



CITY OF LIBERTY, MISSOURI

Comprehensive Annual Financial Report
For The Year Ended December 31, 2020

**CITY OF LIBERTY, MISSOURI
COMPREHENSIVE ANNUAL
FINANCIAL REPORT**
FOR THE YEAR ENDED DECEMBER 31, 2020



*Report prepared and submitted by the
Department of Finance*

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Introductory Section



June 25, 2021

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

Management Responsibility

The Comprehensive Annual Financial Report of the City of Liberty, Missouri (the City), for the fiscal year ended December 31, 2020, 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.

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 residential subdivision under construction, 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/Senior Housing 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 assisted 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 saw the addition of a new, state of the art, expanded movie complex owned by B&B Theaters. B & B Theaters relocated 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 retail 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 either under construction or anticipated to be open in 2021.

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 complete. 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.

The City's first speculative industrial project is now under construction with tenants. 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.

Other industrial projects include the new Liberty Commerce Center located south of S. Liberty Parkway and contain nine industrial buildings on 340 acres. Approvals for those buildings will equal 3,311,000 new square feet of industrial buildings.

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.

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 Parks and Recreation Trail System Plan were updated in 2014 and a Water Systems Master Plan has been approved to start this year. Staff anticipates beginning a community-wide comprehensive plan update after the pandemic is over and we return to having large public meetings.

Major Initiatives

The City of Liberty continues to be an active and growing community. 311 building permits were issued in 2020 (including alterations, additions and demolitions). Additional building permit activity for the past 10 years is detailed in the Statistical Section.

The COVID-19 pandemic began to have an impact on public health and local businesses in March 2020. Many City employees transitioned to working from home. The City's budget for FY21 was modified to anticipate a 4% reduction in sales tax revenue. Expenditures were budgeted very conservatively to help mitigate any unforeseen challenges. The City received \$2.9 million in Coronavirus Aid, Relief, and Economic Security (CARES) funding to reimburse the City for expenses related to the pandemic response. Monthly budget monitoring and response plans were put in place to track and adjust operations as necessary contingent upon the changing economic conditions.

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.

In 2019 Liberty partnered with the City of Kansas City, Missouri and the Missouri Department of Transportation to construct a major interstate intersection rehabilitation of the I35/Kansas Street/M291 corridor. This project was approved in 2018 and construction began in April of 2019. The Kansas Street Project cost an estimated \$27.4M in which the City paid \$5.8M of these costs. These costs were paid for through the Economic Development Sales Tax Fund. MODOT paid \$14.1M and \$1.5M came from the City of Kansas City. The remaining \$6.0M were paid from grant (STP) funds received from MARC. This project was completed in August of 2020.

For year-end 2020, the City of Liberty Utilities department is nearly complete with the transition to Automated Meter Infrastructure (AMI) that was initiated in 2019 with less than 30 residential meters to replace and less than 2 commercial meters to replace. The final replacements are expected to be completed in 2021. The system is functioning as intended and the City is enjoying unexpected benefits

in operational efficiency from data that is now available and easily accessible. Customer concerns about meter errors or human error have been greatly reduced. The new hourly consumption data will be utilized in the upcoming five year cycle water master plan update and will provide insight into daily consumption patterns. The new data is utilized to identify and significant distribution system leaks by comparing water produced at the water treatment plant compared to water distributed through all of the meters in the City.

The City Utilities Department added resiliency to the current efficiency and effectiveness motto. Construction of a new water treatment plant lime silo was under construction that should make the water plant more efficient and effective but also add necessary redundancy to key treatment plant processes. The lime silo is expected to be complete and in service in 2021. In addition to in house initiatives City Utilities Department staff is in process of completing a risk and resiliency assessment and emergency response plan mandated by the American Water Infrastructure Act and will respond appropriately to items identified in the assessment and emergency response plan review.

Waste water collection and treatment staff continue to find new ways to optimize operations and identify areas of infrastructure that need repair and improvement. Waste water treatment plant operations neared the end of a long process to improve the operation of the bio-solids handling process through the improvement of the operation of the dewatering system. The test of the improvements was successful and full implementation of the improvements is expected in 2021. The improvement in dewatering performance will lead to less energy consumption and less bio-solids that have to be hauled and land applied resulting in lower operating costs.

Long-Term Financial Planning

Over the years, one of the City's strengths has been its strong financial condition and prudent financial management. The City has diligently developed and implemented annual budgets that provide our citizens with consistent, reliable municipal services and programs.

The City has experienced growth in several revenue categories such as sales tax/use tax and building permits in recent years. The City has taken steps and made efforts in recent years to increase the general fund balance to ensure a healthy reserve position.

For 2020, the City experienced unprecedented times regarding the Novel Covid-19 Pandemic. Early in 2020, City staff began putting a lot of focus and efforts into what the nationwide shut down looked 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. Actual General fund core revenues came in 5.1% higher than 2019 Final. This is primarily due to higher than expected revenues within our Use Tax revenues and building permit related activities revenue for 2020. As we continue to navigate through 2021, 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.

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 2020 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. 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 2020 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.

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.

Single Audit

As a recipient of federal, state and county financial assistance, the City is also responsible for ensuring that adequate internal control is in place to ensure compliance with applicable laws and regulations related to those programs. Internal control is subject to periodic evaluations by the management of the City.

As part of the City's single audit, tests are, made to determine the adequacy of internal control, including that portion related to federal financial assistance programs, as well as to determine that the government has complied with applicable laws and regulations. The results of the City's single audit for the fiscal year ended December 31, 2020 provided no instances of material weaknesses in internal control. This report is available in the City of Liberty's separately issued Single Audit Report.

Major Revenue Sources

The City's largest source of revenue is from Sales/Use Taxes.

Combined property, franchise and other taxes (State vehicle, gas tax etc.) make up 41% of the total general fund 2021 revenue budget. The large increase is primarily due to an increase within sales tax and use tax revenue when compared to 2020 along with an increase in property tax revenue.

Property tax is an ad valorem tax, levied on all real and personal property, based on the assessed valuation as established by the County Assessor on January 1st of each year. Real property assessed valuation is determined by applying the "market value" multiplied by the appropriate assessment ratios. Each year the City Council may set the rates to be levied for the City's property taxes.

Utility franchise fees are gross receipts taxes levied on all service charges for customers subscribing to electricity, natural gas, telecommunications and cable television services within the City's boundaries. Franchise taxes are directly dependent on weather conditions and will vary with extreme periods of heat and cold.

Sales Taxes comprise of approximately 36% of total governmental revenue.

The City imposes a Use Tax at a rate of 3.375%. As with Sales Taxes, the State of Missouri receives the tax from the respective business and distributes the funds monthly to the City. The Use Tax was voter approved in April 2018. The revenues generated from the Use Tax are used to help pay for financing associated with the construction of a state of the art animal shelter that was completed in 2020 and for several capital projects within the Parks Department, which include a complete overhaul of City Park, improvements to 10 neighborhood parks throughout the City and renovations at the Community Center. These projects are projected to be completed in 2021.

The General Sales tax is a one cent sales tax used for the General Fund.

