivided into lots, and have begun building new single family homes. Riverwood, an infill site off of Conistor Street, has 22 maintenance provided lots. Timber Ridge is an infill project with 13 mission/craftsman style homes; Creekwood is a 12 lot continuation of an existing TND style neighborhood. All three of these infill projects are currently under construction. Also in 2017 was approval for 35 single family homes as an extension of the Liberty Manor subdivision.

Multi-family projects continue to add a diversity of housing options to our community. Construction is almost complete on a 292 unit luxury apartment complex close to 291 Highway and a 48 unit senior housing project along Lightburne Road. A 204 unit market-rate apartment complex, a 191 unit senior housing complex, and a 38 unit project in the historic downtown area were additional multi-family projects approved since 2016.

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.

In 2017, the community experienced a growth in Retail Development. Initiated in earlier years through a tax incremental financing plan, the City has three major retail project areas (Liberty Triangle, Roger's Plaza, Blue Jay Crossing and Liberty Commons) that are continuing to build out. In 2018, 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. At the end of 2017, Liberty Commons was about 80% complete, 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 \$700,000 investment in the commercial area and over \$800,000 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 2017 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 a few 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.

For several years, the General Fund has been 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, 2017 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 2018 budget to account for these impacts. The City also sees a flattening of its Franchise Fee revenues attributable to cell phones and landlines. The 2018 budget contemplates that Telecom Franchise Fees are down primarily due to the shift from voice and text to more data usage. Telephone Franchise Fees are down due to the shift from land line usage to additional cell phone usage. With more people choosing online streaming to watch their favorite shows, Cable Franchise Fees will also see more of a decline in 2018.

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 since 2015. Further State actions were implemented in 2016 and 2017. Adjustments for these State mandates have been accounted for in the 2018 budget and will continue to be monitored in future years.

While our newest retail development has assisted Liberty's overall financial resources, many traditional revenues are declining while demands for services continue to increase. Due to the reduced revenues from the above mentioned, the City is seeking voter approval on the implementation of a Use Tax at the rate of Liberty current City Sales Tax Rate of 3.375%. The passage of the Use Tax will essentially modernize the revenue stream. With the trend of online shopping growing every year, it is anticipated that sales tax revenues will decline. The Use Tax appeared on the ballot in April 2018. Liberty voters approved the tax with 70% of voters voting yes. It is conservatively estimated that the Use Tax to generate \$750,000 annually.

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 2017 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 2018.

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 2017 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.

In, 2018 Staff and the Budget Committee will continue working 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 2018 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. In early 2017, the construction of the facility was complete and went fully online treating all but 144 houses on the west side I35.

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, 2017. The auditor's report on the basic financial statements is included in the financial section of this report.

Certificate Of Achievement

The GFOA awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Liberty, Missouri for its Comprehensive Annual Financial Report for the fiscal year ended December 31, 2016. The Certificate of Achievement of Excellence in Financial Reporting recognizes conformance with the highest standards for preparation of state and local government financial reports.

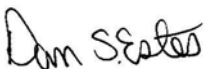
In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized comprehensive annual financial report, whose contents conform to program standards established by the GFOA. Such report must satisfy both accounting principles generally accepted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

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

Acknowledgments

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

Respectfully submitted,



Dan Estes
Assistant City Administrator/Finance Director



Government Finance Officers Association

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

Presented to

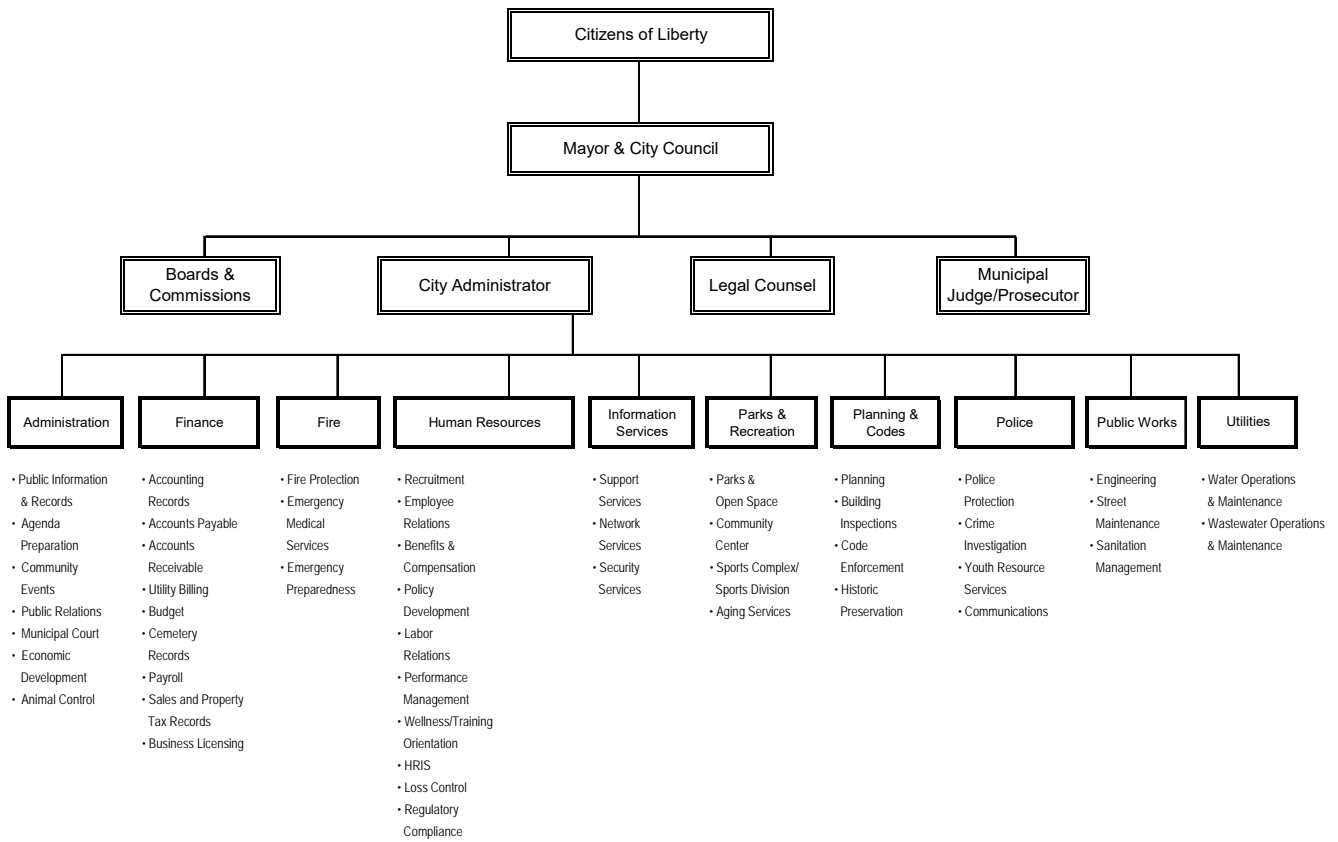
**City of Liberty
Missouri**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

December 31, 2016

Christopher P. Morrill

Executive Director/CEO



CITY OF LIBERTY, MISSOURI

LIST OF PRINCIPAL OFFICIALS

Elected Officials

Title	Name
Mayor	Lyndell Brenton
Council Member, First Ward Council Member, First Ward	Paul Jenness Harold Phillips
Council Member, Second Ward Council Member, Second Ward	Greg Duncan Rae Moore
Council Member, Third Ward Council Member, Third Ward	Kevin Graham Jeff Watt
Council Member, Fourth Ward Council Member, Fourth Ward	Michael Hagan 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	BJ Staab
Police Chief	James Simpson
Public Works Director	Andy Noll
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, 2017 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 of America. 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, 2017, 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 responses 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, 2018, 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 solely 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 effectiveness of the City's 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, 2018

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Management's Discussion And Analysis

CITY OF LIBERTY, MISSOURI

MANAGEMENT'S DISCUSSION AND ANALYSIS

December 31, 2017

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, 2017. 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 \$54,929,723 (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 \$33,108,805. This is predominately due to the recording of certain Tax Incremental Financing (TIF) debt obligations in which the City must record the debt liability, but has no offsetting assets.
- The City's total net position increased by \$3,566,704. Of this amount, \$128,062 was from the City's "governmental activities" and \$3,438,642 was from the "business-type activities." The majority of this increase is due to the completion of the construction of our Wastewater Treatment Facility, allowing Liberty to treat and operate its own facility has saved the city approximately \$5.1 Million in expenses that would have otherwise been paid to Kansas City Missouri.
- As of the close of this current fiscal year, the City's governmental funds reported combined ending fund balances of \$36,933,530; a decrease of \$10,969,587 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 \$2,776,068 (7.52%) of the combined governmental fund balances of \$36,933,530 is available for spending at the government's discretion (unassigned fund balance).
- At the end of the current fiscal year total fund balance for the General Fund was \$3,378,932 or approximately 20% percent of total General Fund revenues.
- The City had a net increase in debt totaling \$16,270,743 during the current fiscal year. Additions to debt totaled \$23,726,923. This increase was offset by 2017 retirements of \$5,572,807 and \$1,970,000 with the refinancing of Special Obligation Bonds. 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

Management's Discussion and Analysis (*Continued*)

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

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

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

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

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

Fund Financial Statements

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

Governmental Funds

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

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

CITY OF LIBERTY, MISSOURI

Management's Discussion and Analysis (*Continued*)

statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The City maintains a total of 22 individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, Parks Fund, Liberty TIF 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 \$54,929,723 at the close of the fiscal year ended December 31, 2017. The following table reflects a condensed statement of net position.

Net Position

	Governmental		Business-Type		Governmental		Business-Type	
	Activities		Activities		Activities		Activities	
	2017	2017	Total 2017	2016	2016	Total 2016	2016	Total 2016
Current and other assets	\$ 47,306,289	\$ 14,274,307	\$ 61,580,596	\$ 55,799,469	\$ 5,772,616	\$ 61,572,085		
Capital assets, net	70,979,103	129,775,022	200,754,125	59,802,941	124,086,671	183,889,612		
Total Assets	118,285,392	144,049,329	262,334,721	115,602,410	129,859,287	245,461,697		
Deferred Outflows Of Resources	3,220,995	573,197	3,794,192	5,480,417	866,532	6,346,949		
Current liabilities	9,836,586	6,535,603	16,372,189	7,584,705	11,137,624	18,722,329		
Noncurrent liabilities	103,224,469	84,535,718	187,760,187	105,772,018	69,469,174	175,241,192		
Total Liabilities	113,061,055	91,071,321	204,132,376	113,356,723	80,606,798	193,963,521		
Deferred Inflows Of Resources	7,032,407	34,407	7,066,814	6,441,241	40,865	6,482,106		
Net position:								
Net investment in capital assets	36,755,618	43,260,889	80,016,507	38,646,267	52,595,025	91,241,292		
Restricted	5,455,901	2,566,120	8,022,021	6,630,554	1,548,630	8,179,184		
Unrestricted	(40,798,594)	7,689,789	(33,108,805)	(43,991,958)	(4,065,499)	(48,057,457)		
Total Net Position	\$ 1,412,925	\$ 53,516,798	\$ 54,929,723	\$ 1,284,863	\$ 50,078,156	\$ 51,363,019		

The City's combined net position increased by \$3.5 million in 2017 from \$51.4 million in 2016 to \$54.9 million. This favorable activity is primarily found within the City's Business-Type Activities and is directly attributable to efficiencies resulting for the operation of a City owned wastewater treatment plant compared to the prior year's processes of contractual sewer treatment and positive activities of the Water Fund. Governmental Activities made a lesser contribution of \$128,062 and is the result of operating within revenues.

An additional portion of the City's net position of \$8.0 million or 14.60% 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 \$33.1 million, representing a decrease in the deficit of \$15 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, \$80,016,507 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 \$54,929,723 million in net position is comprised of \$80,016,507 million of net investment in capital assets. \$8.0 million in restricted assets to be used for capital projects, debt service and other purposes, and a deficit of \$33.1 million in unrestricted net position. Total net position increased \$3,566,704 million or 7% 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, 2017 and 2016:

City Of Liberty's Changes In Net Position

	Governmental Activities			Business-Type Activities		
	2017	2017	Total 2017	2016	2016	Total 2016
Revenues:						
Program revenues:						
Charges for services	\$ 4,697,609	\$ 15,702,775	\$ 20,400,384	\$ 5,041,403	\$ 15,345,922	\$ 20,387,325
Operating grants and contributions	470,199	-	470,199	492,358	-	492,358
Capital grants and contributions	444,576	563,413	1,007,989	328,678	373,090	701,768
General revenues:						
Property taxes	6,201,587	-	6,201,587	6,274,468	-	6,274,468
Franchise taxes	3,466,868	-	3,466,868	3,544,972	-	3,544,972
Sales taxes	17,666,243	-	17,666,243	15,174,323	-	15,174,323
Other taxes	1,458,358	-	1,458,358	1,447,073	-	1,447,073
Investment earnings	307,153	202,157	509,310	230,266	160,012	390,278
Other	1,555,418	87,080	1,642,498	1,115,913	268,702	1,384,615
Total Revenues	36,268,011	16,555,425	52,823,436	33,649,454	16,147,726	49,797,180
Expenses:						
General government	5,223,137	-	5,223,137	5,140,449	-	5,140,449
Community development and improvement	3,947,731	-	3,947,731	13,338,549	-	13,338,549
Public works	5,644,445	-	5,644,445	5,352,526	-	5,352,526
Culture and recreation	5,888,852	-	5,888,852	5,380,857	-	5,380,857
Cemetery maintenance	58,493	-	58,493	51,281	-	51,281
Public safety	11,605,212	-	11,605,212	11,477,832	-	11,477,832
Interest on long-term debt	3,772,079	-	3,772,079	4,360,199	-	4,360,199
Water	-	5,322,160	5,322,160	-	5,536,119	5,536,119
Sewer	-	6,189,447	6,189,447	-	8,782,656	8,782,656
Sanitation	-	1,605,176	1,605,176	-	1,579,941	1,579,941
Total Expenses	36,139,949	13,116,783	49,256,732	45,101,693	15,898,716	61,000,409
Change In Net Position	128,062	3,438,642	3,566,704	(11,452,239)	249,010	(11,203,229)
Net position, beginning of year	1,284,863	50,078,156	51,363,019	12,737,102	49,829,146	62,566,248
Net position, end of year	\$ 1,412,925	\$ 53,516,798	\$ 54,929,723	\$ 1,284,863	\$ 50,078,156	\$ 51,363,019

CITY OF LIBERTY, MISSOURI

Management’s Discussion and Analysis (*Continued*)

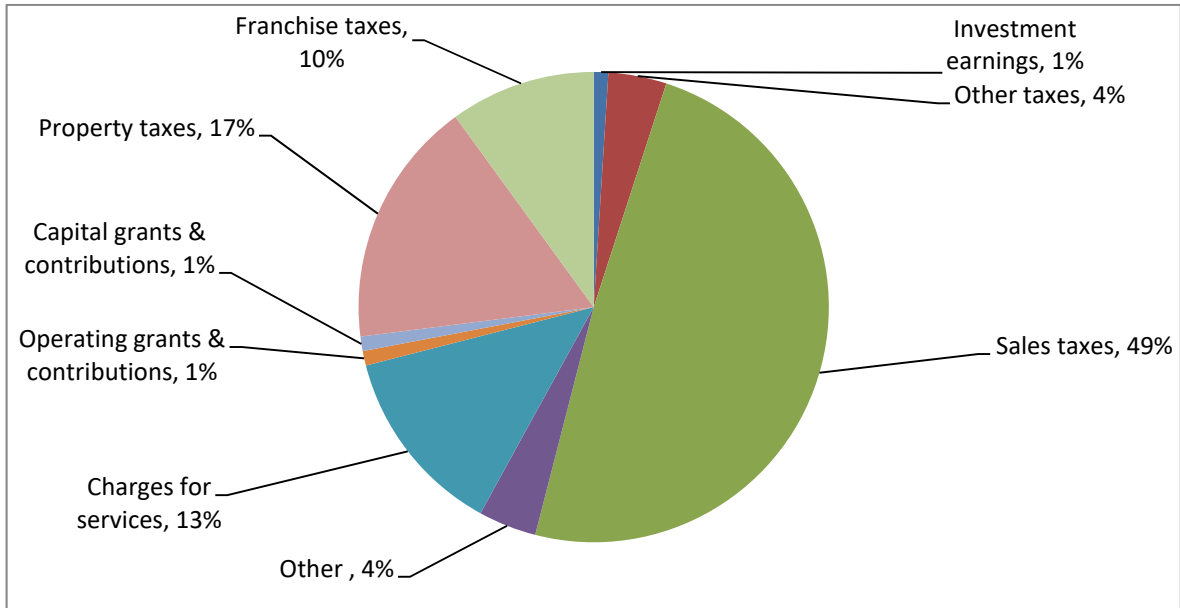
Governmental Activities

Governmental activities slightly increased the City’s net position by \$128,062 thereby accounting for 3.5% of the total increase in the net position of the City. The increase in net position is primarily attributable to an increase in investment earnings and sales tax and management operating within forecasted revenues and controlling expenses.

Revenues applicable to Governmental Activities increased by \$2,618,557 to \$36,268,011 and represents a 8% increase from the prior year. This was predominately due to additional Sales Tax collections. Property taxes totaled \$6,201,587 which was an decrease of \$72,881. Preliminary 2018 information shows an increase in 2017 valuation in the amount of \$25.1 million, which will speak to additional collections. City franchise fees held relatively constant at \$3,466,868 with declines attributable to reduced weather related utility demand and declining cell phone and cable franchise fee revenue. Sales tax revenue increased by \$2,491,920 to \$17,666,243 and is attributable to retail growth and the opening of Liberty Commons Shopping district and inclusion on a partial year basis revenues from the new Public Safety Sales Tax. Charges for services decreased by \$343,794 in 2017 for total revenues of \$4,697,609.

Governmental activities expenses decreased \$8,961,744 for the 2017 fiscal year when compared to 2016. The decreases were primarily due to a payment in 2016 of non-repeating development related expenses associated with the Liberty Commons retail development. Additionally, the City implementation of a 3% salary adjustment and other compensation related items that impacted all Governmental Funds.

The following table reflects the revenues by source for the City’s governmental activities for the year ended December 31, 2017.



