



CITY OF LIBERTY, MISSOURI

Comprehensive Annual Financial Report
For The Year Ended December 31, 2019

CITY OF LIBERTY, MISSOURI
COMPREHENSIVE ANNUAL
FINANCIAL REPORT
FOR THE YEAR ENDED DECEMBER 31, 2019



*Report prepared and submitted by the
Department of Finance*

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Introductory Section



June 26, 2020

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, 2019, 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, by providing a more welcoming and pedestrian friendly atmosphere.

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.

Single family residential lots continue to be approved and constructed. Several new subdivisions have completed the necessary public improvements, subdivided into lots, and have begun building new single family homes. Homestead of Liberty, a new residential subdivision is under construction and has added 126 lots to the southern portion of town. Homestead Hills, with 121 single family lots was approved for the area south of Homestead is currently under construction. Riverwood, an infill site off of Conistor Street, has 22 maintenance provided lots. Timber Ridge is an in-fill project with 13 mission/craftsman style homes; Creekwood is a 12 lot continuation of an existing TND style neighborhood. Lillian Hills, is adding 35 single family homes as an extension of the Liberty Manor subdivision. At the end of 2018, the City Council approved a rezoning to allow a new 52 lot subdivision, Ella's Crossing, on the east portion of town near William Jewell College. All five of these subdivision projects are currently under construction.

Multi-family projects continue to add a diversity of housing options to our community. Construction is complete on a 292 unit luxury apartment complex close to 291 Highway and a 48 unit senior housing project along Lightburne Road. And construction has begun on a 153 unit senior living community on Wither's and Kent. 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 and a health center to serve those residents and community. The residential components include a four-story long term and short term skilled nursing facility, a six-story assistant living building with dedicated space for memory care units and a two-story Healthy Living Community Center.

In 2017, the community experienced a growth in Retail Development. Initiated in earlier years through a tax incremental financing plan, the City has four 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 complex owned by B&B Theaters. B & B Theaters is relocating from an older shopping center within the community. 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 completed in 2018 with over 98% leased; the complex is forecasted to generate \$65M in new retails sales for the City. Further, North Haven Center, a newly created 7.5 acre commercial center on 291 Highway, gained approval in 2015 for 3 hotels, all of which are under construction and anticipated to be open in 2020.

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; since then the plant has expanded twice including a 40,000 sq ft addition and a 357,000 sq ft addition that is now under construction. LMV Automotive Systems, a supplier to Ford, has also completed construction on their 212,000 square foot facility and completed a 250,000 square foot expansion to accommodate a GM auto supply contract. Holland, unfortunately, moved to another location; however the building has since been leased to Dakota Bodies. Dakota Bodies is an assembler of box add-ons to work trucks. An additional 400 jobs are expected to come to the Liberty Hallmark Distribution center as a result of consolidation. Combined, these plants will provide a total of 1,300 new jobs to the City.

The City's first speculative industrial project is now under construction. Over 900,000 sq ft within three industrial buildings is located in the southern part of the City at 69 Hwy and South Liberty Parkway. The development also includes approximately 28,000 sq ft of retail space.

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 \$1.5 million investment in the commercial area and over \$ 1.6 million 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 are the Public Utilities/Facilities Plan, which identifies the system requirements for sanitary sewer, water distribution and fire protection services and a Street Master Plan which identifies the roadway network for future development activity. The City recently finalized the Parks and Recreation Trail System Plan.

Long-Term Financial Planning

Fiscal Year 2019 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, Sales Tax and Use Tax categories. This has allowed the City to provide modest employee adjustments, which is a positive occurrence. However, as of the date of this transmittal letter, the City is living amongst unprecedented times regarding the Novel Covid-19 Pandemic. City staff has put a lot of focus and effort into what the nationwide shut down looks like for Liberty. In mid-March, City staff began looking at all revenue generating accounts and made an initial 9.1% overall decrease in forecasted revenues when compared to what was originally budgeted for 2020. As we continue to navigate through 2020, staff will continue to focus efforts on revenues and expenditures and continue to be focused on cost containment and sustainability 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.

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. To help combat this problem, Liberty voters approved a ½-cent Public Safety Sales Tax in April of 2017. In 2019, the Public Safety Sales Tax (PSST) generated \$2.7 million and supported \$2.1 million in salary and non-salary expenditures within the public safety divisions. In 2016, the City made the commitment to maintain its historical 2016 expenditure base for Public Safety current salaries; this is a commitment that the city will continue to maintain in future years.

Franchise Fee revenues are considered one of the Big 3 revenue producers for Liberty. In 2019, the City saw a slight increase in revenues when compared to what was forecasted for 2019. When comparing 2019 franchise fee revenues to the franchise fee revenue received in 2018, the City saw a \$0.228 million decrease. The City continues to experience declines with in the Telephone (landline), Cable TV (more people streaming shows) and Cell phone (primarily shift from voice and text to more data usage) franchise fees. This is a concern that will continue to be monitored by city staff in 2020 and years beyond.

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. It appears that 2019 court revenues began leveling out for the first time since the 2015 changes were implemented. The City will continue to make adjustments for these State mandates in future years and have been accounted for in the 2020 budget.

In 2018, the City sought voter approval on the implementation of a Use Tax at the rate of Liberty current City Sales Tax Rate of 3.375%. The Use Tax appeared on the ballot in April 2018 and Liberty voters approved the tax with 70% of voters voting yes. Year end 2019, marked the first full year of collection for the Use Tax and for 2019 it generated \$2.1 million in revenue. City staff took a more conservative approach for 2020 and forecasted the Use Tax generating about \$2.0 million in revenue. The revenues generated from the Use Tax are used to help pay for a brand new; state of the art animal

shelter. The new shelter has a building footprint projected to be 7,297 square feet. Our current shelter is 1,245 square feet. Building a larger facility will allow for several amenities for citizens to enjoy; but most importantly it will allow for an increase in adoptions and will provide an enriching/safe environment for all animals housed within the shelter. The total cost for this shelter is projected to be \$2.66M. The shelter is projected to be complete by August 2020.

Along with the animal shelter project, the Liberty Parks and Recreation department is planning multiple projects associated with the Use Tax in an estimated amount of \$3.5 million. The areas identified with these dollars are; Liberty City Park - \$2 million, Liberty Community Center - \$700,000 and 10 Neighborhood Parks - \$800,000. The Liberty City Park project will include an inclusive playground, splash pad, restrooms, trails, parking lots, shelters, along with infrastructure associated with such projects. The Liberty Community Center project will include a new indoor/outdoor fitness space, a family restroom, and outdoor pool zip line. The 10 Neighborhood Parks will be upgraded based on the neighbor's feedback during the neighborhood meetings. Some examples of these projects include; shade structure, pour-in-place surfacing, swings, playgrounds, water fountains, pickle ball courts, and new park signs.

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 2019 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 2020.

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 2019 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 2019, Staff and the Budget Committee began working updating the debt management policy. The updated debt management policy will be implemented in early 2020. Staff and Budget Committee will continue working on and revising the current investment policy 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. 2019 witnessed the near completion of the reconstruction of the I35/Kansas

Street/M291 corridor and marks the third major reconstruction and improvements of interchanges that access Interstate I35. The M291/I35 project was completed in 2013 and the Pleasant Valley Interchange project was completed in 2017. The projects have improved the connectivity of Liberty to Interstate 35 and allow for additional traffic that will accompany additional development.

In 2018, available funds in the Economic Development Sales Tax Fund were used to finalize South Liberty Parkway Phase II. This project was completed and South Liberty Parkway Phase II was opened in September 2018. Now that this project is complete, 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.

In 2019, these partnerships continued with the construction commencement and significant completion of the I35/Kansas Street/M291 corridor. This project was approved in 2018 and construction began in April of 2019. The Kansas Street Project is estimated to cost \$27.4M in which the City is responsible for paying \$5.8M of these costs. These costs will be paid for through the Economic Development Sales Tax Fund. MODOT is paying \$14.1M and \$1.5M coming from the City of Kansas City. The remaining \$6.0M is coming from grant (STP) funds received from MARC. This project is a MODOT managed project and is projected to be complete by August 2020.

As with every year, a significant amount of time was spent completing the 2019 Water and Sewer Fund budgets. Several years back the City Council decided 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.

In November 2013, the City secured voter approval of the construction of our own Wastewater Treatment Facility. Citizens of Liberty 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 fully operational treating all Liberty wastewater with the exception of a few homes. In 2019, Liberty paid \$144,000 to the City of Kansas City for the areas not treated by Liberty.

In 2019, the City had roughly \$1.5M in wastewater treatment expenses and \$2.5M in financing costs related to the sewer treatment plant construction, when comparing this to 2016, while the City of Kansas City was still treating Liberty's wastewater; Liberty would spend close to \$5.9M in wastewater treatment expenses. With the opening of the Liberty owned and operated waste water treatment plant in 2017 the City has seen substantial savings in annual expenses.

The City initiated the implementation phase of an Automated Meter Infrastructure (AMI) project in 2019 with the end goal to replace outdated water meter infrastructure in the distribution system. AMI will provide the ability to remotely read meters and eliminate human error and estimations. The City completed the installation of radio communication infrastructure necessary to communicate with the automated meters and installation of 2,153 automated meters in 2019. This total cost for the AMI project is estimated to be \$4.5M, which was borrowed with Special Obligation Bonds in 2018, and will be split between water and sewer funds. The project is expected to be completed in 2020.

Efficiency and effectiveness are two key measures utilized by the Utilities Department to improve operations. A feasibility study was completed in 2018 that verified that utilization of hydrated lime in lieu of quicklime would improve the water softening process at the water treatment plant. A design contract was executed in 2019 with an engineering firm to complete construction documents for the replacement of the existing lime silo with a new lime silo that will provide redundant hydrated lime feed capabilities. The project will be bid and constructed in 2020 and is expected to cost \$530,000.

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, 2019. 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, 2018. The Certificate of Achievement of Excellence in Financial Reporting recognizes conformance with the highest standards for preparation of state and local government financial reports.

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

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

Acknowledgments

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

Respectfully submitted,



Vicki McClure
Assistant Finance Director



Dan Estes
Assistant City Administrator/Finance Director



Government Finance Officers Association

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

Presented to

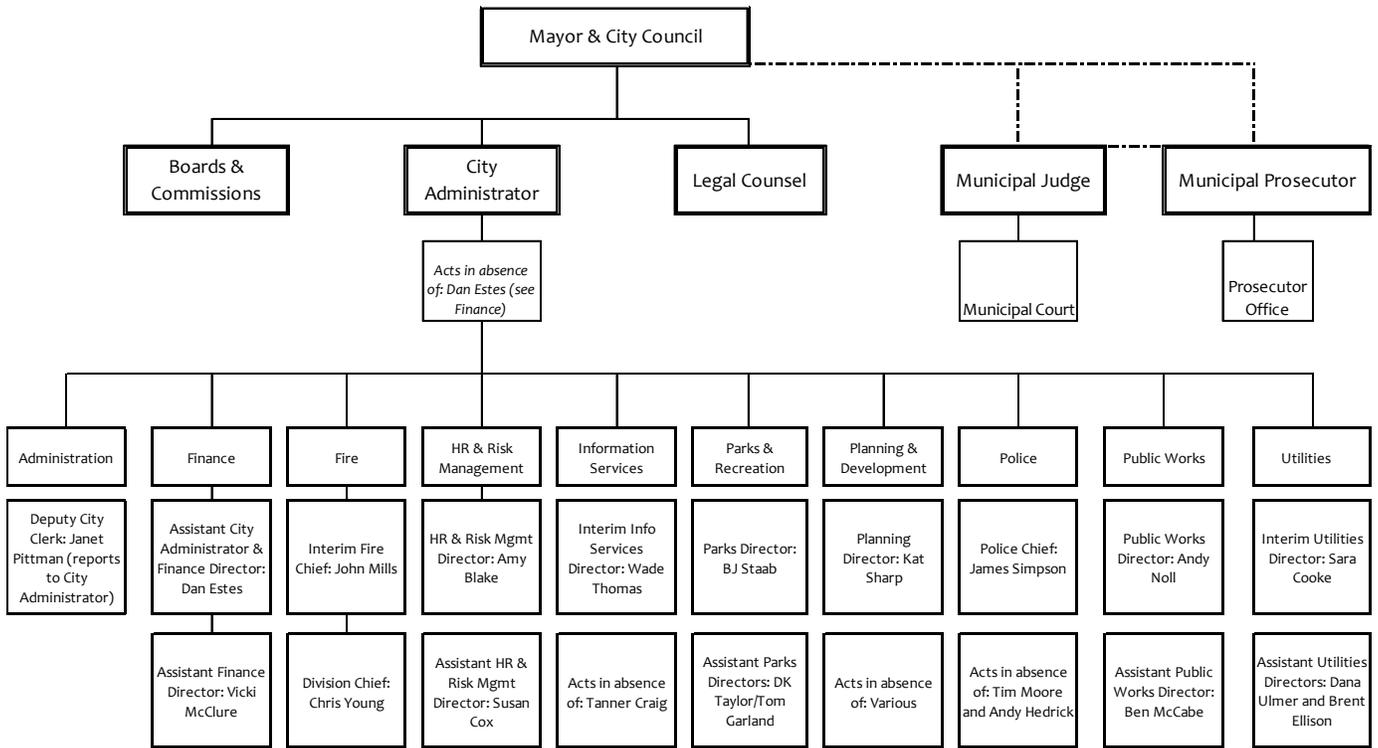
**City of Liberty
Missouri**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

December 31, 2018

Christopher P. Morrell

Executive Director/CEO



- | | | | | | | | | | |
|-------------------------------|---------------------|-----------------------------|---------------------------|--------------------|----------------------------------|------------------------|----------------------|---------------------|----------------------|
| *Public Information & Records | *Accounting Records | *Fire Protection | *Recruitment | *Support Services | *Parks & Open Space | *Planning | *Police Protection | *Engineering | *Water Plant |
| *Agenda Preparation | *AP/AR | *Emergency Medical Services | *Employee/Labor Relations | *Network Services | *Community Center | *Building Inspections | *Crime Investigation | *Street Maintenance | *Utility Maintenance |
| *Economic Development | *Real Estate | *Emergency Preparedness | *Benefits & Compensation | *Security Services | *Aging Services | *Code Enforcement | *Public Education | *Trash/Recycling | *Sewer Plant |
| *Community Events | *Utility Billing | *Public Education | *Policy Development | *GIS Services | *Sports Complex/ Sports Division | *Historic Preservation | *Parking Control | | |
| *Public Relations | *Cemetery Records | | *Risk Management | *Telecommunicator | *Trails and connectivity | *Public partnerships | | | |
| *Animal Control | *Payroll | | *Wellness/Training | | | | | | |
| | *Budget Committee | | *Performance Management | | | | | | |
| | *Business Licensing | | *HRIS/Payroll | | | | | | |

**Acts in absence of: meaning person who is in charge; responsible for decisions when DH is unavailable.

CITY OF LIBERTY, MISSOURI

LIST OF PRINCIPAL OFFICIALS

Elected Officials

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

Appointed Officials

Municipal Court Judge	Thomas C. Capps
Municipal Prosecutor	Thomas C. McGiffin
City Administrator	Curtis C. Wenson
Assistant City Administrator/Finance Director	Dan Estes
Deputy City Clerk	Janet Pittman
Economic and Business Development Manager	Karan Johnson
Interim Fire Chief	John Mills
Human Resources Director	Amy Blake
Interim Informational Services Director	Wade Thomas
Parks and Recreation Director	BJ Staab
Police Chief	James Simpson
Public Works Director	Andy Noll
Interim Utilities Director	Sara Cooke

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, 2019 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, 2019, 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 Honorable Mayor and
Members of the City Council

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 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 26, 2020, 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 26, 2020

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Management's Discussion And Analysis

CITY OF LIBERTY, MISSOURI

MANAGEMENT'S DISCUSSION AND ANALYSIS

December 31, 2019

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, 2019 with selected comparative information for the fiscal year ended December 31, 2018. 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 resources of the City exceeded its liabilities and deferred inflows of resources at the close of the fiscal year by \$71,710,901 (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 \$28,141,812. 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 \$7,523,061. Of this amount, \$4,810,125 was from the City's "governmental activities" and \$2,712,936 was from the "business-type activities." The majority of the "governmental activities" increase is due to the increase revenues attributable to voter approval in 2018 of a Use Tax. The majority of the "business type activities" increase is due to the operation of our Wastewater Treatment Facility and commitments to make necessary rate adjustments.
- As of the close of this current fiscal year, the City's governmental funds reported combined ending fund balances of \$27,819,536; a decrease of \$641,713 in comparison with the prior year. This decrease is primarily due to planned draw down of certain City Capital Funds applicable to road infrastructure projects.
- Approximately \$4,533,029 (16.3%) of the combined governmental fund balances of \$27,819,536 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 \$5,277,437 or approximately 27.2% percent of total General Fund revenues.
- The City had a net decrease in debt totaling \$3,736,278 during the current fiscal year. Additions to debt including bond premiums totaled \$4,998,143. This increase was offset by 2019 retirements of \$8,734,421. This decrease in debt is primarily attributable to the pay down of the Series 2015 TIF debt. The 2018 Special Obligation Bonds will provide support for various capital projects throughout the City, including the construction of a new animal shelter, enhancements/improvements to neighborhood parks and community center, provide funding for the I35/M152/M291 Projects and total replacement of our water meters throughout the City.

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.

Management's Discussion and Analysis (*Continued*)

GOVERNMENT-WIDE FINANCIAL STATEMENTS

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

The statement of net position presents information on all of the City's assets, deferred outflow of resources, liabilities and deferred inflow of resources, with the difference between the sum of assets and deferred outflow of resources minus the sum of liabilities and the inflow of resources is 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.

CITY OF LIBERTY, MISSOURI

Management's Discussion and Analysis (*Continued*)

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

The City maintains a total of 45 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 3 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 1 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 of resources exceeded liabilities and deferred inflows of resources by \$71,710,901 at the close of the fiscal year ended December 31, 2019. The following table reflects a condensed statement of net position.

Net Position

	Governmental		Business-Type		Governmental		Business-Type	
	Activities	Activities	Activities	Activities	Activities	Activities	Activities	Activities
	2019	2019	Total 2019	2018	2018	Total 2018	2018	Total 2018
Current and other assets	\$ 39,113,231	\$ 21,151,969	\$ 60,265,200	\$ 38,933,233	\$ 19,853,193	\$ 58,786,426		
Capital assets, net	96,485,012	128,461,315	224,946,327	90,452,724	129,904,824	220,357,548		
Total Assets	135,598,243	149,613,284	285,211,527	129,385,957	149,758,017	279,143,974		
Deferred Outflows Of Resources	3,258,787	400,947	3,659,734	2,727,151	356,711	3,083,862		
Current liabilities	10,811,619	6,476,649	17,288,268	8,697,459	6,408,655	15,106,114		
Noncurrent liabilities	107,465,023	83,235,139	190,700,162	107,847,018	86,072,668	193,919,686		
Total Liabilities	118,276,642	89,711,788	207,988,430	116,544,477	92,481,323	209,025,800		
Deferred Inflows Of Resources	8,908,985	262,945	9,171,930	8,707,353	306,843	9,014,196		
Net position:								
Net investment in capital assets	46,617,054	43,001,812	89,618,866	47,276,514	41,596,924	88,873,438		
Restricted	7,459,414	2,774,433	10,233,847	6,959,443	2,553,942	9,513,385		
Unrestricted (deficit)	(42,405,065)	14,263,253	(28,141,812)	(47,374,679)	13,175,696	(34,198,983)		
Total Net Position	\$ 11,671,403	\$ 60,039,498	\$ 71,710,901	\$ 6,861,278	\$ 57,326,562	\$ 64,187,840		

The City's combined net position increased by \$7.5 million in 2019 from \$64.2 million in 2018 to \$71.7 million. This favorable activity is primarily found within the Governmental Activities (\$4.8 million) and is primarily attributable to an increase in general government revenues and operating with revenues received. The increase in the City's Business-Type Activities (\$2.7 million) is directly attributable to continued efficiencies resulting from the operation of a City owned wastewater treatment plant compared to prior year's processes of contractual sewer treatment and positive activities of the Water Fund.