The Capital Sales Tax is a 1/2 cent sales tax with a sunset as approved by the voters in Liberty for the funding of capital improvements within the City, including without limitation construction and maintenance of streets, sidewalks, storm drainage systems and the acquisition of public works equipment and property, all subject to a citizens oversight committee and final decision of the Council. The tax was approved by voters in April 2008 and will sunset in 2030.

The Transportation Sales Tax fund is a 1/2 cent tax with a sunset as approved by the voters in Liberty for transportation related projects within the City, including without limitation construction and maintenance of streets, sidewalks, other street and transportation related improvements and public mass transportation – subject to citizen’s oversight committee and final decision of the Council. This tax was approved by voters in April 2008 and will sunset in 2030.

The Parks Sales Tax is a 1/4 cent tax with no sunset approved by the voters. The revenues generated from this tax are used to help fund capital projects and operations within the Parks Department.

The Fire Sales Tax is a 1/4 cent tax with no sunset approved by the voters. The revenues generated from this tax are used to help fund capital projects within the Fire Department.

The Economic Development Sales Tax is a 3/8 cent tax with a sunset as approved by the voters of Liberty for Economic Development related projects, including without limitation costs related to the construction of South Liberty Parkway Phase II and Downtown infrastructure rehabilitation. The tax was approved by voters in April of 2014 and will sunset in March of 2035.

The Public Safety Sales Tax is a 1/2 cent tax with no sunset date approved by the voters of Liberty for Police and Fire related operations. In 2016, the City made the commitment to maintain its historical 2016 expenditure base for Public Safety current salaries with in the General Fund. In 2020 the City committed additional funds and revenues to be transferred into the Public Safety Sales Tax Fund to ensure salaries remain competitive within the Police and Fire Departments.

Enterprise Funds

The City operates two Enterprise Funds: the Water Treatment Plant and the Waste Water Treatment Plant.

These funds are used to account for operations that are financed and operated in the manner similar to a private business enterprises where the stated intent is that the costs (expenses, including depreciations) of providing goods or services to the general public on a continuing basis be finance or recovered through user fees and where periodic determination of revenues earned, expenses incurred and/or net income is deemed appropriate of capital maintenance, public policy, management control, accountability or other purposes.

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, 2020. The auditor’s report on the basic financial statements is included in the financial section of this report.

Awards

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

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

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

Acknowledgments

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

Respectfully submitted,



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

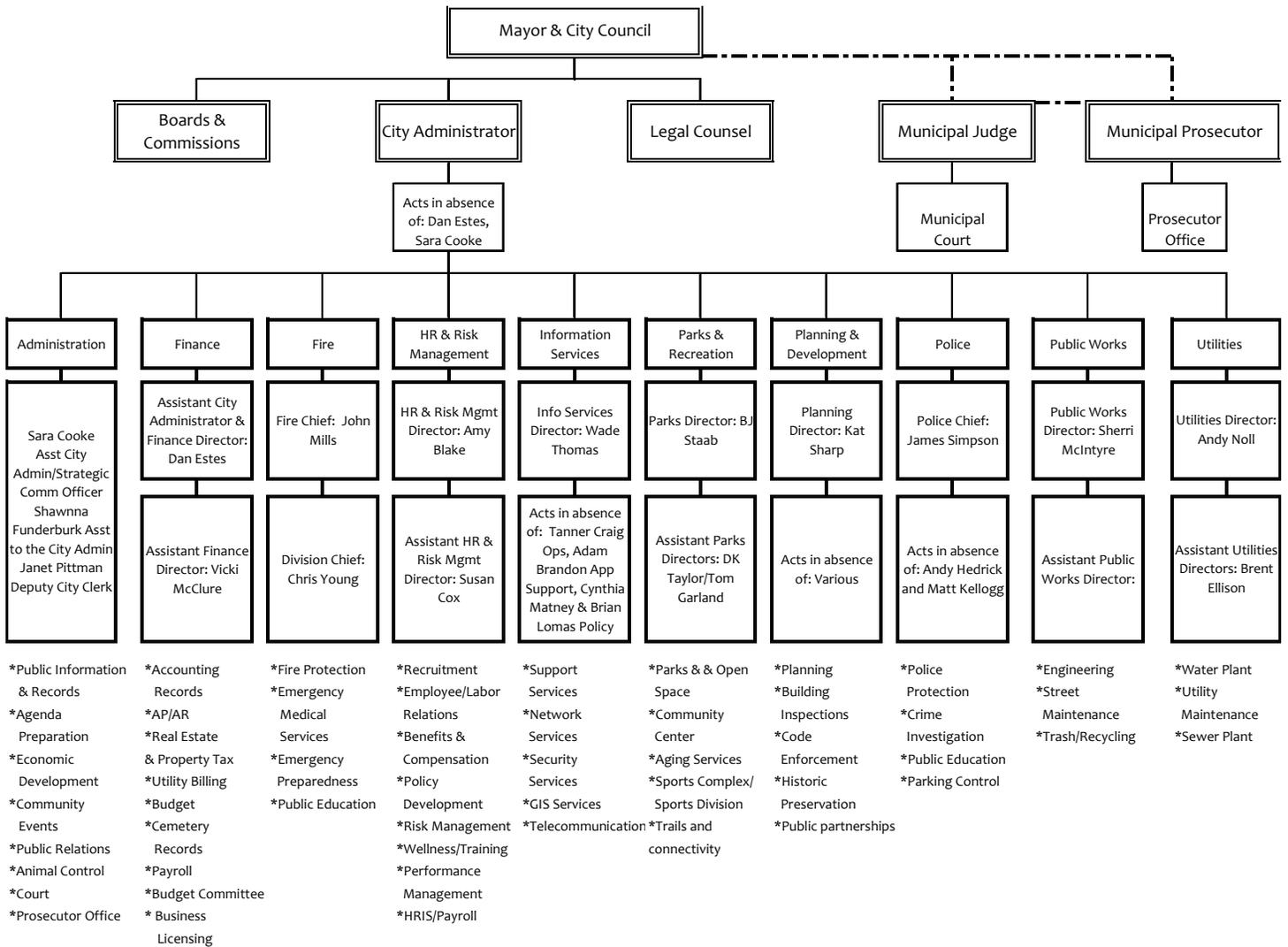
**City of Liberty
Missouri**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

December 31, 2019

Christopher P. Morrell

Executive Director/CEO



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

Appointed Officials

Municipal Court Judge	Thomas C. Capps
Municipal Prosecutor	Thomas C. McGiffin
City Administrator	Curtis C. Wenson
Assistant City Administrator/Finance Director	Dan Estes
Deputy City Clerk	Janet Pittman
Economic and Business Development Manager	Karan Johnson
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, 2020 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, 2020, 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.