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, 2017 and 2016:

	Total Cost Of Service		Net Cost Of Service	
	2017	2016	2017	2016
General government	\$5,223,137	\$5,140,449	(\$5,019,238)	(\$4,323,304)
Community development and improvement	3,947,731	13,338,549	(3,947,731)	(13,338,549)
Public works	5,644,445	5,352,526	(5,199,869)	(5,023,848)
Culture and recreation	5,888,852	5,380,857	(2,929,476)	(2,607,542)
Cemetery maintenance	58,493	51,281	(36,123)	(6,846)
Public safety	11,605,212	11,477,832	(9,623,049)	(9,578,966)
Interest on long-term debt	3,772,079	4,360,199	(3,772,079)	(4,360,199)
Total	\$36,139,949	\$45,101,693	(\$30,527,565)	(\$39,239,254)

Expenses from governmental activities totaled \$36,139,949; however, net costs of these services were \$30,527,565. The difference of \$5.612 million represents direct revenues received from charges for services (\$4.697 million), operating grants and contributions (\$0.470 million), and capital grants and contributions (\$0.445 million). Taxes and other revenues in the amount of \$30,655,627 were collected to cover these net costs.

Business-Type Activities

Business-type activities increased the City's net position by \$3,438,642.

The Water Fund recorded an increase of \$493,205 in the net position for the year. Revenues from user fees were \$5,400,127 and showed a decrease amount of \$121,132 or 2.2% in 2017. The City implemented a 3.7% water rate increase at the beginning of 2017. In 2017, water usage was lower primarily due to a cooler and wetter summer season when compared to previous summer season. Operating expenses for 2017 were \$5,273,801 which decreased by \$115,393 from 2016. This decrease is primarily attributable to a decrease in water environmental service fees paid in 2017 for the maintenance of the Lee Chemical site.

Depreciation expense increased by \$18,579 and is due to additional capital investment in the system. The Water Fund's operating income increase was \$207,457 in 2017. The 2017 amounts are reflective of an overall decrease of \$115,393 over 2016 totals. This amount is primarily due to more cooler summer weather temperatures and higher rainfall amounts in 2017. 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 \$2,879,614 in net position for the year. Revenues from user fees increased by \$380,342 (4.6%) when compared to 2016 revenues. The City implemented a 5.92% sewer rate increase at the beginning of the year. Operating expenses decreased \$3,022,230 or 65.2%. This decrease is specifically attributable to the treatment cost paid to Kansas City, Missouri saw a significant decrease of \$5.1 million and is the result of the completion of the construction of the Wastewater Treatment Facility.

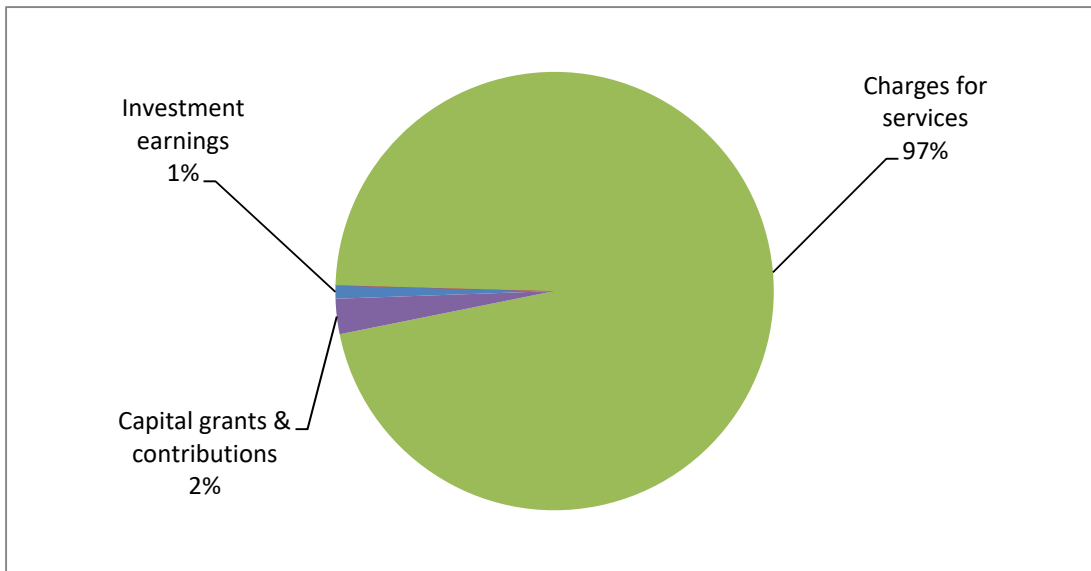
Depreciation expense increased by \$1,334,904; this is primarily due to the completion of the construction of the Waste Water Treatment Facility in 2017. Operating income for the Sewer Fund was a positive \$2,980,271 at December 31, 2017, an increase over the loss of \$167,141 earned in 2016.

Net position increased by \$2,879,614 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 an increase in net position of \$65,823 for 2017. Revenues of \$1,670,435 increased over the 2016 revenues of \$1,572,792. Expenses for 2017 increased \$25,235 or 1.6% over expenses for 2016 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, 2017:

Revenues By Source - Business-Type Activities



CITY OF LIBERTY, MISSOURI

Management's Discussion and Analysis (*Continued*)

Total business-type activities' revenue for fiscal year 2017 was \$15,789,855 with charges for services (98.8%) being the major revenue source. All revenue of \$16,555,425, with the exception of \$202,157 received from investment earnings and \$563,413 in Capital Contributions, was generated for specific business-type activity expenses. In the previous year, revenue for business-type activities was \$16,147,726.

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, 2017, the City's governmental funds reported combined ending fund balances of \$36,933,530 reflecting a decrease of \$10,969,587 from the previous year. This decrease is primarily attributable to the Economic Development Sales Tax Fund (\$11,358,966) for the continued construction of South Liberty Phase II Project and the completion of the Downtown Construction Project. Of this total, approximately 5.6% of this total amount \$2,776,068 constitutes unassigned fund balance, which is available for spending at the government's discretion. The remaining \$34,157,462 of fund balance is as follows: (1) non-spendable (\$1,150,320) which is inventories, prepaid insurance and permanent fund principal, and (2) restricted (\$33,007,142).

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 \$2,776,068 with total fund balance at \$3,378,932. Total fund balance increased by \$269,726 over the previous fiscal year fund balance. Revenues increased by \$405,900 in 2017 and are primarily the result of increases in Sales Tax collections and an increase in Miscellaneous Revenue. Expenditures showed an increase of \$626,963. Also, other financing sources showed a significant increase of \$918,924 from the 2016 amount of \$853,963. This is primarily due to additional borrowing in 2017.

In 2017, the City saw a slight improvement in sales tax revenues when the Liberty Commons retail center fully opened in April. 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 2017 is calculated at 20% (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 2017, the fund balance policy was maintained within the General Fund.

The Park Fund had a fund balance of \$486,277 at December 31, 2017. This represents an increase of \$16,910 over the previous year fund balance. Revenues decreased by \$148,502 or 4.4% and expenditures increased by \$841,287 or 2.17% when compared to 2016. Total fund balance represents 14% of 2017 revenues. This exceeds the level required by policy of 12%. Transfers in from the Park Sales Tax Fund increased by \$145,539. Of this amount, \$49,000 is transferred to the General Fund to help support Public Relations staff and IT services.

The Economic Development Sales Tax Fund is categorized as a major fund in 2017 and is showing a fund balance of 14,480,415. The Economic Development Sales Tax revenues are used to support projects and Special/General Obligation Bond payments related to SLP Phase II, Downtown Reconstruction projects and the Kansas Street/ M291 Project that will begin in 2019. Project expenditures that occurred in 2017 were \$13,838,390 with the remaining expenditures occurring in 2018 and 2019. 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.

Although the Capital and Transportation Sales Tax Funds were not categorized as major funds in 2017, they both continue to be combined together with the Economic Development Sales Tax Funds 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 a \$1.0 million balance. In 2017, and on a combined basis, this policy level was exceeded.

The Liberty TIF Fund has a fund balance of \$8,254,223 at year end 2017, which is a decrease of \$1,804,432 from the 2016 balance of \$10,058,655. This decrease in fund balance is the result of the draw down of the bond proceeds to begin construction of the Liberty Commons retail center.

Management's Discussion and Analysis (*Continued*)

Proprietary Funds

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

Unrestricted net position of the Water Fund at the end of the year was \$2,262,952. The Sewer Fund showed an unrestricted net position of \$5,360,221 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 \$66,616. The increase in total net position when compared to 2016 was \$493,205 for the Water Fund, \$2,879,614 for the Sewer Fund and \$65,823 for the Sanitation Fund representing a total increase for the proprietary funds of \$3,438,642. For the year ended 2017, the ending net position totaled \$53,516,798.

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

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

This step approach has required a multi-year commitment by the City. Focus has been on setting appropriate user rates and finding operating efficiencies to reduce expenses. In 2011, the City met bond coverage requirements and started generating additional income for infrastructure improvements. Since 2011, the City has implemented necessary user rate increases and has maintained the necessary bond coverage requirements.

The City is responsible for water production and distribution. In 2016, the City implemented a 4% rate increase to its water user rates. In addition, the City maintained a flat \$2.00 per month "Infrastructure Improvement Maintenance Fee" that is billed to each customer. Due to a more seasonal summer, these actions resulted in positive net operating income of \$139,658 in 2016. Taking a pro-active approach the City implemented a 3.7% water rate increase in 2017 to ensure we would not have a negative operating income like the City saw in 2015.

Sewer services reflect only collection of sewage. The City conducted a feasibility study that indicated on a long-term basis it would be cost effective for the City 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 and complete the construction of its own wastewater treatment facility.

Beginning in April 2017, with the completion of the Wastewater Treatment Facility, Liberty began operating its own treatment facility. This allowed Liberty to budget expenses based on known debt service and operation treatment costs rather than relying on the hard to predict rate

CITY OF LIBERTY, MISSOURI

Management's Discussion and Analysis (*Continued*)

increases that had been previously implemented by Kansas City, Missouri.

To address increased costs, Liberty has increased its sewer user rates, as required. In 2017, the City implemented a 5.92% increase. These actions generated \$8,632,213 in operating revenues. This reflects a \$380,342 increase over 2016 results of \$8,251,871. Total operating expenses were \$5,657,891 or \$3,022,230 less than 2017 amounts of \$8,680,121. This decrease is primarily due to Liberty's ability to treat and operate their own wastewater treatment facility. Kansas City, Missouri (KCMO) will continue to treat about 144 houses for Liberty; specifically, houses located on the west side of town. Liberty will continue to pay KCMO an estimated amount of \$144,000 a year for these houses. Net operating income for 2017 was \$2,980,271.

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 2017, 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' net position. In addition, and as indicated in the accompanying footnotes, the City is able to report that required bond coverage levels were met in both the Water Fund and Sewer Fund in 2017.

GENERAL FUND BUDGETARY HIGHLIGHTS

Differences between the final budget and 2017 actual can be summarized as follows:

In 2017, final expenditures for the General Fund were \$18,468,120 representing a favorable \$576,594 variance from the final budget of \$19,044,714. The major contributor to the favorable variance is found in the public safety, in the amount of \$438,993 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 \$54,150.

Actual revenue for the General Fund was \$16,944,959 representing an unfavorable \$2,809,306 variance from the final budget of \$19,754,265. Charge for Services played as a major contributor to the bottom line having an unfavorable variance of \$1,851,784. This unfavorable variance is due to the change to a new ambulance billing company in 2017, also including some lag in revenues from billings resulting from that change. Additionally, 2017 saw the reduction to accounts receivable for questionable open accounts associated with the prior billing company. Franchise Fee Taxes are a major contributor to the unfavorable variance and account for \$313,632 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 \$142,320 and are due to the State of Missouri implementing controls on municipal courts during the 2017 Fiscal Year.

Other financing sources closed out at \$1,792,887. With the 2017 budget set at \$693,530 a favorable variance of \$1,099,357. This is primarily due to the lease and bond proceeds received for the 2017 Capital Lease and Special Obligation Bonds that were received in 2017.

CITY OF LIBERTY, MISSOURI

Management's Discussion and Analysis (*Continued*)

Required Statutory Disclosure

State law requires the City to annually calculate the percentage of its general revenue that comes from traffic violations. In the current year, the City has reported fines of \$254,184 which includes traffic violations and other additional items. This amount is approximately 1.5% of total general revenues of \$16,944,959 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, 2017 amounts to \$200,754,126 (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 \$16.7 million or an increase of 9.2%. Capital assets for governmental activities increased by \$11.2 million and those for business-type activities increased by \$5.7 million.

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

- Utility Wastewater Treatment Plant Improvements Construction in Process - \$77.64 million
- Police Vehicles - \$0.136 million
- South Liberty Parkway Phase II - \$25.4 million project - Construction in Process - \$4.838 million
- Downtown Reconstruction Project - \$5.0 million project- Construction in Process - \$3.028 million
- Fire Vehicles, Capital Equipment and Building Construction - \$0.375 million
- Parks Capital Equipment - \$0.728 million
- Aging Services Vehicle - \$0.061 million
- Public Works Capital Equipment and Vehicles - \$0.447 million
- City wide computer equipment - \$0.520 million

CITY OF LIBERTY, MISSOURI

Management's Discussion and Analysis (Continued)

City Of Liberty's Capital Assets

	Governmental Activities		Business-Type Activities		Total	
	2017	2016	2017	2016	2017	2016
Land	\$ 1,969,968	\$ 1,969,467	\$ 840,677	\$ 840,677	\$ 2,810,645	\$ 2,810,144
Construction-in-progress	14,303,762	6,441,226	405,700	70,982,477	14,709,462	77,423,703
Buildings and system	14,607,087	13,764,295	10,446,867	10,315,455	25,053,954	24,079,750
Vehicles	7,612,095	7,275,294	2,261,223	2,314,927	9,873,318	9,590,221
Improvements other than buildings	11,622,304	10,939,270	194,143	194,143	11,816,447	11,133,413
Wastewater treatment plant	-	-	78,336,254	-	78,336,254	-
Machinery and equipment	13,439,064	13,286,086	12,551,063	12,485,300	25,990,127	25,771,386
Infrastructure	55,542,373	50,167,516	62,019,191	60,932,892	117,561,564	111,100,408
Accumulated depreciation	(48,117,550)	(44,040,213)	(37,280,096)	(33,979,200)	(85,397,646)	(78,019,413)
Total	\$ 70,979,103	\$ 59,802,941	\$ 129,775,022	\$ 124,086,671	\$ 200,754,125	\$ 183,889,612

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 \$185,443,940. Of this amount, \$22,020,000 comprises debt backed by the full faith and credit of the government. Please note: The City plans to pay the debt on these general obligation bonds through capital, 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	
	2017	2016	2017	2016	2017	2016
Special obligation bonds	\$ 22,090,172	\$ 19,823,430	\$ 69,828	\$ 101,570	\$ 22,160,000	\$ 19,925,000
Capital leases	3,086,704	3,516,347	202,588	157,465	3,289,292	3,673,812
General obligation bonds	22,020,000	23,165,000	-	-	22,020,000	23,165,000
TIF bonds	51,800,000	53,070,000	-	-	51,800,000	53,070,000
MDNR loan payable	5,414	11,863	-	-	5,414	11,863
SRF bonds	-	-	81,877,996	64,287,522	81,877,996	64,287,522
Revenue bonds	-	-	4,300,000	5,040,000	4,300,000	5,040,000
Total	\$ 99,002,290	\$ 99,586,640	\$ 86,450,412	\$ 69,586,557	\$ 185,452,702	\$ 169,173,197

During the current fiscal year, the City's total debt increased by \$16,270,743 or 9.62%. This is primarily due to the issuance of the 2017 Special Obligation Bonds and the majority of the Waste Water Treatment facility being completed. In 2017, the total debt within the City's governmental activities saw a net decrease of \$584,350. This decrease is primarily due to the principle 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 2017 end-of-year activity, it is anticipated that 2018 General Fund revenues will show stability and has been conservatively budgeted. The overall 2018 General Fund budget shows total revenues of \$17,246,028. Other financing sources are established at \$1,171,690 and transfers in from other funds provide \$893,530, for a total available 2018 funding of \$19,311,248.

Property taxes for 2018 are budgeted at \$4,442,366 or \$125,566 higher than 2017 actual revenues. The City Council established the 2017 general levy rate at \$0.9640 per \$100 assessed valuation, which is slightly lower than the 2016 rate of 0.9747. This rate will be applied to a higher 2017 assessed valuation to produce a slight increase of current 2017 revenue over that earned in 2016. Valuations for 2017 were calculated to be \$513,160,021 or \$25,142,224 higher than 2016.

Sales tax revenue is budgeted at \$4,518,722, slightly above the budget for 2017 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 \$3,625,500 for 2018, a decrease of \$155,000 from 2017 budget. The decrease in Franchise fees is primarily due to a decrease in Cell phone revenue, decreased cable franchise fees and continued decrease in 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 2017. Fees attributable to charges for services are expected to increase by \$116,152 in 2018 when compared to 2017 actuals.

General Fund expenditures and transfers are projected to total \$19,087,427 compared to the 2017 close-out of \$18,379,896. This represents a \$300,507 increase from 2017 budget. Employee salary and fringe benefit costs are budgeted at \$1,478,638 higher for a 2018 total of \$14,924,198. 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. It is also important to note that this number includes additional Police and Fire personnel and fringe benefit costs. These costs are offset from a deduction from the Public Safety Sales Tax Fund. For 2018 it is estimated that \$1,221,369 be deducted from the General Fund salary and benefit costs to cover the additional Police and Fire staff. Non-salary expenditures increased less than 1% in the 2018 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 \$1,482,954. This reflects anticipated expenditures for City computer equipment and replacement of Police vehicles.

Based on programmed actions for 2018, 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.

All improvements described earlier in this communication have been maintained and expanded in 2018. User rates were increased in both the Water and Sewer Funds. Water rates were increased by 4.3% and sewer rates were adjusted upward by 5.64% and sanitation rates were increased by 4.5%.

CITY OF LIBERTY, MISSOURI

Management's Discussion and Analysis (*Continued*)

The 2018 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. 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.

Additionally in 2018, with the continuation of declining Cell Phone, Telephone (Landline), Natural Gas, Electrical and Cable franchise fees, the City sought voter approval of a Use Tax in April of 2017. With the passage of the Use Tax it is conservatively estimated that it will generate \$750,000 annually. Those revenues that are received from the Use Tax will be used towards the construction of a new animal shelter, park improvements to City Park, Bennet Park, Wilshire Park, Claywoods/Clay Meadows, Northwyck, Arthur Hill Park, Ruth Moore, Canterbury and Place Liberte Parks Community Center Improvements/Enhancements.