An additional portion of the City's net position of \$10.3 million or 14.27% 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 \$28.1 million, representing a decrease in the deficit of \$6.1 million when compared to 2018. 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, \$89.6 million reflects its net 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 \$71.7 million in net position is comprised of \$89.6 million of net investment in capital assets; a restricted net position of \$10.2 million that can be used for capital projects, debt service and other purposes, and a deficit of \$28.1 million in unrestricted net position. Total net position increased by \$7.5 reflecting 11.7% growth 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, 2019 and 2018:

City Of Liberty's Changes In Net Position

	Governmental Activities 2019	Business-Type Activities 2019	Total 2019	Governmental Activities 2018	Business-Type Activities 2018	Total 2018
Revenues:						
Program revenues:						
Charges for services	\$ 3,563,893	\$ 17,072,834	\$ 20,636,727	\$ 4,854,762	\$ 16,664,365	\$ 21,519,127
Operating grants and contributions	415,055	-	415,055	730,181	-	730,181
Capital grants and contributions	561,554	3,744	565,298	2,030,070	1,471,690	3,501,760
General revenues:						
Property taxes	7,406,240	-	7,406,240	7,201,489	-	7,201,489
Franchise taxes	3,366,963	-	3,366,963	3,595,312	-	3,595,312
Sales and use taxes	23,895,616	-	23,895,616	22,269,931	-	22,269,931
Other taxes	1,594,749	-	1,594,749	1,539,399	-	1,539,399
Investment earnings	574,788	498,840	1,073,628	446,801	337,985	784,786
Other	2,525,761	320,064	2,845,825	1,478,632	137,523	1,616,155
Total Revenues	43,904,619	17,895,482	61,800,101	44,146,577	18,611,563	62,758,140
Expenses:						
General government	5,659,671	-	5,659,671	5,841,114	-	5,841,114
Community development and improvement	3,266,439	-	3,266,439	3,353,557	-	3,353,557
Public works	7,611,046	-	7,611,046	7,162,689	-	7,162,689
Culture and recreation	5,528,286	-	5,528,286	5,285,780	-	5,285,780
Cemetery maintenance	58,292	-	58,292	46,984	-	46,984
Public safety	12,953,549	-	12,953,549	12,614,311	-	12,614,311
Interest on long-term debt	4,017,211	-	4,017,211	4,197,840	-	4,197,840
Water	-	5,829,288	5,829,288	-	5,668,706	5,668,706
Sewer	-	7,593,886	7,593,886	-	7,457,999	7,457,999
Sanitation	-	1,759,372	1,759,372	-	1,675,094	1,675,094
Total Expenses	39,094,494	15,182,546	54,277,040	38,502,275	14,801,799	53,304,074
Change In Net Position	4,810,125	2,712,936	7,523,061	5,644,302	3,809,764	9,454,066
Net position, beginning of year	6,861,278	57,326,562	64,187,840	1,216,976	53,516,798	54,733,774
Net position, end of year	\$ 11,671,403	\$ 60,039,498	\$ 71,710,901	\$ 6,861,278	\$ 57,326,562	\$ 64,187,840

CITY OF LIBERTY, MISSOURI

Management's Discussion and Analysis (Continued)

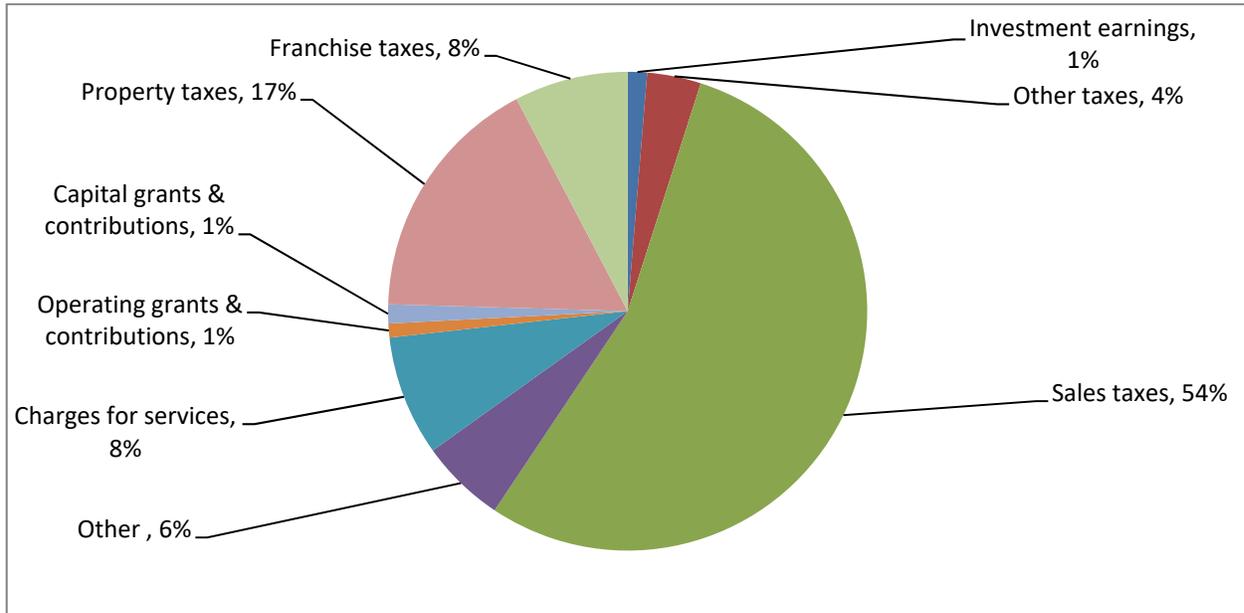
Governmental Activities

Governmental Activities increased the City's total net position by \$4,810,125 accounting for 64% of the total 2019 increase in the total net position of the City. This increase is primarily attributable to an increase revenues in sales/use taxes, property taxes, other taxes, investment earnings and other general revenues along with management operating within forecasted revenues and controlling expenses.

Overall, general revenues applicable to Governmental Activities for 2019 increased by \$2,832,553 to \$39,364,117 and represents a 7.7% increase from the prior year. Property taxes totaled \$7,406,240 which was an increase of \$204,751 predominantly due to greater collectability of personal property taxes and increase valuations attributable to commercial retail property adding to the tax roll. Preliminary 2020 information shows an increase in 2019 valuation in the amount of \$58 million, which will speak to additional collections. City franchise fees actually saw a decrease of \$228,349 to \$3,366,963. For year ended 2019, the City continues to see declines in cell phone and cable franchise fee revenue. Sales and use tax revenue increased by \$1,625,685 to \$23,895,616 and is attributable to retail growth and the opening of Liberty Commons Shopping district and inclusion on a full year collection of revenues from the new Use Tax Sales Tax that was voter approved in April 2018. Charges for services decreased by \$1,290,869 in 2019 for total revenues of \$3,563,893.

Governmental activities expenses increased \$592,219 for the 2019 fiscal year when compared to 2018. The increase is attributable to 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, 2019.



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, 2019 and 2018:

	Net Cost Of Governmental Activities			
	Total Cost Of Service		Net Cost Of Service	
	2019	2018	2019	2018
General government	\$5,659,671	\$5,841,114	(\$5,472,788)	(\$5,579,074)
Community development and improvement	3,266,439	3,353,557	(3,266,439)	(3,353,557)
Public works	7,611,046	7,162,689	(7,049,492)	(5,132,619)
Culture and recreation	5,528,286	5,285,780	(2,778,121)	(2,104,996)
Cemetery maintenance	58,292	46,984	(10,453)	(14,280)
Public safety	12,953,549	12,614,311	(11,959,488)	(10,504,896)
Interest on long-term debt	4,017,211	4,197,840	(4,017,211)	(4,197,840)
Total	\$39,094,494	\$38,502,275	(\$34,553,992)	(\$30,887,262)

Expenses from governmental activities totaled \$39,094,494; however, net costs of these services were \$34,553,992. The difference of \$4.540 million represents direct revenues received from charges for services (\$3.564 million), operating grants and contributions (\$0.415 million), and capital grants and contributions (\$0.561 million). Taxes and other revenues in the amount of \$39,364,117 were collected to cover these net costs.

Business-Type Activities

Business-type activities increased the City's net position by \$2,712,936.

The Water Fund recorded an increase of \$382,461 in the net position for the year. Revenues from user fees were \$5,798,660 and showed a decrease amount of \$211,282 or -3.51% in 2019. The City implemented a 1.00% water rate increase at the beginning of 2019. In 2019, water usage was lower primarily due to a wetter than average summer season when compared to previous summer seasons. Operating expenses for 2019 were \$5,756,799 which increased by \$129,499 from 2018. The increase is attributable to the City implementation of a 3% salary adjustment and other compensation related items that impacted all Business-Type Funds.

Depreciation expense increased by \$155,930 and is due to additional capital investment in the system. The Water Fund's operating income decreased by \$188,005 in 2019.

CITY OF LIBERTY, MISSOURI

Management’s Discussion and Analysis (*Continued*)

The Sewer Fund recorded an increase of \$2,310,412 in net position for the year. Revenues from user fees increased by \$545,726 or 6.1% when compared to 2018 revenues. Operating expenses showed an increase of \$348,587 or 6%. The increase is attributable to the City implementation of a 3% salary adjustment and other compensation related items that impacted all Business-Type Funds.

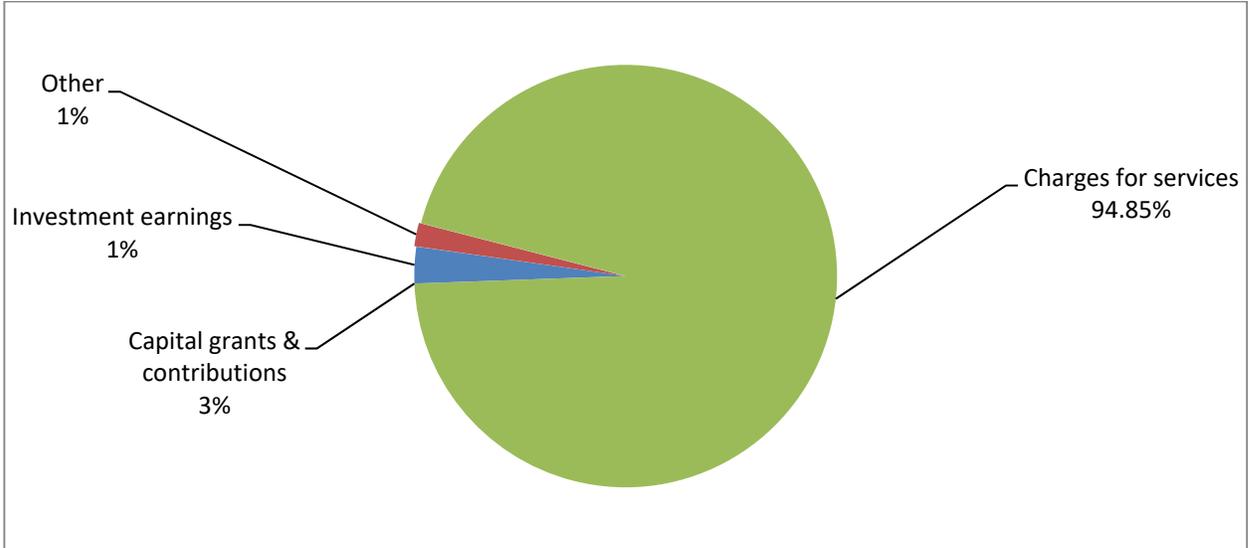
Depreciation expense increased by \$36,022; this will continue to increase primarily due to the construction of the city owned Waste Water Treatment Facility that was completed in 2017. Operating income for the Sewer Fund was a positive \$3,368,113 at December 31, 2019, an increase of \$226,904 when compared to the total operating expenses earned in 2018.

Net position increased by \$2,310,412 and is due to improved operations in the Sewer Fund. To address future income generation, the City implemented a 5.64% sewer rate increase in 2019.

The Sanitation Fund recorded an increase in net position of \$20,063 for 2019. Revenues of \$1,776,365 increased over the 2018 revenues of \$1,702,340. Total Operating Expenses for 2019 increased \$84,278 or 5% over expenses for 2018 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, 2019:

Revenues By Source - Business-Type Activities



CITY OF LIBERTY, MISSOURI

Management's Discussion and Analysis (*Continued*)

Total business-type activities' revenue for fiscal year 2019 was \$17,392,898 with charges for services (98.2%) being the major revenue source. All revenue of \$17,392,898, with the exception of \$498,840 received from investment earnings and \$3,744 in Capital Contributions, was generated for specific business-type activity expenses. In the previous year, revenue for business-type activities was \$16,801,888.

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, 2019, the City's governmental funds reported combined ending fund balances of \$27,819,536 reflecting a decrease of \$641,713 from the previous year. This decrease is primarily attributable to the construction of the animal shelter and parks projects within the Non Major Governmental Funds both related to the 2018 Special Obligation Bonds paid for with revenues from the Use Tax. Of this total, approximately 16% of this total amount \$4,533,029 constitutes unassigned fund balance, which is available for spending at the government's discretion. The remaining \$23,286,507 of fund balance is as follows: (1) non-spendable (\$1,328,443) which is inventories, prepaid insurance and permanent fund principal and (2) restricted (\$21,958,064).

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 \$4,533,029 with total fund balance at \$5,277,437. Total fund balance increased by \$664,842 over the previous fiscal year fund balance. Revenues increased by \$420,491 in 2019 and are primarily the result of increases in Sales Tax, Use Tax collections and an increase in Miscellaneous Revenue. Expenditures showed an increase of \$1,208,673. Other financing sources showed an increase of \$219,361 from the 2018 amount of \$1,465,443. This is primarily due to an increase in the issuance of long-term debt.

In 2019, the City saw an increase in sales tax/use tax revenues. This is primarily attributable to the completion of the Liberty Commons retail center and the implementation of the voter approved 3.375% use tax.

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 2019 is calculated at 27% (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 2019, the fund balance policy was exceeded within the General Fund.

The Park Fund had a fund balance of \$655,753 at December 31, 2019. This represents an increase of \$97,937 over the previous year fund balance. Revenues decreased by \$118,053 or 3.2% and expenditures increased by \$4,022,803 or 51.2% when compared to 2018. This is primarily attributable to an increase in Capital Outlay in 2019. Those projects being the Use Tax projects (park and community center improvements) and the Turf project at Capital Federal Sports Complex. Total fund balance represents 18.7% (rounded) of 2019 revenues. This exceeds the level required by policy of 12%. Transfers in from the Park Sales Tax Fund for 2019 increased by \$212,109. Of this amount, \$49,000 is transferred to the General Fund to help support Public Relations staff and IT services.

The Liberty TIF Fund has a fund balance of \$9,335,576 at year end 2019, which is an increase of \$1,387,072 from the 2018 balance of \$7,948,504. This increase in fund balance is the result of an increase of revenues primarily attributable to the completion of Liberty Commons retail center in 2019.

The Economic Development Sales Tax Fund had a fund balance of \$1,999,178 at December 31, 2019. This sales tax is used to support economic development related projects and to pay debt service costs attached to the Special/General Obligation Bond used to build infrastructure projects related to SLP Phase II, Downtown Reconstruction projects and the Kansas Street/M291 Project. Project expenditures that occurred in 2019 were \$3,904,511, primarily attributable to costs associated with the Kansas Street/M291 projected to be completed in early 2020. 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 2018, 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 2019, and on a combined basis, this policy level was exceeded.

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 \$4,101,957. The Sewer Fund showed an unrestricted net position of \$10,045,220 this is primarily due to an increase of Capital Assets and additions to debt related to the completion of the Waste Water Treatment Facility, and the Sanitation Fund was a positive at \$116,076. The increase in unrestricted net position when compared to 2018 was \$303,052 for the Water Fund, \$764,442 for the Sewer Fund and \$20,063 for the Sanitation Fund representing a total unrestricted increase for the proprietary funds of \$1,087,557. For the year ended 2019, the ending net position totaled \$60,039,498.

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 2019, the City implemented a 1.0% 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. Even though the city saw a more wetter than average summer, the city's Operating Income remained positive at \$329,239 in 2019.

Sewer services reflect only collection of sewage. 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 increases that had been previously implemented by the City of Kansas City, Missouri.

CITY OF LIBERTY, MISSOURI

Management's Discussion and Analysis (*Continued*)

To address increased costs, Liberty has increased its sewer user rates, as required. In 2019, the City implemented a 5.64% increase. These actions generated \$9,530,495 in operating revenues. This reflects a \$575,491 increase over 2018 results of \$8,955,004. Total operating expenses were \$6,162,382 or \$348,587 more than 2018 amounts of \$5,813,795. This increase is primarily due to Liberty's ability to 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 \$160,000 a year for these houses. Net operating income for 2019 was \$3,368,113.

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 4% a year. In 2019, the City implemented a 4.3% 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 2019.

GENERAL FUND BUDGETARY HIGHLIGHTS

Differences between the final budget and 2019 actual can be summarized as follows:

In 2019, final expenditures for the General Fund were \$20,408,047 representing a favorable \$358,575 variance from the final budget of \$20,766,622. The major contributor to the favorable variance is found in the public safety, in the amount of \$494,658 and is primarily the result of under-expenditures within City non-salary and capital accounts.

Actual revenue for the General Fund was \$19,388,085 representing a favorable \$558,215 variance from the final budget of \$18,829,870. Taxes played as a major contributor to the bottom line having a favorable variance of \$512,346. This favorable variance is due to the Use Tax favorable variance of \$719,406. Although there is a favorable variance in 2019, franchise fee taxes continue to see declines, specifically in Electric. Revenues from this franchise fee saw a decrease of \$0.124 million when comparing final 2019 budgets to 2019 actuals. This was primarily due to a cooler than normal summer and a warmer than normal winter. Additionally, Engineering Services had a favorable balance of \$114,640 and are primarily due to Right-of-Way Permits for fiber lines being installed all over town.

Other financing sources closed out at \$1,684,804. With the 2019 budget set at \$1,599,270 an unfavorable variance of \$33,972. This is primarily due to the bond proceeds and Insurance Settlement received in 2019.

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 \$319,079 which includes traffic violations and other additional items. This amount is approximately 1.6% of total general revenues of \$19,388,085 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, 2019 amounts to \$224,946,327 (net of accumulated depreciation). This investment in capital assets includes land, construction-in-progress, buildings and systems, improvements other than buildings, wastewater treatment plant, vehicles, machinery and equipment, and infrastructure. The total increase in the City's investment in capital assets for the current fiscal year was \$4.6 million or an increase of 2.08%. Capital assets for governmental activities increased by \$6.03 million and those for business-type activities decreased by \$1.44 million.

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

- Police Vehicles and Equipment - \$0.275 million
- Capital Federal Sport Complex - Turf Project Above and Below Ground - \$4.845 million
- City wide computer equipment - \$0.465 million

CITY OF LIBERTY, MISSOURI

Management's Discussion and Analysis (Continued)

City Of Liberty's Capital Assets

	Governmental Activities		Business-Type Activities		Total	
	2019	2018	2019	2018	2019	2018
Land	\$ 2,020,148	\$ 2,020,148	\$ 1,340,677	\$ 840,677	\$ 3,360,825	\$ 2,860,825
Construction-in-progress	8,466,006	31,484,656	2,316,029	1,521,895	10,782,035	33,006,551
Buildings and system	17,153,404	14,940,037	10,535,683	10,535,683	27,689,087	25,475,720
Vehicles	8,671,639	8,555,838	2,757,289	2,648,518	11,428,928	11,204,356
Improvements other than buildings	18,241,363	13,076,322	199,443	199,443	18,440,806	13,275,765
Wastewater treatment plant	-	-	78,380,060	78,336,254	78,380,060	78,336,254
Machinery and equipment	15,240,523	13,837,159	13,596,976	12,760,062	28,837,499	26,597,221
Infrastructure	84,689,033	58,617,034	64,068,212	63,900,998	148,757,245	122,518,032
Accumulated depreciation	(57,997,104)	(52,078,470)	(44,733,054)	(40,838,706)	(102,730,158)	(92,917,176)
Total	\$ 96,485,012	\$ 90,452,724	\$ 128,461,315	\$ 129,904,824	\$ 224,946,327	\$ 220,357,548

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 \$189,118,056. Of this amount, \$19,625,000 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	
	2019	2018	2019	2018	2019	2018
Special obligation bonds	\$ 34,808,850	\$ 31,977,146	\$ 4,431,150	\$ 4,502,854	\$ 39,240,000	\$ 36,480,000
Capital leases	1,599,632	2,351,062	50,424	139,272	1,650,056	2,490,334
General obligation bonds	19,625,000	20,840,000	-	-	19,625,000	20,840,000
TIF bonds	47,730,000	49,500,000	-	-	47,730,000	49,500,000
SRF bonds	-	-	78,103,000	80,004,000	78,103,000	80,004,000
Revenue bonds	-	-	2,770,000	3,540,000	2,770,000	3,540,000
Total	\$ 103,763,482	\$ 104,668,208	\$ 85,354,574	\$ 88,186,126	\$ 189,118,056	\$ 192,854,334

During the current fiscal year, the City's total debt decreased by \$3,736,278 or 2.0%. This decrease is primarily due to the payoff of 2015 TIF Debt. In 2019, the total debt within the City's governmental activities saw a net decrease of \$904,726. This decrease is primarily due to the pay down of special obligation debt and TIF Debt. Additional information on the City's long-term debt can be found in Note 4 of this report.

Management's Discussion and Analysis (*Continued*)

ECONOMIC FACTORS, NEXT YEAR'S BUDGET AND RATES

Based on 2019 end-of-year activity, it was anticipated that 2020 General Fund revenues would show stability and was conservatively budgeted at the amount of \$21,005,079. However, with the unprecedented times we are living in regarding the COVID-19 pandemic, city staff began reviewing all revenues and after much consideration proposed an adjusted budget of \$19,281,490. This amount is reflective of an overall decrease of \$1.72 million from the adopted budgeted for 2020. City staff continues to review and monitor all revenues on a monthly basis. Staff believes that forecasted revenues within the General Fund will close out closer to \$19,749,952 by end of year. This projected end of year forecast is still about 6% lower than what was initially budgeted for 2020.

Property taxes for 2020 are budgeted at \$4,440,725 or \$99,346 higher than 2019 actual revenues. The City Council established the 2019 general levy rate at \$0.8921 per \$100 assessed valuation, which is lower than the 2018 rate of 0.9648. This rate will be applied to a higher 2019 assessed valuation to produce a slight increase of current 2019 revenue over that earned in 2018. Valuations for 2019 were calculated to be \$573,949,384 or \$57,904,422 higher than 2018.

Sales tax revenue is budgeted at \$5,144,638, slightly below the budget for 2019 and due to decreased sales tax revenues and decreased revenue from motor vehicle sales during the COVID-19 pandemic. Use Tax revenues are projected to be \$2,000,000 which is lower compared to 2019 final revenues of \$2,069,576. Franchise fees have been budgeted at \$3,027,810 for 2020, a decrease of \$339,153 from 2019 final. The decrease in Franchise fees is primarily due to a decrease in Cell phone revenue, and decreased cable franchise fees. The budgeted amounts for Electrical Franchise fees are based on an anticipated normal summer temperature event, however with the COVID-19 pandemic, revenues may not come in as projected due to large factories such as Ford not fully operating during the pandemic. Electrical Franchise fee revenue is anticipated to remain level at \$2.0 million. Due to decrease in ambulance transports during the COVID-19 pandemic, revenues for Emergency Services are projected to remain relatively flat for 2020 at \$2.4 million. Court Fines and Forfeitures are projected at \$0.256, which is a decrease of \$110,853 when compared to 2019 actuals.

Initial General Fund expenditures and transfers were projected to total \$20,961,861 compared to the 2019 close-out of \$20,283,022. This represents a \$0.679 million increase from 2019 actuals. The COVID-19 adjusted expense budget had been set at \$20,781,970. In March of 2020, departments were asked to make cuts and limit their spending on all capital for 2020. Overall, departments cut \$179,892 from what was initially budgeted for 2020. Employee salary and fringe benefit costs are budgeted at \$488,389 higher than 2019 actuals for a 2020 total of \$16,588,461.

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.

Management's Discussion and Analysis (*Continued*)

For 2020, it is estimated that \$2,094,984 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 2020 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 \$1,891,399. This reflects anticipated expenditures for City computer equipment and replacement of Police vehicles.