Emphasis of Matter

As discussed in Note 16 to the financial statements, in 2020, the City adopted Governmental Accounting Standards Board Statement No. 84, *Fiduciary Activities*. Our opinions are not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, 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 25, 2021, 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 25, 2021

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Management's Discussion And Analysis

CITY OF LIBERTY, MISSOURI

MANAGEMENT'S DISCUSSION AND ANALYSIS

December 31, 2020

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, 2020 with selected comparative information for the fiscal year ended December 31, 2019. 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 \$83,285,174 (net position). Of the assets that may be used to meet the government's ongoing obligations to citizens and creditors (unrestricted net position), the City had a deficit amount of \$16,593,281. 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 \$11,574,273. Of this amount, \$7,403,449 was from the City's "governmental activities" and \$4,170,824 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 \$32,713,151; an increase of \$4,893,615 in comparison with the prior year. This increase is attributable to an increase within Use Tax revenue and an increase within intergovernmental revenues due to the receipt of \$2.9 million in federal stimulus dollars dedicated to the COVID-19 pandemic.
- \$5,564,536 (17.0%) of the combined governmental fund balances of \$32,713,151 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 \$6,935,066 or approximately 29.7% percent of total General Fund revenues.
- The City had a net decrease in debt totaling \$7,874,159 during the current fiscal year. Additions to debt from special obligation bonds and capital leases totaled \$1,264,227. This increase was offset by 2020 retirements of \$9,138,386. This increase in retirements of debt is primarily attributable to the payoff of the Series 2015 TIF debt along with regularly scheduled debt payments.

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 outflows of resources, liabilities and deferred inflows 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.

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.

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: Custodial 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 \$83,285,174 at the close of the fiscal year ended December 31, 2020. The following table reflects a condensed statement of net position.

Net Position

	Governmental Activities 2020	Business-Type Activities 2020	Total 2020	Governmental Activities 2019	Business-Type Activities 2019	Total 2019
Current and other assets	\$ 42,424,295	\$ 20,131,140	\$ 62,555,435	\$ 39,113,231	\$ 21,151,969	\$ 60,265,200
Capital assets, net	94,860,541	129,199,584	224,060,125	96,485,012	128,461,315	224,946,327
Total Assets	137,284,836	149,330,724	286,615,560	135,598,243	149,613,284	285,211,527
Deferred Outflows Of Resources	4,151,303	546,604	4,697,907	3,258,787	400,947	3,659,734
Current liabilities	8,816,431	5,780,397	14,596,828	10,811,619	6,476,649	17,288,268
Noncurrent liabilities	104,733,128	79,783,125	184,516,253	107,465,023	83,235,139	190,700,162
Total Liabilities	113,549,559	85,563,522	199,113,081	118,276,642	89,711,788	207,988,430
Deferred Inflows Of Resources	8,811,728	103,484	8,915,212	8,908,985	262,945	9,171,930
Net position:						
Net investment in capital assets	43,584,063	46,665,573	90,249,636	46,617,054	43,001,812	89,618,866
Restricted	6,428,000	3,200,819	9,628,819	7,459,414	2,774,433	10,233,847
Unrestricted (deficit)	(30,937,211)	14,343,930	(16,593,281)	(42,405,065)	14,263,253	(28,141,812)
Total Net Position	\$ 19,074,852	\$ 64,210,322	\$ 83,285,174	\$ 11,671,403	\$ 60,039,498	\$ 71,710,901

The City's combined net position increased by \$11.6 million in 2020 from \$71.7 million in 2019 to \$83.3 million. This favorable activity is primarily found within the Governmental Activities (\$7.4 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 (\$4.2 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 \$9.6 million or 11.6% 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 \$16.6 million, representing a decrease in the deficit of \$11.5 million when compared to 2019. 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, \$90.2 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 \$83.3 million in net position is comprised of \$90.2 million of net investment in capital assets; a restricted net position of \$9.6 million that can be used for capital projects, debt service and other purposes, and a deficit of \$16.6 million in unrestricted net position. Total net position increased by \$11.6 million reflecting 16.1% 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, 2020 and 2019:

City Of Liberty's Changes In Net Position

	Governmental Activities			Business-Type Activities		
	2020	2020	Total 2020	2019	2019	Total 2019
Revenues:						
Program revenues:						
Charges for services	\$ 4,022,285	\$ 17,888,877	\$ 21,911,162	\$ 3,563,893	\$ 17,072,834	\$ 20,636,727
Operating grants and contributions	3,240,373	-	3,240,373	415,055	-	415,055
Capital grants and contributions	1,195,047	888,676	2,083,723	561,554	3,744	565,298
General revenues:						
Property taxes	7,841,790	-	7,841,790	7,406,240	-	7,406,240
Franchise taxes	3,181,006	-	3,181,006	3,366,963	-	3,366,963
Sales and use taxes	26,085,287	-	26,085,287	23,895,616	-	23,895,616
Other taxes	1,446,185	-	1,446,185	1,594,749	-	1,594,749
Investment earnings	183,970	179,237	363,207	574,788	498,840	1,073,628
Other	2,205,102	450,747	2,655,849	2,525,761	320,064	2,845,825
Total Revenues	49,401,045	19,407,537	68,808,582	43,904,619	17,895,482	61,800,101
Expenses:						
General government	6,586,532	-	6,586,532	5,659,671	-	5,659,671
Community development and improvement	4,170,521	-	4,170,521	3,266,439	-	3,266,439
Public works	7,319,555	-	7,319,555	7,611,046	-	7,611,046
Culture and recreation	5,670,834	-	5,670,834	5,528,286	-	5,528,286
Cemetery maintenance	63,696	-	63,696	58,292	-	58,292
Public safety	14,409,099	-	14,409,099	12,953,549	-	12,953,549
Interest on long-term debt	3,777,359	-	3,777,359	4,017,211	-	4,017,211
Water	-	5,803,113	5,803,113	-	5,829,288	5,829,288
Sewer	-	7,593,108	7,593,108	-	7,593,886	7,593,886
Sanitation	-	1,840,492	1,840,492	-	1,759,372	1,759,372
Total Expenses	41,997,596	15,236,713	57,234,309	39,094,494	15,182,546	54,277,040
Change In Net Position	7,403,449	4,170,824	11,574,273	4,810,125	2,712,936	7,523,061
Net position, beginning of year	11,671,403	60,039,498	71,710,901	6,861,278	57,326,562	64,187,840
Net position, end of year	\$ 19,074,852	\$ 64,210,322	\$ 83,285,174	\$ 11,671,403	\$ 60,039,498	\$ 71,710,901

CITY OF LIBERTY, MISSOURI

Management's Discussion and Analysis (*Continued*)

Governmental Activities

Governmental Activities increased the City's total net position by \$7,403,449 accounting for 64% of the total 2020 increase in the total net position of the City. This increase is primarily attributable to an increase in 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.