All of these factors were considered in preparing the City's budget for the 2018 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, 2017

	Governmental Activities	Business-Type Activities	Total
Assets			
Current Assets			
Cash and investments	\$ 28,337,858	\$ 9,300,920	\$ 37,638,778
Receivables:			
Taxes	9,497,130	—	9,497,130
Special assessments	—	284	284
Accounts	677,862	1,873,945	2,551,807
Accrued interest	94,168	22,876	117,044
Due from other governments	101,925	—	101,925
Inventory	27,256	194,705	221,961
Prepaid expenses	685,767	153,652	839,419
Restricted assets:			
Cash and investments	7,279,909	—	7,279,909
Accrued interest	1,360	—	1,360
Total Current Assets	46,703,235	11,546,382	58,249,617
Noncurrent Assets			
Restricted assets:			
Investments	603,054	2,727,925	3,330,979
Capital assets:			
Nondepreciable:			
Land	1,969,968	840,677	2,810,645
Construction in progress	14,303,762	405,700	14,709,462
Depreciable:			
Buildings and system	14,607,087	10,446,867	25,053,954
Improvements other than buildings	11,622,304	194,143	11,816,447
Vehicles	7,612,095	2,261,223	9,873,318
Machinery and equipment	13,439,064	12,551,063	25,990,127
Wastewater treatment plant	—	78,336,254	78,336,254
Infrastructure	55,542,373	62,019,191	117,561,564
Less: Accumulated depreciation	(48,117,550)	(37,280,096)	(85,397,646)
Total Noncurrent Assets	71,582,157	132,502,947	204,085,104
Total Assets	118,285,392	144,049,329	262,334,721
Deferred Outflows Of Resources			
Pensions	3,068,376	573,197	3,641,573
Deferred loss on refunding	152,619	—	152,619
Total Assets And Deferred Outflows Of Resources	\$ 121,506,387	\$ 144,622,526	\$ 266,128,913

CITY OF LIBERTY, MISSOURI

STATEMENT OF NET POSITION

Page 2 Of 2

December 31, 2017

	Governmental Activities	Business-Type Activities	Total
Liabilities			
Current Liabilities			
Accounts payable and accrued liabilities	\$ 3,278,141	\$ 3,028,118	\$ 6,306,259
Deposits	159,817	—	159,817
Compensated absences	976,000	166,999	1,142,999
Accrued interest payable	677,539	594,087	1,271,626
Unearned revenue	24,033	11,688	35,721
Current maturities of long-term debt	4,721,056	2,734,711	7,455,767
Total Current Liabilities	9,836,586	6,535,603	16,372,189
Noncurrent Liabilities			
Compensated absences	978,749	136,911	1,115,660
Net pension liability	6,852,600	645,667	7,498,267
Other post employment benefits	534,598	—	534,598
Long-term debt	94,858,522	83,753,140	178,611,662
Total Noncurrent Liabilities	103,224,469	84,535,718	187,760,187
Total Liabilities	113,061,055	91,071,321	204,132,376
Deferred Inflows Of Resources			
Pensions	280,912	34,407	315,319
Property tax	6,751,495	—	6,751,795
Net Position			
Net investment in capital assets	36,755,618	43,260,889	80,016,507
Restricted for:			
Expendable:			
Debt service	4,615,104	2,436,407	7,051,511
Parks	389,383	—	389,383
Cemetery	11,771	—	11,771
Kansas City sewer line	—	129,713	129,713
Nonexpendable:			
Cemetery trust corpus	439,643	—	439,643
Unrestricted	(40,798,594)	7,689,789	(33,108,805)
Total Net Position	1,412,925	53,516,798	54,929,723
Total Liabilities, Deferred Inflows Of Resources and Net Position	\$ 121,506,387	\$ 144,622,526	\$ 266,128,913

CITY OF LIBERTY, MISSOURI

**STATEMENT OF ACTIVITIES
For The Year Ended December 31, 2017**

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	\$ 5,223,137	\$ 5,956	\$ 197,943	\$ —	\$ (5,019,238)	\$ —	\$ (5,019,238)
Community development and improvement	3,947,731	—	—	—	(3,947,731)	—	(3,947,731)
Public works	5,644,445	—	—	444,576	(5,199,869)	—	(5,199,869)
Culture and recreation	5,888,852	2,701,584	257,792	—	(2,929,476)	—	(2,929,476)
Cemetery maintenance	58,493	22,370	—	—	(36,123)	—	(36,123)
Public safety	11,605,212	1,967,699	14,464	—	(9,623,049)	—	(9,623,049)
Interest on long-term debt	3,772,079	—	—	—	(3,772,079)	—	(3,772,079)
Total Governmental Activities	36,139,949	4,697,609	470,199	444,576	(30,527,565)	—	(30,527,565)
Business-Type Activities							
Water	5,322,160	5,400,127	—	304,615	—	382,582	382,582
Sewer	6,189,447	8,632,213	—	258,798	—	2,701,564	2,701,564
Sanitation	1,605,176	1,670,435	—	—	—	65,259	65,259
Total Business-Type Activities	13,116,783	15,702,775	—	563,413	—	3,149,405	3,149,405
Total Primary Government	\$ 49,256,732	\$ 20,400,384	\$ 470,199	\$ 1,007,989	(30,527,565)	3,149,405	(27,378,160)
General Revenues							
Taxes:							
Property tax					6,201,587	—	6,201,587
Franchise taxes					3,466,868	—	3,466,868
Sales taxes					17,666,243	—	17,666,243
Other taxes					1,458,358	—	1,458,358
Investment income					307,153	202,157	509,310
Miscellaneous					1,555,418	87,080	1,642,498
Total General Revenues And Transfers					30,655,627	289,237	30,944,864
Change In Net Position					128,062	3,438,642	3,566,704
Net Position - Beginning Of Year					1,284,863	50,078,156	51,363,019
Net Position - End Of Year					\$ 1,412,925	\$ 53,516,798	\$ 54,929,723

CITY OF LIBERTY, MISSOURI

**BALANCE SHEET – GOVERNMENTAL FUNDS
December 31, 2017**

	General	Parks	Liberty TIF	Economic Development Sales Tax	Nonmajor Governmental Funds	Total
Assets						
Cash and investments	\$ 2,197,544	\$ 627,267	\$ 1,085,417	\$ 15,645,675	\$ 8,781,955	\$ 28,337,858
Receivables						
Taxes	5,292,673	724,081	2,093,013	330,713	1,468,679	9,909,159
Accounts	723,957	2,730	—	1	53,323	780,011
Accrued interest	41,185	1,822	—	34,887	16,274	94,168
Allowance for uncollectible receivables	(452,458)	(61,720)	—	—	—	(514,178)
Due from other funds	98,030	64	—	—	867	98,961
Due from other governments	28,547	—	—	—	73,378	101,925
Inventory	27,256	—	—	—	—	27,256
Prepaid expenses	575,608	107,813	—	1,625	721	685,767
Restricted assets:						
Cash and investments	—	—	6,906,911	—	372,998	7,279,909
Investments	—	—	—	—	603,054	603,054
Accrued interest	—	—	—	—	1,360	1,360
Total Assets	\$ 8,532,342	\$ 1,402,057	\$ 10,085,341	\$ 16,012,901	\$ 11,372,609	\$ 47,405,250
Liabilities						
Accounts payable and accrued liabilities	\$ 609,897	\$ 149,158	\$ 16,323	\$ 1,481,244	\$ 1,021,519	\$ 3,278,141
Deposits	95,210	—	10,000	51,242	3,365	159,817
Due to other funds	—	—	98,030	—	931	98,961
Unearned revenue	—	10,922	—	—	13,111	24,033
Total Liabilities	705,107	160,080	124,353	1,532,486	1,038,926	3,560,952
Deferred Inflows Of Resources						
Charges for services	159,273	—	—	—	—	159,273
Property taxes	4,289,030	755,700	1,706,765	—	—	6,751,495
Total Deferred Inflows Of Resources	4,448,303	755,700	1,706,765	—	—	6,910,768
Fund Balances						
Nonspendable:						
Inventory	27,256	—	—	—	—	27,256
Prepaid expenses	575,608	107,813	—	—	—	683,421
Permanent fund principal	—	—	—	—	439,643	439,643
Restricted for:						
Parks and recreation	—	378,464	—	—	742,391	1,120,855
Capital projects	—	—	—	14,480,415	3,752,053	18,232,468
Transportation projects	—	—	—	—	944,536	944,536
Public safety	—	—	—	—	4,261,530	4,261,530
Debt service	—	—	8,254,223	—	—	8,254,223
Cemetery	—	—	—	—	11,771	11,771
Law enforcement	—	—	—	—	6,912	6,912
Other purposes	—	—	—	—	174,847	174,847
Unassigned	2,776,068	—	—	—	—	2,776,068
Total Fund Balances	3,378,932	486,277	8,254,223	14,480,415	10,333,683	36,933,530
Total Liabilities, Deferred Inflows Of Resources And Fund Balances	\$ 8,532,342	\$ 1,402,057	\$ 10,085,341	\$ 16,012,901	\$ 11,372,609	\$ 47,405,250

CITY OF LIBERTY, MISSOURI

**RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES
TO NET POSITION OF GOVERNMENTAL ACTIVITIES
December 31, 2017**

Total Fund Balance - Governmental Funds \$ 36,933,530

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	1,969,968
Construction in progress	14,303,762
Buildings and system	14,607,087
Improvements other than buildings	11,622,304
Vehicles	7,612,095
Machinery and equipment	13,439,064
Infrastructure	55,542,373
Accumulated depreciation	(48,117,550)

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 fund statements. 159,273

Deferred inflows and outflows of resources in the governmental activities related to pensions and deferred loss on refunding are not recorded in the fund statements. 2,940,083

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

Current:

Compensated absences	(976,000)
Accrued interest payable	(677,539)
Capital lease obligations	(730,642)
General obligations, special obligation, TIF bonds	(3,985,000)
MDNR loan payable	(5,414)

Noncurrent:

Compensated absences	(978,749)
Net pension liability	(6,852,600)
Other post employment benefits	(534,598)
Bond discounts	267,830
Bond premium	(845,118)
Capital lease obligations	(2,356,062)
General obligations, special obligation, TIF bonds	(91,925,172)

Total Net Position - Governmental Activities \$ 1,412,925

CITY OF LIBERTY, MISSOURI

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES GOVERNMENTAL FUNDS For The Year Ended December 31, 2017

	General	Parks	Liberty TIF	Economic Development Sales Tax	Nonmajor Governmental Funds	Total
Revenues						
Taxes	\$ 13,362,256	\$ 730,870	\$ 5,701,384	\$ 1,870,032	\$ 7,128,514	\$ 28,793,056
Intergovernmental	495,286	9,963	—	—	409,526	914,775
Charges for services	1,768,271	2,701,584	—	—	46,815	4,516,670
Licenses and permits	503,727	—	—	—	—	503,727
Investment earnings	27,605	10,558	23,186	179,392	66,412	307,153
Miscellaneous	787,814	24,258	6,912	—	151,201	970,185
Total Revenues	16,944,959	3,477,233	5,731,482	2,049,424	7,802,468	36,005,566
Expenditures						
Current:						
General government	4,333,017	—	11,088	188,235	154,544	4,686,884
Community development and improvement	677,376	—	3,126,878	—	60,515	3,864,769
Public works	2,389,838	—	21,001	42,868	716,716	3,170,423
Culture and recreation	408,827	4,185,223	—	—	437,301	5,031,351
Cemetery maintenance	—	—	—	—	58,493	58,493
Public safety	10,079,917	—	—	—	538,449	10,618,366
Capital outlay	—	461,236	—	11,679,345	3,461,661	15,602,242
Debt service:						
Principal retirement	530,214	64,144	1,760,000	1,115,000	1,386,441	4,855,799
Interest and fiscal charges	42,532	1,876	2,601,544	812,942	431,993	3,890,887
Bond issuance costs	6,399	—	15,403	—	30,699	52,501
Total Expenditures	18,468,120	4,712,479	7,535,914	13,838,390	7,276,812	51,831,715
Revenues Over (Under) Expenditures	(1,523,161)	(1,235,246)	(1,804,432)	(11,788,966)	525,656	(15,826,149)
Other Financing Sources (Uses)						
Issuance of long-term debt	711,000	—	—	—	3,119,000	3,830,000
Issuance of refunding debt	—	—	1,565,000	—	—	1,565,000
Payments to refunding bond escrow agent	—	—	(1,565,000)	—	—	(1,565,000)
Insurance recoveries	14,861	570,252	—	—	—	585,113
Capital lease	421,246	20,203	—	—	—	441,449
Transfers in	693,530	719,727	—	430,000	60,571	1,903,828
Transfers out	(47,750)	(58,026)	—	—	(1,798,052)	(1,903,828)
Total Other Financing Sources	1,792,887	1,252,156	—	430,000	1,381,519	4,856,562
Net Change In Fund Balances	269,726	16,910	(1,804,432)	(11,358,966)	1,907,175	(10,969,587)
Fund Balances - Beginning Of Year	3,109,206	469,367	10,058,655	25,839,381	8,426,508	47,903,117
Fund Balances - End Of Year	\$ 3,378,932	\$ 486,277	\$ 8,254,223	\$ 14,480,415	\$ 10,333,683	\$ 36,933,530

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, 2017**

Net Change In Fund Balances - Total Governmental Funds \$ (10,969,587)

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	15,602,242
Depreciation	(4,389,664)
Loss on disposal of capital assets	(36,416)

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	(2,467)
---	---------

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	(294,106)
Change in accrued interest payable	191,359
Change in deferred inflow and outflow - pensions	(2,205,709)
Changes in net pension liability and OPEB liability	1,540,262

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	6,420,799
Issuance of long-term debt, including premium/discount	(5,395,000)
Capital lease	(441,449)
Amortization of bond premium and discounts	88,498
Amortization of deferred loss on refunding	(19,234)
Deferred change on refunding	38,534

Change In Net Position Of Governmental Activities \$ 128,062

CITY OF LIBERTY, MISSOURI

STATEMENT OF NET POSITION ENTERPRISE FUNDS December 31, 2017

	Water	Sewer	Sanitation (Nonmajor)	Total
Assets				
Current Assets:				
Cash and investments	\$ 2,745,642	\$ 6,467,002	\$ 88,276	\$ 9,300,920
Receivables:				
Special assessments	—	284	—	284
Accounts	456,797	1,307,666	109,482	1,873,945
Accrued interest	6,816	15,887	173	22,876
Inventory	188,891	5,814	—	194,705
Prepays	91,217	62,048	387	153,652
Total Current Assets	3,489,363	7,858,701	198,318	11,546,382
Noncurrent Assets:				
Restricted assets, cash and investments	545,286	2,182,639	—	2,727,925
Capital assets:				
Land	795,677	45,000	—	840,677
Construction in progress	198,533	207,167	—	405,700
Buildings and systems	9,196,056	1,250,811	—	10,446,867
Improvements other than buildings	143,116	51,027	—	194,143
Vehicles	962,368	1,298,855	—	2,261,223
Machinery and equipment	8,270,422	4,280,641	—	12,551,063
Wastewater treatment plant	—	78,336,254	—	78,336,254
Infrastructure	32,039,195	29,979,996	—	62,019,191
Accumulated depreciation	(22,834,180)	(14,445,916)	—	(37,280,096)
Total Noncurrent Assets	29,316,473	103,186,474	—	132,502,947
Total Assets	32,805,836	111,045,175	198,318	144,049,329
Deferred Outflows of Resources				
Pensions	301,540	266,158	5,499	573,197
Total Deferred Outflows of Resources	301,540	266,158	5,499	573,197
Total Assets and Deferred Outflows of Resources	\$ 33,107,376	\$ 111,311,333	\$ 203,817	\$ 144,622,526
Liabilities				
Current Liabilities:				
Accounts payable and accrued expenses	\$ 1,020,916	\$ 1,879,343	\$ 127,859	\$ 3,028,118
Compensated absences	88,880	76,571	1,548	166,999
Accrued interest payable	11,396	582,691	—	594,087
Unearned revenue	2,411	9,277	—	11,688
Current maturities of long-term debt	526,792	2,207,919	—	2,734,711
Total Current Liabilities	1,650,395	4,755,801	129,407	6,535,603
Noncurrent Liabilities:				
Compensated absences	72,866	62,775	1,270	136,911
Net pension liability	339,664	299,809	6,194	645,667
Long-term debt	1,639,651	82,113,489	—	83,753,140
Total Liabilities	3,702,576	87,231,874	136,871	91,071,321
Deferred Inflows Of Resources				
Pensions	18,100	15,977	330	34,407
Net Position				
Net investment in capital assets	26,578,462	16,682,427	—	43,260,889
Restricted for:				
Debt service	545,286	1,891,121	—	2,436,407
Kansas City sewer line	—	129,713	—	129,713
Unrestricted	2,262,952	5,360,221	66,616	7,689,789
Total Net Position	29,386,700	24,063,482	66,616	53,516,798
Total Liabilities, Deferred Inflows Of Resources and Net Position	\$ 33,107,376	\$ 111,311,333	\$ 203,817	\$ 144,622,526

CITY OF LIBERTY, MISSOURI

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION ENTERPRISE FUNDS For The Year Ended December 31, 2017

	Water	Sewer	Sanitation (Nonmajor)	Total
Operating Revenues				
Charges for services	\$ 5,400,127	\$ 8,632,213	\$ 1,670,435	\$ 15,702,775
Miscellaneous	81,131	5,949	—	87,080
Total Operating Revenues	5,481,258	8,638,162	1,670,435	15,789,855
Operating Expenses				
Pumping and treatment	2,132,794	1,752,305	—	3,885,099
Distribution and transmission	1,117,719	816,848	—	1,934,567
General and administrative	781,875	929,550	844	1,712,269
Sanitation	—	—	1,604,332	1,604,332
Depreciation	1,241,413	2,159,188	—	3,400,601
Total Operating Expenses	5,273,801	5,657,891	1,605,176	12,536,868
Operating Income	207,457	2,980,271	65,259	3,252,987
Nonoperating Revenues (Expenses)				
Investment earnings	29,492	172,101	564	202,157
Interest expense	(49,059)	(531,556)	—	(580,615)
Other	700	—	—	700
Total Nonoperating Revenues (Expenses)	(18,867)	(359,455)	564	(377,758)
Income Before Capital Contributions	188,590	2,620,816	65,823	2,875,229
Capital Contributions	304,615	258,798	—	563,413
Change in Net Position	493,205	2,879,614	65,823	3,438,642
Net Position - Beginning of Year	28,893,495	21,183,868	793	50,078,156
Net Position - End of Year	\$ 29,386,700	\$ 24,063,482	\$ 66,616	\$ 53,516,798