Based on programmed actions for 2020, the City anticipates a balanced General Fund budget, with fund balance being maintained within policy ranges. The City does expect to dip into fund balance reserves to help any revenue losses that may occur due to the COVID-19 pandemic. 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 2020. User rates were increased in both the Water and Sewer Funds. Water rates were increased by 1.0% and sewer rates were adjusted upward by 5.64% and sanitation rates were increased by 4.2%.

The 2020 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. With the revenues received from the voter approved Use Tax, the Parks will enjoy some much needed upgrades and enhancements to many of their neighborhood parks and community center. The Use tax is projected to bring in \$1.35 million in revenue for 2019. The Parks Department has also been hit hard with the COVID-19 pandemic, with the Community Center unable to open and operate, it is estimated that the Parks department will endure a \$528,936 decrease in revenue that is typically generated through user fees related to the Community Center and Capital Federal Sports Complex. Staff will continue to monitor their budgets for any potential issues that may arise.

All of these factors were considered in preparing the City's budget for the 2020 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
December 31, 2019

	Governmental Activities	Business-Type Activities	Total
Assets			
Current Assets			
Cash and investments	\$ 15,223,410	\$ 15,521,783	\$ 30,745,193
Receivables:			
Taxes	12,350,242	—	12,350,242
Special assessments	—	284	284
Accounts	1,141,154	2,316,697	3,457,851
Accrued interest	47,527	148,994	196,521
Due from other governments	73,204	—	73,204
Inventory	35,258	199,690	234,948
Prepaid expenses	843,036	188,943	1,031,979
Restricted assets:			
Cash and investments	8,339,092	—	8,339,092
Accrued interest	2,109	—	2,109
Total Current Assets	38,055,032	18,376,391	56,431,423
Noncurrent Assets			
Restricted assets:			
Investments	1,058,199	2,775,578	3,833,777
Capital assets:			
Nondepreciable:			
Land	2,020,148	1,340,677	3,360,825
Construction in progress	8,466,006	2,316,029	10,782,035
Depreciable:			
Buildings and system	17,153,404	10,535,683	27,689,087
Improvements other than buildings	18,241,363	199,443	18,440,806
Vehicles	8,671,639	2,757,289	11,428,928
Machinery and equipment	15,240,523	13,596,976	28,837,499
Wastewater treatment plant	—	78,380,060	78,380,060
Infrastructure	84,689,033	64,068,212	148,757,245
Less: Accumulated depreciation	(57,997,104)	(44,733,054)	(102,730,158)
Total Noncurrent Assets	97,543,211	131,236,893	228,780,104
Total Assets	135,598,243	149,613,284	285,211,527
Deferred Outflows Of Resources			
Pensions	2,879,430	400,947	3,280,377
Other post-employment benefits	144,248	—	144,248
Deferred loss on refunding	235,109	—	235,109
Total Assets And Deferred Outflows Of Resources	\$ 138,857,030	\$ 150,014,231	\$ 288,871,261

CITY OF LIBERTY, MISSOURI

STATEMENT OF NET POSITION
December 31, 2019

	Governmental Activities	Business-Type Activities	Total
Liabilities			
Current Liabilities			
Accounts payable and accrued liabilities	\$ 2,668,440	\$ 2,834,115	\$ 5,502,555
Deposits	560,225	—	560,225
Compensated absences	694,156	124,214	818,370
Accrued interest payable	680,242	600,515	1,280,757
Unearned revenue	186,896	9,387	196,283
Current maturities of long-term debt	6,021,660	2,908,418	8,930,078
Total Current Liabilities	10,811,619	6,476,649	17,288,268
Noncurrent Liabilities			
Compensated absences	1,347,480	241,121	1,588,601
Net pension liability	6,220,158	442,933	6,663,091
Total other post-employment benefit liability	608,156	—	608,156
Unearned revenue	509,571	—	509,571
Long-term debt	98,779,658	82,551,085	181,330,743
Total Noncurrent Liabilities	107,465,023	83,235,139	190,700,162
Total Liabilities	118,276,642	89,711,788	207,988,430
Deferred Inflows Of Resources			
Pensions	1,247,191	262,945	1,510,136
Other post-employment benefits	83,606	—	83,606
Property tax	7,578,188	—	7,578,188
Net Position			
Net investment in capital assets	46,617,054	43,001,812	89,618,866
Restricted for:			
Expendable:			
Debt service	5,363,795	2,639,117	8,002,912
Parks	1,631,524	—	1,631,524
Cemetery	13,946	—	13,946
Kansas City sewer line	—	135,316	135,316
Nonexpendable:			
Cemetery trust corpus	450,149	—	450,149
Unrestricted	(42,405,065)	14,263,253	(28,141,812)
Total Net Position	11,671,403	60,039,498	71,710,901
Total Liabilities, Deferred Inflows Of Resources and Net Position	\$ 138,857,030	\$ 150,014,231	\$ 288,871,261

CITY OF LIBERTY, MISSOURI

**STATEMENT OF ACTIVITIES
For The Year Ended December 31, 2019**

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	\$ 5,659,671	\$ —	\$ 186,883	\$ —	\$ (5,472,788)	\$ —	\$ (5,472,788)
Community development and improvement	3,266,439	—	—	—	(3,266,439)	—	(3,266,439)
Public works	7,611,046	—	—	561,554	(7,049,492)	—	(7,049,492)
Culture and recreation	5,528,286	2,534,943	215,222	—	(2,778,121)	—	(2,778,121)
Cemetery maintenance	58,292	47,839	—	—	(10,453)	—	(10,453)
Public safety	12,953,549	981,111	12,950	—	(11,959,488)	—	(11,959,488)
Interest on long-term debt	4,017,211	—	—	—	(4,017,211)	—	(4,017,211)
Total Governmental Activities	39,094,494	3,563,893	415,055	561,554	(34,553,992)	—	(34,553,992)
Business-Type Activities							
Water	5,829,288	5,798,660	—	—	—	(30,628)	(30,628)
Sewer	7,593,886	9,497,811	—	3,744	—	1,907,669	1,907,669
Sanitation	1,759,372	1,776,363	—	—	—	16,991	16,991
Total Business-Type Activities	15,182,546	17,072,834	—	3,744	—	1,894,032	1,894,032
Total Primary Government	\$ 54,277,040	\$ 20,636,727	\$ 415,055	\$ 565,298	(34,553,992)	1,894,032	(32,659,960)
General Revenues							
Taxes:							
Property tax					7,406,240	—	7,406,240
Franchise taxes					3,366,963	—	3,366,963
Sales and use taxes					23,895,616	—	23,895,616
Other taxes					1,594,749	—	1,594,749
Investment income					574,788	498,840	1,073,628
Miscellaneous					2,525,761	320,064	2,845,825
Total General Revenues					39,364,117	818,904	40,183,021
Change In Net Position					4,810,125	2,712,936	7,523,061
Net Position - Beginning Of Year					6,861,278	57,326,562	64,187,840
Net Position - End Of Year					\$ 11,671,403	\$ 60,039,498	\$ 71,710,901

CITY OF LIBERTY, MISSOURI

**BALANCE SHEET – GOVERNMENTAL FUNDS
December 31, 2019**

	General	Parks	Liberty TIF	Economic Development Sales Tax	Nonmajor Governmental Funds	Total
Assets						
Cash and investments	\$ 3,523,553	\$ 960,195	\$ 929,915	\$ 1,811,911	\$ 7,997,836	\$ 15,223,410
Receivables						
Taxes	6,403,893	805,839	3,257,641	402,956	1,711,829	12,582,158
Accounts	904,106	67,373	—	—	271,825	1,243,304
Accrued interest	12,627	2,116	—	3,622	29,162	47,527
Allowance for uncollectible receivables	(299,326)	(34,740)	—	—	—	(334,066)
Due from other funds	—	155	—	—	2,121	2,276
Due from other governments	4,898	—	—	—	68,306	73,204
Inventory	35,258	—	—	—	—	35,258
Prepays	709,150	108,687	—	1,290	23,909	843,036
Restricted assets:						
Cash and investments	—	—	7,949,997	—	389,095	8,339,092
Investments	—	—	—	—	1,058,199	1,058,199
Accrued interest	—	—	—	—	2,109	2,109
Total Assets	\$ 11,294,159	\$ 1,909,625	\$ 12,137,553	\$ 2,219,779	\$ 11,554,391	\$ 39,115,507
Liabilities						
Accounts payable and accrued liabilities	\$ 1,242,626	\$ 473,063	\$ 18,321	\$ 193,247	\$ 741,183	\$ 2,668,440
Deposits	155,001	—	285,380	27,354	92,490	560,225
Due to other funds	—	—	—	—	2,276	2,276
Unearned revenue	—	20,046	—	—	166,850	186,896
Total Liabilities	1,397,627	493,109	303,701	220,601	1,002,799	3,417,837
Deferred Inflows Of Resources						
Charges for services	299,946	—	—	—	—	299,946
Property taxes	4,319,149	760,763	2,498,276	—	—	7,578,188
Total Deferred Inflows Of Resources	4,619,095	760,763	2,498,276	—	—	7,878,134
Fund Balances						
Nonspendable:						
Inventory	35,258	—	—	—	—	35,258
Prepays	709,150	108,687	—	1,290	23,909	843,036
Permanent fund principal	—	—	—	—	450,149	450,149
Restricted for:						
Parks and recreation	—	547,066	—	—	1,200,762	1,747,828
Capital projects	—	—	—	1,997,888	4,357,199	6,355,087
Transportation projects	—	—	—	—	879,790	879,790
Public safety	—	—	—	—	3,431,977	3,431,977
Debt service	—	—	9,335,576	—	—	9,335,576
Cemetery	—	—	—	—	13,946	13,946
Law enforcement	—	—	—	—	30,272	30,272
Other purposes	—	—	—	—	163,588	163,588
Unassigned	4,533,029	—	—	—	—	4,533,029
Total Fund Balances	5,277,437	655,753	9,335,576	1,999,178	10,551,592	27,819,536
Total Liabilities, Deferred Inflows Of Resources And Fund Balances	\$ 11,294,159	\$ 1,909,625	\$ 12,137,553	\$ 2,219,779	\$ 11,554,391	\$ 39,115,507

CITY OF LIBERTY, MISSOURI

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

December 31, 2019

Total Fund Balance - Governmental Funds \$ 27,819,536

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	2,020,148
Construction in progress	8,466,006
Buildings and system	17,153,404
Improvements other than buildings	18,241,363
Vehicles	8,671,639
Machinery and equipment	15,240,523
Infrastructure	84,689,033
Accumulated depreciation	(57,997,104)

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.

299,946

Deferred inflows and outflows of resources in the governmental activities related to pensions, other post-employment benefits, and deferred loss on refunding are not recorded in the fund statements.

1,927,990

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

Current:

Compensated absences	(694,156)
Accrued interest payable	(680,242)
Capital lease obligations	(424,098)
General obligations, special obligation, TIF bonds	(5,597,562)

Noncurrent:

Compensated absences	(1,347,480)
Net pension liability	(6,220,158)
Other post-employment benefits	(608,156)
Unearned revenue	(509,571)
Bond discounts	216,226
Bond premium	(1,254,062)
Capital lease obligations	(1,175,534)
General obligations, special obligation, TIF bonds	(96,566,288)

Total Net Position - Governmental Activities

\$ 11,671,403

CITY OF LIBERTY, MISSOURI

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For The Year Ended December 31, 2019**

	General	Parks	Liberty TIF	Economic Development Sales Tax	Nonmajor Governmental Funds	Total
Revenues						
Taxes	\$ 15,855,927	\$ 764,771	\$ 7,727,991	\$ 2,053,450	\$ 9,861,429	\$ 36,263,568
Intergovernmental	511,957	—	—	—	395,680	907,637
Charges for services	1,912,670	2,534,943	—	—	70,453	4,518,066
Licenses and permits	484,067	—	—	—	—	484,067
Investment earnings	120,926	20,871	132,625	15,198	285,168	574,788
Miscellaneous	502,538	180,352	16,307	1,523,902	302,662	2,525,761
Total Revenues	19,388,085	3,500,937	7,876,923	3,592,550	10,915,392	45,273,887
Expenditures						
Current:						
General government	4,707,334	—	15,835	252,150	340,270	5,315,589
Community development and improvement	795,438	—	2,277,792	—	82,175	3,155,405
Public works	2,911,421	—	43,084	18,871	877,030	3,850,406
Culture and recreation	355,628	4,060,075	—	—	155,248	4,570,951
Cemetery maintenance	—	—	—	—	58,292	58,292
Public safety	9,991,157	—	—	—	2,154,353	12,145,510
Capital outlay	344,583	4,063,672	—	1,473,077	6,186,008	12,067,340
Debt service:						
Principal retirement	986,779	22,445	1,855,000	1,265,322	1,620,180	5,749,726
Interest and fiscal charges	297,758	366	2,298,140	895,091	461,298	3,952,653
Bond issuance costs	17,949	98,894	—	—	—	116,843
Total Expenditures	20,408,047	8,245,452	6,489,851	3,904,511	11,934,854	50,982,715
Revenues Over (Under) Expenditures	(1,019,962)	(4,744,515)	1,387,072	(311,961)	(1,019,462)	(5,708,828)
Other Financing Sources (Uses)						
Issuance of long-term debt	740,000	4,105,000	—	—	—	4,845,000
Premium on bond issue	51,562	101,581	—	—	—	153,143
Insurance recoveries	68,972	—	—	—	—	68,972
Transfers in	872,020	684,871	—	1,037,709	322,509	2,917,109
Transfers out	(47,750)	(49,000)	—	—	(2,820,359)	(2,917,109)
Total Other Financing Sources (Uses)	1,684,804	4,842,452	—	1,037,709	(2,497,850)	5,067,115
Net Change In Fund Balances	664,842	97,937	1,387,072	725,748	(3,517,312)	(641,713)
Fund Balances - Beginning Of Year	4,612,595	557,816	7,948,504	1,273,430	14,068,904	28,461,249
Fund Balances - End Of Year	\$ 5,277,437	\$ 655,753	\$ 9,335,576	\$ 1,999,178	\$ 10,551,592	\$ 27,819,536

See the accompanying notes to basic financial statements.

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, 2019**

Net Change In Fund Balances - Total Governmental Funds \$ (641,713)

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	12,067,340
Depreciation	(6,030,366)
Loss on disposal of capital assets	(4,686)

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	(1,444,054)
Change in unearned revenue	20,429

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	45,690
Change in accrued interest payable	7,727
Change in deferred inflow and outflow - pensions and other post-employment benefits	729,635
Changes in net pension liability and other post-employment benefits liability	(772,318)

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

Principal payments on long-term debt	5,749,726
Issuance of long-term debt, including premium/discount	(4,998,143)
Amortization of bond premium and discounts	115,212
Amortization of deferred loss on refunding	(34,354)

Change In Net Position Of Governmental Activities \$ 4,810,125

CITY OF LIBERTY, MISSOURI

STATEMENT OF NET POSITION

ENTERPRISE FUNDS

December 31, 2019

	Water	Sewer	Sanitation (Nonmajor)	Total
Assets				
Current Assets:				
Cash and investments	\$ 4,614,808	\$ 10,769,856	\$ 137,119	\$ 15,521,783
Receivables:				
Special assessments	—	284	—	284
Accounts	644,018	1,551,002	121,677	2,316,697
Accrued interest	17,127	131,433	434	148,994
Inventory	189,574	10,116	—	199,690
Prepays	91,039	97,282	622	188,943
Total Current Assets	5,556,566	12,559,973	259,852	18,376,391
Noncurrent Assets:				
Restricted assets, cash and investments	555,243	2,220,335	—	2,775,578
Capital assets:				
Land	795,677	545,000	—	1,340,677
Construction in progress	916,479	1,399,550	—	2,316,029
Buildings and systems	9,284,872	1,250,811	—	10,535,683
Improvements other than buildings	148,416	51,027	—	199,443
Vehicles	1,527,140	1,230,149	—	2,757,289
Machinery and equipment	8,994,347	4,602,629	—	13,596,976
Wastewater treatment plant	—	78,380,060	—	78,380,060
Infrastructure	33,318,424	30,749,788	—	64,068,212
Accumulated depreciation	(25,568,730)	(19,164,324)	—	(44,733,054)
Total Noncurrent Assets	29,971,868	101,265,025	—	131,236,893
Total Assets	35,528,434	113,824,998	259,852	149,613,284
Deferred Outflows of Resources				
Pensions	195,139	201,483	4,325	400,947
Total Deferred Outflows of Resources	195,139	201,483	4,325	400,947
Total Assets and Deferred Outflows of Resources	\$ 35,723,573	\$ 114,026,481	\$ 264,177	\$ 150,014,231
Liabilities				
Current Liabilities:				
Accounts payable and accrued expenses	\$ 1,102,213	\$ 1,593,788	\$ 138,114	\$ 2,834,115
Compensated absences	67,190	56,217	807	124,214
Accrued interest payable	6,370	594,145	—	600,515
Unearned revenue	—	9,387	—	9,387
Current maturities of long-term debt	588,559	2,319,859	—	2,908,418
Total Current Liabilities	1,764,332	4,573,396	138,921	6,476,649
Noncurrent Liabilities:				
Compensated absences	130,428	109,127	1,566	241,121
Net pension liability	215,573	222,582	4,778	442,933
Long-term debt	2,158,807	80,392,278	—	82,551,085
Total Liabilities	4,269,140	85,297,383	145,265	89,711,788
Deferred Inflows Of Resources				
Pensions	127,974	132,135	2,836	262,945
Net Position				
Net investment in capital assets	26,669,259	16,332,553	—	43,001,812
Restricted for:				
Debt service	555,243	2,083,874	—	2,639,117
Kansas City sewer line	—	135,316	—	135,316
Unrestricted	4,101,957	10,045,220	116,076	14,263,253
Total Net Position	31,326,459	28,596,963	116,076	60,039,498
Total Liabilities, Deferred Inflows Of Resources and Net Position	\$ 35,723,573	\$ 114,026,481	\$ 264,177	\$ 150,014,231

CITY OF LIBERTY, MISSOURI

**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
ENTERPRISE FUNDS
For The Year Ended December 31, 2019**

	Water	Sewer	Sanitation (Nonmajor)	Total
Operating Revenues				
Charges for services	\$ 5,798,660	\$ 9,497,811	\$ 1,776,363	\$ 17,072,834
Miscellaneous	287,378	32,684	2	320,064
Total Operating Revenues	6,086,038	9,530,495	1,776,365	17,392,898
Operating Expenses				
Pumping and treatment	2,080,536	1,654,556	—	3,735,092
Distribution and transmission	1,438,151	1,205,116	—	2,643,267
General and administrative	790,883	855,591	1,265	1,647,739
Sanitation	—	—	1,758,107	1,758,107
Depreciation	1,447,229	2,447,119	—	3,894,348
Total Operating Expenses	5,756,799	6,162,382	1,759,372	13,678,553
Operating Income	329,239	3,368,113	16,993	3,714,345
Nonoperating Revenues (Expenses)				
Investment earnings	125,711	370,059	3,070	498,840
Interest expense	(73,744)	(1,431,504)	—	(1,505,248)
Other	1,255	—	—	1,255
Total Nonoperating Revenues (Expenses)	53,222	(1,061,445)	3,070	(1,005,153)
Income Before Capital Contributions	382,461	2,306,668	20,063	2,709,192
Capital Contributions	—	3,744	—	3,744
Change in Net Position	382,461	2,310,412	20,063	2,712,936
Net Position - Beginning of Year	30,943,998	26,286,551	96,013	57,326,562
Net Position - End of Year	\$ 31,326,459	\$ 28,596,963	\$ 116,076	\$ 60,039,498

CITY OF LIBERTY, MISSOURI

STATEMENT OF CASH FLOWS
ENTERPRISE FUNDS
For The Year Ended December 31, 2019

	Water	Sewer	Sanitation (Nonmajor)	Total
Cash Flows from Operating Activities				
Receipts from customers and users	\$ 5,879,786	\$ 9,331,307	\$ 1,768,569	\$ 16,979,662
Payment to suppliers	(2,381,805)	(2,058,092)	(1,723,593)	(6,163,490)
Payments to employees	(1,875,493)	(1,797,905)	(33,557)	(3,706,955)
Other receipts	287,378	32,684	2	320,064
Net Cash Provided by Operating Activities	1,909,866	5,507,994	11,421	7,429,281
Cash Flows from Capital and Related Financing Activities				
Purchase of capital assets	(952,120)	(1,498,719)	—	(2,450,839)
Interest payments	(97,818)	(1,394,761)	—	(1,492,579)
Principal payments on debt	(545,259)	(2,286,293)	—	(2,831,552)
Net Cash Used in Capital and Related Financing Activities	(1,595,197)	(5,179,773)	—	(6,774,970)
Cash Flows from Investing Activities				
Interest and dividends received	125,711	370,059	3,070	498,840
Increase in Cash and Cash Equivalents	440,380	698,280	14,491	1,153,151
Cash and Cash Equivalents - Beginning of Year	4,729,671	12,291,911	122,628	17,144,210
Cash and Cash Equivalents - End of Year	\$ 5,170,051	\$ 12,990,191	\$ 137,119	\$ 18,297,361
Components of Cash and Cash Equivalents				
Unrestricted	\$ 4,614,808	\$ 10,769,856	\$ 137,119	\$ 15,521,783
Restricted	555,243	2,220,335	—	2,775,578
	\$ 5,170,051	\$ 12,990,191	\$ 137,119	\$ 18,297,361
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:				
Operating income	\$ 329,239	\$ 3,368,113	\$ 16,993	\$ 3,714,345
Adjustments to reconcile operating income to net cash provided by (used in) operating activities				
Depreciation	1,447,229	2,447,119	—	3,894,348
Changes in assets and liabilities:				
Receivables	81,126	(166,504)	(7,794)	(93,172)
Inventory and other prepayments	(38,711)	(13,367)	(265)	(52,343)
Accounts payable and accrued expenses	87,835	(129,361)	3,634	(37,892)
Deferred outflows of resources - pensions	(11,368)	(32,442)	(426)	(44,236)
Deferred inflows of resources - pensions	(30,106)	(13,274)	(518)	(43,898)
Net pension liability	43,798	64,575	1,133	109,506
Compensated absences	824	(16,865)	(1,336)	(17,377)
Net Cash Provided by Operating Activities	\$ 1,909,866	\$ 5,507,994	\$ 11,421	\$ 7,429,281
Noncash Investing and Financing Transactions				
Capital contributions	\$ —	\$ 3,744	\$ —	\$ 3,744

CITY OF LIBERTY, MISSOURI

**STATEMENT OF ASSETS AND LIABILITIES
AGENCY FUNDS
December 31, 2019**

Assets

Cash and cash equivalents	\$ 459,538
Special assessments receivable	<u>483,206</u>
	<u>\$ 942,744</u>

Liabilities

Accounts payable and accrued liabilities	\$ 69,747
Due to other entities	<u>872,997</u>
	<u>\$ 942,744</u>

CITY OF LIBERTY, MISSOURI

NOTES TO BASIC FINANCIAL STATEMENTS
December 31, 2019

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, 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 2018 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.