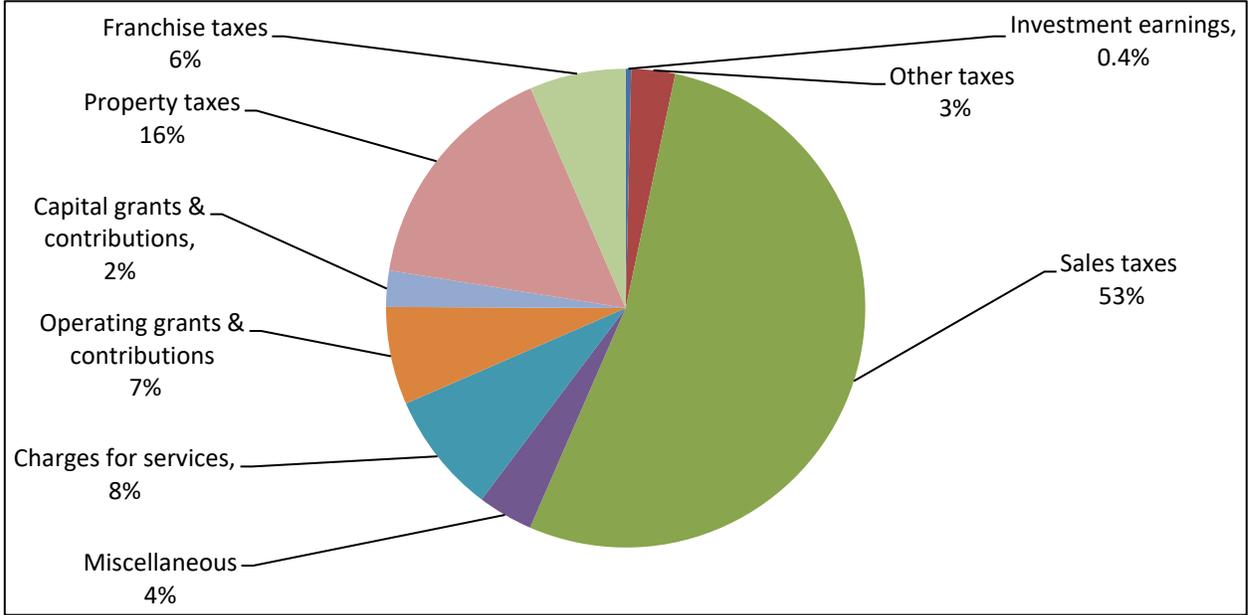
Overall, general revenue applicable to Governmental Activities for 2020 increased by \$1,574,223 to \$40,943,340 and represents a 4% increase from the prior year. Property taxes totaled \$7,841,790 which was an increase of \$435,550 predominantly due to greater collectability of personal property taxes and increase valuations attributable to commercial retail property adding to the tax roll. Preliminary 2021 information shows an increase in 2020 valuation in the amount of \$54 million, which will speak to additional collections and commercial property additions. City franchise fees actually saw a decrease of \$185,957 to \$3,181,006. For year ended 2020, the City continues to see declines in cell phone and cable franchise fee revenue. Sales and use tax revenue increased by \$2,189,671 to \$26,085,287 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 increase by \$458,392 in 2020 for total revenues of \$4,022,285; this is primarily due to an increase in building related activity in 2020 due to COVID-19 and restrictions on travel.

Governmental activities expenses increased \$2,903,102 for the 2020 fiscal year when compared to 2019. The increase is attributable to the City implementation of a 3% salary adjustment and other compensation related items that impacted all Governmental Funds, along with \$2.9 million in expenses associated with the COVID-19 pandemic. These expenses were offset by *Coronavirus Aid, Relief and Economic Security* (CARES) federal funding that was received in 2020.

CITY OF LIBERTY, MISSOURI

Management’s Discussion and Analysis (*Continued*)

The following table reflects the revenues by source for the City’s governmental activities for the year ended December 31, 2020.



The following table shows expenses and program revenues of the governmental activities for the years ended December 31, 2020 and 2019:

Net Cost Of Governmental Activities

	Total Cost Of Service		Net Cost Of Service	
	2020	2019	2020	2019
General government	\$6,586,532	\$5,659,671	(\$3,287,074)	(\$5,472,788)
Community development and improvement	4,170,521	3,266,439	(3,484,876)	(3,266,439)
Public works	7,319,555	7,611,046	(6,124,508)	(7,049,492)
Culture and recreation	5,670,834	5,528,286	(3,890,631)	(2,778,121)
Cemetery maintenance	63,696	58,292	(10,536)	(10,453)
Public safety	14,409,099	12,953,549	(12,964,907)	(11,959,488)
Interest on long-term debt	3,777,359	4,017,211	(3,777,359)	(4,017,211)
Total	\$41,997,596	\$39,094,494	(\$33,539,891)	(\$34,553,992)

CITY OF LIBERTY, MISSOURI

Management's Discussion and Analysis (*Continued*)

Expenses from governmental activities totaled \$41,997,596; however, net costs of these services were \$33,539,891. The difference of \$8.5 million represents direct revenues received from charges for services (\$4 million), operating grants and contributions (\$3.2 million), and capital grants and contributions (\$1.2 million). Taxes and other revenues in the amount of \$40,943,340 were collected to cover these net costs.

Business-Type Activities

Business-type activities increased the City's net position by \$4,170,824.

The Water Fund recorded an increase of \$712,873 in the net position for the year. Revenues from user fees were \$6,074,539 and showed an increase in the amount of \$275,879 in 2020. The City implemented a 1.00% water rate increase at the beginning of 2020. In 2020, water usage was higher than recent years; this is attributable to the stay at home order that was put into place in early 2020 due to the COVID-19 pandemic. Operating expenses for 2020 were \$5,717,567 which decreased by \$39,232 from 2019. The decrease is attributable to the conservatism that the City put into effect during the economic shutdown due to COVID-19. The City implemented a 3% salary adjustment and other compensation related items that impacted all Business-Type Funds.

Depreciation expense decreased by \$13,186 due to timing of the additional capital investments in the system. The Water Fund's operating income increased by \$28,421 in 2020.

The Sewer Fund recorded an increase of \$3,440,023 in net position for the year. Revenues from user fees increased by \$458,783 or 4.8% when compared to 2019 revenues. Operating expenses showed a decrease of \$176,748 or 3%. The decrease is attributable to the conservatism that the City put into effect during the economic shutdown due to COVID-19. The City implemented a 3% salary adjustment and other compensation related items that impacted all Business-Type Funds.

Depreciation expense stayed relatively flat in 2020. Over the next several years, depreciation should 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 \$4,421,019 at December 31, 2020, an increase of \$1,052,906 when compared to the total operating expenses earned in 2019.

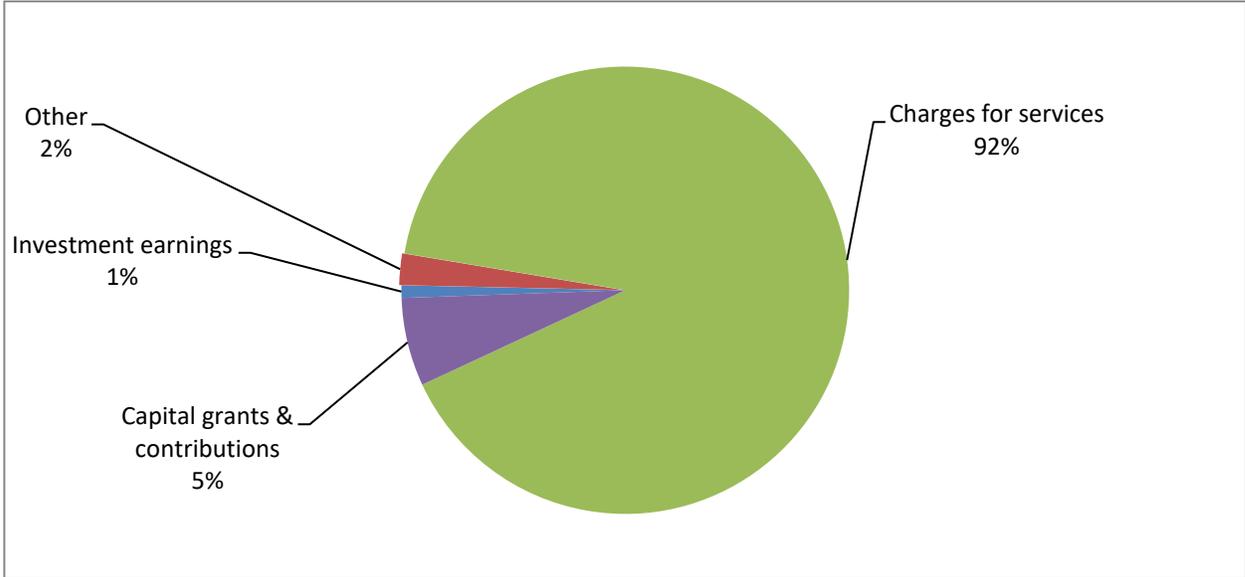
Net position increased by \$3,440,023 and is due to improved operations in the Sewer Fund. To address future income generation, the City implemented a 5.64% sewer rate increase in 2020.