CITY OF LIBERTY, MISSOURI

STATEMENT OF CASH FLOWS ENTERPRISE FUNDS For The Year Ended December 31, 2017

	Water	Sewer	Sanitation (Nonmajor)	Total
Cash Flows from Operating Activities				
Receipts from customers and users	\$ 5,419,854	\$ 8,628,276	\$ 1,638,250	\$ 15,686,380
Payment to suppliers	(2,307,030)	(8,439,776)	(1,571,907)	(12,318,713)
Payments to employees	(1,662,086)	(1,430,267)	(28,350)	(3,120,703)
Other receipts	81,131	5,949	—	87,080
Net Cash Provided by (Used in) Operating Activities	1,531,869	(1,235,818)	37,993	334,044
Cash Flows from Capital and Related Financing Activities				
Purchase of capital assets	(437,011)	(7,192,281)	—	(7,629,292)
Interest payments	(71,739)	(1,234,948)	—	(1,306,687)
Interfund loan	180,543	(180,543)	—	-
Proceeds from issuance of revenue bonds, including premium	112,687	17,948,975	—	18,061,662
Principal payments on debt	(564,389)	(633,419)	—	(1,197,808)
Proceeds from sale of capital assets	700	—	—	700
Net Cash Provided by (Used in) Capital and Related Financing Activities	(779,209)	8,707,784	—	7,928,575
Cash Flows from Investing Activities				
Interest and dividends received	29,492	172,101	564	202,157
Increase in Cash and Cash Equivalents	782,152	7,644,067	38,557	8,464,776
Cash and Cash Equivalents - Beginning of Year	2,508,776	1,005,574	49,719	3,564,069
Cash and Cash Equivalents - End of Year	\$ 3,290,928	\$ 8,649,641	\$ 88,276	\$ 12,028,845
Components of Cash and Cash Equivalents				
Unrestricted	\$ 2,745,642	\$ 6,467,002	\$ 88,276	\$ 9,300,920
Restricted	545,286	2,182,639	-	2,727,925
	\$ 3,290,928	\$ 8,649,641	\$ 88,276	\$ 12,028,845
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:				
Operating income	\$ 207,457	\$ 2,980,271	\$ 65,259	\$ 3,252,987
Adjustments to reconcile operating income to net cash provided by (used in) operating activities				
Depreciation	1,241,413	2,159,188	—	3,400,601
Changes in assets and liabilities:				
Receivables	19,727	(3,937)	(32,185)	(16,395)
Inventory and other prepayments	(58,923)	38,787	(384)	(20,520)
Accounts payable and accrued expenses	48,340	(6,486,854)	3,526	(6,434,988)
Deferred outflows of resources - pensions	212,348	75,235	5,752	293,335
Deferred inflows of resources - pensions	(6,134)	(123)	(201)	(6,458)
Net pension liability	(145,438)	(22,461)	(4,427)	(172,326)
Compensated absences	13,079	24,076	653	37,808
Net Cash Provided by (Used in) Operating Activities	\$ 1,531,869	\$ (1,235,818)	\$ 37,993	\$ 334,044
Noncash Investing and Financing Transactions				
Accounts payable incurred for purchase of capital assets	\$ —	\$ 2,665,338	\$ —	\$ 2,665,338
Capital contributions	304,615	258,798	—	563,413

CITY OF LIBERTY, MISSOURI

**STATEMENT OF ASSETS AND LIABILITIES
AGENCY FUNDS
December 31, 2017**

Assets

Cash and cash equivalents	\$	283,804
Special assessments receivable		325,186
Accrued interest		16
Prepaid expenses		<u>1,750</u>
	\$	<u><u>610,756</u></u>

Liabilities

Accounts payable and accrued liabilities	\$	11,371
Due to other entities		<u>599,385</u>
	\$	<u><u>610,756</u></u>

CITY OF LIBERTY, MISSOURI

NOTES TO BASIC FINANCIAL STATEMENTS

December 31, 2017

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.

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.

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.

Public Safety Sales Tax Fund: This fund reports the City's public safety sales tax revenue and provides funding for Police and Fire personnel.

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.

Capital Sales Tax Fund: This fund is 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 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.

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.

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.

CITY OF LIBERTY, MISSOURI

Notes To Basic Financial Statements (*Continued*)

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.

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. Effective October 2017, the City's wastewater treatment plant was in-service and the flows treated by the City of Kansas City, Missouri were significantly reduced. Revenues are derived from charges to customers.

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

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

CITY OF LIBERTY, MISSOURI

Notes To Basic Financial Statements (*Continued*)

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

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.

Liberty Commons 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.

Liberty Commons TDD: 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.

CITY OF LIBERTY, MISSOURI

Notes To Basic Financial Statements (*Continued*)

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

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

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

Property taxes are recognized as a receivable at the time they become an enforceable legal claim. The current taxes receivable represent the 2017 levy plus any uncollected amounts from the 2016 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.

Notes To Basic Financial Statements (*Continued*)

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

Cash And Investments

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

Statement Of Cash Flows

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

Accounts Receivable And Unbilled Usage

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

Inventory And Prepaids

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

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.

CITY OF LIBERTY, MISSOURI

Notes To Basic Financial Statements (*Continued*)

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
Wastewater treatment plant	50 years
Infrastructure	65 years

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

Deferred 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.

Notes To Basic Financial Statements (*Continued*)

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

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

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

Compensated Absences

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

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

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

Fund Balance

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

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

CITY OF LIBERTY, MISSOURI

Notes To Basic Financial Statements (*Continued*)

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.

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.

CITY OF LIBERTY, MISSOURI

Notes To Basic Financial Statements (Continued)

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.

Impact of Adoption of New Accounting Standard

In 2017, the City adopted the provisions of GASB Statement No. 82, *Pension Issues – an amendment of GASB Statements No. 67, No. 68, and No 73*. This statement sets forth guidance on three practice issues raised during the implementation period of GASB 67 and 68. Adoption did not have a significant impact on amounts reported.

2. Deposits And Investments

As of December 31, 2017, 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	\$ 5,490,467	\$ 5,490,467	\$ -	\$ -	\$ -
Federal Home Loan Mortgage Corporation	6,972,069	6,972,069	-	-	-
Federal Home Loan Bank	16,977,506	14,983,506	1,994,000	-	-
Federal Farm Credit Bank	750,000	750,000	-	-	-
US Treasury Notes	2,986,605	2,986,605	-	-	-
Repurchase Agreements	7,400,837	7,400,837	-	-	-
	<u>\$ 40,577,484</u>	<u>\$ 38,583,484</u>	<u>\$ 1,994,000</u>	<u>\$ -</u>	<u>\$ -</u>

CITY OF LIBERTY, MISSOURI

Notes To Basic Financial Statements (*Continued*)

Authorized Investments

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

Interest Rate Risk

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

Credit Risk

Generally, credit risk is the risk the issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The City does not have a formal policy relating to credit risk. As of December 31, 2017, 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	Aaa	Moody's	AA+	Standard & Poor's
Federal Farm Credit Bank	Aaa	Moody's	Not Rated	Standard & Poor's
U.S. Treasury Notes	Not Rated	Moody's	Not Rated	Standard & Poor's
Repurchase Agreements	Not Rated	Moody's	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 (14%); Federal Home Loan Mortgage Corporation (17%); Federal Home Loan Bank (42%); U.S. Treasury Notes (7%) and Repurchase Agreements (18%).

CITY OF LIBERTY, MISSOURI

Notes To Basic Financial Statements (*Continued*)

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, 2017, all deposits were adequately and fully collateralized.

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

Deposits	\$	7,955,986
Investments		<u>40,577,484</u>
	\$	<u><u>48,533,470</u></u>
Cash and investments	\$	37,638,778
Restricted assets:		
Cash and investments		7,279,909
Investments		3,330,979
Agency fund, cash and cash equivalents		<u>283,804</u>
	\$	<u><u>48,533,470</u></u>

CITY OF LIBERTY, MISSOURI

Notes To Basic Financial Statements (*Continued*)

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, 2017:

	Balance - January 1, 2017	Additions	Retirements	Balance - December 31, 2017
Governmental Activities				
Capital assets, not being depreciated:				
Land	\$ 1,969,467	\$ 501	\$ —	\$ 1,969,968
Construction in progress	6,441,226	10,706,272	2,843,736	14,303,762
Total capital assets, not being depreciated	8,410,693	10,706,773	2,843,736	16,273,730
Capital assets being depreciated:				
Buildings and systems	13,764,295	842,792	—	14,607,087
Improvements other than buildings	10,939,270	683,034	—	11,622,304
Vehicles	7,275,294	545,060	208,259	7,612,095
Machinery and equipment	13,286,086	293,462	140,484	13,439,064
Infrastructure	50,167,516	5,374,857	—	55,542,373
Total capital assets being depreciated	95,432,461	7,739,205	348,743	102,822,923
Less: Accumulated depreciation for:				
Buildings and systems	6,225,452	349,024	—	6,574,476
Improvements other than buildings	7,758,345	438,767	—	8,197,112
Vehicles	2,665,483	670,960	171,841	3,164,602
Machinery and equipment	8,372,905	736,179	140,486	8,968,598
Infrastructure	19,018,028	2,194,734	—	21,212,762
Total accumulated depreciation	44,040,213	4,389,664	312,327	48,117,550
Total capital assets being depreciated, net	51,392,248	3,349,541	36,416	54,705,373
Governmental activities capital assets, net	\$ 59,802,941	\$ 14,056,314	\$ 2,880,152	\$ 70,979,103

CITY OF LIBERTY, MISSOURI

Notes To Basic Financial Statements (*Continued*)

	Balance - January 1, 2017		Additions	Retirements	Balance - December 31, 2017	
Business-Type Activities						
Capital assets, not being depreciated:						
Land	\$	840,677	\$	—	\$	840,677
Construction in progress		70,982,477	347,641	70,924,418		405,700
Total capital assets, not being depreciated		71,823,154	347,641	70,924,418		1,246,377
Capital assets being depreciated:						
Buildings and system		10,315,455	131,412	—		10,446,867
Improvements other than buildings		194,143	—	—		194,143
Vehicles		2,314,927	29,265	82,969		2,261,223
Machinery and equipment		12,485,300	82,498	16,735		12,551,063
Wastewater treatment plant		—	78,336,254	—		78,336,254
Infrastructure		60,932,892	1,086,299	—		62,019,191
Total capital assets being depreciated		86,242,717	79,665,728	99,704		165,808,741
Less: Accumulated depreciation for:						
Buildings and system		4,079,984	210,207	—		4,290,191
Improvements other than buildings		193,662	481	—		194,143
Vehicles		1,013,618	194,943	82,970		1,125,591
Machinery and equipment		6,485,670	410,430	16,735		6,879,365
Wastewater treatment plant		—	1,316,274	—		1,316,274
Infrastructure		22,206,266	1,267,719	—		23,473,985
Total accumulated depreciation		33,979,200	3,400,054	99,705		37,279,549
Total capital assets being depreciated, net		52,263,517	76,265,674	(1)		128,529,192
Business-type activities capital assets, net	\$	124,086,671	\$	76,613,315	\$	129,775,569

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

Governmental Activities

General government	\$	323,033
Public safety		798,300
Culture and recreation		849,344
Public works		2,418,987
	\$	<u>4,389,664</u>

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

Business-Type Activities

Water	\$	1,241,413
Sewer		2,159,188
	\$	<u>3,400,601</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, 2017:

	Balance - January 1, 2017	Additions	Retirements	Refunded	Balance - December 31, 2017	Due Within One Year
Governmental Activities						
Special obligation bonds	\$ 19,823,430	\$ 5,395,000	\$ 1,158,258	\$ 1,970,000	\$ 22,090,172	\$ 1,670,000
Capital leases	3,516,347	441,449	871,092	—	3,086,704	730,642
General obligation bonds	23,165,000	—	1,145,000	—	22,020,000	1,180,000
TIF bonds	53,070,000	—	1,270,000	—	51,800,000	1,135,000
MDNR loan payable	11,863	—	6,449	—	5,414	5,414
Other post employment benefits	490,315	59,283	15,000	—	534,598	—
Compensated absences	1,660,643	1,269,856	975,750	—	1,954,749	976,000
Bond premiums	944,422	—	99,304	—	845,118	—
Bond discounts	(278,636)	—	10,806	—	(267,830)	—
	<u>\$ 102,403,384</u>	<u>\$ 7,165,588</u>	<u>\$ 5,530,047</u>	<u>\$ 1,970,000</u>	<u>\$ 102,068,925</u>	<u>\$ 5,697,056</u>
Business-Type Activities						
Revenue bonds	\$ 5,040,000	\$ —	\$ 740,000	\$ —	\$ 4,300,000	\$ 760,000
SRF bonds	64,287,522	17,890,474	300,000	—	81,877,996	1,873,996
Special obligation bonds	101,570	—	31,742	—	69,828	31,974
Capital leases	157,465	117,001	71,878	—	202,588	68,741
Compensated absences	266,102	204,793	166,985	—	303,910	166,999
Bond premiums	57,386	—	19,947	—	37,439	—
	<u>\$ 69,910,045</u>	<u>\$ 18,212,268</u>	<u>\$ 1,330,552</u>	<u>\$ —</u>	<u>\$ 86,791,761</u>	<u>\$ 2,901,710</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, 2017 are as follows:

Governmental Activities

General obligation bonds:		
2013 General Obligation Bonds, 3-3.30%, due in varying amounts through 2030	\$	5,890,000
2012 General Obligation Refunding & Improvement Bonds, 3-4%, due in varying amounts through 2022		4,100,000
2015 General Obligation Bonds, 2-5%, due in varying amounts through 2035		12,030,000
Special obligation bonds:		
2013 Special Obligation Refunding and Improvement Bonds, 3%, due in varying amounts through 2023		1,115,172
2015 Special Obligation Bonds, 2-3.5%, due in varying amounts through 2035		15,580,000
2017 Special Obligation Refunding and Improvement Bonds, 2.65%, due in varying amounts through 2032		5,395,000
MDNR loan payable		5,414
Tax increment revenue bonds:		
2007 Liberty Triangle Project Tax Increment Revenue Bonds, 5%-5.875%, due in varying amounts through 2029		4,570,000
2010 Roger's Plaza Project Tax Increment Revenue Bonds, 6.75%, due in varying amounts through 2030		4,670,000
2015 Liberty Triangle Project Tax Increment Revenue Bonds, 2.7%, due in 2021		2,400,000
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 fire pump truck, 2.01% due in annual installments between \$159,000 and \$236,000 through 2023		1,348,000
Lease purchase of roof and parking lot, 2.01% due in annual installments between \$50,000 and \$74,000 through 2023		423,000
Lease purchase of a IT equipment, .00% due in annual installments of \$58,089 through 2013		151,500
Lease purchase of aerial fire truck, 2.97% due in annual installments of \$131,259 through 2022		611,450
Lease purchase of IT and fitness equipment, 1.63% due in annual installments between \$255,000 and \$260,000 through 2019		552,754
Total Governmental Activities	\$	<u>99,002,290</u>

Business-Type Activities

Revenue bonds:		
2011 Waterworks Refunding Bonds, 1.75%-3.00%, due in varying amounts through 2021	\$	2,050,000
2015B Sewer System Refunding Revenue Bonds, 2.5% due in 2025		2,250,000
2005 State Revolving Fund Program Bonds, 3.25%-5.25%, due in varying amounts through 2026		3,455,000
2015 State Revolving Fund Program Bonds, 1.22%, due in varying amounts through 2037		78,422,996
Lease purchase of sewer vacuum truck, 2.97%, due in annual installments of \$55,346 through 2019		105,342
2013 Special Obligation Refunding and Improvement Bonds, 3%, due in varying amounts through 2023		69,828
Lease purchase of trucks, 1.63% due in annual installments between \$30,000 and \$35,000 through 2021		97,246
	\$	<u>86,450,412</u>

CITY OF LIBERTY, MISSOURI

Notes To Basic Financial Statements (*Continued*)

Special Obligation Bonds Refunding/Redemption: During the fiscal year ended December 31, 2017, the City issued the 2017 Special Obligation Bonds, in the amount of \$5,395,000 with an interest rate of 2.65%. A portion of the bond proceeds along with the available funds of the City, were used to currently refund \$1,970,000 of the Series 2010 Special Obligation Refunding Bonds with an interest rate of 3.125%-4.375%. A portion of the net proceeds along with the available funds totaling \$1,997,101, after payment of \$10,031 of issuance cost, were deposited in an irrevocable trust with an escrow agent to provide for the future payment of principal and interest of the aforementioned Series 2010 bonds. As a result, the Series 2010 bonds are considered defeased and the liability for those bonds has been removed from the government-wide statement of net position. The Series 2010 bonds that were defeased were also paid in full by the escrow agent during 2017.

As a result of the refunding, the City decreased its total debt service requirements by \$554,741, which resulted in an economic gain of \$225,911. The Series 2010 bonds were originally used to fund the Clay County Health Relocation Project.

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	\$ 136,209
Depreciation and replacement account	409,077
	<u>\$ 545,286</u>
Sewer:	
Bond reserve account	\$ 1,948,765
Depreciation and replacement account	96,000
Sewer, Shoal Creek upgrade	8,161
Sewer, Kansas City sewer line	129,713
	<u><u>\$ 2,182,639</u></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:
 - o Pay the costs of the operation and maintenance of the system.