Limited Capital Fund: This fund is established for certain general fund capital projects whose project timeline is non-repetitive and limited in time scope.

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*)

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:

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 Crossing CID 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 2019 levy plus any uncollected amounts from the 2018 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.

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, cemetery, 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 deferred inflows related to pensions and OPEB which resulted from changes in the components of the net pension liability and OPEB 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.

2. Deposits And Investments

As of December 31, 2019, 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 Home Loan Mortgage Corporation	\$ 4,995,075	\$ 4,995,075	\$ -	\$ -	\$ -
U.S. Treasury Notes	5,987,734	5,987,734	-	-	-
Certificates of Deposit	3,000,000	3,000,000	-	-	-
Repurchase Agreements	20,367,746	20,367,746	-	-	-
	<u>\$ 34,350,555</u>	<u>\$ 34,350,555</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Authorized Investments

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

Notes To Basic Financial Statements (*Continued*)

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, 2019, the City's investments were rated as follows:

Investment Type	Rating	Company	Rating	Company
Federal Home Loan Mortgage Corporation	Aaa	Moody's	AA+	Standard & Poor's
U.S. Treasury Notes	Not Rated	Moody's	Not Rated	Standard & Poor's
Certificates of Deposit	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 Home Loan Mortgage Corporation (15%); U.S. Treasury Notes (17%); Certificates of Deposits (9%) and Repurchase Agreements (20%).

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

CITY OF LIBERTY, MISSOURI

Notes To Basic Financial Statements (*Continued*)

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, 2019, all deposits were adequately and fully collateralized.

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

Deposits	\$	9,027,045
Investments		<u>34,350,555</u>
	\$	<u>43,377,600</u>
Cash and investments	\$	30,745,193
Restricted assets:		
Cash and investments		8,339,092
Investments		<u>3,833,777</u>
Agency fund, cash and cash equivalents		<u>459,538</u>
	\$	<u>43,377,600</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, 2019:

	Balance - January 1, 2019	Additions	Retirements	Balance - December 31, 2019
Governmental Activities				
Capital assets, not being depreciated:				
Land	\$ 2,020,148	\$ —	\$ —	\$ 2,020,148
Construction in progress	31,484,656	4,987,803	28,006,453	8,466,006
Total capital assets, not being depreciated	33,504,804	4,987,803	28,006,453	10,486,154
Capital assets being depreciated:				
Buildings and systems	14,940,037	2,213,367	—	17,153,404
Improvements other than buildings	13,076,322	5,165,041	—	18,241,363
Vehicles	8,555,838	221,614	105,813	8,671,639
Machinery and equipment	13,837,159	1,413,969	10,605	15,240,523
Infrastructure	58,617,034	26,071,999	—	84,689,033
Total capital assets being depreciated	109,026,390	35,085,990	116,418	143,995,962
Less: Accumulated depreciation for:				
Buildings and systems	6,970,287	435,919	—	7,406,206
Improvements other than buildings	8,670,563	521,863	—	9,192,426
Vehicles	3,630,831	822,337	105,813	4,347,355
Machinery and equipment	9,340,336	792,252	5,919	10,126,669
Infrastructure	23,466,453	3,457,995	—	26,924,448
Total accumulated depreciation	52,078,470	6,030,366	111,732	57,997,104
Total capital assets being depreciated, net	56,947,920	29,055,624	4,686	85,998,858
Governmental activities capital assets, net	\$ 90,452,724	\$ 34,043,427	\$ 28,011,139	\$ 96,485,012

CITY OF LIBERTY, MISSOURI

Notes To Basic Financial Statements (*Continued*)

	Balance - January 1, 2019	Additions	Retirements	Balance - December 31, 2019
Business-Type Activities				
Capital assets, not being depreciated:				
Land	\$ 840,677	\$ 500,000	\$ —	\$ 1,340,677
Construction in progress	1,521,895	2,128,153	1,334,019	2,316,029
Total capital assets, not being depreciated	2,362,572	2,628,153	1,334,019	3,656,706
Capital assets being depreciated:				
Buildings and system	10,535,683	—	—	10,535,683
Improvements other than buildings	199,443	—	—	199,443
Vehicles	2,648,518	108,771	—	2,757,289
Machinery and equipment	12,760,062	836,914	—	13,596,976
Wastewater treatment plant	78,336,254	43,806	—	78,380,060
Infrastructure	63,900,998	167,214	—	64,068,212
Total capital assets being depreciated	168,380,958	1,156,705	—	169,537,663
Less: Accumulated depreciation for:				
Buildings and system	4,509,310	220,671	—	4,729,981
Improvements other than buildings	194,253	265	—	194,518
Vehicles	1,194,630	200,902	—	1,395,532
Machinery and equipment	7,285,106	561,609	—	7,846,715
Wastewater treatment plant	2,882,999	1,566,868	—	4,449,867
Infrastructure	24,772,408	1,344,033	—	26,116,441
Total accumulated depreciation	40,838,706	3,894,348	—	44,733,054
Total capital assets being depreciated, net	127,542,252	(2,737,643)	—	124,804,609
Business-type activities capital assets, net	\$ 129,904,824	\$ (109,490)	\$ 1,334,019	\$ 128,461,315

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

Governmental Activities	
General government	\$ 354,560
Public safety	946,230
Culture and recreation	959,101
Public works	3,770,475
	<u>\$ 6,030,366</u>

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

Business-Type Activities	
Water	\$ 1,447,229
Sewer	2,447,119
	<u>\$ 3,894,348</u>

CITY OF LIBERTY, MISSOURI

Notes To Basic Financial Statements (*Continued*)

4. Long-Term Liabilities

The following is a summary of changes in long-term liabilities for the year ended December 31, 2019:

	Balance - January 1, 2019	Additions	Retirements	Balance - December 31, 2019	Due Within One Year
Governmental Activities					
Special obligation bonds	\$ 31,977,146	\$ 4,845,000	\$ 2,013,296	\$ 34,808,850	\$ 2,467,562
Capital leases	2,351,062	—	751,430	1,599,632	424,098
General obligation bonds	20,840,000	—	1,215,000	19,625,000	1,345,000
TIF bonds	49,500,000	—	1,770,000	47,730,000	1,785,000
Total other post employment benefits liability	571,312	218,788	181,944	608,156	—
Compensated absences	2,087,326	1,033,032	1,078,722	2,041,636	694,156
Bond premiums	1,224,139	153,143	123,220	1,254,062	—
Bond discounts	(224,234)	—	8,008	(216,226)	—
	\$ 108,326,751	\$ 6,249,963	\$ 7,125,604	\$ 107,451,110	\$ 6,715,816
Business-Type Activities					
Revenue bonds	\$ 3,540,000	\$ —	\$ 770,000	\$ 2,770,000	\$ 785,000
SRF bonds	80,004,000	—	1,901,000	78,103,000	1,936,000
Special obligation bonds	4,502,854	—	71,704	4,431,150	162,438
Capital leases	139,272	—	88,848	50,424	24,980
Compensated absences	382,712	191,501	208,878	365,335	124,214
Bond premiums	121,774	—	16,845	104,929	—
	\$ 88,690,612	\$ 191,501	\$ 3,057,275	\$ 85,824,838	\$ 3,032,632

The accrued compensated absences, net pension liability and total other postemployment benefits liability 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, 2019 are as follows:

Governmental Activities	
General obligation bonds:	
2013 General Obligation Bonds, 3-3.30%, due in varying amounts through 2030	\$ 5,280,000
2012 General Obligation Refunding & Improvement Bonds, 3-4%, due in varying amounts through 2022	3,330,000
2015 General Obligation Bonds, 2-5%, due in varying amounts through 2035	11,015,000
Special obligation bonds:	
2013 Special Obligation Refunding and Improvement Bonds, 3%, due in varying amounts through 2023	638,850
2015 Special Obligation Bonds, 2-3.5%, due in varying amounts through 2035	14,070,000
2017 Special Obligation Refunding and Improvement Bonds, 2.65%, due in varying amounts through 2032	4,150,000
2018 Special Obligation Bonds, 3%-5%, due in varying amounts through 2038	11,105,000
Series 2019A Taxable Special Obligation Bonds, 2.5%, due in varying amounts through 2028	1,455,000
Series 2019B Tax-Exempt Special Obligation Bonds, 2%-4%, due in varying amounts through 2039	3,390,000
Tax increment revenue bonds:	
2010 Roger's Plaza Project Tax Increment Revenue Bonds, 6.75%, due in varying amounts through 2030	4,235,000
2015 Liberty Triangle Project Tax Increment Revenue Bonds, 2.7%, due in 2021	820,000
Series 2015A Special Obligation Tax Increment and Special Districts Bonds, 5.125%-6%, due in varying amounts through 2046	30,725,000
Series 2015B Subordinate Special Obligation Tax Increment and Special Districts Bonds, 8.5%, due in 2046	9,095,000
Series 2018 Liberty Triangle Project Tax Increment Refunding Revenue Bonds, 3.65%, due in 2029	2,855,000
Capital leases:	
Lease purchase of fire pump truck, 2.01% due in annual installments between \$159,000 and \$236,000 through 2023	916,000
Lease purchase of roof and parking lot, 2.01% due in annual installments between \$50,000 and \$74,000 through 2023	288,000
Lease purchase of aerial fire truck, 2.97% due in annual installments of \$131,259 through 2022	375,553
Lease purchase of IT and fitness equipment, 1.63% due in annual installments between \$255,000 and \$260,000 through 2019	20,079
Total Governmental Activities	<u>\$ 103,763,482</u>
Business-Type Activities	
Revenue bonds:	
2011 Waterworks Refunding Bonds, 1.75%-3.00%, due in varying amounts through 2021	\$ 1,045,000
2015B Sewer System Refunding Revenue Bonds, 2.5% due in 2025	1,725,000
2005 State Revolving Fund Program Bonds, 3.25%-5.25%, due in varying amounts through 2026	2,810,000
2015 State Revolving Fund Program Bonds, 1.22%, due in varying amounts through 2037	75,293,000
2013 Special Obligation Refunding and Improvement Bonds, 3%, due in varying amounts through 2023	31,150
Lease purchase of trucks, 1.63% due in annual installments between \$30,000 and \$35,000 through 2021	50,424
2018 Special Obligation Bonds, 3%-5%, due in varying amounts through 2038	4,400,000
	<u>\$ 85,354,574</u>

CITY OF LIBERTY, MISSOURI

Notes To Basic Financial Statements (*Continued*)

Annual debt service requirements to service all outstanding indebtedness as of December 31, 2019 are as follows:

For The Years Ended December 31,	Debt Service General Obligation Bonds		Debt Service Special Obligation Bonds	
	Principal	Interest	Principal	Interest
	2020	\$ 1,345,000	\$ 607,178	\$ 2,467,562
2021	1,385,000	564,153	2,727,328	1,015,414
2022	1,435,000	516,190	2,677,096	927,338
2023	1,265,000	475,028	2,531,864	838,909
2024	1,305,000	437,903	2,295,000	754,953
2025-2029	7,175,000	1,514,880	11,415,000	2,678,123
2030-2034	4,820,000	483,721	8,670,000	969,666
2035-2039	895,000	14,544	2,025,000	72,538
	\$ 19,625,000	\$ 4,613,597	\$ 34,808,850	\$ 8,343,031

For The Years Ended December 31,	Enterprise Revenue Bonds		Enterprise Capital Leases	
	Principal	Interest	Principal	Interest
	2020	\$ 785,000	\$ 65,913	\$ 24,980
2021	810,000	46,611	25,444	411
2022	285,000	26,201	-	-
2023	290,000	18,914	-	-
2024	295,000	11,522	-	-
2025	305,000	3,897	-	-
	\$ 2,770,000	\$ 173,058	\$ 50,424	\$ 1,233

For The Years Ended December 31,	Governmental Capital Leases		Debt Service Tax Increment Revenue Bonds	
	Principal	Interest	Principal	Interest
	2020	\$ 424,098	\$ 33,277	\$ 1,785,000
2021	432,950	24,396	1,260,000	2,925,251
2022	432,081	15,328	1,275,000	2,821,715
2023	310,503	6,231	1,350,000	2,757,041
2024	-	-	2,030,000	2,687,933
2025-2029	-	-	6,505,000	12,220,859
2030-2034	-	-	6,785,000	10,063,019
2035-2039	-	-	7,740,000	7,954,931
2040-2044	-	-	4,715,000	6,177,025
2045-2046	-	-	14,285,000	1,941,250
	\$ 1,599,632	\$ 79,232	\$ 47,730,000	\$ 52,528,408

The City is obligated under leases accounted for as capital leases. Assets under capital leases at December 31, 2019 totaled \$3,637,616, net of accumulated depreciation of \$1,617,390. 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,	Enterprise SRF Bonds		Enterprise Special Obligation	
	Principal	Interest	Principal	Interest
2020	\$ 1,936,000	\$ 1,048,247	\$ 162,438	\$ 173,230
2021	2,785,250	1,008,214	167,672	165,131
2022	2,845,250	961,213	177,904	156,649
2023	4,412,000	908,408	188,136	147,663
2024	4,532,000	840,163	190,000	138,169
2025-2029	23,033,000	3,171,530	1,070,000	557,500
2030-2034	24,993,000	1,681,306	1,275,000	358,259
2035-2038	13,566,500	248,554	1,200,000	98,000
	\$ 78,103,000	\$ 9,867,635	\$ 4,431,150	\$ 1,794,601

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 \$1,045,000 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 28% of net revenues on average over the next two years. The total principal and interest remaining to be paid on the 2011 bonds is \$1,083,731. Principal and interest paid during the current year and total customer net revenues were \$541,086 and \$1,902,179, respectively.

The City has pledged future sewer customer revenues, net of specified operating expenses, to repay three debt issues with outstanding principal of \$79,828,000 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 81% of net revenues on average over the next 18 years. The total principal and interest remaining to be paid on the bonds is \$89,831,385. Principal and interest paid for the current year and total customer net revenues were \$3,297,910 and \$6,185,291, 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 \$908,560, payable through 2021. For the current year, principal and interest paid and total incremental PILOTS and EATS revenues were \$859,420 and \$599,944, 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 \$6,121,963 payable through 2030. For the current year, principal and interest paid and total incremental PILOTS, EATS and CID revenues were \$522,338 and \$1,324,451, 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 \$90,010,441 payable through 2046. For the current year, principal and interest paid and total incremental revenues were \$2,908,431 and \$3,001,695, respectively.

The City has pledged a portion of future PILOTS and EATS revenues to repay \$7,840,000 in Tax Increment Revenue Bonds originally issued in October 2007 and refunded in 2018. 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 \$3,217,445 payable through 2024. For the current year, principal and interest paid and total incremental PILOTS, EATS and CID revenues were \$503,260 and \$1,017,700, 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, 2019, there were nine issues of industrial revenue bonds outstanding. These issues have an aggregate original issue amount of approximately \$409 million and a balance as of December 31, 2019 of approximately \$389 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>
Parks	Nonmajor governmental funds	\$ 155
Nonmajor	Nonmajor governmental funds	<u>2,121</u>
		<u>\$ 2,276</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	\$ 872,020	\$ 47,750
Parks	684,871	49,000
Economic development sales tax	1,037,709	-
Nonmajor governmental funds	322,509	2,820,359
	<u>\$ 2,917,109</u>	<u>\$ 2,917,109</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, 2019 were \$358,400.

6. Missouri Local Government Employees Retirement System (LAGERS)

General Information about the Pension Plan

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

CITY OF LIBERTY, MISSOURI

Notes To Basic Financial Statements (*Continued*)

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, 2019, the following employees were covered by benefit terms:

	General	Police Officers	Firefighters	Total
Retirees and beneficiaries				
currently receiving benefits	83	26	30	139
Terminated vested members	71	14	21	106
Fully vested active members	137	40	54	231
Total	<u>291</u>	<u>80</u>	<u>105</u>	<u>476</u>

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 10.1% (General), 15.0% (Police) and 22.5% (Fire) of annual covered payroll.

Net Pension Liability

The City's net pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of February 28, 2019. The roll-forward of total pension liability from February 28, 2019 to June 30, 2019, reflects expected service cost and interest reduced by actual benefit payments and administrative expenses.

CITY OF LIBERTY, MISSOURI

Notes To Basic Financial Statements (*Continued*)

Actuarial Assumptions - The total pension liability in the February 28, 2019, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial cost method	Entry age normal and modified terminal funding
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, 2019 valuation were based on the results of an actuarial experience study for the period March 1, 2010 through February 28, 2015.

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	39.00%	4.16%
Fixed Income	28.00%	0.89%
Real Assets/Real Return	33.00%	2.09%

CITY OF LIBERTY, MISSOURI

Notes To Basic Financial Statements (*Continued*)

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, 2019	\$ 59,254,351	\$ 53,436,240	\$ 5,818,111
Changes for the year:			
Service cost	1,592,366	-	1,592,366
Interest on total pension liability	4,280,527	-	4,280,527
Difference between expected and actual experience	1,158,261	-	1,158,261
Changes of assumptions	-	-	-
Benefit payments	(2,025,136)	(2,025,136)	-
Employer contributions	-	1,966,030	(1,966,030)
Employee contributions	-	556,170	(556,170)
Net investment income (loss)	-	3,530,781	(3,530,781)
Administrative expenses	-	(51,928)	51,928
Other (Net Transfer)	-	185,121	(185,121)
Net changes	5,006,018	4,161,038	844,980
Balances as of December 31, 2019	\$ 64,260,369	\$ 57,597,278	\$ 6,663,091

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%)
Net pension liability (asset)	\$ 16,950,429	\$ 6,663,091	\$ (1,749,252)

CITY OF LIBERTY, MISSOURI

Notes To Basic Financial Statements (*Continued*)

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

For the year ended December 31, 2019, the City recognized pension expense of \$2,171,857 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	\$ 1,634,073	\$ 234,954
Assumption changes	635,607	-
Net difference between projected and actual earnings	-	1,275,182
Contributions subsequent to the measurement date*	<u>1,010,697</u>	<u>-</u>
Total	<u>\$ 3,280,377</u>	<u>\$ 1,510,136</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, 2019.

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:	
2020	\$ 446,033
2021	(221,609)
2022	(35,532)
2023	371,147
2024	150,435
Thereafter	<u>49,070</u>
Total	<u>\$ 759,544</u>

Allocation of LAGERS Net Pension Liability

The City's full-time equivalents at December 31, 2019 was used to allocate the net pension liability and deferred inflows of resources and deferred outflows of resources related to pension.

7. Total Other Post-Employment Benefits Liability

Plan 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.

Benefits Policy

Retirees and their spouses may obtain Medical coverage until Medicare eligibility by paying required premium rates. Upon retiree death or attainment of age 65, spouses may continue COBRA coverage for up to three years. The required premium rates are based to some degree on active experience so retirees are not charged the full age-based projected cost.

Benefit Payments

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, 2019, 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.

Employees Covered by Benefit Terms

At December 31, 2019, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	13
Active employees	<u>246</u>
Total	<u><u>259</u></u>

Total OPEB Liability

The total OPEB liability of \$608,156 was measured as of December 31, 2019, and was determined by an actuarial valuation as of July 1, 2017, rolled forward to December 31, 2019.

CITY OF LIBERTY, MISSOURI

Notes To Basic Financial Statements (*Continued*)

The total OPEB liability in the July 1, 2017 actuarial valuation was determined using the following actuarial assumptions:

Discount rate:	3.00% per annum
Salary increases:	3.50% per annum
Healthcare cost trend rate:	Medical: 6.50% graded down to 5.00% over 6 years

The discount rate used for the plan was the average of the S&P Municipal Bond 20-Year High Grade Index and the Fidelity GO AA-20 Year Index as of December 31, 2019.

Mortality rates were based on the Society of Actuaries Pub-2010 public retirement plans headcount-weighted mortality tables using MP-2019 full generational improvement scale.

The actuarial cost method was Entry Age Normal Level Percent of Salary.

Changes in Total OPEB Liability

Balance at 12/31/2018	\$	571,312
Service costs		40,396
Interest costs		22,124
Changes of benefit terms		(160,944)
Changes in assumptions		41,021
Difference between expected and actual experience		115,247
Benefit payments		(21,000)
Net change		<u>36,844</u>
Balance at 12/31/2019	\$	<u>608,156</u>

Sensitivity of Total OPEB Liability to Changes in the Healthcare Cost Trend Rate

The following represents the total OPEB liability calculated using the stated health care cost trend assumption, as well as what the total OPEB liability would be if it were calculated using a healthcare cost trend rate that is 1 percentage-point lower or 1 percentage-point higher than the assumed trend rate:

	Healthcare cost trend rate		
	1% Decrease	Current	1% Increase
Total OPEB Liability	\$ 513,663	\$ 608,156	\$ 723,210

CITY OF LIBERTY, MISSOURI

Notes To Basic Financial Statements (*Continued*)

Sensitivity of Total OPEB Liability to Changes in the Discount Rate

The following represents the total OPEB liability calculated using the stated discount rate, as well as what the total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	<u>Discount rate</u>		
	<u>1% Decrease</u> 2.00%	<u>Current</u> 3.00%	<u>1% Increase</u> 4.00%
Total OPEB Liability	\$ 671,963	\$ 608,156	\$ 549,700

OPEB Expense and Deferred Inflows of Resources Related to OPEB

For the year ended December 31, 2019, the City recognized OPEB expense of (\$115,004). At December 31, 2019, the City reported deferred outflows and inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 106,382	\$ 61,594
Assumption changes	37,866	22,012
Total	<u>\$ 144,248</u>	<u>\$ 83,606</u>

Amounts reported as deferred outflows and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ended December 31:	
2020	\$ 4,420
2021	4,420
2022	4,420
2023	4,420
2024	4,420
Thereafter	<u>38,542</u>
Total	<u>\$ 60,642</u>

8. 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.