The Sanitation Fund recorded an increase in net position of \$17,928 for 2020. Revenues of \$1,857,744 increased over the 2019 revenues of \$1,776,365. Total Operating Expenses for 2020 increased \$81,120 or 4.6% over expenses for 2019 and is in line with sanitation hauler contract increases.

Management's Discussion and Analysis (*Continued*)

The following table reflects the revenues by source for the City's business-type activities for the year ended December 31, 2020:

Revenues By Source - Business-Type Activities



Total business-type activities' operating revenue for fiscal year 2020 was \$18,339,624 with charges for services (97.5%) being the major operating revenue source. All revenue of \$19,407,537 with the exception of \$179,237 received from investment earnings and \$888,676 in capital contributions was generated for specific business-type activity expenses. In the previous year, operating revenue for business-type activities was \$17,392,898.

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.

CITY OF LIBERTY, MISSOURI

Management's Discussion and Analysis (*Continued*)

As of December 31, 2020, the City's governmental funds reported combined ending fund balances of \$32,713,151 reflecting an increase of \$4,893,615 from the previous year. This increase is primarily attributable to the federal funding (CARES) that the City received to help cover costs associated to the COVID-19 pandemic along with capital outlay reduction in expenses due to contractor's being too busy with other jobs to get on our schedule in 2020. The dollars that were committed for Capital Outlay projects for 2020 will be encumbered and used in 2021. Of this total, approximately 17.2% of this total amount \$5,564,536 constitutes unassigned fund balance, which is available for spending at the government's discretion. The remaining \$26,774,308 of fund balance is as follows: (1) non-spendable (\$1,174,821) which is inventories, prepays and permanent fund principal, (2) restricted (\$25,299,259), (3) assigned (\$84,242), and (4) committed (\$590,263).

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 \$5,662,603 with total fund balance at \$6,935,066. Total fund balance increased by \$1,657,629 over the previous fiscal year fund balance. Revenues increased by \$4,000,211 in 2020 and are primarily the result of increases in Sales Tax, Use Tax collections, increases in intergovernmental (CARES funding) and charges in services. Other financing sources showed a decrease of \$425,534 from the 2019 amount of \$1,684,804. This is primarily due to a decrease of net transfers into the General Fund in 2020.

In 2020, the City saw an increase in sales tax/use tax revenues of \$2,189,671. This is primarily attributable to an increase of online sales during the economic shut down during the COVID-19 pandemic.

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 2020 is calculated at 30% (rounded) of total General Fund revenues.

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 2020, the fund balance policy was exceeded within the General Fund.

The Park Fund had a fund balance of \$1,892 at December 31, 2020. This represents a decrease of \$653,861 over the previous year fund balance. This significant decrease in fund balance is attributable to the restrictions and guidelines put in place during the COVID-19 pandemic to help mitigate the spread of COVID-19. Revenues decreased by \$1,087,236 or 31% and expenditures also decreased by \$4,143,595 or 50.2% when compared to 2019. This decrease is also attributable to the restriction and guidelines that were put in place during the COVID-19 pandemic. Total fund balance represents a less than 1% of 2020 revenues. This does not meet the level required by policy of 12%. Inter fund transfers from Park Sales Tax for 2020 increased by \$370,574. 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 \$10,102,957 at year end 2020, which is an increase of \$767,381 from the 2019 balance of \$9,335,576. This increase in fund balance is the result of an increase of revenues primarily attributable within our TIF Districts.

CITY OF LIBERTY, MISSOURI

Management's Discussion and Analysis (*Continued*)

Although the Capital, Transportation and Economic Development Sales Tax Funds were not categorized as major funds in 2020, they continue to be combined together 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 2020, and on a combined basis, this policy level was exceeded.

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 \$3,669,678. The Sewer Fund showed an unrestricted net position of \$10,540,248 this is primarily due to ongoing positive operating income as a result of the completion and operations of the Waste Water Treatment Facility, and the Sanitation Fund was a positive at \$134,004. There was a decrease in unrestricted net position when compared to 2019 of \$432,279 for the Water Fund. There was an increase of \$495,028 for the Sewer Fund and \$17,928 for the Sanitation Fund representing a total unrestricted increase for the proprietary funds of \$80,677. For the year ended 2020, the ending net position totaled \$64,210,322.

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 2020, 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 \$357,660 in 2020 within the Water Fund.

CITY OF LIBERTY, MISSOURI

Management's Discussion and Analysis (*Continued*)

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.

To address increased costs, Liberty has increased its sewer user rates, as required. In 2020, the City implemented a 5.64% increase. These actions generated \$10,406,653 in operating revenues. This reflects an \$876,158 increase over 2019 revenues of \$9,530,495. Total operating expenses were \$5,985,634 or \$176,748 less than 2019 amounts of \$6,162,382. This increase in Operating Revenue is primarily due to Liberty's ability to operate their own wastewater treatment facility. In 2020, the City of Kansas City, Missouri (KCMO) continued to treat about 144 houses for Liberty; specifically, houses located on the west side of town. In 2020, Liberty paid KCMO a total amount of \$163,960 a year for these houses. Net operating income for 2020 was \$4,421,019.

The City contracts for its solid waste disposal and records those associated revenues and expenses within the Sanitation Fund. Rates for that service have and will increase at a rate equivalent to the CPI rate each year. In 2020, the City implemented a 4.2% 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 2020.

GENERAL FUND BUDGETARY HIGHLIGHTS

Differences between the final budget and 2020 actual can be summarized as follows:

In 2020, final expenditures for the General Fund were \$23,124,593 representing an unfavorable \$1,644,216 variance from the final amended budget of \$21,480,377. The major contributor to the unfavorable variance is found in General government and Capital outlay, in the amount of \$1,690,467 and is primarily the result of additional expenditures due to the COVID-19 pandemic within City non-salary and capital accounts.

Actual revenue for the General Fund was \$23,388,296 representing a favorable \$4,065,177 variance from the final budget of \$19,323,119. Intergovernmental and taxes were major contributors to the bottom line having a combined favorable variance of \$3,588,607. This favorable variance is due to the CARES Act funds of \$2.9 million, the payoff of TIF 2004 Series and increase in online sales during the COVID-19 pandemic. Although there is a favorable variance in 2020, franchise fee taxes continue to see declines, in cell phone and cable. Additionally, engineering services had a favorable balance of \$200,170 and are primarily due to public improvements permits.