CITY OF LIBERTY, MISSOURI

Notes To Basic Financial Statements (*Continued*)

- 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.
- 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 \$1,757,232 for the Sewer Fund. As of December 31, 2017, this amount is \$1,948,765.
- 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, 2017 are as follows:

For The Years Ended December 31,	Debt Service General Obligation Bonds		Debt Service Special Obligation Bonds	
	Principal	Interest	Principal	Interest
	2018	\$ 1,180,000	\$ 689,153	\$ 1,670,000
2019	1,215,000	648,153	1,592,794	566,598
2020	1,345,000	607,178	1,632,562	528,395
2021	1,385,000	564,153	1,587,328	488,645
2022	1,435,000	516,190	1,482,096	450,462
2023-2027	6,730,000	1,969,058	5,946,864	1,762,964
2028-2032	6,150,000	829,483	5,145,000	948,125
2033-2037	2,580,000	127,534	3,033,528	162,922
	\$ 22,020,000	\$ 5,950,902	\$ 22,090,172	\$ 5,475,630

For The Years Ended December 31,	Enterprise Revenue Bonds		Enterprise Capital Leases	
	Principal	Interest	Principal	Interest
	2018	\$ 760,000	\$ 98,599	\$ 68,741
2019	770,000	83,196	78,043	2,465
2020	785,000	65,913	25,212	822
2021	810,000	46,611	30,592	411
2022	285,000	26,201	-	-
2023-2027	890,000	34,333	-	-
	\$ 4,300,000	\$ 354,853	\$ 202,588	\$ 7,719

For The Years Ended December 31,	Governmental Capital Leases		Debt Service Tax Increment Revenue Bonds	
	Principal	Interest	Principal	Interest
	2018	\$ 730,642	\$ 63,276	\$ 1,135,000
2019	751,932	48,443	1,525,000	3,169,789
2020	424,098	33,277	1,660,000	3,101,307
2021	432,950	24,396	1,335,000	3,027,286
2022	432,081	15,328	1,155,000	2,954,025
2023-2027	315,001	6,231	7,495,000	13,614,984
2028-2032	-	-	8,170,000	10,995,081
2033-2037	-	-	7,425,000	8,882,788
2038-2042	-	-	5,490,000	6,758,575
2043-2047	-	-	16,410,000	4,240,250
2048-2052	-	-	-	-
	\$ 3,086,704	\$ 190,951	\$ 51,800,000	\$ 59,969,175

The City is obligated under leases accounted for as capital leases. Assets under capital leases at December 31, 2017 totaled \$4,254,949, net of accumulated depreciation of \$1,686,025. 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
2018	\$ 5,414	\$ 93	\$ 1,873,996	\$ 1,115,363	\$ 31,974	\$ 2,341
2019	-	-	1,901,000	1,084,800	7,206	1,152
2020	-	-	1,936,000	1,048,247	7,438	936
2021	-	-	2,785,250	1,008,215	7,672	712
2022	-	-	2,845,250	961,213	7,904	480
2023-2027	-	-	22,798,000	3,838,412	7,634	244
2028-2032	-	-	23,810,000	2,273,006	-	-
2033-2037	-	-	23,928,500	899,835	-	-
	\$ 5,414	\$ 93	\$ 81,877,996	\$ 12,229,091	\$ 69,828	\$ 5,865

Pledges Of Revenue On Outstanding Debt

Utility revenues pledged: The City has pledged future water customer revenues, net of specified operating expenses, to repay debt with outstanding principle totaling \$2,050,000 in Waterworks Refunding bonds. The bonds are payable solely from water customer net revenues through 2021. Annual principal and interest payments on the 2011 bonds are expected to require 37% of net revenues on average over the next four years. The total principal and interest remaining to be paid on the 2011 bonds is \$2,169,654. Principal and interest paid during the current year and total customer net revenues were \$544,386 and \$1,478,362, respectively.

The City has pledged future sewer customer revenues, net of specified operating expenses, to repay three debt issues with outstanding principal of \$84,127,996 in sewer system revenue bonds. The bonds are payable solely from the sewer customer net revenues and are payable through 2037. Annual principal and interest payments on the bonds are expected to require 91% of net revenues on average over the next 20 years. The total principal and interest remaining to be paid on the bonds is \$96,592,286. Principal and interest paid for the current year and total customer net revenues were \$1,173,533 and \$5,311,560, 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 \$2,562,540, payable through 2021. For the current year, principal and interest paid and total incremental PILOTS and EATS revenues were \$836,670 and \$339,826, 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 \$6,447,606 payable through 2029. For the current year, principal and interest paid and total incremental PILOTS, EATS and CID revenues were \$486,619 and \$805,591, 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 \$7,378,013 payable through 2030. For the current year, principal and interest paid and total incremental PILOTS, EATS and CID revenues were \$522,606 and \$1,454,614, 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 \$95,381,016 payable through 2046. For the current year, principal and interest paid and total incremental revenues were \$2,577,144 and \$873,259, respectively.

CITY OF LIBERTY, MISSOURI

Notes To Basic Financial Statements (*Continued*)

Conduit Debt

The City has issued industrial development bonds to provide financial assistance to private businesses for economic development purposes. The debt is payable solely from payments received from the private businesses involved. As of December 31, 2017, there were eight issues of industrial revenue bonds outstanding. These issues have an aggregate original issue amount of approximately \$406 million and a balance as of December 31, 2017 of approximately \$373 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
Parks	Nonmajor governmental funds	64
Nonmajor	Nonmajor governmental funds	<u>867</u>
		<u>\$ 98,961</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.

CITY OF LIBERTY, MISSOURI

Notes To Basic Financial Statements (*Continued*)

Interfund transfers for the year were as follows:

	<u>Transfers In</u>	<u>Transfers Out</u>
Governmental activities		
General	\$ 693,530	\$ 47,750
Parks	719,727	58,026
Economic development sales tax	430,000	-
Nonmajor governmental funds	60,571	1,798,052
	<u>\$ 1,903,828</u>	<u>\$ 1,903,828</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, 2017 were \$308,400.

Notes To Basic Financial Statements (*Continued*)

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, 2017, the following employees were covered by benefit terms:

	General	Police Officers	Firefighters	Total
Retirees and beneficiaries				
currently receiving benefits	78	24	29	131
Terminated vested members	66	14	20	100
Fully vested active members	119	37	43	199
Total	<u>263</u>	<u>75</u>	<u>92</u>	<u>430</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 10.5% (General), 14.9% (Police) and 22.6% (Fire) of annual covered payroll.

Net Pension Liability

The City's net pension liability was measured as of June 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of February 28, 2017. The roll-forward of total pension liability from February 28, 2017 to June 30, 2017, reflects expected service cost and interest reduced by actual benefit payments and administrative expenses.

Actuarial Assumptions - The total pension liability in the February 28, 2017, 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 tables, 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 tables were adjusted for mortality improvement back to the observation period base year of 2006. The base year for males was then established to be 2017. Mortality rates for a particular calendar year are determined by applying the MP-2015 mortality improvement scale to the above described tables.

The actuarial assumptions used in the February 28, 2017 valuation were based on the results of an actuarial experience study for the period March 1, 2010 through February 28, 2015.

CITY OF LIBERTY, MISSOURI

Notes To Basic Financial Statements (*Continued*)

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

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Equity	48.00%	4.81%
Fixed Income	28.50%	1.72%
Real Assets/Real Return	23.50%	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, 2017	\$ 51,664,294	\$ 42,409,002	\$ 9,255,292
Changes for the year:			
Service cost	1,346,125	-	1,346,125
Interest on total pension liability	3,723,940	-	3,723,940
Difference between expected and actual experience	403,200	-	403,200
Changes of assumptions	-	-	-
Benefit payments	(1,955,991)	(1,955,991)	-
Employer contributions	-	1,501,991	(1,501,991)
Employee contributions	-	464,346	(464,346)
Net investment income (loss)	-	5,124,895	(5,124,895)
Administrative expenses	-	(34,053)	34,053
Other (Net Transfer)	-	173,111	(173,111)
Net changes	<u>3,517,274</u>	<u>5,274,299</u>	<u>(1,757,025)</u>
Balances as of December 31, 2017	<u>\$ 55,181,568</u>	<u>\$ 47,683,301</u>	<u>\$ 7,498,267</u>

CITY OF LIBERTY, MISSOURI

Notes 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	\$ 64,019,834	\$ 55,181,568	\$ 47,957,569
Fiduciary net position	47,683,301	47,683,301	47,683,301
Net pension liability	<u>\$ 16,336,533</u>	<u>\$ 7,498,267</u>	<u>\$ 274,268</u>

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

For the year ended December 31, 2017, the City recognized pension expense of \$5,619,974 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	\$ 427,332	\$ 315,319
Assumption changes	1,245,427	-
Net difference between projected and actual earnings	1,116,394	-
Contributions subsequent to the measurement date*	<u>852,420</u>	<u>-</u>
Total	<u>\$ 3,641,573</u>	<u>\$ 315,319</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, 2018.

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:	
2018	\$ 982,124
2019	982,126
2020	543,260
2021	(124,382)
2022	61,698
Thereafter	<u>29,008</u>
Total	<u>\$ 2,473,834</u>

Allocation of LAGERS Net Pension Liability

The City's full-time equivalents at December 31, 2017, 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.

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	\$ 297,156
Economic Development	13,798,116
Parks	38,456
Nonmajor Funds	<u>3,678,617</u>
	<u>\$ 17,812,345</u>

The City participates in a number of federal and state programs that are fully or partially funded by grants received from other governmental units. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grant program regulations, the City may be required to reimburse the grantor government. As of December 31, 2017, 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, 2017, 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)	\$ 11,480,667
Blue Jay Crossing	4,582,392
Rogers	137,024
	\$ 16,200,083

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, 2017, 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 2017 were:

Year	Beginning Of Year Liability	Current Year Claims And Changes In Estimates	Claims Payments	Balance Year Ended
2017	\$ 29,062	\$ 7,212	\$ -	\$ 21,850

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, 2017, 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, 2017, 2016 and 2015 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
2017	\$ 490,315	\$ 66,024	\$ 22,064	\$ 28,805	\$ 59,283	\$ 15,000	\$ 534,598
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

For The Year Ended December 31,	Annual OPEB Cost	Percentage Of Annual OPEB Cost Contributed	Net OPEB Obligation
2017	\$ 59,283	25%	\$ 534,598
2016	59,956	18%	490,315
2015	81,668	23%	441,359

CITY OF LIBERTY, MISSOURI

Notes To Basic Financial Statements (*Continued*)

As of December 31, 2017, the funded status of the plan is as follows:

Actuarial Accrued Liability	\$	439,794
Actuarial Value Of Assets		-
		<hr/>
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.

CITY OF LIBERTY, MISSOURI

Notes To Basic Financial Statements (Continued)

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 \$30,190,042 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).
- US Treasury notes of \$2,986,605 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, 2017, the City's tax revenue was diverted through various abatements necessary to incent development within the City totaling an estimated \$5,641,600 under the following programs:

Tax Abatement Program	Amount of Taxes Abated during the Fiscal Year
Tax Increment Financing	\$ 4,937,697
Chapter 353	135,413
Chapter 100 Bonds	<u>568,490</u>
	<u>\$ 5,641,600</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 tied 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 of December 31, 2017, there were no funds with a fund deficit.

15. Subsequent Events

In February 2018, the City issued the City of Liberty, Missouri Tax Increment Refunding Revenue Bond (Liberty Triangle Project), Series 2018 for the principal amount of \$3,415,000 and an interest rate of 3.65%.

In April 2018, the City of Liberty voters approved the implementation of a Use Tax at the rate of 3.375%.

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, 2017**

	Budget Final	Actual	Variance With Final Budget (Over) Under
Revenues			
Taxes	\$ 13,831,070	\$ 13,362,256	\$ 468,814
Intergovernmental	574,220	495,286	78,934
Charges for services	3,620,055	1,768,271	1,851,784
Licenses and permits	433,300	503,727	(70,427)
Investment earnings	21,000	27,605	(6,605)
Miscellaneous	1,274,620	787,814	486,806
Total Revenues	19,754,265	16,944,959	2,809,306
Expenditures			
Current:			
General government	4,453,704	4,333,017	120,687
Community development and improvement	717,680	677,376	40,304
Public works	2,463,580	2,389,838	73,742
Culture and recreation	393,790	408,827	(15,037)
Public safety	10,518,910	10,079,917	438,993
Debt service:			
Principal retirement	442,750	530,214	(87,464)
Interest and fiscal charges	54,300	42,532	11,768
Bond issuance costs	-	6,399	(6,399)
Total Expenditures	19,044,714	18,468,120	576,594
Revenues Over (Under) Expenditures	709,551	(1,523,161)	2,232,712
Other Financing Sources			
Issuance of long-term debt	-	711,000	(711,000)
Insurance proceeds	-	14,861	(14,861)
Capital lease	-	421,246	(421,246)
Transfers in	693,530	693,530	-
Transfers out	-	(47,750)	47,750
Total Other Financing Sources (Uses)	693,530	1,792,887	(1,099,357)
Net Change In Fund Balances	\$ 1,403,081	269,726	\$ 1,133,355
Fund Balances - Beginning of Year		3,109,206	
Fund Balances - End of Year		\$ 3,378,932	

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, 2017**

	Budget Final	Actual	Variance With Final Budget (Over) Under
Revenues			
Taxes	\$ 751,900	\$ 730,870	\$ 21,030
Intergovernmental	10,000	9,963	37
Charges for services	2,639,830	2,701,584	(61,754)
Investment earnings	3,000	10,558	(7,558)
Miscellaneous	300	24,258	(23,958)
Total Revenues	3,405,030	3,477,233	(72,203)
Expenditures			
Current:			
Culture and recreation	3,880,565	4,185,223	(304,658)
Capital outlay	-	461,236	(461,236)
Debt service:			
Principal retirement	65,580	64,144	1,436
Interest and fiscal charges	2,200	1,876	324
Total Expenditures	3,948,345	4,712,479	(764,134)
Revenues Over (Under) Expenditures	(543,315)	(1,235,246)	691,931
Other Financing Sources (Uses)			
Insurance recoveries	-	570,252	(570,252)
Capital lease	-	20,203	(20,203)
Transfers in	-	719,727	(719,727)
Transfers out	(69,000)	(58,026)	(10,974)
Total Other Financing Sources (Uses)	(69,000)	1,252,156	(1,321,156)
Net Change In Fund Balances	\$ (612,315)	16,910	\$ (629,225)
Fund Balances - Beginning of Year		469,367	
Fund Balances - End of Year		\$ 486,277	

CITY OF LIBERTY, MISSOURI

REQUIRED SUPPLEMENTARY INFORMATION NOTES TO BUDGETARY COMPARISON INFORMATION December 31, 2017

1. Budgetary Data

A legally adopted annual budget is prepared for governmental fund types, except for the PFA Construction, Inmate Security Fund, Transient Guest Tax 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, Transportation Sales Tax Fund, Liberty TIF Fund, Police Training Fund, Parks Capital Fund, Frank Hughes Memorial Trust Fund, Mt. Memorial Trust Fund and Fairview Cemetery Fund by \$764,134, \$344,282, \$1,028,244, \$1,507,767, \$104, \$663,881, \$178, \$116 and \$3,479, 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

	2017	2016	2015
Total Pension Liability			
Service cost	\$ 1,346,125	\$ 1,300,713	\$ 1,290,766
Interest on total pension liability	3,723,940	3,400,555	3,211,265
Difference between expected and actual experience	403,200	(236,513)	(95,628)
Effect of assumption changes or inputs	-	1,855,247	-
Benefit payments	(1,955,991)	(1,810,201)	(1,790,929)
Net Change in Total Pension Liability	3,517,274	4,509,801	2,615,474
Total Pension Liability - Beginning	51,664,294	47,154,493	44,539,019
Total Pension Liability - Ending (a)	55,181,568	51,664,294	47,154,493
Fiduciary Net Position			
Employer contributions	1,501,991	1,433,344	1,405,597
Employee contributions	464,346	458,444	442,608
Net investment income (loss)	5,124,895	(51,526)	822,220
Benefit payments	(1,955,991)	(1,810,201)	(1,790,929)
Administrative expenses	(34,053)	(31,968)	(35,605)
Other (net transfer)	173,111	101,204	(256,996)
Net Change in Fiduciary Net Position	5,274,299	99,297	586,895
Fiduciary Net Position - Beginning	42,409,002	42,309,705	41,722,810
Fiduciary Net Position - Ending (b)	47,683,301	42,409,002	42,309,705
Net Pension Liability, Ending = (a) - (b)	\$ 7,498,267	\$ 9,255,292	\$ 4,844,788
Fiduciary Net Position as a Percentage of Total Pension Liability	86.41%	82.09%	89.73%
Covered Payroll	\$ 11,244,023	\$ 11,234,166	\$ 10,833,407
Net Pension Liability as a Percentage of Covered Payroll	66.69%	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 five-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 through 2017.