9. Commitments And Contingent Liabilities

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

Capital projects:	
General Fund	\$ 539,849
Parks	155,571
Nonmajor Funds	<u>1,340,596</u>
	<u>\$ 2,036,016</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, 2019, 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.

10. 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

CITY OF LIBERTY, MISSOURI

Notes To Basic Financial Statements (*Continued*)

(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, 2019, the City has the following open redevelopment agreements:

	Unpaid Reimbursable Project Costs	
Triangle (Areas B - H)	\$	273,285
Blue Jay Crossing		3,423,114
Rogers		137,024
Liberty Commons		209,826
	<u>\$</u>	<u>4,043,249</u>

The unpaid reimbursable project costs only become a liability to the City once developer reimbursement requests are received and approved by the City and applicable incremental sales and property taxes are received by the City. As of December 31, 2019, the City did not accrue a liability for these unpaid reimbursable project costs.

11. 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.

CITY OF LIBERTY, MISSOURI

Notes To Basic Financial Statements (*Continued*)

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 2019 were:

Year	Beginning Of Year Liability	Current Year Claims And Changes In Estimates	Claims Payments	Balance Year Ended
2019	\$ 13,239	\$ -	\$ (13,239)	\$ -

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 \$4,995,075 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).
- U.S. Treasury notes of \$5,987,734 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).

CITY OF LIBERTY, MISSOURI

Notes To Basic Financial Statements (*Continued*)

13. Tax Abatement Disclosures

For the fiscal year ended December 31, 2019, the City’s tax revenue was diverted through various abatements necessary to incent development within the City totaling an estimated \$7,756,909 under the following programs:

Tax Abatement Program	Amount of Taxes Abated during the Fiscal Year
Tax Increment Financing	\$ 7,014,391
Chapter 353	233,010
Chapter 100 Bonds	509,508
	<hr/>
	\$ 7,756,909
	<hr/> <hr/>

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 Increment 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.

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.

Notes To Basic Financial Statements *(Continued)*

14. Fund Balance Deficits

As of December 31, 2019, there were no funds with a fund deficit.

15. Operating Leases

Noncancellable operating lease for fiber services expires in 2028. This lease generally contains a renewal option for one year.

Future minimum lease payments at December 31, 2019, were:

2020	\$	103,104
2021		103,104
2022		103,104
2023		103,104
2024		103,104
2025 – 2028		<u>361,954</u>
Future minimum lease payments	\$	<u><u>877,474</u></u>

16. Subsequent Events

As a result of the spread of the SARS-CoV-2 virus and the incidence of COVID-19, economic uncertainties have arisen which may negatively affect the financial position, the changes in financial position and cash flows of the City. The duration of these uncertainties and the ultimate financial effects cannot be reasonably estimated at this time.

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, 2019**

	Budget Final	Actual	Variance With Final Budget (Over) Under
Revenues			
Taxes	\$ 15,343,580	\$ 15,855,927	\$ (512,347)
Intergovernmental	545,810	511,957	33,853
Charges for services	1,840,960	1,912,670	(71,710)
Licenses and permits	433,400	484,067	(50,667)
Investment earnings	68,000	120,926	(52,926)
Miscellaneous	1,373,120	502,538	870,582
Total Revenues	19,604,870	19,388,085	216,785
Expenditures			
Current:			
General government	5,114,541	4,707,334	407,207
Community development and improvement	787,530	795,438	(7,908)
Public works	2,589,795	2,911,421	(321,626)
Culture and recreation	353,267	355,628	(2,361)
Public safety	10,642,641	9,991,157	651,484
Capital outlay	-	344,583	(632,313)
Debt service:			
Principal retirement	970,159	986,779	(16,620)
Interest and fiscal charges	308,689	297,758	10,931
Bond issuance costs	-	17,949	(17,949)
Total Expenditures	20,766,622	20,408,047	70,845
Revenues Over (Under) Expenditures	(1,161,752)	(1,019,962)	145,940
Other Financing Sources			
Issuance of long-term debt	-	740,000	(740,000)
Premium on bond issuance	-	51,562	(46,171)
Insurance proceeds	-	68,972	(17,042)
Transfers in	872,020	872,020	-
Transfers out	(47,750)	(47,750)	-
Total Other Financing Sources (Uses)	824,270	1,684,804	(803,213)
Net Change In Fund Balances	\$ (337,482)	664,842	\$ (657,273)
Fund Balances - Beginning of Year		4,612,595	
Fund Balances - End of Year		\$ 5,277,437	

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, 2019**

	Budget Final	Actual	Variance With Final Budget (Over) Under
Revenues			
Taxes	\$ 766,700	\$ 764,771	\$ 1,929
Charges for services	2,786,050	2,534,943	251,107
Investment earnings	9,000	20,871	(11,871)
Miscellaneous	42,180	180,352	(138,172)
Total Revenues	3,603,930	3,500,937	102,993
Expenditures			
Current:			
Culture and recreation	4,256,941	4,060,075	196,866
Capital outlay	-	4,063,672	(4,063,672)
Debt service:			
Principal retirement	44,890	22,445	22,445
Interest and fiscal charges	1,095	366	729
Bond issuance costs	-	98,894	(98,894)
Total Expenditures	4,302,926	8,245,452	(3,942,526)
Revenues Over (Under) Expenditures	(698,996)	(4,744,515)	4,045,519
Other Financing Sources (Uses)			
Insurance recoveries	114,630	-	114,630
Issuance of long-term debt	-	4,105,000	(4,105,000)
Capital lease	60,000	-	60,000
Premium on bond issue	-	101,581	(101,581)
Transfers in	678,730	684,871	(6,141)
Transfers out	(59,000)	(49,000)	(10,000)
Total Other Financing Sources (Uses)	794,360	4,842,452	(4,048,092)
Net Change In Fund Balances	\$ 95,364	97,937	\$ (2,573)
Fund Balances - Beginning of Year		557,816	
Fund Balances - End of Year		\$ 655,753	

CITY OF LIBERTY, MISSOURI

**REQUIRED SUPPLEMENTARY INFORMATION
NOTES TO BUDGETARY COMPARISON INFORMATION
December 31, 2019**

1. Budgetary Data

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

2. Exceptions To Budgetary Laws And Regulations

Expenditures exceeded appropriations in the General Fund, Parks Fund, Liberty TIF Fund, Cemetery Fund, Public Safety Sales Tax Fund, Cable Reserve Fund, Frank Hughes Memorial Trust Fund, Mt. Memorial Cemetery Trust Fund, and the Fairview Cemetery Trust Fund by \$1,138,447, \$4,030,262, \$490,891, \$3,542, \$280,058, \$2,559, \$458, \$456, and \$5,103 respectively.

CITY OF LIBERTY, MISSOURI

**REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN THE CITY'S NET PENSION LIABILITY AND
RELATED RATIOS
MISSOURI LOCAL GOVERNMENT EMPLOYEES RETIREMENT SYSTEM**

	2019	2018	2017	2016	2015
Total Pension Liability					
Service cost	\$ 1,592,366	\$ 1,421,377	\$ 1,346,125	\$ 1,300,713	\$ 1,290,766
Interest on total pension liability	4,280,527	3,984,146	3,723,940	3,400,555	3,211,265
Difference between expected and actual experience	1,158,261	552,419	403,200	(236,513)	(95,628)
Effect of assumption changes or inputs	—	—	—	1,855,247	—
Benefit payments	(2,025,136)	(1,885,159)	(1,955,991)	(1,810,201)	(1,790,929)
Net Change in Total Pension Liability	5,006,018	4,072,783	3,517,274	4,509,801	2,615,474
Total Pension Liability - Beginning	59,254,351	55,181,568	51,664,294	47,154,493	44,539,019
Total Pension Liability - Ending (a)	64,260,369	59,254,351	55,181,568	51,664,294	47,154,493
Fiduciary Net Position					
Employer contributions	1,966,030	1,829,755	1,501,991	1,433,344	1,405,597
Employee contributions	556,170	526,762	464,346	458,444	442,608
Net investment income (loss)	3,530,781	5,748,389	5,124,895	(51,526)	822,220
Benefit payments	(2,025,136)	(1,885,159)	(1,955,991)	(1,810,201)	(1,790,929)
Administrative expenses	(51,928)	(35,942)	(34,053)	(31,968)	(35,605)
Other (net transfer)	185,121	(430,866)	173,111	101,204	(256,996)
Net Change in Fiduciary Net Position	4,161,038	5,752,939	5,274,299	99,297	586,895
Fiduciary Net Position - Beginning	53,436,240	47,683,301	42,409,002	42,309,705	41,722,810
Fiduciary Net Position - Ending (b)	57,597,278	53,436,240	47,683,301	42,409,002	42,309,705
Net Pension Liability, Ending = (a) - (b)	\$ 6,663,091	\$ 5,818,111	\$ 7,498,267	\$ 9,255,292	\$ 4,844,788
Fiduciary Net Position as a Percentage of Total Pension Liability	89.63%	90.18%	86.41%	82.09%	89.73%
Covered Payroll	\$ 13,812,017	\$ 12,973,228	\$ 11,244,023	\$ 11,234,166	\$ 10,833,407
Net Pension Liability as a Percentage of Covered Payroll	48.24%	44.85%	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 2019.

CITY OF LIBERTY, MISSOURI

REQUIRED SUPPLEMENTARY INFORMATION
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
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%
2018	2,003,995	1,961,268	42,727	13,705,491	14.31%
2019	1,992,797	1,992,797	-	14,123,437	14.11%

Notes to Schedule:

Actuarial cost method	Entry age normal and modified terminal funding
Amortization method	Level percentage of payroll, closed
Remaining amortization period	Multiple bases from 13 to 23 years
Asset valuation method	5 year smoothed market, 20% corridor
Inflation	3.25% wage inflation, 2.5% price inflation
Salary increases	3.25% to 6.55%, including wage inflation
Net investment rate of return	7.25%
Retirement age	Experience-based table of rates that are specific to the type of eligibility condition.
Mortality	The healthy retiree mortality tables, for post-retirement mortality, were the RP-2014 Healthy Annuitant mortality table for males and females. The disabled retiree mortality 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.

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

CITY OF LIBERTY, MISSOURI

**REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY AND RELATED RATIOS
FISCAL YEARS ENDED DECEMBER 31,**

	2019	2018
Total OPEB Liability		
Service cost	\$ 40,396	\$ 55,309
Interest on total OPEB liability	22,124	25,122
Change in benefit terms	(160,944)	(119,860)
Change in assumptions	41,021	(26,014)
Differences between actual and expected experience	115,247	(72,792)
Benefit payments	(21,000)	(21,000)
 Net change in total OPEB liability	 36,844	 (159,235)
 Total OPEB liability, beginning	 571,312	 730,547
Total OPEB liability, ending	\$ 608,156	\$ 571,312
 Covered payroll	 \$ 13,635,602	 \$ 13,635,602
 Total OPEB liability as a percentage of covered payroll	 4.19%	 4.19%

Notes to Schedule:

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.

Benefit Changes – Effective July 1, 2018, retirees are charged 135% of plan premiums rather than 125%.

Changes of Assumptions – The discount rate changed from 3.68% to 3.00%. Disability incidence and mortality improvement scale were updated.

This schedule is ultimately required to show information for ten years. Only the data for years currently available is displayed. The information presented is as of the measurement date.

Supplementary Information

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

CITY OF LIBERTY, MISSOURI

**COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
December 31, 2019**

	Special Revenue	Capital Projects	Permanent	Total
Assets				
Cash and investments	\$ 1,669,148	\$ 5,880,518	\$ 448,170	\$ 7,997,836
Receivables, net of allowance for uncollectibles:				
Taxes	506,490	1,205,339	-	1,711,829
Accounts	55,275	213,692	2,858	271,825
Accrued interest	5,637	22,128	1,397	29,162
Due from other funds	2,121	-	-	2,121
Due from other governments	-	68,306	-	68,306
Prepays	20,529	3,380	-	23,909
Restricted assets:				
Cash and investments	-	389,095	-	389,095
Investments	-	1,058,199	-	1,058,199
Accrued interest	-	2,109	-	2,109
Total Assets	\$ 2,259,200	\$ 8,842,766	\$ 452,425	\$11,554,391
Liabilities				
Accounts payable and accrued liabilities	\$ 42,580	\$ 698,603	\$ -	\$ 741,183
Deposits	4,575	87,915	-	92,490
Due to other funds	-	-	2,276	2,276
Unearned revenue	-	166,850	-	166,850
Total Liabilities	47,155	953,368	2,276	1,002,799
Fund Balances				
Nonspendable:				
Prepays	20,529	3,380	-	23,909
Permanent fund principal	-	-	450,149	450,149
Restricted for:				
Parks and recreation	-	1,200,762	-	1,200,762
Capital projects	-	4,357,199	-	4,357,199
Transportation projects	-	879,790	-	879,790
Public safety	1,988,791	1,443,186	-	3,431,977
Cemetery	13,946	-	-	13,946
Law enforcement	30,272	-	-	30,272
Other purposes	158,507	5,081	-	163,588
Total Fund Balances	2,212,045	7,889,398	450,149	10,551,592
Total Liabilities and Fund Balances	\$ 2,259,200	\$ 8,842,766	\$ 452,425	\$11,554,391

CITY OF LIBERTY, MISSOURI

**COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
December 31, 2019**

	Cemetery	Police Training	Inmate Security Fund	Transient Guest Tax	Public Safety Sales Tax	Total
Assets						
Cash and investments	\$ 16,161	\$ 13,731	\$ 12,095	\$ 149,209	\$ 1,477,952	\$ 1,669,148
Receivables, net of allowance for uncollectibles:						
Taxes	-	-	-	-	506,490	506,490
Accounts	1,560	4,453	-	49,262	-	55,275
Accrued interest	41	37	38	402	5,119	5,637
Due from other funds	2,121	-	-	-	-	2,121
Prepays	-	-	-	12	20,517	20,529
Total Assets	\$ 19,883	\$ 18,221	\$ 12,133	\$ 198,885	\$ 2,010,078	\$ 2,259,200
Liabilities						
Accounts payable and accrued liabilities	\$ 1,362	\$ 82	\$ -	\$ 40,366	\$ 770	\$ 42,580
Deposits	4,575	-	-	-	-	4,575
Total Liabilities	5,937	82	-	40,366	770	47,155
Fund Balances						
Non spendable:						
Prepays	-	-	-	12	20,517	20,529
Restricted for:						
Public safety	-	-	-	-	1,988,791	1,988,791
Cemetery	13,946	-	-	-	-	13,946
Law enforcement	-	18,139	12,133	-	-	30,272
Other purposes	-	-	-	158,507	-	158,507
Total Fund Balances	13,946	18,139	12,133	158,519	2,009,308	2,212,045
Total Liabilities And Fund Balances	\$ 19,883	\$ 18,221	\$ 12,133	\$ 198,885	\$ 2,010,078	\$ 2,259,200

CITY OF LIBERTY, MISSOURI

**COMBINING BALANCE SHEET
NONMAJOR CAPITAL PROJECTS FUNDS
December 31, 2019**

	Limited Capital	Capital Sales Tax	Transportation Sales Tax	Fire Sales Tax	Parks Capital	Cable Reserve	Total
Assets							
Cash and investments	\$ 3,147,032	\$ 995,202	\$ 508,243	\$ 1,258,770	\$ (33,792)	\$ 5,063	\$ 5,880,518
Receivables, net of allowance for uncollectibles:							
Taxes	-	403,318	398,703	201,659	201,659	-	1,205,339
Accounts	-	145,155	-	49,817	18,720	-	213,692
Accrued interest	9,553	4,906	1,468	3,802	2,381	18	22,128
Due from other governments	-	68,306	-	-	-	-	68,306
Prepays	-	3,380	-	-	-	-	3,380
Restricted assets:							
Cash and investments	-	389,095	-	-	-	-	389,095
Investments	-	-	-	-	1,058,199	-	1,058,199
Accrued interest	-	1,211	-	-	898	-	2,109
Total Assets	\$ 3,156,585	\$ 2,010,573	\$ 908,414	\$ 1,514,048	\$ 1,248,065	\$ 5,081	\$ 8,842,766
Liabilities							
Accounts payable and accrued liabilities	\$ 528,219	\$ 23,595	\$ 28,624	\$ 70,862	\$ 47,303	\$ -	\$ 698,603
Deposits	-	87,915	-	-	-	-	87,915
Unearned revenue	-	166,850	-	-	-	-	166,850
Total Liabilities	528,219	278,360	28,624	70,862	47,303	-	953,368
Fund Balances							
Nonspendable:							
Prepays	-	3,380	-	-	-	-	3,380
Restricted for:							
Parks and recreation	-	-	-	-	1,200,762	-	1,200,762
Capital projects	2,628,366	1,728,833	-	-	-	-	4,357,199
Transportation projects	-	-	879,790	-	-	-	879,790
Public safety	-	-	-	1,443,186	-	-	1,443,186
Other purposes	-	-	-	-	-	5,081	5,081
Total Fund Balances	2,628,366	1,732,213	879,790	1,443,186	1,200,762	5,081	7,889,398
Total Liabilities And Fund Balances	\$ 3,156,585	\$ 2,010,573	\$ 908,414	\$ 1,514,048	\$ 1,248,065	\$ 5,081	\$ 8,842,766

CITY OF LIBERTY, MISSOURI

COMBINING BALANCE SHEET
NONMAJOR PERMANENT FUNDS
December 31, 2019

	Frank Hughes Memorial Trust	Mt. Memorial Cemetery Trust	Fairview Cemetery Trust	Total
Assets				
Cash and investments	\$ 30,060	\$ 33,825	\$ 384,285	\$ 448,170
Receivables, net of allowance for uncollectibles:				
Accounts	-	-	2,858	2,858
Accrued interest	94	105	1,198	1,397
Total Assets	\$ 30,154	\$ 33,930	\$ 388,341	\$ 452,425
Liabilities				
Due to other funds	\$ 154	\$ 175	\$ 1,947	\$ 2,276
Fund Balances				
Nonspendable:				
Permanent fund principal	30,000	33,755	386,394	450,149
Total Liabilities And Fund Balances	\$ 30,154	\$ 33,930	\$ 388,341	\$ 452,425

CITY OF LIBERTY, MISSOURI

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS
For The Year Ended December 31, 2019**

	Special Revenue	Capital Projects	Permanent	Total
Revenues				
Taxes	\$ 3,011,081	\$ 6,850,348	\$ -	\$ 9,861,429
Intergovernmental	-	395,680	-	395,680
Charges for services	70,453	-	-	70,453
Investment earnings	38,376	236,325	10,467	285,168
Miscellaneous	3,045	293,542	6,075	302,662
Total Revenues	3,122,955	7,775,895	16,542	10,915,392
Expenditures				
Current:				
General government	332,401	7,869	-	340,270
Community development and improvement	500	81,675	-	82,175
Public works	-	877,030	-	877,030
Culture and recreation	800	154,448	-	155,248
Cemetery maintenance	58,292	-	-	58,292
Public safety	2,120,242	34,111	-	2,154,353
Capital outlay	-	6,186,008	-	6,186,008
Debt service:				
Principal retirement	-	1,620,180	-	1,620,180
Interest and fiscal charges	-	461,298	-	461,298
Total Expenditures	2,512,235	9,422,619	-	11,934,854
Revenues Over Expenditures	610,720	(1,646,724)	16,542	(1,019,462)
Other Financing Sources (Uses)				
Transfers in	57,509	265,000	-	322,509
Transfers out	(49,750)	(2,760,142)	(10,467)	(2,820,359)
Total Other Financing Sources (Uses)	7,759	(2,495,142)	(10,467)	(2,497,850)
Net Change In Fund Balances	618,479	(4,141,866)	6,075	(3,517,312)
Fund Balances - Beginning of Year	1,593,566	12,031,264	444,074	14,068,904
Fund Balances - End of Year	\$ 2,212,045	\$ 7,889,398	\$ 450,149	\$ 10,551,592

CITY OF LIBERTY, MISSOURI

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - NONMAJOR SPECIAL REVENUE FUNDS
For The Year Ended December 31, 2019**

	Cemetery	Police Training	Inmate Security Fund	Transient Guest Tax	Public Safety Sales Tax	Total
Revenues						
Taxes	\$ -	\$ -	\$ -	\$ 300,567	\$ 2,710,514	\$ 3,011,081
Charges for services	47,839	17,084	5,530	-	-	70,453
Investment earnings	345	205	251	3,075	34,500	38,376
Miscellaneous	2,280	12	9	740	4	3,045
Total Revenues	50,464	17,301	5,790	304,382	2,745,018	3,122,955
Expenditures						
Current:						
General government	-	-	-	332,401	-	332,401
Community development and improvement	-	-	-	500	-	500
Culture and recreation	-	-	-	800	-	800
Cemetery maintenance	58,292	-	-	-	-	58,292
Public safety	-	8,708	2,476	-	2,109,058	2,120,242
Total Expenditures	58,292	8,708	2,476	333,701	2,109,058	2,512,235
Revenues Over (Under) Expenditures	(7,828)	8,593	3,314	(29,319)	635,960	610,720
Other Financing Sources (Uses)						
Transfers in	57,509	-	-	-	-	57,509
Transfers out	(47,750)	-	-	(2,000)	-	(49,750)
Total Other Financing Sources (Uses)	9,759	-	-	(2,000)	-	7,759
Net Change In Fund Balances	1,931	8,593	3,314	(31,319)	635,960	618,479
Fund Balances - Beginning of Year	12,015	9,546	8,819	189,838	1,373,348	1,593,566
Fund Balances - End of Year	\$ 13,946	\$ 18,139	\$ 12,133	\$ 158,519	\$ 2,009,308	\$ 2,212,045

CITY OF LIBERTY, MISSOURI

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - NONMAJOR CAPITAL PROJECTS FUNDS
For The Year Ended December 31, 2019**