Other financing sources closed out at \$1,259,270, with the 2020 final budget of \$1,714,270 resulting in a favorable variance of \$455,000.

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 \$210,293 which includes traffic violations and other additional items. This amount is approximately 0.9% of total general revenues of \$23,388,296 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, 2020 amounts to \$224,060,125 (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 decrease in the City's investment in capital assets for the current fiscal year was \$886,202 or a decrease of 0.4%. Capital assets for governmental activities decreased by \$1.6 million and those for business-type activities increased by \$0.740 million.

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

- Police Vehicles and Equipment – \$0.145 million
- Police Department/ Technology – CAD System- \$0.285 million
- City wide computer equipment – \$0.530 million

CITY OF LIBERTY, MISSOURI

Management's Discussion and Analysis (Continued)

City Of Liberty's Capital Assets

	Governmental Activities		Business-Type Activities		Total	
	2020	2019	2020	2019	2020	2019
Land	\$ 2,020,158	\$ 2,020,148	\$ 1,340,677	\$ 1,340,677	\$ 3,360,835	\$ 3,360,825
Construction-in-progress	8,509,958	8,466,006	5,258,933	2,316,029	13,768,891	10,782,035
Buildings and system	17,637,166	17,153,404	10,535,683	10,535,683	28,172,849	27,689,087
Vehicles	9,193,333	8,671,639	2,978,347	2,757,289	12,171,680	11,428,928
Improvements other than buildings	18,616,423	18,241,363	199,443	199,443	18,815,866	18,440,806
Wastewater treatment plant	-	-	78,380,060	78,380,060	78,380,060	78,380,060
Machinery and equipment	17,081,463	15,240,523	14,796,551	13,596,976	31,878,014	28,837,499
Infrastructure	86,214,008	84,689,033	64,313,228	64,068,212	150,527,236	148,757,245
Accumulated depreciation	(64,411,968)	(57,997,104)	(48,603,338)	(44,733,054)	(113,015,306)	(102,730,158)
Total	\$ 94,860,541	\$ 96,485,012	\$ 129,199,584	\$ 128,461,315	\$ 224,060,125	\$ 224,946,327

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 \$181,243,897. Of this amount, \$18,280,000 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	
	2020	2019	2020	2019	2020	2019
Special obligation bonds	\$ 33,296,288	\$ 34,808,850	\$ 4,268,712	\$ 4,431,150	\$ 37,565,000	\$ 39,240,000
Capital leases	1,381,685	1,599,632	25,212	50,424	1,406,897	1,650,056
General obligation bonds	18,280,000	19,625,000	-	-	18,280,000	19,625,000
TIF bonds	45,840,000	47,730,000	-	-	45,840,000	47,730,000
SRF bonds	-	-	76,167,000	78,103,000	76,167,000	78,103,000
Revenue bonds	-	-	1,985,000	2,770,000	1,985,000	2,770,000
Total	\$ 98,797,973	\$ 103,763,482	\$ 82,445,924	\$ 85,354,574	\$ 181,243,897	\$ 189,118,056

During the current fiscal year, the City's total debt decreased by \$7,874,159 or 4.2%. This decrease is primarily due to the pay down of all debt categories. In 2020, the total debt within the City's governmental activities saw a net decrease of \$4,965,509. 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 2020 end-of-year activity, it was anticipated that 2021 General Fund revenues would show stability and was conservatively budgeted at the amount of \$22,068,400. 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 \$22,112,114 by end of year. This projected end of year forecast is still about 0.2% higher than what was initially budgeted for 2021.

Property taxes for 2021 are budgeted at \$4,499,854 or \$231,559 higher than 2020 actual revenues. The City Council established the 2020 general levy rate at \$0.8901 per \$100 assessed valuation, which is lower than the 2019 rate of 0.8921. This rate will be applied to a higher 2020 assessed valuation to produce a slight increase of current 2020 revenue over that earned in 2019. Valuations for 2020 were calculated to be \$583,303,746 or \$9,354,362 higher than 2019.

Sales tax revenue is budgeted at \$5,856,971 slightly below the final for 2020, businesses have reopened to the public and we anticipate a slight increase in Sales Tax Revenues over 2019, but COVID-19 will still play a role in 2021's revenues. Use Tax revenues are projected to be \$2,700,000 which is lower when compared to 2020 final revenues of \$2,740,289. Franchise fees have been budgeted at \$3,254,300 for 2021, a slight increase of \$73,294 from 2020 final. The budgeted amounts for Electrical Franchise and Gas fees are based on an anticipated normal summer and winter temperature event. Electrical Franchise fee revenue is anticipated to remain level at \$2.0 million. Revenues for Emergency Services are projected at \$1.18 million relatively flat when compared to 2020 final revenues of \$1.19 million. Court Fines and Forfeitures are projected at \$0.256, which is an increase of \$9,344 when compared to 2020 actuals. Due to the impacts of social distancing and gathering limitations during the COVID-19 pandemic in 2020, municipal court held 26 court sessions during 2020.

Initial General Fund expenditures and transfers were projected to total \$22,064,790 compared to the 2020 close-out of \$23,124,593. This represents a \$1.1 million decrease from 2020 actuals. Employee salary and fringe benefit costs are budgeted at \$17,655,089 this is an increase when compared to 2020 final totals of \$16,844,165. 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 2021, it is estimated that \$2,922,991 will 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 2021 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 \$2,177,191. This reflects anticipated expenditures for City computer equipment and replacement of Police vehicles.

Based on programmed actions for 2021, the City anticipates a balanced General Fund budget, with fund balance being maintained slightly above policy ranges. The City does expect to use "excess" fund balance reserves for one time capital purchases and projects along with transferring \$525,000 to the Parks Department to help build their fund balance back up. 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 2021. User rates for Sewer Funds were increased by 4.5% and sanitation rates increase by 3.4%. Water Rates for 2021 were held steady.

The 2021 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 that are expected to be complete by July of 2021. The Parks Department took a hard hit to its bottom line in 2020. With the COVID-19 pandemic, the Community Center and Capital Federal Sports Complex were unable to open and operate like in a normal year. For 2021, revenues generated for all parks divisions are projected to be \$4.9 million; this is an increase of \$1.4 million when compared to 2020 final revenues. 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 2021 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: Vicki McClure, Interim 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, 2020**