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
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%
2017	1,669,073	1,632,544	36,529	12,201,001	13.38%

Notes to Schedule:

Actuarial cost method	Entry age normal
Amortization method	Level percentage of payroll, closed
Remaining amortization period	Multiple bases from 15 to 25 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-2015 Healthy Annuitant mortality table for males and females. The disabled retiree mortality tables, for post-retirement mortality, were the RP-2015 disabled mortality table for males and females. The pre-retirement mortality tables used were the RP-2015 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, 2017

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, 2017**

	Special Revenue	Capital Projects	Permanent	Total
Assets				
Cash and investments	\$ 34,316	\$ 8,310,556	\$ 437,083	\$ 8,781,955
Receivables, net of allowance for uncollectibles:				
Taxes	419,618	1,049,061	-	1,468,679
Accounts	42,441	8,322	2,560	53,323
Accrued interest	279	15,064	931	16,274
Due from other funds	867	-	-	867
Due from other governments	-	73,378	-	73,378
Prepaid insurance	-	721	-	721
Restricted assets:				
Cash and investments	-	372,998	-	372,998
Investments	-	603,054	-	603,054
Accrued interest	-	1,360	-	1,360
Total Assets	\$ 497,521	\$10,434,514	\$ 440,574	\$11,372,609
Liabilities				
Accounts payable and accrued liabilities	\$ 4,691	\$ 1,016,828	\$ -	\$ 1,021,519
Deposits	3,365	-	-	3,365
Due to other funds	-	-	931	931
Unearned revenue	-	13,111	-	13,111
Total Liabilities	8,056	1,029,939	931	1,038,926
Fund Balances				
Nonspendable:				
Permanent fund principal	-	-	439,643	439,643
Restricted for:				
Parks and recreation	-	742,391	-	742,391
Capital projects	-	3,752,053	-	3,752,053
Transportation projects	-	944,536	-	944,536
Public safety	329,158	3,932,372	-	4,261,530
Cemetery	11,771	-	-	11,771
Law enforcement	6,912	-	-	6,912
Other purposes	141,624	33,223	-	174,847
Total Fund Balances	489,465	9,404,575	439,643	10,333,683
Total Liabilities and Fund Balances	\$ 497,521	\$10,434,514	\$ 440,574	\$11,372,609

CITY OF LIBERTY, MISSOURI

COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
December 31, 2017

	Cemetery	Police Training	Inmate Security Fund	Transient Guest Tax	Public Safety Sales Tax	Total
Assets						
Cash and investments	\$ 13,625	\$ (609)	\$ 5,598	\$ 106,162	\$ (90,460)	\$ 34,316
Receivables, net of allowance for uncollectibles:						
Taxes	-	-	-	-	419,618	419,618
Accounts	785	2,562	-	39,094	-	42,441
Accrued interest	33	-	11	235	-	279
Due from other funds	867	-	-	-	-	867
Total Assets	\$ 15,310	\$ 1,953	\$ 5,609	\$ 145,491	\$ 329,158	\$ 497,521
Liabilities						
Accounts payable and accrued liabilities	\$ 174	\$ 650	\$ -	\$ 3,867	\$ -	\$ 4,691
Deposits	3,365	-	-	-	-	3,365
Total Liabilities	3,539	650	-	3,867	-	8,056
Fund Balances						
Restricted for:						
Public safety	-	-	-	-	329,158	329,158
Cemetery	11,771	-	-	-	-	11,771
Law enforcement	-	1,303	5,609	-	-	6,912
Other purposes	-	-	-	141,624	-	141,624
Total Fund Balances	11,771	1,303	5,609	141,624	329,158	489,465
Total Liabilities And Fund Balances	\$ 15,310	\$ 1,953	\$ 5,609	\$ 145,491	\$ 329,158	\$ 497,521

CITY OF LIBERTY, MISSOURI

COMBINING BALANCE SHEET NONMAJOR CAPITAL PROJECTS FUNDS December 31, 2017

	Capital Sales Tax	Transportation Sales Tax	Fire Sales Tax	Parks Capital	PFA Construction	Cable Reserve	Total
Assets							
Cash and investments	\$ 3,594,040	\$ 594,833	\$ 4,088,548	\$ -	\$ -	\$ 33,135	\$ 8,310,556
Receivables, net of allowance for uncollectibles:							
Taxes	349,405	350,234	174,706	174,716	-	-	1,049,061
Accounts	8,322	-	-	-	-	-	8,322
Accrued interest	7,619	966	5,409	982	-	88	15,064
Due from other governments	73,378	-	-	-	-	-	73,378
Prepaid expenses	721	-	-	-	-	-	721
Restricted assets:							
Cash and investments	372,998	-	-	-	-	-	372,998
Investments	-	-	-	603,054	-	-	603,054
Accrued interest	792	-	-	568	-	-	1,360
Total Assets	\$ 4,407,275	\$ 946,033	\$ 4,268,663	\$ 779,320	\$ -	\$ 33,223	\$10,434,514
Liabilities							
Accounts payable and accrued liabilities	\$ 642,111	\$ 1,497	\$ 336,291	\$ 36,929	\$ -	\$ -	\$ 1,016,828
Due to other funds	-	-	-	-	-	-	-
Unearned revenue	13,111	-	-	-	-	-	13,111
Total Liabilities	655,222	1,497	336,291	36,929	-	-	1,029,939
Fund Balances							
Nonspendable:							
Prepaid insurance	-	-	-	-	-	-	-
Restricted for:							
Parks and recreation	-	-	-	742,391	-	-	742,391
Capital projects	3,752,053	-	-	-	-	-	3,752,053
Transportation projects	-	944,536	-	-	-	-	944,536
Public safety	-	-	3,932,372	-	-	-	3,932,372
Other purposes	-	-	-	-	-	33,223	33,223
Unassigned	-	-	-	-	-	-	-
Total Fund Balances	3,752,053	944,536	3,932,372	742,391	-	33,223	9,404,575
Total Liabilities And Fund Balances	\$ 4,407,275	\$ 946,033	\$ 4,268,663	\$ 779,320	\$ -	\$ 33,223	\$10,434,514

CITY OF LIBERTY, MISSOURI

COMBINING BALANCE SHEET NONMAJOR PERMANENT FUNDS December 31, 2017

	Frank Hughes Memorial Trust	Mt. Memorial Cemetery Trust	Fairview Cemetery Trust	Total
Assets				
Cash and investments	\$ 30,000	\$ 33,755	\$ 373,328	\$ 437,083
Receivables, net of allowance for uncollectibles:				
Accounts	-	-	2,560	2,560
Accrued interest	64	72	795	931
Total Assets	\$ 30,064	\$ 33,827	\$ 376,683	\$ 440,574
Liabilities				
Due to other funds	\$ 64	\$ 72	\$ 795	\$ 931
Fund Balances				
Nonspendable:				
Permanent fund principal	30,000	33,755	375,888	439,643
Total Liabilities And Fund Balances	\$ 30,064	\$ 33,827	\$ 376,683	\$ 440,574

CITY OF LIBERTY, MISSOURI

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS For The Year Ended December 31, 2017

	Special Revenue	Capital Projects	Permanent	Total
Revenues				
Taxes	\$ 801,116	\$ 6,327,398	\$ -	\$ 7,128,514
Intergovernmental	-	409,526	-	409,526
Charges for services	46,815	-	-	46,815
Investment earnings	1,426	60,911	4,075	66,412
Miscellaneous	1,085	147,866	2,250	151,201
Total Revenues	850,442	6,945,701	6,325	7,802,468
Expenditures				
Current:				
General government	154,172	372	-	154,544
Community development and improvement	14,703	45,812	-	60,515
Public works	-	716,716	-	716,716
Culture and recreation	9,523	427,778	-	437,301
Cemetery maintenance	58,493	-	-	58,493
Public safety	316,193	222,256	-	538,449
Capital outlay	365	3,461,296	-	3,461,661
Debt service:				
Principal retirement	-	1,386,441	-	1,386,441
Interest and fiscal charges	-	431,993	-	431,993
Bond issuance costs	-	30,699	-	30,699
Total Expenditures	553,449	6,723,363	-	7,276,812
Revenues Over Expenditures	296,993	222,338	6,325	525,656
Other Financing Sources (Uses)				
Issuance of long-term debt	-	3,119,000	-	3,119,000
Transfers in	51,545	9,026	-	60,571
Transfers out	(59,750)	(1,734,227)	(4,075)	(1,798,052)
Total Other Financing Sources (Uses)	(8,205)	1,393,799	(4,075)	1,381,519
Net Change In Fund Balances	288,788	1,616,137	2,250	1,907,175
Fund Balances - Beginning of Year	200,677	7,788,438	437,393	8,426,508
Fund Balances - End of Year	\$ 489,465	\$ 9,404,575	\$ 439,643	\$ 10,333,683

CITY OF LIBERTY, MISSOURI

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - NONMAJOR SPECIAL REVENUE FUNDS For The Year Ended December 31, 2017

	Cemetery	Police Training	Inmate Security Fund	Transient Guest Tax	Public Safety Sales Tax	Total
Revenues						
Taxes	\$ -	\$ -	\$ -	\$ 171,678	\$ 629,438	\$ 801,116
Charges for services	22,389	13,713	4,242	6,471	-	46,815
Investment earnings	280	5	37	1,104	-	1,426
Miscellaneous	1,085	-	-	-	-	1,085
Total Revenues	23,754	13,718	4,279	179,253	629,438	850,442
Expenditures						
Current:						
General government	-	-	-	154,172	-	154,172
Community development and improvement	-	-	-	14,703	-	14,703
Culture and recreation	-	-	-	9,523	-	9,523
Cemetery maintenance	58,493	-	-	-	-	58,493
Public safety	-	14,054	1,859	-	300,280	316,193
Capital outlay	365	-	-	-	-	365
Total Expenditures	58,858	14,054	1,859	178,398	300,280	553,449
Revenues Over (Under) Expenditures	(35,104)	(336)	2,420	855	329,158	296,993
Other Financing Sources (Uses)						
Transfers in	51,545	-	-	-	-	51,545
Transfers out	(57,750)	-	-	(2,000)	-	(59,750)
Total Other Financing Sources (Uses)	(6,205)	-	-	(2,000)	-	(8,205)
Net Change In Fund Balances	(41,309)	(336)	2,420	(1,145)	329,158	288,788
Fund Balances - Beginning of Year	53,080	1,639	3,189	142,769	-	200,677
Fund Balances - End of Year	\$ 11,771	\$ 1,303	\$ 5,609	\$ 141,624	\$ 329,158	\$ 489,465

CITY OF LIBERTY, MISSOURI

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - NONMAJOR CAPITAL PROJECTS FUNDS For The Year Ended December 31, 2017

	Capital Sales Tax	Transportation Sales Tax	Fire Sales Tax	Parks Capital	PFA Construction	Cable Reserve	Total
Revenues							
Taxes	\$ 2,111,997	\$ 2,104,607	\$ 1,055,397	\$ 1,055,397	\$ -	\$ -	\$ 6,327,398
Intergovernmental	409,526	-	-	-	-	-	409,526
Investment earnings	34,295	2,875	14,148	9,285	-	308	60,911
Miscellaneous	68,565	-	50,818	28,464	2	17	147,866
Total Revenues	2,624,383	2,107,482	1,120,363	1,093,146	2	325	6,945,701
Expenditures							
Current:							
General government	-	-	-	-	-	372	372
Community development and improvement	-	45,812	-	-	-	-	45,812
Public works	151,517	565,199	-	-	-	-	716,716
Culture and recreation	-	67,025	-	360,753	-	-	427,778
Public safety	-	-	222,256	-	-	-	222,256
Capital outlay	2,008,763	350,000	374,498	728,035	-	-	3,461,296
Debt service:							
Principal retirement	515,569	195,000	420,872	255,000	-	-	1,386,441
Interest and fiscal charges	203,415	127,098	58,787	42,693	-	-	431,993
Bond issuance costs	-	-	30,699	-	-	-	30,699
Total Expenditures	2,879,264	1,350,134	1,107,112	1,386,481	-	372	6,723,363
Revenues Over (Under) Expenditures	(254,881)	757,348	13,251	(293,335)	2	(47)	222,338
Other Financing Sources (Uses)							
Issuance of long-term debt	-	-	3,119,000	-	-	-	3,119,000
Transfers in	-	-	-	-	9,026	-	9,026
Transfers out	(153,010)	(593,510)	(336,510)	(651,197)	-	-	(1,734,227)
Total Other Financing Sources (Uses)	(153,010)	(593,510)	2,782,490	(651,197)	9,026	-	1,393,799
Net Change In Fund Balances	(407,891)	163,838	2,795,741	(944,532)	9,028	(47)	1,616,137
Fund Balances - Beginning of Year	4,159,944	780,698	1,136,631	1,686,923	(9,028)	33,270	7,788,438
Fund Balances - End of Year	\$ 3,752,053	\$ 944,536	\$ 3,932,372	\$ 742,391	\$ -	\$ 33,223	\$ 9,404,575

CITY OF LIBERTY, MISSOURI

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - NONMAJOR PERMANENT FUNDS
For The Year Ended December 31, 2017**

	Frank Hughes Memorial Trust	Mt. Memorial Cemetery Trust	Fairview Cemetery Trust	Total
Revenues				
Investment earnings	\$ 280	\$ 316	\$ 3,479	\$ 4,075
Miscellaneous	-	-	2,250	2,250
Total Revenues	280	316	5,729	6,325
Expenditures				
Current:				
Cemetery maintenance	-	-	-	-
Revenues Over Expenditures	280	316	5,729	6,325
Other Financing Uses				
Transfers out	(280)	(316)	(3,479)	(4,075)
Net Change In Fund Balances	-	-	2,250	2,250
Fund Balances - Beginning of Year	30,000	33,755	373,638	437,393
Fund Balances - End of Year	\$ 30,000	\$ 33,755	\$ 375,888	\$ 439,643

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, 2017

	Final Budget	Actual	Variance With Final Budget - (Over) Under
Revenues			
Taxes	\$ 2,503,640	\$ 2,111,997	\$ 391,643
Intergovernmental	-	409,526	(409,526)
Investment earnings	10,000	34,295	(24,295)
Miscellaneous	17,000	68,565	(51,565)
Total Revenues	2,530,640	2,624,383	(93,743)
Expenditures			
Current:			
Public works	1,707,080	151,517	1,555,563
Capital outlay	696,749	2,008,763	(1,312,014)
Debt service:			
Principal retirement	465,000	515,569	(50,569)
Interest and fiscal charges	200,540	203,415	(2,875)
Total Expenditures	3,069,369	2,879,264	190,105
Revenues Under Expenditures	(538,729)	(254,881)	(283,848)
Other Financing Sources			
Transfers out	(153,010)	(153,010)	-
Total Other Financing	(153,010)	(153,010)	-
Net Change In Fund Balances	\$ (691,739)	(407,891)	\$ (283,848)
Fund Balance - Beginning of Year		<u>4,159,944</u>	
Fund Balance - End of Year		<u>\$ 3,752,053</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, 2017**

	Final Budget	Actual	Variance With Final Budget - (Over) Under
Revenues			
Taxes	\$ 2,128,800	\$ 2,104,607	\$ 24,193
Investment earnings	-	2,875	(2,875)
Total Revenues	2,128,800	2,107,482	21,318
Expenditures			
Current:			
Community development and improvement	985,910	45,812	940,098
Public works	47,850	565,199	(517,349)
Culture and recreation	-	67,025	(67,025)
Capital outlay	-	350,000	(350,000)
Debt service:			
Principal retirement	195,000	195,000	-
Interest and fiscal charges	126,890	127,098	(208)
Total Expenditures	1,355,650	1,350,134	5,516
Revenues Over Expenditures	773,150	757,348	15,802
Other Financing Sources (Uses)			
Transfers out	(593,510)	(593,510)	-
Net Change In Fund Balances	\$ 179,640	163,838	\$ 15,802
Fund Balance - Beginning of Year		780,698	
Fund Balance - End of Year		\$ 944,536	

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, 2017

	Final Budget	Actual	Variance With Final Budget - (Over) Under
Revenues			
Taxes	\$ 6,039,532	\$ 5,701,384	\$ 338,148
Investment earnings	2,930	23,186	(20,256)
Miscellaneous	8,300	6,912	1,388
Total Revenues	6,050,762	5,731,482	319,280
Expenditures			
Current:			
General government	16,923	11,088	5,835
Community development and improvement	1,981,700	3,126,878	(1,145,178)
Public works	658,063	21,001	637,062
Debt service:			
Principal retirement	1,150,000	1,760,000	(610,000)
Interest and fiscal charges	2,579,969	2,601,544	(21,575)
Bond issuance costs	-	15,403	(15,403)
Total Expenditures	6,386,655	7,535,914	(1,133,856)
Revenues Over (Under) Expenditures	(335,893)	(1,804,432)	1,453,136
Other Financing Sources (Uses)			
Issuance of refunding debt	-	1,565,000	(1,565,000)
Payments to refunding escrow agent	-	(1,565,000)	1,565,000
Total Other Financing Sources (Uses)	-	-	-
Net Change In Fund Balances	\$ (335,893)	(1,804,432)	\$ 1,453,136
Fund Balance - Beginning of Year		10,058,655	
Fund Balance - End of Year		\$ 8,254,223	

CITY OF LIBERTY, MISSOURI

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

CEMETERY FUND

For The Year Ended December 31, 2017

	Final Budget	Actual	Variance With Final Budget - (Over) Under
Revenues			
Charges for services	\$ 26,000	\$ 22,389	\$ 3,611
Investment earnings	450	280	170
Miscellaneous	15,000	1,085	13,915
Total Revenues	41,450	23,754	17,696
Expenditures			
Current:			
Cemetery maintenance	64,785	58,493	6,292
Capital outlay	-	365	(365)
Total Expenditures	64,785	58,858	5,927
Revenues Over (Under) Expenditures	(23,335)	(35,104)	11,769
Other Financing Sources (Uses)			
Transfers in	49,950	51,545	(1,595)
Transfers out	(57,750)	(57,750)	-
Total Other Financing Sources (Uses)	(7,800)	(6,205)	(1,595)
Net Change In Fund Balances	\$ (31,135)	(41,309)	\$ 10,174
Fund Balance - Beginning of Year		<u>53,080</u>	
Fund Balance - End of Year		<u>\$ 11,771</u>	

CITY OF LIBERTY, MISSOURI

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCES - BUDGET AND ACTUAL -
POLICE TRAINING FUND
For The Year Ended December 31, 2017**

	Final Budget	Actual	Variance With Final Budget - (Over) Under
Revenues			
Charges for services	\$ 12,900	\$ 13,713	\$ (813)
Investment earnings	10	5	5
Total Revenues	12,910	13,718	(808)
Expenditures			
Current:			
Public safety	13,950	14,054	(104)
Net Change In Fund Balances	\$ (1,040)	(336)	\$ (704)
Fund Balance - Beginning of Year		<u>1,639</u>	
Fund Balance - End of Year		<u>\$ 1,303</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, 2017

	Final Budget	Actual	Variance With Final Budget - (Over) Under
Revenues			
Taxes	\$ 1,064,400	\$ 1,055,397	\$ 9,003
Investment earnings	-	9,285	(9,285)
Miscellaneous	-	28,464	(28,464)
Total Revenues	1,064,400	1,093,146	(28,746)
Expenditures			
Current:			
Culture and recreation	270,000	360,753	(90,753)
Capital outlay	872,538	728,035	144,503
Debt service:			
Principal retirement	255,000	255,000	-
Interest and fiscal charges	42,600	42,693	(93)
Total Expenditures	1,440,138	1,386,481	53,657
Revenues Under Expenditures	(375,738)	(293,335)	(82,403)
Other Financing Sources (Uses)			
Transfers out	(532,110)	(651,197)	119,087
Total Other Financing Sources (Uses)	(532,110)	(651,197)	119,087
 Net Change In Fund Balances	 \$ (907,848)	 (944,532)	 \$ 36,684
Fund Balance - Beginning of Year		1,686,923	
Fund Balance - End of Year		\$ 742,391	

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, 2017

	Final Budget	Actual	Variance With Final Budget - (Over) Under
Revenues			
Taxes	\$ 1,064,400	\$ 1,055,397	\$ 9,003
Investment earnings	1,000	14,148	(13,148)
Miscellaneous	2,940,000	50,818	2,889,182
Total Revenues	4,005,400	1,120,363	2,885,037
Expenditures			
Current:			
Public safety	19,000	222,256	(203,256)
Capital outlay	2,939,978	374,498	2,565,480
Debt service:			
Principal retirement	420,880	420,872	8
Interest and fiscal charges	58,800	58,787	13
Bond issuance costs	-	30,699	(30,699)
Total Expenditures	3,438,658	1,107,112	2,331,546
Revenues Over Expenditures	566,742	13,251	553,491
Other Financing Sources (Uses)			
Issuance of long-term debt	-	3,119,000	(3,119,000)
Transfers out	(336,500)	(336,510)	10
Total Other Financing Sources (Uses)	(336,500)	2,782,490	(3,118,990)
Net Change In Fund Balances	\$ 230,242	2,795,741	\$ (2,565,499)
Fund Balance - Beginning of Year		<u>1,136,631</u>	
Fund Balance - End of Year		<u>\$ 3,932,372</u>	