	Limited Capital	Capital Sales Tax	Transportation Sales Tax	Fire Sales Tax	Parks Capital	Cable Reserve	Total
Revenues							
Taxes	\$ -	\$ 2,285,507	\$ 2,279,333	\$ 1,142,754	\$ 1,142,754	\$ -	\$ 6,850,348
Intergovernmental	-	371,797	-	-	23,883	-	395,680
Investment earnings	111,213	45,595	15,627	36,477	27,008	405	236,325
Miscellaneous	6,009	1,416	20	301,155	(15,058)	-	293,542
Total Revenues	117,222	2,704,315	2,294,980	1,480,386	1,178,587	405	7,775,895
Expenditures							
Current:							
General government	-	-	-	-	-	7,869	7,869
Community development and improvement	-	-	81,675	-	-	-	81,675
Public works	-	295,651	581,379	-	-	-	877,030
Culture and recreation	-	-	6,510	-	147,938	-	154,448
Public safety	-	-	-	34,111	-	-	34,111
Capital outlay	3,691,090	1,489,799	444,274	242,078	298,271	20,496	6,186,008
Debt service:							
Principal retirement	-	509,872	205,000	810,308	95,000	-	1,620,180
Interest and fiscal charges	117	184,947	115,098	117,564	43,572	-	461,298
Total Expenditures	3,691,207	2,480,269	1,433,936	1,204,061	584,781	28,365	9,422,619
Revenues Over (Under) Expenditures	(3,573,985)	224,046	861,044	276,325	593,806	(27,960)	(1,646,724)
Other Financing Sources (Uses)							
Transfers in	265,000	-	-	-	-	-	265,000
Transfers out	-	(934,169)	(885,710)	(315,000)	(625,263)	-	(2,760,142)
Total Other Financing Sources (Uses)	265,000	(934,169)	(885,710)	(315,000)	(625,263)	-	(2,495,142)
Net Change In Fund Balances	(3,308,985)	(710,123)	(24,666)	(38,675)	(31,457)	(27,960)	(4,141,866)
Fund Balances - Beginning of Year	5,937,351	2,442,336	904,456	1,481,861	1,232,219	33,041	12,031,264
Fund Balances - End of Year	\$ 2,628,366	\$ 1,732,213	\$ 879,790	\$ 1,443,186	\$ 1,200,762	\$ 5,081	\$ 7,889,398

CITY OF LIBERTY, MISSOURI

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - NONMAJOR PERMANENT FUNDS
For The Year Ended December 31, 2019**

	Frank Hughes Memorial Trust	Mt. Memorial Cemetery Trust	Fairview Cemetery Trust	Total
Revenues				
Investment earnings	\$ 708	\$ 796	\$ 8,963	\$ 10,467
Miscellaneous	-	-	6,075	6,075
Total Revenues	708	796	15,038	16,542
Revenues Over Expenditures	708	796	15,038	16,542
Other Financing Uses				
Transfers out	(708)	(796)	(8,963)	(10,467)
Net Change In Fund Balances	-	-	6,075	6,075
Fund Balances - Beginning of Year	30,000	33,755	380,319	444,074
Fund Balances - End of Year	\$ 30,000	\$ 33,755	\$ 386,394	\$ 450,149

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, 2019

	Final Budget	Actual	Variance With Final Budget - (Over) Under
Revenues			
Taxes	\$ 2,235,540	\$ 2,285,507	\$ (49,967)
Intergovernmental	468,010	371,797	96,213
Investment earnings	20,000	45,595	(25,595)
Miscellaneous	-	1,416	(1,416)
Total Revenues	2,723,550	2,704,315	19,235
Expenditures			
Current:			
Public works	1,037,270	295,651	741,619
Capital outlay	591,096	1,489,799	(898,703)
Debt service:			
Principal retirement	541,600	509,872	31,728
Interest and fiscal charges	197,830	184,947	12,883
Total Expenditures	2,367,796	2,480,269	(112,473)
Revenues Under Expenditures	355,754	224,046	131,708
Other Financing Sources			
Transfers out	(253,010)	(934,169)	681,159
Total Other Financing	(253,010)	(934,169)	681,159
Net Change In Fund Balances	\$ 102,744	(710,123)	\$ 812,867
Fund Balance - Beginning of Year		2,442,336	
Fund Balance - End of Year		\$ 1,732,213	

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, 2019**

	Final Budget	Actual	Variance With Final Budget - (Over) Under
Revenues			
Taxes	\$ 2,235,540	\$ 2,279,333	\$ (43,793)
Investment earnings	-	15,627	(15,627)
Miscellaneous	-	20	(20)
Total Revenues	2,235,540	2,294,980	(59,440)
Expenditures			
Current:			
Community development and improvement	50,650	81,675	(31,025)
Public works	579,530	581,379	(1,849)
Culture and recreation	77,280	6,510	70,770
Capital outlay	400,000	444,274	(44,274)
Debt service:			
Principal retirement	205,000	205,000	-
Interest and fiscal charges	114,890	115,098	(208)
Total Expenditures	1,427,350	1,433,936	(6,586)
Revenues Over Expenditures	808,190	861,044	(52,854)
Other Financing Sources (Uses)			
Transfers out	(885,710)	(885,710)	-
Net Change In Fund Balances	\$ (77,520)	(24,666)	\$ (52,854)
Fund Balance - Beginning of Year		904,456	
Fund Balance - End of Year		\$ 879,790	

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, 2019

	Final Budget	Actual	Variance With Final Budget - (Over) Under
Revenues			
Taxes	\$ 7,732,290	\$ 7,727,991	\$ 4,299
Investment earnings	55,000	132,625	(77,625)
Miscellaneous	10,500	16,307	(5,807)
Total Revenues	7,797,790	7,876,923	(79,133)
Expenditures			
Current:			
General government	43,175	15,835	27,340
Community development and improvement	2,204,725	2,277,792	(73,067)
Public works	17,700	43,084	(25,384)
Debt service:			
Principal retirement	2,067,340	1,855,000	212,340
Interest and fiscal charges	2,306,960	2,298,140	8,820
Total Expenditures	6,639,900	6,489,851	150,049
Revenues Over (Under) Expenditures	1,157,890	1,387,072	(229,182)
Other Financing Sources (Uses)			
Issuance of refunding debt	-	-	-
Payments to refunding escrow agent	-	-	-
Transfers in	-	-	-
Total Other Financing Sources (Uses)	-	-	-
Net Change In Fund Balances	\$ 1,157,890	1,387,072	\$ (229,182)
Fund Balance - Beginning of Year		7,948,504	
Fund Balance - End of Year		\$ 9,335,576	

CITY OF LIBERTY, MISSOURI

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

For The Year Ended December 31, 2019

	Final Budget	Actual	Variance With Final Budget - (Over) Under
Revenues			
Charges for services	\$ 23,820	\$ 47,839	\$ (24,019)
Investment earnings	400	345	55
Miscellaneous	13,300	2,280	11,020
Total Revenues	37,520	50,464	(12,944)
Expenditures			
Current:			
Cemetery maintenance	54,550	58,292	(3,742)
Total Expenditures	54,550	58,292	(3,742)
Revenues Over (Under) Expenditures	(17,030)	(7,828)	(9,202)
Other Financing Sources (Uses)			
Transfers in	47,750	57,509	(9,759)
Transfers out	(47,750)	(47,750)	-
Total Other Financing Sources (Uses)	-	9,759	(9,759)
Net Change In Fund Balances	\$ (17,030)	1,931	\$ (18,961)
Fund Balance - Beginning of Year		12,015	
Fund Balance - End of Year		\$ 13,946	

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, 2019**

	Final Budget	Actual	Variance With Final Budget - (Over) Under
Revenues			
Charges for services	\$ 10,010	\$ 17,084	\$ (7,074)
Investment earnings	30	205	(175)
Miscellaneous	1,200	12	1,188
Total Revenues	11,240	17,301	(6,061)
Expenditures			
Current:			
Public safety	9,820	8,708	1,112
Net Change In Fund Balances	\$ 1,420	8,593	\$ (7,173)
Fund Balance - Beginning of Year		9,546	
Fund Balance - End of Year		\$ 18,139	

CITY OF LIBERTY, MISSOURI

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCES - BUDGET AND ACTUAL -
TRANSIENT GUEST TAX FUND
For The Year Ended December 31, 2019**

	Final Budget	Actual	Variance With Final Budget - (Over) Under
Revenues			
Taxes	\$ 301,810	\$ 300,567	\$ 1,243
Investment earnings	-	3,075	(3,075)
Intergovernmental	-	740	(740)
Total Revenues	301,810	304,382	(2,572)
Expenditures			
Current:			
General government	367,220	332,401	34,819
Community development and improvement	-	500	(500)
Culture and recreation	-	800	(800)
Total Expenditures	367,220	333,701	33,519
Other Financing Sources (Uses)			
Transfers out	(2,000)	(2,000)	-
Net Change In Fund Balances	\$ (65,410)	(31,319)	\$ (34,091)
Fund Balance - Beginning Of Year		189,838	
Fund Balance - End Of Year		\$ 158,519	

CITY OF LIBERTY, MISSOURI

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCES - BUDGET AND ACTUAL -
INMATE SECURITY FUND
For The Year Ended December 31, 2019**

	Final Budget	Actual	Variance With Final Budget - (Over) Under
Revenues			
Charges for services	\$ 4,500	\$ 5,530	\$ (1,030)
Investment earnings	100	251	(151)
Miscellaneous	-	9	(9)
Total Revenues	4,600	5,790	(1,190)
Expenditures			
Current:			
Public safety	5,500	2,476	3,024
Net Change In Fund Balances	\$ (900)	3,314	\$ (4,214)
Fund Balance - Beginning Of Year		8,819	
Fund Balance - End Of Year		\$ 12,133	

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, 2019

	Final Budget	Actual	Variance With Final Budget - (Over) Under
Revenues			
Taxes	\$ 1,117,760	\$ 1,142,754	\$ (24,994)
Intergovernmental	-	23,883	(23,883)
Investment earnings	-	27,008	(27,008)
Miscellaneous	-	(15,058)	15,058
Total Revenues	1,117,760	1,178,587	(60,827)
Expenditures			
Current:			
Culture and recreation	100,000	147,938	(47,938)
Capital outlay	449,500	298,271	151,229
Debt service:			
Principal retirement	95,000	95,000	-
Interest and fiscal charges	44,750	43,572	1,178
Total Expenditures	689,250	584,781	104,469
Revenues Under Expenditures	428,510	593,806	(165,296)
Other Financing Sources (Uses)			
Transfers out	(619,830)	(625,263)	5,433
Total Other Financing Sources (Uses)	(619,830)	(625,263)	5,433
Net Change In Fund Balances	\$ (191,320)	(31,457)	\$ (159,863)
Fund Balance - Beginning of Year		1,232,219	
Fund Balance - End of Year		\$ 1,200,762	

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, 2019**

	Final Budget	Actual	Variance With Final Budget - (Over) Under
Revenues			
Taxes	\$ 1,117,760	\$ 1,142,754	\$ (24,994)
Investment earnings	800	36,477	(35,677)
Miscellaneous	225,820	301,155	(75,335)
Total Revenues	1,344,380	1,480,386	(136,006)
Expenditures			
Current:			
Public safety	134,800	34,111	100,689
Capital outlay	366,109	242,078	124,031
Debt service:			
Principal retirement	810,330	810,308	22
Interest and fiscal charges	121,330	117,564	3,766
Total Expenditures	1,432,569	1,204,061	228,508
Revenues Over Expenditures	(88,189)	276,325	(364,514)
Other Financing Sources (Uses)			
Transfers out	(315,000)	(315,000)	-
Total Other Financing Sources (Uses)	(315,000)	(315,000)	-
Net Change In Fund Balances	\$ (403,189)	(38,675)	\$ (364,514)
Fund Balance - Beginning of Year		1,481,861	
Fund Balance - End of Year		\$ 1,443,186	

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, 2019**

	Final Budget	Actual	Variance With Final Budget - (Over) Under
Revenues			
Taxes	\$ 2,677,860	\$ 2,710,514	\$ (32,654)
Investment earnings	8,500	34,500	(26,000)
Miscellaneous	-	4	(4)
Total Revenues	2,686,360	2,745,018	(58,658)
Expenditures			
Current:			
Public safety	2,170,090	2,109,058	61,032
Total Expenditures	2,170,090	2,109,058	61,032
Revenues Under Expenditures	516,270	635,960	(119,690)
Net Change In Fund Balances	<u>\$ 516,270</u>	635,960	<u>\$ (119,690)</u>
Fund Balance - Beginning of Year		<u>1,373,348</u>	
Fund Balance - End of Year		<u><u>\$ 2,009,308</u></u>	

CITY OF LIBERTY, MISSOURI

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL -
CABLE RESERVE FUND
For The Year Ended December 31, 2019

	Final Budget	Actual	Variance With Final Budget - (Over) Under
Revenues			
Investment earnings	\$ 600	\$ 405	\$ 195
Expenditures			
Current:			
General government	7,000	7,869	(869)
Capital outlay	26,800	20,496	6,304
Total Expenditures	33,800	28,365	5,435
Net Change In Fund Balances	\$ (33,200)	(27,960)	\$ (5,240)
Fund Balance - Beginning of Year		<u>33,041</u>	
Fund Balance - End of Year		<u>\$ 5,081</u>	

CITY OF LIBERTY, MISSOURI

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL -
ECONOMIC DEVELOPMENT FUND
For The Year Ended December 31, 2019**

	Final Budget	Actual	Variance With Final Budget - (Over) Under
Revenues			
Taxes	\$ 2,008,400	\$ 2,053,450	\$ (45,050)
Investment earnings	-	15,198	(15,198)
Miscellaneous	-	1,523,902	(1,523,902)
Total Revenues	2,008,400	3,592,550	(1,584,150)
Expenditures			
Current:			
General government	335,130	252,150	82,980
Public works	-	18,871	(18,871)
Capital outlay	130,547	1,473,077	(1,342,530)
Debt service:			
Principal retirement	1,270,000	1,265,322	4,678
Interest and fiscal charges	890,660	895,091	(4,431)
Total Expenditures	2,626,337	3,904,511	(1,278,174)
Revenues Under Expenditures	(617,937)	(311,961)	(305,976)
Other Financing Sources			
Transfers in	621,550	1,037,709	(416,159)
Total Other Financing Sources	621,550	1,037,709	(416,159)
Net Change In Fund Balances	\$ 3,613	725,748	\$ (722,135)
Fund Balance - Beginning Of Year		1,273,430	
Fund Balance - End Of Year		\$ 1,999,178	

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, 2019**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget - (Over) Under</u>
Revenues			
Investment earnings	\$ 500	\$ 708	\$ (208)
Expenditures			
Current:			
Cemetery maintenance	250	708	(458)
Net Change In Fund Balances	<u>\$ 250</u>	-	<u>\$ 250</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, 2019

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget - (Over) Under</u>
Revenues			
Investment earnings	\$ 650	\$ 796	\$ (146)
Expenditures			
Cemetery maintenance	650	796	(146)
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, 2019

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget - (Over) Under</u>
Revenues			
Investment earnings	\$ 7,350	\$ 8,963	\$ (1,613)
Miscellaneous	4,050	6,075	(2,025)
Total Revenues	<u>11,400</u>	<u>15,038</u>	<u>(3,638)</u>
Expenditures			
Cemetery maintenance	7,350	8,963	(1,613)
Net Change In Fund Balances	<u>\$ 4,050</u>	<u>6,075</u>	<u>\$ (2,025)</u>
Fund Balance - Beginning of Year		<u>380,319</u>	
Fund Balance - End of Year		<u>\$ 386,394</u>	

CITY OF LIBERTY, MISSOURI

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

Page 1 Of 2

For The Year Ended December 31, 2019

	Balance		Balance
	January 1,	Additions	December 31,
	2019		2019
Triangle CID Sales Tax Fund			
Assets			
Cash and cash equivalents	\$ 100,834	\$ 15,191	\$ -
			\$ 116,025
Liabilities			
Due to other entities	\$ 100,834	\$ 15,191	\$ -
			\$ 116,025
Preservation and Development			
Assets			
Cash and cash equivalents	\$ 515	\$ -	\$ -
Prepays	1,750	-	-
			1,750
Total Assets	\$ 2,265	\$ -	\$ -
			2,265
Liabilities			
Accounts payable and accrued liabilities	\$ 2,265	\$ -	\$ -
			2,265
Roger's Plaza CID			
Assets			
Cash and cash equivalents	\$ 177,500	\$ 30,000	\$ -
			\$ 207,500
Liabilities			
Due to other entities	\$ 177,500	\$ 30,000	\$ -
			\$ 207,500
Blue Jay Crossing CID			
Assets			
Cash and cash equivalents	\$ (2,477)	\$ -	\$ -
			\$ (2,477)
Liabilities			
Due to other entities	\$ (2,477)	\$ -	\$ -
			\$ (2,477)
Total			
Assets			
Cash and cash equivalents	\$ 276,372	\$ 45,191	\$ -
Prepaid expenses	1,750	-	-
			321,563
Total Assets	\$ 278,122	\$ 45,191	\$ -
			323,313
Liabilities			
Accounts payable and accrued liabilities	2,265	-	-
Due to other entities	275,857	45,191	-
			321,048
Total Liabilities	\$ 278,122	\$ 45,191	\$ -
			323,313

CITY OF LIBERTY, MISSOURI

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

Page 2 Of 2

For The Year Ended December 31, 2019

	Balance January 1, 2019	Additions	Deductions	Balance December 31, 2019
Liberty Corners CID				
Assets				
Cash and cash equivalents	\$ 36,494	\$ 4,769	\$ -	\$ 41,263
Liabilities				
Due to other entities	\$ 36,494	\$ 4,769	\$ -	\$ 41,263
Liberty Commons CID				
Assets				
Cash and cash equivalents	\$ 7,115	\$ 74,982	\$ -	\$ 82,097
Special assessments receivable	483,206	-	-	483,206
Total Assets	\$ 490,321	\$ 74,982	\$ -	\$ 565,303
Liabilities				
Accounts payable and accrued liabilities	\$ -	\$ 67,482	\$ -	\$ 67,482
Due to other entities	490,321	7,500	-	497,821
Total Liabilities	\$ 490,321	\$ 74,982	\$ -	\$ 565,303
Liberty Commons TDD				
Assets				
Cash and cash equivalents	\$ 7,115	\$ 7,500	\$ -	\$ 14,615
Liabilities				
Due to other entities	\$ 7,115	\$ 7,500	\$ -	\$ 14,615
Total				
Assets				
Cash and cash equivalents	\$ 327,096	\$ 132,442	\$ -	\$ 459,538
Special assessment receivable	483,206	-	-	483,206
Prepays	1,750	-	-	1,750
Total Assets	\$ 812,052	\$ 132,442	\$ -	\$ 944,494
Liabilities				
Accounts payable and accrued liabilities	\$ 2,265	\$ 67,482	\$ -	\$ 69,747
Due to other entities	809,787	64,960	-	874,747
Total Liabilities	\$ 812,052	\$ 132,442	\$ -	\$ 944,494

**Report on Internal Control Over
Financial Reporting and on Compliance and Other Matters Based on an
Audit of the Financial Statements Performed in Accordance with
Government Auditing Standards**

Independent Auditor's Report

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

We have audited, 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, the 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, 2019, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated June 26, 2020.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the City's financial statements will not be prevented, or detected and corrected, on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and responses as items 2019-001 and 2019-002 that we consider to be material weaknesses.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

City's Response to Findings

The City's response to the findings identified in our audit is described in the accompanying schedule of findings and responses. The City's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

BKD, LLP

Kansas City, Missouri
June 26, 2020

City of Liberty, Missouri
Schedule of Findings and Responses
Year Ended December 31, 2019

Reference Number	Finding
2019-001	<p>Criteria or Specific Requirement – The City is responsible for establishing and maintaining effective internal controls over financial reporting.</p> <p>Condition – Multiple journal entries around the year-end close process were required to be recorded.</p> <p>Context – The City’s accounting policies, procedures and controls did not identify significant accounting differences.</p> <p>Effect – Audit adjustment was necessary to correct several funds.</p> <p>Cause – Internal controls over financial reporting were ineffective as described in the conditions above.</p> <p>Recommendation – We recommend the City review the controls surrounding the adjusted area to ensure the proper recording in future years.</p> <p>View of Responsible Officials and Planned Corrective Actions – Management agrees with the audit findings and recommendation. Corrective internal review action and appropriate training will occur in 2020 to ensure future entries are completed correctly.</p>

City of Liberty, Missouri
Schedule of Findings and Responses (Continued)
Year Ended December 31, 2019

Reference Number	Finding
2019-002	<p>Criteria or Specific Requirement – The City is responsible for establishing and maintaining effective internal controls over financial reporting.</p> <p>Condition – The City does not have proper controls to track and record capital assets.</p> <p>Context – Adjusting journal entries were required to properly record the above transaction.</p> <p>Effect – Audit adjustment was necessary to correct government activities capital assets.</p> <p>Cause – Internal controls over financial reporting were ineffective as described in the conditions above.</p> <p>Recommendation – We recommend the City review the controls surrounding the adjusted area to ensure the proper recording in future years.</p> <p>View of Responsible Officials and Planned Corrective Actions – Management agrees with the audit findings and recommendation. Corrective internal review action and appropriate training will occur in 2020 to ensure future entries are completed correctly.</p>

Statistical Section

CITY OF LIBERTY, MISSOURI
Statistical Section
December 31, 2019

The statistical section of the City’s comprehensive annual financial report presents detailed information as a context for understanding what the information presented in the financial statements, note disclosures and required supplementary information say 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.	101 - 107
Revenue Capacity	
These schedules contain information to help the reader assess the City’s most significant local revenue sources, property and sales tax.	108 - 112
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.	113 - 115
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.	116 - 117
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.	118 - 122

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

CITY OF LIBERTY, MISSOURI
NET POSITION BY COMPONENT
Last Ten Fiscal Years
“accrual basis of accounting”
(Unaudited)