	Governmental Activities	Business-Type Activities	Total
Assets			
Current Assets			
Cash and investments	\$ 18,975,811	\$ 13,947,698	\$ 32,923,509
Receivables:			
Taxes	12,783,550	—	12,783,550
Special assessments	—	284	284
Accounts	738,875	2,630,860	3,369,735
Accrued interest	57,548	3,868	61,416
Inventory	35,156	186,719	221,875
Prepaid expenses	684,116	137,557	821,673
Restricted assets:			
Cash and investments	8,346,812	—	8,346,812
Accrued interest	170	—	170
Total Current Assets	41,622,038	16,906,986	58,529,024
Noncurrent Assets			
Restricted assets:			
Investments	802,257	3,224,154	4,026,411
Capital assets:			
Nondepreciable:			
Land	2,020,158	1,340,677	3,360,835
Construction in progress	8,509,958	5,258,933	13,768,891
Depreciable:			
Buildings and system	17,637,166	10,535,683	28,172,849
Improvements other than buildings	18,616,423	199,443	18,815,866
Vehicles	9,193,333	2,978,347	12,171,680
Machinery and equipment	17,081,463	14,796,551	31,878,014
Wastewater treatment plant	—	78,380,060	78,380,060
Infrastructure	86,214,008	64,313,228	150,527,236
Less: Accumulated depreciation	(64,411,968)	(48,603,338)	(113,015,306)
Total Noncurrent Assets	95,662,798	132,423,738	228,086,536
Total Assets	137,284,836	149,330,724	286,615,560
Deferred Outflows Of Resources			
Pensions	3,776,642	546,604	4,323,246
Other post-employment benefits	173,905	—	173,905
Deferred loss on refunding	200,756	—	200,756
Total Deferred Outflows of Resources	4,151,303	546,604	4,697,907
Total Assets And Deferred Outflows Of Resources	\$ 141,436,139	\$ 149,877,328	\$ 291,313,467

CITY OF LIBERTY, MISSOURI

**STATEMENT OF NET POSITION
December 31, 2020**

	Governmental Activities	Business-Type Activities	Total
Liabilities			
Current Liabilities			
Accounts payable and accrued liabilities	\$ 1,374,381	\$ 1,352,390	\$ 2,726,771
Deposits	160,466	—	160,466
Compensated absences	715,329	113,571	828,900
Accrued interest payable	629,758	516,690	1,146,448
Unearned revenue	38,143	9,612	47,755
Current maturities of long-term debt	5,898,354	3,788,134	9,686,488
Total Current Liabilities	8,816,431	5,780,397	14,596,828
Noncurrent Liabilities			
Compensated absences	1,388,579	220,461	1,609,040
Net pension liability	8,556,520	816,787	9,373,307
Total other post-employment benefit liability	484,300	—	484,300
Unearned revenue	489,143	—	489,143
Long-term debt	93,814,586	78,745,877	172,560,463
Total Noncurrent Liabilities	104,733,128	79,783,125	184,516,253
Total Liabilities	113,549,559	85,563,522	199,113,081
Deferred Inflows Of Resources			
Pensions	521,153	103,484	624,637
Other post-employment benefits	280,534	—	280,534
Property tax	8,010,041	—	8,010,041
Total Deferred Inflows of Resources	8,811,728	103,484	8,915,212
Net Position			
Net investment in capital assets	43,584,063	46,665,573	90,249,636
Restricted for:			
Expendable:			
Debt service	5,190,147	3,064,295	8,254,442
Parks	753,557	—	753,557
Cemetery	28,747	—	28,747
Kansas City sewer line	—	136,524	136,524
Nonexpendable:			
Cemetery trust corpus	455,549	—	455,549
Unrestricted	(30,937,211)	14,343,930	(16,593,281)
Total Net Position	19,074,852	64,210,322	83,285,174
Total Liabilities, Deferred Inflows Of Resources and Net Position	\$ 141,436,139	\$ 149,877,328	\$ 291,313,467

CITY OF LIBERTY, MISSOURI

**STATEMENT OF ACTIVITIES
For The Year Ended December 31, 2020**

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	\$ 6,586,532	\$ 223,776	\$ 3,075,682	\$ —	\$ (3,287,074)	\$ —	\$ (3,287,074)
Community development and improvement	4,170,521	685,645	—	—	(3,484,876)	—	(3,484,876)
Public works	7,319,555	—	—	1,195,047	(6,124,508)	—	(6,124,508)
Culture and recreation	5,670,834	1,627,479	152,724	—	(3,890,631)	—	(3,890,631)
Cemetery maintenance	63,696	53,160	—	—	(10,536)	—	(10,536)
Public safety	14,409,099	1,432,225	11,967	—	(12,964,907)	—	(12,964,907)
Interest on long-term debt	3,777,359	—	—	—	(3,777,359)	—	(3,777,359)
Total Governmental Activities	41,997,596	4,022,285	3,240,373	1,195,047	(33,539,891)	—	(33,539,891)
Business-Type Activities							
Water	5,803,113	6,074,539	—	411,374	—	682,800	682,800
Sewer	7,593,108	9,956,594	—	477,302	—	2,840,788	2,840,788
Sanitation	1,840,492	1,857,744	—	—	—	17,252	17,252
Total Business-Type Activities	15,236,713	17,888,877	—	888,676	—	3,540,840	3,540,840
Total Primary Government	\$ 57,234,309	\$ 21,911,162	\$ 3,240,373	\$ 2,083,723	(33,539,891)	3,540,840	(29,999,051)
General Revenues							
Taxes:							
Property tax					7,841,790	—	7,841,790
Franchise taxes					3,181,006	—	3,181,006
Sales and use taxes					26,085,287	—	26,085,287
Other taxes					1,446,185	—	1,446,185
Investment income					183,970	179,237	363,207
Miscellaneous					2,205,102	450,747	2,655,849
Total General Revenues					40,943,340	629,984	41,573,324
Change In Net Position					7,403,449	4,170,824	11,574,273
Net Position - Beginning Of Year					11,671,403	60,039,498	71,710,901
Net Position - End Of Year					\$ 19,074,852	\$ 64,210,322	\$ 83,285,174

CITY OF LIBERTY, MISSOURI

**BALANCE SHEET – GOVERNMENTAL FUNDS
December 31, 2020**

	General	Parks	Liberty TIF	Nonmajor Governmental Funds	Total
Assets					
Cash and investments	\$ 4,994,001	\$ 236,693	\$ 1,404,125	\$ 12,340,992	\$ 18,975,811
Receivables					
Taxes	6,572,805	804,287	3,465,976	2,271,254	13,114,322
Accounts	604,969	49,237	—	186,819	841,025
Accrued interest	54,342	221	—	2,985	57,548
Allowance for uncollectible receivables	(383,378)	(49,544)	—	—	(432,922)
Due from other funds	—	154	—	2,122	2,276
Inventory	35,156	—	—	—	35,156
Prepays	562,802	99,959	—	21,355	684,116
Restricted assets:					
Cash and investments	—	—	7,954,286	392,526	8,346,812
Investments	—	—	—	802,257	802,257
Accrued interest	—	—	—	170	170
Total Assets	\$ 12,440,697	\$ 1,141,007	\$ 12,824,387	\$ 16,020,480	\$ 42,426,571
Liabilities					
Accounts payable and accrued liabilities	\$ 760,568	\$ 330,932	\$ 15,711	\$ 267,170	\$ 1,374,381
Deposits	106,972	—	—	53,494	160,466
Due to other funds	—	—	—	2,276	2,276
Unearned revenue	—	13,839	—	24,304	38,143
Total Liabilities	867,540	344,771	15,711	347,244	1,575,266
Deferred Inflows Of Resources					
Charges for services	128,113	—	—	—	128,113
Property taxes	4,509,978	794,344	2,705,719	—	8,010,041
Total Deferred Inflows Of Resources	4,638,091	794,344	2,705,719	—	8,138,154
Fund Balances					
Nonspendable:					
Inventory	35,156	—	—	—	35,156
Prepays	562,802	99,959	—	21,355	684,116
Permanent fund principal	—	—	—	455,549	455,549
Restricted for:					
Parks and recreation	—	—	—	1,022,222	1,022,222
Capital projects	—	—	—	6,310,811	6,310,811
Transportation projects	—	—	—	1,908,867	1,908,867
Public safety	—	—	—	5,584,864	5,584,864
Debt service	—	—	10,102,957	—	10,102,957
Cemetery	—	—	—	28,747	28,747
Law enforcement	—	—	—	52,079	52,079
Other purposes	—	—	—	288,742	288,742
Committed	590,263	—	—	—	590,263
Assigned	84,242	—	—	—	84,242
Unassigned	5,662,603	(98,067)	—	—	5,564,536
Total Fund Balances	6,935,066	1,892	10,102,957	15,673,236	32,713,151
Total Liabilities, Deferred Inflows Of Resources And Fund Balances	\$ 12,440,697	\$ 1,141,007	\$ 12,824,387	\$ 16,020,480	\$ 42,426,571