CITY OF LIBERTY, MISSOURI

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL -
PUBLIC SAFETY SALES TAX FUND
For The Year Ended December 31, 2017**

	Final Budget	Actual	Variance With Final Budget - (Over) Under
Revenues			
Taxes	\$ -	\$ 629,438	\$ (629,438)
Total Revenues	-	629,438	(629,438)
Expenditures			
Current:			
Public safety	-	300,280	(300,280)
Total Expenditures	-	300,280	(300,280)
Revenues Under Expenditures	-	329,158	(329,158)
Net Change In Fund Balances	\$ -	329,158	\$ (329,158)
Fund Balance - Beginning of Year		-	
Fund Balance - End of Year		\$ 329,158	

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, 2017**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget - (Over) Under</u>
Revenues			
Investment earnings	\$ 150	\$ 308	\$ (158)
Miscellaneous	-	17	(17)
Expenditures			
Current:			
General government	33,430	372	33,058
Net Change In Fund Balances	<u>\$ (33,280)</u>	<u>(47)</u>	<u>\$ (33,216)</u>
Fund Balance - Beginning of Year		<u>33,270</u>	
Fund Balance - End of Year		<u>\$ 33,223</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, 2017**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget - (Over) Under</u>
Revenues			
Investment earnings	\$ 100	\$ 280	\$ (180)
Expenditures			
Current:			
Cemetery maintenance	100	280	(180)
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, 2017**

	Final Budget	Actual	Variance With Final Budget - (Over) Under
Revenues			
Investment earnings	\$ 200	\$ 316	\$ (116)
Expenditures			
Cemetery maintenance	200	316	(116)
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, 2017**

	Final Budget	Actual	Variance With Final Budget - (Over) Under
Revenues			
Investment earnings	\$ 2,000	\$ 3,479	\$ (1,479)
Miscellaneous	5,000	2,250	2,750
Total Revenues	7,000	5,729	1,271
Expenditures			
Cemetery maintenance	2,000	3,479	(1,479)
Net Change In Fund Balances	<u>\$ 5,000</u>	2,250	<u>\$ 2,750</u>
Fund Balance - Beginning of Year		<u>373,638</u>	
Fund Balance - End of Year		<u><u>\$ 375,888</u></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, 2017**

	Final Budget	Actual	Variance With Final Budget - (Over) Under
Taxes	\$ 1,929,390	\$ 1,870,032	\$ 59,358
Investment earnings	70,000	179,392	(109,392)
Total Revenues	1,999,390	2,049,424	(50,034)
Expenditures			
Current:			
General government	316,010	188,235	127,775
Public works	-	42,868	(42,868)
Public safety	8,000	-	8,000
Capital outlay	24,307,160	11,679,345	12,627,815
Debt service:			
Principal retirement	1,115,000	1,115,000	-
Interest and fiscal charges	812,310	812,942	(632)
Total Expenditures	26,558,480	13,838,390	12,720,090
Revenues Under Expenditures	(24,559,090)	(11,788,966)	(12,770,124)
Other Financing Sources			
Transfers in	430,000	430,000	-
Total Other Financing	430,000	430,000	-
Net Change In Fund Balances	<u>\$(24,129,090)</u>	<u>(11,358,966)</u>	<u>\$ (12,770,124)</u>
Fund Balance - Beginning Of Year		<u>25,839,381</u>	
Fund Balance - End Of Year		<u>\$ 14,480,415</u>	

CITY OF LIBERTY, MISSOURI

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

Page 1 Of 2

For The Year Ended December 31, 2017

	Balance January 1, 2017	Additions	Deductions	Balance December 31, 2017
Tax Escrow Fund				
Assets				
Cash and cash equivalents	\$ 3,806	\$ -	\$ -	\$ 3,806
Liabilities				
Accounts payable and accrued liabilities	\$ 3,806	\$ -	\$ -	\$ 3,806
Triangle CID Sales Tax Fund				
Assets				
Cash and cash equivalents	\$ 72,351	\$ 21,314	\$ -	\$ 93,665
Liabilities				
Due to other entities	\$ 72,351	\$ 21,314	\$ -	\$ 93,665
Preservation and Development				
Assets				
Cash and cash equivalents	\$ 17,387	\$ -	\$ 11,588	\$ 5,799
Accrued interest	30	-	14	16
Prepaid expenses	-	1,750	-	1,750
Total Assets	\$ 17,417	\$ 1,750	\$ 11,602	\$ 7,565
Liabilities				
Accounts payable and accrued liabilities	\$ 17,417	\$ 7,565	\$ 17,417	\$ 7,565
Roger's Plaza CID				
Assets				
Cash and cash equivalents	\$ 117,500	\$ 30,000	\$ -	\$ 147,500
Liabilities				
Due to other entities	\$ 117,500	\$ 30,000	\$ -	\$ 147,500
Blue Jay Crossing CID				
Assets				
Cash and cash equivalents	\$ (2,162)	\$ -	\$ 315	\$ (2,477)
Liabilities				
Due to other entities	\$ (2,162)	\$ -	\$ 315	\$ (2,477)

CITY OF LIBERTY, MISSOURI

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

Page 2 Of 2

For The Year Ended December 31, 2017

	Balance January 1, 2017	Additions	Deductions	Balance December 31, 2017
Liberty Corners CID				
Assets				
Cash and cash equivalents	\$ 41,236	\$ -	\$ 4,955	\$ 36,281
Liabilities				
Due to other entities	\$ 41,236	\$ -	\$ 4,955	\$ 36,281
Liberty Commons CID				
Assets				
Cash and cash equivalents	\$ -	\$ (385)	\$ -	\$ (385)
Special assessments receivable	-	325,186	-	325,186
Total Assets	\$ -	\$ 324,801	\$ -	\$ 324,801
Liabilities				
Due to other entities	\$ -	\$ 324,801	\$ -	\$ 324,801
Liberty Commons TDD				
Assets				
Cash and cash equivalents	\$ -	\$ (385)	\$ -	\$ (385)
Liabilities				
Due to other entities	\$ -	\$ (385)	\$ -	\$ (385)
Total				
Assets				
Cash and cash equivalents	\$ 250,118	\$ 50,544	\$ 16,858	\$ 283,804
Special assessment receivable	-	325,186	-	325,186
Accrued interest	30	-	14	16
Prepaid expenses	-	1,750	-	1,750
Total Assets	\$ 250,148	\$ 377,480	\$ 16,872	\$ 610,756
Liabilities				
Accounts payable and accrued liabilities	21,223	7,565	17,417	11,371
Due to other entities	228,925	375,730	5,270	599,385
Total Liabilities	\$ 250,148	\$ 383,295	\$ 22,687	\$ 610,756

Statistical Section

CITY OF LIBERTY, MISSOURI
Statistical Section
December 31, 2017

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.	96 - 102
Revenue Capacity	
These schedules contain information to help the reader assess the City's most significant local revenue sources, property and sales tax.	102 - 107
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.	108 - 111
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.	112 - 113
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.	114 - 118

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

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Governmental activities:										
Net Investment in capital assets										
of related debt	\$ 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	\$ 36,755,618
Restricted	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	5,455,901
Unrestricted	(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)	(40,798,594)
Total Governmental Activities Net Position	\$ 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	\$ 1,412,925
Business-type activities:										
Invested in capital assets, net										
of related debt	\$ 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	\$ 43,260,889
Restricted	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	2,566,120
Unrestricted	(3,184,583)	(2,072,707)	(1,052,848)	(817,529)	707,214	1,215,871	(920,479)	1,721,151	(4,065,499)	7,689,789
Total Business-Type Activities Net Position	\$ 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	\$ 53,516,798
Primary government:										
Invested in capital assets, net										
of related debt	\$ 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	\$ 80,016,507
Restricted	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	8,022,021
Unrestricted	(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)	(33,108,805)
Total Primary Government Net Position	\$ 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	\$ 54,929,723

CITY OF LIBERTY, MISSOURI

CHANGES IN NET POSITION

Page 1 Of 2

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Expenses:										
Governmental activities:										
General government	\$ 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	\$ 5,223,137
Community development and Improvement	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	3,947,731
Public works	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	5,644,445
Culture and recreation	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	5,888,852
Cemetery maintenance	37,104	40,370	31,920	71,061	45,600	43,454	37,175	52,078	51,281	58,493
Public safety	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	11,605,212
Interest on long-term debt	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	3,772,079
Total Governmental Activities Expenses	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	36,139,949
Business-type activities:										
Water	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	5,322,160
Sewer	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	6,189,447
Sanitation	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	1,605,176
Total Business-Type Activities Expenses	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	13,116,783
Total Primary Government Expenses	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	49,256,732
Program revenue:										
Governmental activities:										
Charges for services										
General government	370,478	485,778	416,234	570,776	416,114	467,610	655,384	199,985	584,352	5,956
Public Works	280,375	1,067,170	101,212	137,768	148,575	-	-	-	-	-
Culture and recreation	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	2,701,584
Cemetery maintenance	34,650	37,399	28,351	18,901	31,110	55,675	35,881	41,695	44,435	22,370
Public safety	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	1,967,699
Operating grants and contributions	1,481,832	414,473	359,560	229,030	-	-	-	-	-	-
General Government	-	-	-	-	8,143	17,016	303,552	427,264	232,793	197,943
Public Works	-	-	-	-	228,950	-	-	-	-	-
Culture and Recreation	-	-	-	-	101,006	212,301	210,387	222,116	242,813	257,792
Public Safety	-	-	-	-	10,761	13,687	13,712	7,729	16,752	14,464
Capital grants and contributions	762,267	2,452,265	2,069,324	417,785	2,683,237	1,130,664	900,480	319,606	328,678	444,576
Total Governmental Activities Program Revenue	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	5,612,384
Business-type activities:										
Charges for services:										
Water	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	5,400,127
Sewer	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	8,632,213
Sanitation	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	1,670,435
Capital grants and contributions:										
Water	116,611	269,563	68,998	80,113	387,731	276,174	31,348	59,305	757	304,615
Sewer	100,026	205,251	-	89,912	248,825	334,925	43,972	195,228	372,333	258,798
Total Business-Type Activities Program Revenues	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	16,266,188
Total Primary Government Program Revenues	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	21,878,572
Net (expense) revenue:										
Governmental activities	(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)	(30,527,565)
Business-type activities	(795,490)	65,841	815,124	434,226	1,928,980	1,942,503	792,893	(794,405)	(179,704)	3,149,405
Total Primary Government Net Expense	(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)	(27,378,160)

CITY OF LIBERTY, MISSOURI

CHANGES IN NET POSITION

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	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
General revenues and other changes										
in net assets:										
Governmental activities:										
Taxes:										
Property taxes	\$ 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	\$ 6,201,587
Franchise taxes	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	3,466,868
Sales taxes	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	17,666,243
Other taxes	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	1,458,358
Investment earnings	433,980	157,135	59,471	47,348	51,651	212,866	72,043	81,731	230,266	307,153
Miscellaneous	740,686	590,848	725,288	687,515	679,995	725,523	729,515	869,258	1,115,913	1,555,418
Transfers	-	(676,467)	-	-	-	-	-	-	-	-
Total Governmental Activities	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	30,655,627
Business-type activities:										
Investment earnings	338,239	244,619	190,170	180,075	167,902	162,017	158,569	152,792	160,012	202,157
Miscellaneous	3,019	-	-	-	1,000	17,943	38,387	6,649	268,702	87,080
Transfers	-	676,467	-	-	-	-	-	-	-	-
Total Business-Type Activities	341,258	921,086	190,170	180,075	168,902	179,960	196,956	159,441	428,714	289,237
Total Primary Government	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	30,944,864
Changes in net assets:										
Governmental activities	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)	128,062
Business-type activities	(454,232)	986,927	1,005,294	614,301	2,097,882	2,122,463	989,849	(634,964)	249,010	3,438,642
Total Primary Government	\$ 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)	\$ 3,566,704

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

Function / Program	Fiscal Year									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Governmental activities:										
General government	\$ 385,191	\$ 508,981	\$ 422,156	\$ 570,996	\$ 416,114	\$ 467,610	\$ 958,936	\$ 627,249	\$ 817,145	\$ 203,899
Community development and improvement	946,629	—	—	—	—	—	—	—	—	—
Public works	1,322,205	3,753,085	2,404,186	649,462	148,575	-	900,480	319,606	328,678	444,576
Culture and recreation	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	2,959,376
Cemetery maintenance	34,650	37,399	28,351	18,901	31,110	55,675	35,881	41,695	44,435	22,370
Public safety	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	1,982,165
Total Governmental Activities	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	5,612,386
Business-type activities:										
Water	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	5,704,742
Sewer	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	8,891,011
Sanitation	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	1,670,435
Total Business-Type Activities	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	16,266,188
Total Government	\$ 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	\$ 21,878,574

CITY OF LIBERTY, MISSOURI
FUND BALANCES, GOVERNMENTAL FUNDS

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
General Fund:										
Reserved	\$ 402,214	\$ 410,559	\$ 689,406	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	2,243,914	2,055,644	2,497,862	-	-	-	-	-	-	-
Nonspendable	-	-	-	480,371	377,301	456,208	538,830	548,017	475,874	602,864
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	2,776,068
Total General Fund	\$ 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	\$ 3,378,932
All Other Governmental Funds:										
Reserved	\$ 7,335,807	\$ 9,287,943	\$ 4,379,751	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved, reported in:										
Special revenue funds	414,893	(197,996)	137,393	-	-	-	-	-	-	-
Capital projects funds	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	107,813
Permanent fund principal	-	-	-	406,977	412,477	420,533	427,493	433,568	437,393	439,643
Restricted for										
Parks and Recreation	-	-	-	496,485	749,885	747,039	1,157,575	2,201,605	2,108,073	1,120,855
Capital projects funds	-	-	-	4,129,933	9,309,726	10,260,396	7,799,241	36,366,122	29,999,312	18,232,468
Transportation projects	-	-	-	489,539	1,382,576	5,663,166	1,062,662	934,973	780,698	944,536
Public Safety	-	-	-	336,693	480,403	622,555	3,508,795	1,165,482	1,136,631	4,261,530
Debt Service	-	-	-	3,927,265	4,603,767	5,002,339	5,019,769	22,455,613	10,058,655	8,254,223
Cemetery	-	-	-	70,999	75,083	88,917	89,551	72,637	53,080	11,771
Law Enforcement	-	-	-	31,857	35,720	25,531	21,497	4,881	4,828	6,912
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	174,847
Unassigned	-	-	-	3,668,127	3,905,515	-	(37,740)	(19,028)	(9,028)	-
Total All Other Governmental Funds	\$ 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	\$ 33,554,598

CITY OF LIBERTY, MISSOURI

CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS

Page 1 Of 2

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Revenues:										
Taxes	\$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	\$ 28,793,056
Intergovernmental	2,244,099	1,552,867	2,519,143	671,815	3,216,205	1,373,668	1,428,131	976,715	821,036	914,775
Licenses and permits	370,478	389,111	316,961	443,914	270,115	318,505	394,857	339,462	509,749	4,516,670
Charges for services	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	503,727
Investment earnings	433,980	157,135	59,471	47,348	51,651	50,849	72,043	81,731	230,266	307,153
Lease	1,158,108	863,059	862,023	303,771	198,744	—	—	—	—	—
Reimbursement of services provided	—	—	—	—	—	—	—	—	—	—
Fines and forfeitures	—	—	—	—	—	—	—	—	—	—
Contributions	—	—	—	—	—	—	—	—	—	—
Interest	—	—	—	—	—	—	—	—	—	—
Special assessments	—	—	—	—	—	—	—	—	—	—
Miscellaneous	849,147	686,123	803,330	835,292	772,620	707,580	729,515	824,547	1,115,913	970,185
Total Revenues	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	36,005,566
Expenditures:										
General government	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	4,686,884
Community development and improvement	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	3,864,769
Public works	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	3,170,423
Culture and recreation	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	5,031,351
Cemetery maintenance	37,104	40,370	31,920	30,617	36,687	43,454	37,175	52,078	51,281	58,493
Public safety	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	10,618,366
Highway and streets	—	—	—	—	—	—	—	—	—	—
Sanitation	—	—	—	—	—	—	—	—	—	—
City wide programs	—	—	—	—	—	—	—	—	—	—
Capital outlay	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	15,602,242
Debt service:	—	—	—	—	—	—	—	—	—	—
Principal	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	4,855,799
Bond issuance costs	—	—	229,126	—	—	104,197	14,111	2,274,248	—	52,501
Interest	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	3,890,887
Payment to refunding bond escrow agent	—	—	—	—	—	—	—	500,013	—	—
Total Expenditures	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	51,831,715
Excess Of Revenues Under Expenditures	(1,576,713)	(90,206)	(6,302,458)	(94,538)	(551,984)	(2,163,136)	(6,883,545)	(26,926,287)	(19,752,413)	(15,826,149)

CITY OF LIBERTY, MISSOURI

CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS

Page 2 Of 2

	Fiscal Year									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Other financing sources (uses):										
Transfers in	\$ 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	\$ 1,903,828
Transfers out	(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)	(1,903,828)
Issuance of long-term debt	—	—	8,105,000	—	10,230,000	8,644,690	—	74,805,312	—	3,830,000
Discount on debt issuance	—	—	(15,469)	—	—	—	—	—	—	—
Premium on debt issuance	—	—	—	—	658,963	256,290	—	—	—	—
Issuance of refunding debt	—	—	—	—	—	—	—	—	—	1,565,000
Payment to refunded bond escrow agent	—	—	(2,111,400)	—	(4,613,824)	—	(1,073,780)	(4,435,000)	—	(1,565,000)
Insurance recoveries	—	—	—	—	—	—	—	—	—	585,113
Proceeds from capital leases	—	—	—	—	—	—	2,780,000	395,368	349,033	441,449
Capital contributions	—	—	530,687	720,456	1,571,160	—	—	—	—	—
Total Other Financing Sources (Uses)	—	(676,467)	6,508,818	720,456	7,846,299	8,900,980	1,706,220	70,765,680	349,033	4,856,562
Net Changes In Fund Balance	(1,576,713)	(766,673)	206,360	625,918	7,294,315	6,737,844	(5,177,325)	43,839,393	(19,403,380)	(10,969,587)
Fund balances (deficits), beginning of year	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	47,903,117
Fund balances (deficits), end of year	\$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	\$ 36,933,530
Debt service as a percentage of noncapital expenditures	17.46%	17.51%	17.99%	18.50%	10.99%	16.26%	17.30%	9.99%	21.78%	24.14%