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Governmental activities:										
Net investment in capital assets	\$ 39,600,922	\$ 41,136,051	\$ 37,403,710	\$ 31,343,975	\$ 37,647,696	\$ 37,284,881	\$ 38,646,267	\$ 36,755,618	\$ 47,276,514	\$ 46,617,054
Restricted	6,656,505	9,889,748	16,637,160	22,830,476	19,130,085	6,753,226	6,630,554	5,455,901	6,959,443	7,459,414
Unrestricted	(14,926,994)	(17,509,228)	(17,477,207)	(16,084,745)	(16,846,594)	(31,301,005)	(43,991,958)	(40,798,595)	(47,374,679)	(42,405,065)
Total Governmental Activities Net Position	\$ 31,330,433	\$ 33,516,571	\$ 36,563,663	\$ 38,089,706	\$ 39,931,187	\$ 12,737,102	\$ 1,284,863	\$ 1,412,924	\$ 6,861,278	\$ 11,671,403
Business-type activities:										
Net investment in capital assets	\$ 39,560,719	\$ 41,314,470	\$ 42,053,574	\$ 43,833,948	\$ 47,132,623	\$ 46,760,260	\$ 52,595,025	\$ 43,260,889	\$ 41,596,924	\$ 43,001,812
Restricted	6,372,833	4,998,064	4,832,099	4,665,531	4,493,055	1,347,735	1,548,630	2,566,120	2,553,942	2,774,433
Unrestricted	(1,052,848)	(817,529)	707,214	1,215,871	(920,479)	1,721,151	(4,065,499)	7,689,789	13,175,696	14,263,253
Total Business-Type Activities Net Position	\$ 44,880,704	\$ 45,495,005	\$ 47,592,887	\$ 49,715,350	\$ 50,705,199	\$ 49,829,146	\$ 50,078,156	\$ 53,516,798	\$ 57,326,562	\$ 60,039,498
Primary government:										
Net investment in capital assets	\$ 79,161,641	\$ 82,450,521	\$ 79,457,284	\$ 75,177,923	\$ 84,780,319	\$ 84,045,141	\$ 91,241,292	\$ 80,016,507	\$ 88,873,438	\$ 89,618,866
Restricted	13,029,338	14,887,812	21,469,259	27,496,007	23,623,140	8,100,961	8,179,184	8,022,021	9,513,385	10,233,847
Unrestricted	(15,979,842)	(18,326,757)	(16,769,993)	(14,868,874)	(17,767,073)	(29,579,854)	(48,057,457)	(33,108,806)	(34,198,983)	(28,141,812)
Total Primary Government Net Position	\$ 76,211,137	\$ 79,011,576	\$ 84,156,550	\$ 87,805,056	\$ 90,636,386	\$ 62,566,248	\$ 51,363,019	\$ 54,929,722	\$ 64,187,840	\$ 71,710,901

CITY OF LIBERTY, MISSOURI

CHANGES IN NET POSITION

Last Ten Fiscal Years

(accrual basis of accounting)

(Unaudited)

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Expenses:										
Governmental activities:										
General government	\$ 4,098,088	\$ 4,488,682	\$ 5,578,298	\$ 4,409,570	\$ 4,070,808	\$ 4,960,224	\$ 5,140,449	\$ 5,223,137	\$ 5,841,114	\$ 5,659,671
Community development and Improvement	6,213,788	1,963,294	3,077,802	2,440,676	3,035,596	25,081,992	13,338,549	3,947,731	3,353,557	3,266,439
Public works	6,381,711	2,434,200	2,234,374	3,374,941	4,145,087	3,633,562	5,352,526	5,644,445	7,162,689	7,611,046
Culture and recreation	5,846,413	5,256,583	5,301,867	5,230,004	4,653,376	5,003,851	5,380,857	5,888,852	5,285,780	5,528,286
Cemetery maintenance	31,920	71,061	45,600	43,454	37,175	52,078	51,281	58,493	46,984	58,292
Public safety	8,755,802	9,039,729	9,331,920	10,569,376	11,173,782	12,481,003	11,477,832	11,605,212	12,614,311	12,953,549
Interest on long-term debt	1,755,580	1,565,218	1,924,369	1,790,466	1,636,145	1,840,393	4,360,199	3,772,079	4,197,840	4,017,211
Total Governmental Activities Expenses	33,083,302	24,818,767	27,494,230	27,858,487	28,751,969	53,053,303	45,101,693	36,139,949	38,502,275	39,094,494
Business-type activities:										
Water	4,084,298	4,230,222	4,683,122	4,647,033	4,804,585	5,100,859	5,536,119	5,322,160	5,608,706	5,829,288
Sewer	5,530,579	5,788,305	6,019,808	6,362,039	6,764,802	8,494,147	8,782,656	6,189,447	7,457,999	7,593,886
Sanitation	1,240,494	1,296,758	1,346,538	1,404,386	1,465,455	1,515,339	1,579,941	1,605,176	1,675,094	1,759,372
Total Business-Type Activities Expenses	10,855,371	11,315,285	12,049,468	12,413,458	13,034,842	15,110,345	15,898,716	13,116,783	14,801,799	15,182,546
Total Primary Government Expenses	43,938,673	36,134,052	39,543,698	40,271,945	41,786,811	68,163,648	61,000,409	49,256,732	53,304,074	54,277,040
Program revenue:										
Governmental activities:										
Charges for services										
General government	416,234	570,776	416,114	467,610	655,384	199,985	584,352	5,956	-	-
Public Works	101,212	137,768	148,575	-	-	-	-	-	-	-
Culture and recreation	3,445,210	2,813,673	2,761,851	2,326,010	2,346,377	2,314,001	2,530,502	2,701,584	2,725,211	2,534,943
Cemetery maintenance	28,351	18,901	31,110	55,675	35,881	41,695	44,435	22,370	32,704	47,839
Public safety	1,572,578	1,539,830	1,664,281	1,677,637	1,567,613	1,500,729	1,882,114	1,967,699	2,096,847	981,111
Operating grants and contributions										
General Government	359,560	229,030	8,143	17,016	303,552	427,264	232,793	197,943	262,040	186,883
Public Works	-	-	228,950	-	-	-	-	-	-	-
Culture and Recreation	-	-	101,006	212,301	210,387	222,116	242,813	257,792	455,573	215,222
Public Safety	-	-	10,761	13,687	13,712	7,729	16,752	14,464	12,568	12,950
Capital grants and contributions	2,069,324	417,785	2,683,237	1,130,664	900,480	319,006	328,678	444,576	2,030,070	561,554
Total Governmental Activities Program Revenue	7,992,469	5,727,763	8,054,028	5,900,600	6,033,386	5,033,125	5,862,439	5,612,384	7,615,013	4,540,502
Business-type activities:										
Charges for services:										
Water	4,609,913	4,894,776	5,584,656	4,970,330	4,859,187	4,790,934	5,521,259	5,400,127	6,009,942	5,798,660
Sewer	5,702,170	5,528,214	6,439,371	7,432,110	7,484,660	7,757,065	8,251,871	8,632,213	8,952,085	9,497,811
Sanitation	1,289,414	1,156,496	1,317,865	1,342,422	1,408,568	1,513,408	1,572,792	1,670,435	1,702,338	1,776,363
Capital grants and contributions:										
Water	68,998	80,113	387,731	276,174	31,348	59,305	757	304,615	1,019,648	-
Sewer	-	89,912	248,825	334,925	43,972	195,228	372,333	258,798	452,042	3,744
Total Business-Type Activities Program Revenues	11,670,495	11,749,511	13,978,448	14,355,961	13,827,735	14,315,940	15,719,012	16,266,188	18,136,055	17,076,578
Total Primary Government Program Revenues	19,662,964	17,477,274	22,032,476	20,256,561	19,861,121	19,349,065	21,581,451	21,878,572	25,751,068	21,617,080
Net (expense) revenue:										
Governmental activities	(25,090,833)	(19,091,004)	(19,440,202)	(21,957,887)	(22,718,583)	(48,020,178)	(39,239,254)	(30,527,565)	(30,887,262)	(34,553,992)
Business-type activities	815,124	434,226	1,928,980	1,942,503	792,893	(794,405)	(179,704)	3,149,405	3,334,256	1,894,032
Total Primary Government Net Expense	(24,275,709)	(18,656,778)	(17,511,222)	(20,015,384)	(21,925,690)	(48,814,583)	(39,418,958)	(27,378,160)	(27,553,006)	(32,659,960)
General revenues and other changes in net position:										
Governmental activities:										
Taxes:										
Property taxes	\$ 6,177,644	\$ 6,507,625	\$ 7,147,343	\$ 6,098,618	\$ 6,369,803	\$ 6,362,431	\$ 6,274,468	\$ 6,201,587	\$ 7,201,489	\$ 7,406,240
Franchise taxes	4,385,343	3,878,488	3,731,525	3,761,816	3,826,360	3,760,453	3,544,972	3,466,868	3,595,312	3,366,963
Sales taxes	8,446,974	8,945,418	9,877,630	11,211,196	12,320,585	12,373,730	15,174,323	17,666,243	22,269,931	23,895,616
Other taxes	1,235,186	1,210,748	1,411,627	1,241,394	1,241,758	3,107,658	1,447,073	1,458,358	1,539,399	1,594,749
Investment earnings	59,471	47,348	51,651	122,866	72,043	81,731	230,266	307,153	446,801	574,788
Miscellaneous	725,288	687,515	679,995	725,523	729,515	869,258	1,115,913	1,555,418	1,478,632	2,525,761
Total Governmental Activities	21,029,906	21,277,142	22,899,771	23,251,413	24,560,064	26,555,261	27,787,015	30,655,627	36,531,564	39,364,117
Business-type activities:										
Investment earnings	190,170	180,075	167,902	162,017	158,569	152,792	160,012	202,157	337,985	498,840
Miscellaneous	-	-	1,000	17,943	38,387	6,649	268,702	87,080	137,523	320,064
Total Business-Type Activities	190,170	180,075	168,902	179,960	196,956	159,441	428,714	289,237	475,508	818,904
Total Primary Government	21,220,076	21,457,217	23,068,673	23,431,373	24,757,020	26,714,702	28,215,729	30,944,864	37,007,072	40,183,021
Changes in net position:										
Governmental activities	(4,060,927)	2,186,138	3,459,569	1,293,526	1,841,481	(21,464,917)	(11,452,239)	128,062	5,644,302	4,810,125
Business-type activities	1,005,294	614,301	2,097,882	2,122,463	989,849	(634,964)	249,010	3,438,642	3,809,764	2,712,936
Total Primary Government	\$ (3,055,633)	\$ 2,800,439	\$ 5,557,451	\$ 3,415,989	\$ 2,831,330	\$ (22,099,881)	\$ (11,203,229)	\$ 3,566,704	\$ 9,454,066	\$ 7,523,061

CITY OF LIBERTY, MISSOURI

PROGRAM REVENUES BY FUNCTION/PROGRAM

Last Ten Fiscal Years

(accrual basis of accounting)

(Unaudited)

Function / Program	Fiscal Year									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Governmental activities:										
General government	\$ 422,156	\$ 570,996	\$ 416,114	\$ 467,610	\$ 958,936	\$ 627,249	\$ 817,145	\$ 203,899	\$ 262,040	\$ 186,883
Community development and improvement	—	—	—	—	—	—	—	—	—	—
Public works	2,404,186	649,462	148,575	-	900,480	319,606	328,678	444,576	2,030,070	561,554
Culture and recreation	3,547,149	2,920,191	2,761,851	2,326,010	2,556,764	2,536,117	2,773,315	2,959,376	3,180,784	2,750,165
Cemetery maintenance	28,351	18,901	31,110	55,675	35,881	41,695	44,435	22,370	32,704	47,839
Public safety	1,590,627	1,568,213	1,664,281	1,677,637	1,581,325	1,508,458	1,898,866	1,982,165	2,109,415	994,061
Total Governmental Activities	7,992,469	5,727,763	5,021,931	4,526,932	6,033,386	5,033,125	5,862,439	5,612,386	7,615,013	4,540,502
Business-type activities:										
Water	4,678,911	4,974,889	5,584,656	4,970,330	4,890,535	4,850,239	5,522,016	5,704,742	7,029,590	5,798,660
Sewer	5,702,170	5,618,126	6,439,371	7,432,110	7,528,632	7,952,293	8,624,204	8,891,011	9,404,127	9,501,555
Sanitation	1,289,414	1,156,496	1,317,865	1,342,422	1,408,568	1,513,408	1,572,792	1,670,435	1,702,338	1,776,363
Total Business-Type Activities	11,670,495	11,749,511	13,341,892	13,744,862	13,827,735	14,315,940	15,719,012	16,266,188	18,136,055	17,076,578
Total Government	\$ 19,662,964	\$ 17,477,274	\$ 18,363,823	\$ 18,271,794	\$ 19,861,121	\$ 19,349,065	\$ 21,581,451	\$ 21,878,574	\$ 25,751,068	\$ 21,617,080

Source: City records.

CITY OF LIBERTY, MISSOURI

FUND BALANCES, GOVERNMENTAL FUNDS

Last Ten Fiscal Years

(accrual basis of accounting)

(Unaudited)

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
General Fund:										
Reserved	\$ 689,406	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	2,497,862	-	-	-	-	-	-	-	-	-
Nonspendable	-	480,371	377,301	456,208	538,830	548,017	475,874	602,864	618,124	744,408
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	3,994,471	4,533,029
Total General Fund	\$ 3,187,268	\$ 4,148,498	\$ 4,295,816	\$ 4,496,203	\$ 4,178,397	\$ 3,537,341	\$ 3,109,206	\$ 3,378,932	\$ 4,612,595	\$ 5,277,437
All Other Governmental Funds:										
Reserved	\$ 4,379,751	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved, reported in:										
Special revenue funds	137,393	-	-	-	-	-	-	-	-	-
Capital projects funds	5,725,072	-	-	-	-	-	-	-	-	-
Permanent fund	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	105,463	133,886
Permanent fund principal	-	406,977	412,477	420,533	427,493	433,568	437,393	439,643	444,074	450,149
Restricted for										
Parks and Recreation	-	496,485	749,885	747,039	1,157,575	2,201,605	2,108,073	1,120,855	1,700,115	1,747,828
Capital projects funds	-	4,129,933	9,309,726	10,260,396	7,799,241	36,366,122	29,999,312	18,232,468	9,651,619	6,355,087
Transportation projects	-	489,539	1,382,576	5,663,166	1,062,662	934,973	780,698	944,536	904,456	879,790
Public Safety	-	336,693	480,403	622,555	3,508,795	1,165,482	1,136,631	4,261,530	2,841,567	3,431,977
Debt Service	-	3,927,265	4,603,767	5,002,339	5,019,769	22,455,613	10,058,655	8,254,223	7,948,504	9,335,576
Cemetery	-	70,999	75,083	88,917	89,551	72,637	53,080	11,771	12,015	13,946
Law Enforcement	-	31,857	35,720	25,531	21,497	4,881	4,828	6,912	17,962	30,272
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	222,879	163,588
Unassigned	-	3,668,127	3,905,515	-	(37,740)	(19,028)	(9,028)	-	-	-
Total All Other Government Funds	\$ 10,652,877	\$ 14,466,063	\$ 21,758,550	\$ 24,000,191	\$ 19,140,672	\$ 63,805,380	\$ 44,793,911	\$ 33,554,598	\$ 23,848,654	\$ 22,542,099

Source: City records

CITY OF LIBERTY, MISSOURI
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS
Last Ten Fiscal Years
(modified accrual basis of accounting)
(Unaudited)

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Revenues:										
Taxes	\$ 20,154,888	\$ 20,542,279	\$ 22,034,017	\$ 22,313,024	\$ 23,758,506	\$ 25,264,810	\$ 26,440,836	\$ 28,793,056	\$ 34,606,131	\$ 36,263,568
Intergovernmental	2,519,143	671,815	3,216,205	1,373,668	1,428,131	976,715	821,036	914,775	991,773	907,637
Licenses and permits	316,961	443,914	270,115	318,505	394,857	339,462	509,749	503,727	472,588	484,067
Charges for services	4,375,101	4,294,872	4,519,972	4,208,427	4,210,398	4,110,210	4,458,056	4,516,670	4,297,447	4,518,066
Investment earnings	59,471	47,348	51,651	50,849	72,043	81,731	230,266	307,153	446,801	574,788
Lease	862,023	303,771	198,744	—	—	—	—	—	—	—
Miscellaneous	803,330	835,292	772,620	707,580	729,515	824,547	1,115,913	970,185	1,478,632	2,525,761
Total Revenues	29,090,917	27,139,291	31,063,324	28,972,053	30,593,450	31,597,475	33,575,856	36,005,566	42,293,372	45,273,887
Expenditures:										
General government	3,186,676	3,625,547	4,894,141	3,637,245	3,704,333	4,647,549	4,519,275	4,686,884	4,951,051	5,315,589
Community development and improvement	5,905,370	1,517,740	2,840,988	2,440,676	3,029,070	22,802,592	13,306,979	3,864,769	3,042,653	3,155,405
Public works	6,066,133	3,276,623	5,878,187	5,203,950	3,539,989	4,085,325	2,897,617	3,170,423	4,653,472	3,850,406
Culture and recreation	4,528,504	3,975,630	3,980,267	3,909,162	3,820,234	4,160,582	4,512,327	5,031,351	4,343,092	4,570,951
Cemetery maintenance	31,920	30,617	36,687	43,454	37,175	52,078	51,281	58,493	46,984	58,292
Public safety	8,248,571	8,512,558	8,881,333	10,041,922	10,525,034	11,526,676	9,738,413	10,618,366	11,486,316	12,145,510
Capital outlay	1,009,967	1,542,056	1,829,211	826,465	7,645,933	2,921,467	8,548,421	15,602,242	25,131,362	12,067,340
Debt service:										
Principal	4,547,331	3,115,362	1,825,010	3,256,863	3,540,139	3,963,201	5,321,924	4,855,799	5,859,076	5,749,726
Bond issuance costs	229,126	—	104,197	104,197	14,111	2,274,248	—	52,501	301,397	116,843
Interest	1,639,777	1,637,696	1,449,484	1,671,255	1,620,977	1,590,031	4,432,032	3,890,887	3,722,054	3,952,653
Payment to refunding bond escrow agent	—	—	—	—	—	500,013	—	—	—	—
Total Expenditures	35,393,375	27,233,829	31,615,308	31,135,189	37,476,995	58,523,762	53,328,269	51,831,715	63,537,457	50,982,715
Excess Of Revenues Under Expenditures	(6,302,458)	(94,538)	(551,984)	(2,163,136)	(6,883,545)	(26,926,287)	(19,752,413)	(15,826,149)	(21,244,085)	(5,708,828)
Fiscal Year										
Other financing sources (uses):										
Transfers in	\$ 1,717,821	\$ 887,509	\$ 671,667	\$ 1,872,124	\$ 1,332,392	\$ 2,230,806	\$ 4,149,255	\$ 1,903,828	\$ 4,344,540	\$ 2,917,109
Transfers out	(1,717,821)	(887,509)	(671,667)	(1,872,124)	(1,332,392)	(2,230,806)	(4,149,255)	(1,903,828)	(3,844,540)	(2,917,109)
Issuance of long-term debt	8,105,000	—	10,230,000	8,644,690	—	74,805,312	—	3,830,000	11,525,000	4,845,000
Discount on debt issuance	(15,469)	—	—	—	—	—	—	—	—	—
Premium on debt issuance	—	—	658,963	256,290	—	—	—	—	478,326	153,143
Issuance of refunding debt	—	—	—	—	—	—	—	1,565,000	3,415,000	—
Payment to refunded bond escrow agent	(2,111,400)	—	(4,613,824)	—	(1,073,780)	(4,435,000)	—	(1,565,000)	(3,415,000)	—
Insurance Recoveries	—	—	—	—	—	—	—	585,113	268,478	68,972
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)	6,508,818	720,456	7,846,299	8,900,980	1,706,220	70,765,680	349,033	4,856,562	12,771,804	5,067,115
Net Changes In Fund Balance	206,360	625,918	7,294,315	6,737,844	(5,177,325)	43,839,393	(19,403,380)	(10,969,587)	(8,472,281)	(641,713)
Fund balances (deficits), beginning of year	13,633,785	13,840,145	14,466,063	21,758,550	28,496,394	23,503,328	67,306,497	47,903,117	36,933,530	28,461,249
Fund balances (deficits), end of year	\$ 13,840,145	\$ 14,466,063	\$ 21,760,378	\$ 28,496,394	\$ 23,319,069	\$ 67,342,721	\$ 47,903,117	\$ 36,933,530	\$ 28,461,249	\$ 27,819,536
Debt service as a percentage of noncapital expenditures	17.99%	18.50%	10.99%	16.26%	17.30%	9.99%	21.78%	24.14%	24.95%	24.93%

CITY OF LIBERTY, MISSOURI

TAX REVENUES BY SOURCE, GOVERNMENTAL FUNDS

Last Ten Fiscal Years

(modified accrual basis of accounting)

(Unaudited)

Fiscal Year	Property	Local Option Sales & Use Tax	Franchise Fees	Other Tax	Total
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
2018	7,201,489	22,269,931	3,595,312	1,539,399	34,606,131
2019	7,406,240	23,895,616	3,366,963	1,594,749	36,263,568
Change 2010-2019	46.41%	172.67%	-14.93%	-24.50%	82.30%

Source: City records.