CITY OF LIBERTY, MISSOURI

TAX REVENUES BY SOURCE, GOVERNMENTAL FUNDS

Fiscal Year	Property	Local Option Sales Tax	Franchise Fees	Other Tax	Total
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
2017	6,526,773	18,039,385	3,466,868	1,458,358	29,491,384
Change					
2008-2017	31.38%	117.01%	-19.88%	5.23%	55.27%

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
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
2017	293,314,330	1,543,759,632	5,914,667	316,257,969	293,375,458	52,528,578	13,061,621	513,160,021	2.1%	2,224,897,924	23.06%	0.9640

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
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
2017	0.8196	0.1444	—	0.9640	6.4550	0.9255	0.1480	0.0300	8.5225

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	2017			2008		
	Taxable Assessed Value	Rank	Percentage Of Total City Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage Of Total City Taxable Assessed Value
Legacy Liberty LLC	\$ 6,336,390	1	1.23%	—	—	—
Hallmark Cards	5,176,900	2	1.01%	11,147,710	1	2.27%
Star Development	2,855,850	3	0.56%	3,280,596	5	0.67%
Lowe's Home Centers, Inc.	2,227,520	4	0.43%	3,488,653	4	0.71%
Hy-Vee Food Stores, Inc.	2,217,370	5	0.43%	—	—	—
Centro Bradley SPE 5 LLC	2,014,400	6	0.39%	2,338,340	6	0.48%
LTD Enterprises, LLC	1,801,030	7	0.35%	—	—	—
LSC Communications MM LLC	1,457,790	8	0.28%	—	—	—
Rogers Sporting Goods Realty LLC	1,442,530	9	0.28%	—	—	—
Amber Meadows HH LLC	1,270,500	10	0.25%	—	—	—
RR Donnelley	—	—	—	8,889,453	2	1.81%
Stone Container Corporation	—	—	—	3,869,462	3	0.79%
Metals USA Specialty	—	—	—	1,798,685	7	0.37%
Monmouth Real Estate Inv	—	—	—	1,708,420	8	0.35%
Continental Disc Corporation	—	—	—	1,546,069	9	0.31%
S&D Holding	—	—	—	1,497,434	10	0.30%
Total	\$ 26,800,280		5.22%	\$ 39,564,822		8.05%

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
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%	418,687	4,618,504	102.81%
2013	4,470,089	170,416	3.81%	4,329,271	4,499,687	100.66%
2014	4,491,096	326,153	7.26%	4,206,971	4,533,124	100.94%
2015	4,530,039	161,404	3.56%	4,365,282	4,526,686	99.93%
2016	4,530,039	223,215	4.93%	4,130,432	4,353,647	96.11%
2017	4,751,282	462,379	9.73%	-	462,379	9.73%

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				
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	
2017	22,667,460	1.02%	731	5,414	3,086,704	-	51,800,000	—	81,877,996	4,300,000	193,826	163,931,400	16.77%	5,283	

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	153,860,000	57.58%	88,592,644
Clay County	—	0.00%	—
Subtotal, Overlapping Debt			
City Direct Debt	99,002,290	100.00%	99,002,290
Bond Premiums	845,118	100.00%	845,118
Bond Discounts	(267,830)	100.00%	<u>(267,830)</u>
Total Direct And Overlapping Debt			<u><u>\$ 188,172,222</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 06/30/2017

CITY OF LIBERTY, MISSOURI
LEGAL DEBT MARGIN INFORMATION

Legal Debt Margin Calculation for Fiscal Year 2017

Assessed value	\$ 513,160,021
Debt limit (20% of assessed value)	<u>102,632,004</u>
City Debt applicable to debt limit:	
General obligation bonds	\$ 22,020,000
Special assessment bonds	22,090,172
Less-amount available debt service fund, Special Assessment Neighborhood Improvement Fund	<u>-</u>
Total net debt applicable to limit	<u>44,110,172</u>
Legal debt margin	<u><u>\$ 58,521,832</u></u>

		2008		2009		2010		2011		2012		2013		2014		2015		2016		2017
Debt limit	\$	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	\$	102,632,004
Total net debt applicable to limit		<u>13,360,000</u>		<u>11,970,000</u>		<u>10,969,345</u>		<u>6,799,767</u>		<u>14,095,000</u>		<u>20,799,690</u>		<u>18,605,410</u>		<u>9,575,826</u>		<u>54,615,129</u>		<u>58,521,832</u>
Legal debt margin	\$	<u>71,616,817</u>	\$	<u>72,617,251</u>	\$	<u>83,190,260</u>	\$	<u>86,406,613</u>	\$	<u>79,111,380</u>	\$	<u>70,663,814</u>	\$	<u>73,633,835</u>	\$	<u>86,526,920</u>	\$	<u>42,988,430</u>	\$	<u>44,110,172</u>
Total Net Debt Applicable To The Limit As A Percentage Of Debt Limit		18.65%		16.48%		13.19%		7.87%		17.82%		29.43%		25.27%		11.07%		127.05%		132.67%

Source: City records

CITY OF LIBERTY, MISSOURI
PLEDGED REVENUE COVERAGE

Waterworks and Sewer System Bonds							
Fiscal Year	Operating Revenue (1)	Operating Expenses (2)	Net Revenues Available For Debt Services	Debt Service		Total Debt Payments	Coverage
				Principal	Interest		
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
2017	14,321,013	7,531,091	6,789,922	740,000	119,676	859,676	7.90

(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⁾
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%
2017	31,507	977,630,703	31,029	37.2	12,500	3.7%

Sources:

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

CITY OF LIBERTY, MISSOURI

PRINCIPAL EMPLOYERS

Employer	2017			2008		
	Employees	Rank	Percentage Of Total County Employment	Employees	Rank	Percentage Of Total County Employment
Liberty Hospital	1,600	1	1.59%	1,155	1	1.06%
Liberty School District	1,480	2	1.47%	1,060	2	0.98%
Hallmark Cards	820	3	0.82%	990	3	0.91%
LMV	630	4	0.63%	—	—	—
Clay County	350	5	0.35%	520	4	0.48%
RR Donnelley	350	6	0.35%	400	5	0.37%
City of Liberty	325	7	0.32%	216	8	0.20%
HyVee	320	8	0.32%	—	—	—
Ferrellgas	265	9	0.26%	259	7	0.24%
Ford Stamping Plant	255	10	0.25%	—	—	—
Smurfit	—	—	—	163	10	0.15%
Continental Disc	—	—	—	171	9	0.16%
William Jewell	—	—	—	262	6	0.24%
	6,395		6.36%	5,196		4.78%

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									
	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
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	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
Marketing & Special Events Supervisor	1	—	—	—	—	—	—	—	—	—
Communication/Public Relations Specialist	—	1	1	1	1	1	—	—	—	—
Animal Control Officer	3	2	2	—	—	—	—	—	—	—
Animal Shelter Attendant	—	1	0.5	—	—	—	—	—	—	—
Executive Assistant	—	—	—	—	—	—	—	—	—	1
Court Administrator	1	1	1	1	1	1	1	1	1	1
Municipal Court Technician	2	2	2	2	2	2	2	2	2	1
Assistant to the City Administrator	—	1	1	1	1	1	1	1	1	1
Administrative Assistant	1	1	0.5	—	—	2	2	2	2	—
Economic & Business Development Mgr	1	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
Information Systems Specialist II	2	1	1	2	1	1	1	1	1	1
Information Systems Specialist I	2	1.5	1	1	2	2	—	—	—	—
Information Security Officer	1	1	1	—	—	—	—	—	—	—
Senior Information System Specialist	1	1	1	2	—	—	—	—	—	—
GIS Specialist II	1	1	1	1	1	1	1	1	1	1
GIS Specialist III	1	1	1	1	—	—	—	—	—	—
Human Resources										
Human Resources Director	1	1	1	1	1	1	1	1	1	1
Asst Director HR & Risk Mgmt	1	—	—	—	—	—	—	—	—	—
Human Resources Manager	—	1	1	—	—	—	—	—	—	—
Human Resources Coordinator	—	—	—	1	1	1	—	—	—	1
Administrative Assistant	—	—	—	—	—	—	1	1	1	1
Finance										
Finance Director/Assistant City Administrator	1	1	1	1	1	1	1	1	1	1
Finance Manager	—	—	—	—	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	3	4	4	4	4	4	4	3
Lead Finance Technician	—	1	1	—	—	—	—	—	—	—
Finance Assistant	—	—	—	—	—	—	—	—	—	1
Receptionist	—	—	—	—	—	—	—	—	—	1
Accountant	—	1	1	1	1	1	1	1	1	—
Meter Service Technician	2	2	2	2	1	1	1	1	1	1
Lead Meter Technician	1	1	1	1	1	1	1	1	1	1
Accounts Payable Specialist	1	—	—	—	—	—	—	—	—	—
Accounting Manager	2	1	1	1	1	1	1	1	1	1
Administrative Assistant	—	—	—	—	—	—	—	—	—	1
Office Supervisor	1	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
Administrative Assistant	0.5	0.5	0.5	0.5	0.5	1	1	1	1	1
Assisnant 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									
	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Fire (Continued)										
Training Officer	—	—	—	—	—	—	—	—	—	1
Fire Captain	9	9	9	9	9	9	9	9	9	9
Division Chief-Fire Marshal	1	1	1	1	1	—	—	—	—	—
Division Chief-Training	1	1	1	1	1	—	—	—	—	—
Firefighter/Paramedic	24	21	28	24	24	24	22	22	22	23
Firefighter/EMT	12	12	8	12	9	9	9	9	9	10
Fire Prevention Officer	—	—	—	—	—	1	1	1	1	1
Aging Services										
Administrative Assistant	1	1	1	1	1	1	—	—	—	—
Bus Driver	1	1	1	1	1	1	—	—	—	—
Recreation Program Coordinator	2	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
Evidence & Property Technician	—	0.5	0.5	0.5	—	—	—	—	—	—
Police Captain	2	2	2	2	2	1	1	1	1	1
Police Lieutenant	2	2	2	2	2	4	4	4	4	5
Police Sergeant	6	6	6	6	6	6	6	6	6	4
Police Corporal	4	4	4	4	4	4	4	4	4	3
Police Officer	25	25	25	25	25	25	23	23	23	24
Communications Supervisor	1	1	1	1	1	1	1	1	1	1
Communications Officer	9	9	9	9	9	8	8	8	8	9
Animal Control Officer	—	—	—	2	2	2	2	2	2	2
Animal Control Shelter Attendant	—	—	—	0.5	0.5	—	—	—	—	—
Parking Control Officer	0.5	0.5	—	—	—	—	—	—	—	1
Administrative Assistant	0.5	0.5	1	0.5	0.5	—	—	1	1	1
Support Services Supervisor	1	1	1	1	1	1	—	—	—	—
Records Technician	3	3	3	3	3	3	3	3	3	3
Public Works										
Public Works Director	1	1	1	1	1	1	1	1	1	1
City Engineer/Assistant Public Works Director	1	1	1	1	1	1	1	1	1	1
Facilities Management Supervisor	1	1	1	1	1	1	2	—	—	—
Capital Review Engineer	1	1	1	1	1	1	1	1	1	2
Public Works Operations Manager	—	1	1	1	1	1	1	1	1	1
Senior Engineering Technician	—	—	—	—	—	—	—	—	—	—
Engineering Technician	—	—	—	—	—	—	—	—	—	—
Senior Project Inspector	—	1	1	2	2	2	2	2	2	2
Project Inspector	2	1	1	—	—	—	1	1	1	1
Building Maintenance Technician	—	—	—	—	1	1	2	2	2	2
Administrative Assistant	1	2	2	2	2	2	2	2	2	2
Public Works Crew Chief	2	2	2	—	—	—	—	—	—	—
Public Works Maintenance Worker I	6	—	—	7	7	7	6	6	6	10
Public Works Maintenance Supervisor	1	—	—	—	—	—	—	—	—	2
Public Works Maintenance Worker II	4	9	9	5	5	5	9	9	9	6
Mechanic I	1	1	1	—	—	—	—	—	—	—
Mechanic II	—	—	—	—	—	—	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									
	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
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
Assistant Director	—	1	1	1	1	1	1	1	1	2
City Planner	1	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	1
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	1	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	4	2	2	3	3	3	2	2	2	3
Recreation Supervisor	1	—	—	—	—	—	—	—	—	—
Parks Crew Chief	2	1	1	2	2	2	3	3	3	2
Maintenance Supervisor	—	1	1	—	—	—	—	—	—	—
Parks Maintenance Worker II	1	3	3	3	3	3	3	3	3	4
Parks Maintenance Worker I	4	1	1	—	—	—	4	4	4	4
Events Coordinator	—	—	—	1	1	1	—	—	—	—
Horticulturist	1	1	1	1	1	1	—	—	—	—
Administrative Assistant	—	—	—	—	—	—	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	2	1	1	2	2	2	2
Community Center Manager	1	1	1	1	1	1	1	1	1	1
Special Projects Manager	1	—	—	—	—	—	—	—	—	—
Senior Recreation Coordinator	1	3	3	3	3	3	3	3	3	3
Facilities & Care Team 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
Custodian	—	—	—	—	—	—	1	1	1	2
Building Maintenance Technician	2	1	1	1	1	1	1	1	1	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
Mechanic	1	1	1	1	1	1	—	—	—	—
Mechanical Systems Specialist	—	—	—	1	1	1	—	—	—	—
Bus Driver	—	—	—	—	—	—	1	1	1	2
Senior Center Technician	—	—	—	—	—	—	1	1	1	1
Parks Supervisor	2	2	2	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	1	—	—	—	—
Construction Manager-Water Distribution	1	1	1	1	1	1	—	—	—	—
Construction Worker I	1	1	1	1	1	2	—	—	—	—
Construction Worker II (New Position)	1	1	1	—	—	—	—	—	—	—
Crew Chief	—	—	—	2	2	2	—	—	—	—
Collection Manager (Previous Crew Chief)	1	1	1	—	—	—	—	—	—	—
Collection Worker I (Previous Maintenance Worker I)	5	3	3	—	—	—	—	—	—	—
Collection Worker II (Previous Maintenance Worker II)	1	1	1	—	—	—	—	—	—	—
Collection Maintenance I	1	—	—	—	—	—	—	—	—	—
Distribution Manager (Previous Crew Chief)	1	1	1	—	—	—	—	—	—	—
Distribution Worker I (Previous Maintenance Worker I)	5	5	5	—	—	—	—	—	—	—
Distribution Worker II (Previous Maintenance Worker II)	2	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	—	—	—	—
WWTP-IPP Coordinator	1	—	—	—	—	—	—	—	—	—
Production Manager	—	1	1	—	—	—	—	—	—	—
Production Technician	—	6	6	—	—	—	—	—	—	—
Treatment Manager (New Position)	2	1	1	—	—	—	—	—	—	—
Treatment Technician (New Position)	7	2	2	—	—	—	—	—	—	—
Treatment Director	1	—	—	—	—	—	—	—	—	—
Utilities Director	1	1	1	1	1	1	—	—	—	—
Utilities Assistant Director Production & Treatment	1	1	1	1	1	1	—	—	—	—
Utilities Assistant Director Operations & Construction	1	1	1	1	1	1	—	—	—	—
Totals City-Wide	244	237	237	231	226	228	201	199	199	216

Source: City records

CITY OF LIBERTY, MISSOURI
OPERATING INDICATORS BY FUNCTION/PROGRAM

Function/Program	Calendar Year									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Police:										
Calls for service	33,925	37,613	33,333	30,441	30,210	31,540	29,594	26,815	31,324	26,556
Adult arrest	1,493	1,331	746	1,514	1,897	471	467	1,138	888	741
Speeding citations only	2,303	2,066	1,760	1,710	1,768	1,443	1,359	955	622	132
Traffic citations	5,223	5,361	5,975	5,620	5,012	4,923	5,307	4,672	2,823	3,634
Fire:										
Total fire runs	3,134	2,897	3,366	3,338	894	3,338	3,265	3,330	3,358	3,997
Total rescue runs	3,235	3,138	3,299	3,232	3,380	2,898	2,847	2,896	2,817	3,034
Property loss	637,250	436,300	250,100	452,250	670,100	250,500	699,200	4,152,500	887,000	663,400
Property saved	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	2,611,300
Building permits:										
Commercial:										
Total building permits	17	8	2	5	31	4	9	11	18	16
Total value all permits	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	60,126,964
Residential:										
Total building permits	36	11	15	17	12	39	30	24	42	55
Total value all permits	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	18,555,027
Parks and Recreation:										
Recreation program attendance	13,239	1,733	3,794	3,511	3,827	4,564				
Sports	**	**	**	**	**	**	5,065	6,443	5,366	4,399
Community Programs	**	**	**	**	**	**	817	271	-	3,342
Camps	**	**	**	**	**	**	**	**	381	810
Aquatics program attendance	2,163	3,919	4,340	3,839	3,119	2,244	2,481	3,315	2,733	3,045
Fitness	**	**	**	**	**	**	3,371	3,591	-	38,471
Community Center Memberships	23,384	22,138	17,513	2,496	17,669	4,411	4,484	4,620	5,196	5,642
Rentals	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	265
# of Hours	**	**	**	**	**	**	2,133	2,099	2,540	2,250
Street trees maintained (1)	700	625	430	675	700	700	680	1,810	280	1,022

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	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Transfers Out	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
Major Roadway	—	—	—	—	—	—	—	—	—	—
Public Safety	—	—	—	—	—	—	—	—	—	—
Debt Service/Lease Payments	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	\$1,522,696
Street and Major Roadway Improvements	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	254,845	81,846	33,456	26,909	275,685	205,599	56,822	404,472	553,786	244,362
Parks & Recreation	—	—	—	—	—	—	—	—	—	—
Capital Equipment	615,659	585,419	3,068,026	432,283	598,365	692,643	363,226	708,041	818,809	837,262
Fire Equipment	11,437	5,610	5,750	20,875	5,112	4,710	—	1,906,893	82,353	36,683
Sports Complex Construction	—	—	—	—	—	—	—	—	—	—
Neighborhood Improvements	510,512	8,274	60,101	317,918	364,524	123,339	420,015	—	—	—
Water System Upgrades	—	—	182,431	82,345	758,171	1,266,184	990,939	490,970	910,107	437,010
Sewer System Upgrades	—	—	1,234	9,947	174,567	1,066,823	319,556	741,859	381,072	258,513
WasteWater System	—	—	—	—	—	—	2,380,590	16,534,500	50,728,915	6,933,767

Source: City records