CITY OF LIBERTY, MISSOURI

**ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF
TAXABLE PROPERTY
Last Ten Fiscal Years
(Unaudited)**

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
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	1.5%	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	3.0%	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	1.7%	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	1.5%	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	0.8%	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	0.7%	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	2.1%	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
2018	294,815,630	1,551,661,211	5,955,417	341,088,000	268,742,785	56,834,241	13,610,442	516,041,962	1.9%	2,237,892,095	23.06%	0.9648
2019	327,185,570	1,722,029,316	6,152,667	413,206,156	275,012,470	58,355,031	13,247,876	573,949,384	2.3%	2,815,189,085	20.39%	0.8921

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
Last Ten Fiscal Years**

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
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
2018	0.8203	0.1445	—	0.9648	6.4550	0.9255	0.1480	0.0300	8.5233
2019	0.7585	0.1336	—	0.8921	6.4550	0.7615	0.1499	0.0300	8.2885

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
Current Year and Nine Years Prior
(Unaudited)**

Taxpayer	2019			2010		
	Taxable Assessed Value	Rank	Percentage Of Total City Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage Of Total City Taxable Assessed Value
Hallmark Cards	\$ 5,176,210	1	0.90%	\$ 8,683,838	1	1.84%
Star Development	4,165,600	2	0.73%	4,293,387	2	0.91%
Liberty Commons Lodging Assoc LLC	2,523,870	3	0.44%	—	—	—
Rodale LLC	2,492,000	4	0.43%	—	—	—
Hy-Vee Food Stores, Inc.	2,217,370	5	0.39%	—	—	—
Triangle Land Reserve LLC	2,184,810	6	0.38%	—	—	—
Lowe's Home Centers, Inc.	2,054,240	7	0.36%	—	—	—
Centro Bradley SPE 5 LLC	2,014,400	8	0.35%	2,338,340	4	0.50%
Crossroads West Assoc LP	1,925,440	9	0.34%	—	—	—
Almance Associates LLC	1,693,730	10	0.30%	—	—	—
RR Donnelley	—	—	—	2,738,163	3	0.58%
Stone Container Corporation	—	—	—	2,011,376	5	0.43%
American Central Transport	—	—	—	1,843,879	6	0.39%
Continental Disc Corporation	—	—	—	1,610,436	8	0.34%
Monmouth Real Estate Inv	—	—	—	1,708,420	7	0.36%
S&D Holding	—	—	—	1,433,540	9	0.30%
United Rentals	—	—	—	1,192,051	10	0.25%
Total	\$ 26,447,670		4.61%	\$ 27,853,430		5.92%

Source: City records

CITY OF LIBERTY, MISSOURI

PROPERTY TAX LEVIES AND COLLECTIONS

Last Ten Fiscal Years

(Unaudited)

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
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%	420,549	4,620,366	102.85%
2013	4,470,089	170,416	3.81%	4,329,634	4,500,050	100.67%
2014	4,491,096	326,153	7.26%	4,208,169	4,534,322	100.96%
2015	4,530,039	161,404	3.56%	4,369,855	4,531,259	100.03%
2016	4,603,577	223,215	4.85%	4,173,860	4,397,075	95.51%
2017	4,751,282	462,379	9.73%	4,273,624	4,736,003	99.68%
2018	4,978,773	570,229	11.45%	4,093,443	4,663,672	93.67%
2019	5,120,202	121,652	2.38%	-	121,652	2.38%

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
Last Ten Fiscal Years
(Unaudited)**

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				
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	
2018	20,840,000	0.93%	645	-	2,351,062	-	49,500,000	—	80,004,000	3,540,000	139,272	156,374,334	15.22%	4,837	
2019	19,625,000	0.70%	561	-	1,599,632	-	47,730,000	—	78,103,000	2,770,000	50,424	149,878,056	14.09%	4,281	

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
For the Year Ended December 31, 2018
(Unaudited)

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable	Amount Applicable To City
Overlapping:			
Liberty Hospital District	\$ —	0.00%	\$ —
Liberty School District	133,670,000	59.60%	79,662,283
Clay County	—	0.00%	—
Subtotal, Overlapping Debt			
City Direct Debt	103,763,482	100.00%	103,763,482
Bond Premiums	1,254,062	100.00%	1,254,062
Bond Discounts	(216,226)	100.00%	<u>(216,226)</u>
Total Direct And Overlapping Debt			<u><u>\$ 184,463,601</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 within 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 06/30/2019

CITY OF LIBERTY, MISSOURI

LEGAL DEBT MARGIN INFORMATION

Last Ten Fiscal Years

(Unaudited)

Legal Debt Margin Calculation for Fiscal Year 2019

Assessed value	\$ 573,949,384
Debt limit (20% of assessed value)	<u>114,789,877</u>
City Debt applicable to debt limit:	
General obligation bonds	\$ 19,625,000
Special assessment bonds	34,808,850
Less-amount available debt service fund, Special Assessment Neighborhood Improvement Fund	<u>-</u>
Total net debt applicable to limit	<u>54,433,850</u>
Legal debt margin	<u>\$ 60,356,027</u>

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Debt limit	\$ 94,159,605	\$ 93,206,380	\$ 93,206,380	\$ 91,463,504	\$ 92,239,245	\$ 96,102,746	\$ 97,603,559	\$ 102,632,004	\$ 103,208,392	\$ 114,789,877
Total net debt applicable to limit	<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>	<u>50,391,246</u>	<u>60,356,027</u>
Legal debt margin	<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>	<u>\$ 52,817,146</u>	<u>\$ 54,433,850</u>
Total Net Debt Applicable To The Limit As A Percentage Of Debt Limit	13.19%	7.87%	17.82%	29.43%	25.27%	11.07%	127.05%	132.67%	95.41%	110.88%

Source: City records

CITY OF LIBERTY, MISSOURI

PLEGGED REVENUE COVERAGE
Last Ten Fiscal Years
(dollars in thousands)
(Unaudited)

Fiscal Year	Waterworks and Sewer System Bonds						
	Operating Revenue (1)	Operating Expenses (2)	Net Revenues Available For Debt Services	Debt Service		Total Debt Payments	Coverage
				Principal	Interest		
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
2018	15,435,382	7,737,091	7,698,291	760,000	98,599	858,599	8.97
2019	16,112,303	8,023,225	8,089,078	770,000	83,196	853,196	9.48

(1) Operating revenue includes interest earnings

(2) Operating expenses excludes interest expense and depreciation expense

CITY OF LIBERTY, MISSOURI

DEMOGRAPHIC AND ECONOMIC STATISTICS

Last Ten Fiscal Years

(Unaudited)

Fiscal Year Ended December 31,	Population	Personal Income⁽¹⁾	Per Capita Income⁽¹⁾	Median Age⁽¹⁾	School Enrollment⁽²⁾	Unemployment Rate⁽³⁾
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%
2018	31,779	1,027,478,628	32,332	37.3	12,633	2.9%
2019	30,376	1,063,342,256	35,006	37.7	12,550	3.0%

Sources:

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

CITY OF LIBERTY, MISSOURI

PRINCIPAL EMPLOYEES

Employer	2019			2010		
	Employees	Rank	Percentage Of Total County Employment	Employees	Rank	Percentage Of Total County Employment
Liberty School District	1,800	1	1.46%	1,289	2	1.19%
Liberty Hospital	1,400	2	1.14%	1,880	1	1.73%
Hallmark Cards	1,351	3	1.10%	901	3	0.83%
LMV	700	4	0.57%	—	—	—
Clay County	688	5	0.56%	506	4	0.47%
RR Donnelley	350	6	0.28%	320	5	0.29%
City of Liberty	335	7	0.27%	199	8	0.18%
Ford Stamping Plant	310	8	0.25%	—	—	—
Ferrellgas	268	9	0.22%	245	6	0.23%
William Jewell	235	10	0.19%	242	7	0.22%
HyVee	—	—	—	—	—	—
Smurfit	—	—	—	135	10	0.12%
Continental Disc	—	—	—	152	9	0.14%
	7,437		6.04%	5,869		5.40%

Sources: Liberty Economic Development Council

CITY OF LIBERTY, MISSOURI

FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTIONS/PROGRAMS

Last Ten Fiscal Years

(Unaudited)

Functions/Program	Full-Time Equivalent Employees as of December 31									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Administration										
City Administrator	1	1	1	1	1	1	1	1	1	1
Assistant City Administrator	1	1	1	1	1	1	1	1	1	—
Assistant Deputy City Clerk	—	1	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	1	1	—	—	—	—	—	—	—
Communication/Public Relations Specialist	—	—	—	1	1	1	1	1	—	—
Animal Control Officer	2	2	3	2	2	—	—	—	—	—
Animal Shelter Attendant	1	1	—	1	0.5	—	—	—	—	—
Executive Assistant	—	—	—	—	—	—	—	—	—	—
Court Administrator	1	1	1	1	1	1	1	1	1	1
Municipal Court Technician	1	2	2	2	2	2	2	2	2	2
Assistant to the City Administrator	1	1	—	1	1	1	1	1	1	1
Administrative Assistant	—	—	1	1	0.5	—	—	2	2	2
Economic & Business Development Mgr	1	1	1	1	1	1	1	1	1	1
HR/Admin Specialist	1	1	—	—	—	—	—	—	—	—
Information Services										
Information Technology Services Director	1	1	1	1	1	1	1	1	1	1
Information Systems Specialist III	1	1	—	1	1	—	2	2	2	2
Information Systems Specialist II	1	1	2	1	1	2	1	1	1	1
Information Systems Specialist I	2	2	2	1.5	1	1	2	2	—	—
Information Security Officer	1	1	1	1	1	—	—	—	—	—
Senior Information System Specialist	1	1	1	1	1	2	—	—	—	—
GIS Specialist I	—	1	1	1	1	1	1	1	1	1
GIS Specialist II	1	—	—	—	—	—	—	—	—	—
GIS Specialist III	1	1	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	1	—	—	—	—	—	—	—
Human Resources Manager	—	—	—	1	1	—	—	—	—	—
Human Resources Coordinator	—	—	—	—	—	1	1	1	—	—
Administrative Assistant	—	—	—	—	—	—	—	—	1	1
Finance										
Finance Director/Assistant City Administrator	1	1	1	1	1	1	1	1	1	1
Finance Manager	—	1	—	—	—	—	1	—	—	—
Assistant Finance Director	1	1	1	1	1	1	1	1	1	1
Finance Analyst	—	1	1	1	1	1	1	1	1	1
Payroll Specialist	1	1	1	1	1	1	1	1	1	1
Finance Technician	1	2	3	3	3	4	4	4	4	4
Lead Finance Technician	—	—	—	1	1	—	—	—	—	—
Finance Assistant	—	—	—	—	—	—	—	—	—	—
Receptionist	—	—	—	—	—	—	—	—	—	—
Accountant	2	—	—	1	1	1	1	1	1	1
Meter Service Technician	1	2	2	2	2	2	1	1	1	1
Lead Meter Technician	2	—	1	1	1	1	1	1	1	1
Accounts Payable Specialist	1	1	1	—	—	—	—	—	—	—
Accounting Manager	1	2	2	1	1	1	1	1	1	1
Administrative Assistant	—	1	—	—	—	—	—	—	—	—
Office Supervisor	—	1	1	1	1	1	1	1	1	1
Finance Specialist - Licensing	1	1	—	—	—	—	—	—	—	—
Fire										
Fire Chief	1	1	1	1	1	1	1	1	1	1
Deputy Fire Chief	—	—	—	—	—	—	—	1	1	1
Administrative Assistant	0.5	0.5	0.5	0.5	0.5	0.5	0.5	1	1	1
Assistant 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

Last Ten Fiscal Years (Continued)

(Unaudited)

	Full-Time Equivalent Employees as of December 31									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
<i>Fire (Continued)</i>										
Training Officer	—	—	—	—	—	—	—	—	—	—
Fire Captain	9	9	9	9	9	9	9	9	9	9
Division Chief-Fire Marshal	1	1	1	1	1	1	1	—	—	—
Division Chief-Training	1	1	1	1	1	1	1	—	—	—
Firefighter/Paramedic	29	29	24	21	28	24	24	24	22	22
Firefighter/EMT	10	10	12	12	8	12	9	9	9	9
Fire Prevention Officer	—	—	—	—	—	—	—	1	1	1
<i>Aging Services</i>										
Administrative Assistant	1	1	1	1	1	1	1	1	—	—
Bus Driver	1	1	1	1	1	1	1	1	—	—
Recreation Program Coordinator	2	2	2	1	1	1	—	—	—	—
Senior Center Technician	—	—	—	1	1	1	1	1	—	—
Senior Services Manager	—	—	—	1	1	1	1	1	—	—
<i>Police</i>										
Police Chief	1	1	1	1	1	1	1	1	1	1
Deputy Police Chief	—	—	—	—	—	—	—	1	1	1
Evidence & Property Technician	—	—	—	0.5	0.5	0.5	—	—	—	—
Police Captain	2	2	2	2	2	2	2	1	1	1
Police Lieutenant	2	2	2	2	2	2	2	4	4	4
Police Sergeant	6	6	6	6	6	6	6	6	6	6
Police Corporal	4	4	4	4	4	4	4	4	4	4
Police Officer	29	29	25	25	25	25	25	25	23	23
Communications Supervisor	1	1	1	1	1	1	1	1	1	1
Communications Officer	9	9	9	9	9	9	9	8	8	8
Animal Control Officer	—	—	—	—	—	2	2	2	2	2
Animal Control Shelter Attendant	—	—	—	—	—	0.5	0.5	—	—	—
Parking Control Officer	—	—	0.5	0.5	—	—	—	—	—	—
Administrative Assistant	0.5	0.5	0.5	0.5	1	0.5	0.5	—	—	1
Support Services Supervisor	1	1	1	1	1	1	1	1	—	—
Records Technician	3	3	3	3	3	3	3	3	3	3
<i>Public Works</i>										
Public Works Director	1	1	1	1	1	1	1	1	1	1
City Engineer/Assistant Public Works Director	1	1	1	1	1	1	1	1	1	1
Facilities Management Supervisor	1	1	1	1	1	1	1	1	2	—
Capital Review Engineer	1	1	1	1	1	1	1	1	1	1
Public Works Operations Manager	—	—	—	1	1	1	1	1	1	1
Senior Engineering Technician	—	—	—	—	—	—	—	—	—	—
Engineering Technician	—	—	—	—	—	—	—	—	—	—
Senior Project Inspector	—	—	—	1	1	2	2	2	2	2
Project Inspector	2	2	2	1	1	—	—	—	1	1
Building Maintenance Technician	—	—	—	—	—	—	1	1	2	2
Administrative Assistant	1	2	1	2	2	2	2	2	2	2
Public Works Crew Chief	2	2	2	2	2	—	—	—	—	—
Public Works Maintenance Worker I	4	4	6	—	—	7	7	7	6	6
Public Works Maintenance Supervisor	1	1	1	—	—	—	—	—	—	—
Public Works Maintenance Worker II	4	4	4	9	9	5	5	5	9	9
Mechanic I	1	1	1	1	1	—	—	—	—	—
Mechanic II	—	—	—	—	—	—	—	—	1	1

CITY OF LIBERTY, MISSOURI

FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTIONS/PROGRAMS

Last Ten Fiscal Years (Continued)

(Unaudited)

	Full-Time Equivalent Employees as of December 31									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Development Services										
Development Director	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
City Planner	1	1	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	1
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	—	3	4	2	2	3	3	3	2	2
Recreation Supervisor	—	—	1	—	—	—	—	—	—	—
Parks Crew Chief	1	2	2	1	1	2	2	2	3	3
Maintenance Supervisor	—	—	—	1	1	—	—	—	—	—
Parks Maintenance Worker II	3	1	1	3	3	3	3	3	3	3
Parks Maintenance Worker I	2	3	4	1	1	—	—	—	4	4
Events Coordinator	—	—	—	—	—	—	—	—	—	—
Horticulturist	1	1	1	1	1	1	1	1	—	—
Administrative Assistant	—	—	—	—	—	—	—	—	1	1
Recreation Program (Sports Complex) Manager	3	4	1	1	1	1	1	1	1	1
Athletic Fields Ground Keeper	2	2	2	2	2	2	1	1	2	2
Community Center Manager	—	—	1	1	1	1	1	1	1	1
Special Projects Manager	1	1	1	—	—	—	—	—	—	—
Senior Recreation Coordinator	4	—	1	3	3	3	3	3	3	3
Facilities & Care Team Supervisor	—	1	1	—	—	—	—	—	—	—
Office Supervisor	1	1	1	1	1	1	1	1	1	1
Office Assistant	—	—	—	1	1	1	1	1	1	1
Custodian	—	—	—	—	—	—	1	1	1	1
Building Maintenance Technician	1	1	2	1	1	1	1	1	1	1
Theater Productions/Facility Rental Supervisor	—	—	1	1	1	1	1	1	1	1
Theater Coordinator	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
Mechanic	1	1	1	1	1	1	1	1	—	—
Mechanical Systems Specialist	—	—	—	—	—	1	1	1	—	—
Bus Driver	—	—	—	—	—	—	—	—	1	1
Senior Center Technician	—	—	—	—	—	—	—	—	1	1
Parks Supervisor	1	—	2	2	2	1	1	1	—	—
Assistant Parks & Recreation Director	2	2	—	1	1	1	1	1	1	1

CITY OF LIBERTY, MISSOURI

FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTIONS/PROGRAMS

Last Ten Fiscal Years (Continued)

(Unaudited)

	Full-Time Equivalent Employees as of December 31									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Utilities										
Administrative Assistant	1	1	—	—	—	—	—	—	—	—
Construction Manager-Wastewater Collection	1	1	1	1	1	1	1	1	—	—
Construction Manager-Water Distribution	1	1	1	1	1	1	1	1	—	—
Construction Worker I	1	1	1	1	1	1	1	2	—	—
Construction Worker II (New Position)	2	2	1	1	1	—	—	—	—	—
Crew Chief	—	—	—	—	—	2	2	2	—	—
Collection Manager (Previous Crew Chief)	1	1	1	1	1	—	—	—	—	—
Collection Worker I (Previous Maintenance Worker I)	5	5	5	3	3	—	—	—	—	—
Collection Worker II (Previous Maintenance Worker II)	1	1	1	1	1	—	—	—	—	—
Collection Maintenance I	—	—	1	—	—	—	—	—	—	—
Distribution Manager (Previous Crew Chief)	1	1	1	1	1	—	—	—	—	—
Distribution Worker I (Previous Maintenance Worker I)	5	5	5	5	5	—	—	—	—	—
Distribution Worker II (Previous Maintenance Worker II)	2	2	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	1	1	—	—	—	—	—	—	—
Production Manager	1	1	—	1	1	—	—	—	—	—
Production Technician	—	—	—	6	6	—	—	—	—	—
Treatment Manager (New Position)	1	1	2	1	1	—	—	—	—	—
Treatment Technician (New Position)	10	10	7	2	2	—	—	—	—	—
Treatment Technician II	—	—	1	—	—	—	—	—	—	—
Utilities Director	1	1	1	1	1	1	1	1	—	—
Utilities Assistant Director Production & Treatment	1	1	1	1	1	1	1	1	—	—
Utilities Assistant Director Operations & Construction	1	1	1	1	1	1	1	1	—	—
Utilities Water Service Specialist	1	1	—	—	—	—	—	—	—	—
Utilities Meter Service Technician	2	2	—	—	—	—	—	—	—	—
Utilities Worker - Production & Treatment	1	1	—	—	—	—	—	—	—	—
Totals City-Wide	248	254	244	237	237	231	226	228	201	199

Source: City records

CITY OF LIBERTY, MISSOURI
OPERATING INDICATORS BY FUNCTION/PROGRAM
Last Ten Fiscal Years (Continued)
(Unaudited)

Function/Program	Calendar Year									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Police:										
Calls for service	33,333	30,441	30,210	31,540	29,594	26,815	31,324	26,556	26,703	24,509
Adult arrest	746	1,514	1,897	471	467	1,138	888	741	741	738
Speeding citations only	1,760	1,710	1,768	1,443	1,359	955	622	132	545	945
Traffic citations	5,975	5,620	5,012	4,923	5,307	4,672	2,823	3,634	3,013	3,832
Fire:										
Total fire runs	3,366	3,338	894	3,338	3,265	3,330	3,358	3,997	1,176	1,229
Total rescue runs	3,299	3,232	3,380	2,898	2,847	2,896	2,817	3,034	3,405	3,401
Property loss	250,100	452,250	670,100	250,500	699,200	4,152,500	887,000	663,400	1,004,200	6,963,001
Property saved	11,504,400	9,982,750	10,834,350	1,249,500	3,081,800	76,485,900	4,318,000	2,611,300	138,547,100	15,280,199
Building permits:										
Commercial:										
Total building permits	2	5	31	4	9	11	18	16	5	143
Total value all permits	7,149,100	61,155,184	21,981,026	7,931,171	20,418,975	17,180,155	46,411,213	60,126,964	14,094,881	18,920,264
Residential:										
Total building permits	15	17	12	39	30	24	42	55	47	186
Total value all permits	31,824,093	4,221,266	5,203,410	7,464,240	5,741,988	6,508,954	22,954,229	18,555,027	14,696,086	14,678,045
Parks and Recreation:										
Recreation program attendance	3,794	3,511	3,827	4,564	-	-	-	-	-	-
Sports	-	-	-	-	5,065	6,443	5,366	4,399	8,671	7,068
Community Programs	-	-	-	-	817	271	-	3,342	4,582	4,858
Camps	-	-	-	-	-	-	381	810	1,010	852
Aquatics program attendance	4,340	3,839	3,119	2,244	2,481	3,315	2,733	3,045	3,537	2,803
Fitness	-	-	-	-	3,371	3,591	-	38,471	50,662	51,354
Community Center Memberships	17,513	2,496	17,669	4,411	4,484	4,620	5,196	5,642	5,548	5,325
Rentals	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	288	280
# of Hours	-	-	-	-	2,133	2,099	2,540	2,250	2,649	2,504
Street trees maintained (1)										
# of Trees**	430	675	700	700	680	1,810	280	1,022	-	-
# of Hours	-	-	-	-	-	-	-	-	3,000	3,000

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
Last Ten Fiscal Years (Continued)
(Unaudited)

Function/Program	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Debt Service/Lease Payments	\$ 5,675,615	\$ 2,982,444	\$ 1,933,770	\$ 3,013,902	\$ 3,532,211	\$ 2,682,551	\$ 2,392,830	\$ 1,522,696	\$ 2,460,636	\$ 2,460,269
Street and Major Roadway Improvements	1,401,422	926,632	820,876	29,839	4,201,556	—	—	—	—	—
Storm Water Improvements	33,456	26,909	275,685	205,599	56,822	404,472	553,786	244,362	1,274,258	496,952
Capital Equipment	3,068,026	432,283	598,365	692,643	363,226	708,041	818,809	837,262	1,898,576	534,917
Fire Equipment	5,750	20,875	5,112	4,710	—	1,906,893	82,353	36,683	1,073,864	4,983
Neighborhood Improvements	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	1,397,842	902,940
Sewer System Upgrades	1,234	9,947	174,567	1,066,823	319,556	741,859	381,072	258,513	513,287	1,494,304
WasteWater System	—	—	—	—	2,380,590	16,534,500	50,728,915	6,933,767	—	—

Source: City records