CITY OF LIBERTY, MISSOURI

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

December 31, 2020

Total Fund Balance - Governmental Funds \$ 32,713,151

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	2,020,158
Construction in progress	8,509,958
Buildings and system	17,637,166
Improvements other than buildings	18,616,423
Vehicles	9,193,333
Machinery and equipment	17,081,463
Infrastructure	86,214,008
Accumulated depreciation	(64,411,968)

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.

128,113

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.

3,349,616

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

Current:

Compensated absences	(715,329)
Accrued interest payable	(629,758)
Capital lease obligations	(536,026)
General obligations, special obligation, TIF bonds	(5,362,328)

Noncurrent:

Compensated absences	(1,388,579)
Net pension liability	(8,556,520)
Other post-employment benefits	(484,300)
Unearned revenue	(489,143)
Bond discounts	208,218
Bond premium	(1,123,185)
Capital lease obligations	(845,659)
General obligations, special obligation, TIF bonds	(92,053,960)

Total Net Position - Governmental Activities \$ 19,074,852

CITY OF LIBERTY, MISSOURI

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For The Year Ended December 31, 2020**

	General	Parks	Liberty TIF	Nonmajor Governmental Funds	Total
Revenues					
Taxes	\$ 16,703,715	\$ 747,246	\$ 8,263,768	\$ 12,839,539	\$ 38,554,268
Intergovernmental	3,520,528	7,605	—	475,917	4,004,050
Charges for services	1,984,317	1,627,479	—	75,142	3,686,938
Licenses and permits	507,180	—	—	—	507,180
Investment earnings	80,854	7,155	24,374	71,587	183,970
Miscellaneous	591,702	24,216	17,038	1,169,989	1,802,945
Total Revenues	23,388,296	2,413,701	8,305,180	14,632,174	48,739,351
Expenditures					
Current:					
General government	5,874,753	—	12,397	375,880	6,263,030
Community development and improvement	809,577	—	3,268,292	45,697	4,123,566
Public works	2,618,050	—	44,807	686,058	3,348,915
Culture and recreation	364,402	3,783,913	—	253,778	4,402,093
Cemetery maintenance	—	—	—	63,696	63,696
Public safety	11,146,992	—	—	1,542,329	12,689,321
Capital outlay	911,942	111,558	—	3,118,970	4,142,470
Debt service:					
Principal retirement	937,170	110,000	1,988,000	3,201,774	6,236,944
Interest and fiscal charges	310,551	96,386	2,224,303	1,285,118	3,916,358
Bond issuance costs	16,500	—	—	—	16,500
Total Expenditures	22,989,937	4,101,857	7,537,799	10,573,300	45,202,893
Revenues Over (Under) Expenditures	398,359	(1,688,156)	767,381	4,058,874	3,536,458
Other Financing Sources (Uses)					
Issuance of long-term debt	955,000	—	—	—	955,000
Proceeds from sale of capital assets	—	27,850	—	374,307	402,157
Transfers in	2,742,110	1,055,445	—	1,300,063	5,097,618
Transfers out	(2,437,840)	(49,000)	—	(2,610,778)	(5,097,618)
Total Other Financing Sources (Uses)	1,259,270	1,034,295	—	(936,408)	1,357,157
Net Change In Fund Balances	1,657,629	(653,861)	767,381	3,122,466	4,893,615
Fund Balances - Beginning Of Year	5,277,437	655,753	9,335,576	12,550,770	27,819,536
Fund Balances - End Of Year	\$ 6,935,066	\$ 1,892	\$ 10,102,957	\$ 15,673,236	\$ 32,713,151

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, 2020**

Net Change In Fund Balances - Total Governmental Funds \$ 4,893,615

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	4,142,470
Depreciation	(6,497,804)
Loss on disposal of capital assets	(9,734)

Contributions of capital assets do not provide current financial resources and are not reported as revenues in the funds	431,370
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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	(171,833)
Change in unearned revenue	20,428

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	(62,272)
Change in accrued interest payable	50,484
Change in deferred inflow and outflow - pensions and other post-employment benefits	1,455,979
Changes in net pension liability and other post-employment benefits liability	(2,212,506)

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

Principal payments on long-term debt	6,229,736
Issuance of long-term debt, including premium/discount	(955,000)
Amortization of bond premium and discounts	122,869
Amortization of deferred loss on refunding	(34,353)

Change In Net Position Of Governmental Activities \$ 7,403,449

CITY OF LIBERTY, MISSOURI

STATEMENT OF NET POSITION

ENTERPRISE FUNDS

December 31, 2020

	Water	Sewer	Sanitation (Nonmajor)	Total
Assets				
Current Assets:				
Cash and investments	\$ 4,131,592	\$ 9,683,160	\$ 132,946	\$ 13,947,698
Receivables:				
Special assessments	—	284	—	284
Accounts	689,114	1,788,162	153,584	2,630,860
Accrued interest	1,202	2,636	30	3,868
Inventory	174,862	11,857	—	186,719
Prepays	63,158	73,755	644	137,557
Total Current Assets	5,059,928	11,559,854	287,204	16,906,986
Noncurrent Assets:				
Restricted assets, cash and investments	568,127	2,656,027	—	3,224,154
Capital assets:				
Land	795,677	545,000	—	1,340,677
Construction in progress	2,134,829	3,124,104	—	5,258,933
Buildings and systems	9,284,872	1,250,811	—	10,535,683
Improvements other than buildings	148,416	51,027	—	199,443
Vehicles	1,601,343	1,377,004	—	2,978,347
Machinery and equipment	9,463,152	5,333,399	—	14,796,551
Wastewater treatment plant	—	78,380,060	—	78,380,060
Infrastructure	33,523,176	30,790,052	—	64,313,228
Accumulated depreciation	(26,993,252)	(21,610,086)	—	(48,603,338)
Total Noncurrent Assets	30,526,340	101,897,398	—	132,423,738
Total Assets	35,586,268	113,457,252	287,204	149,330,724
Deferred Outflows of Resources				
Pensions	280,171	262,748	3,685	546,604
Total Deferred Outflows of Resources	280,171	262,748	3,685	546,604
Total Assets and Deferred Outflows of Resources	\$ 35,866,439	\$ 113,720,000	\$ 290,889	\$ 149,877,328
Liabilities				
Current Liabilities:				
Accounts payable and accrued expenses	\$ 1,005,744	\$ 198,056	\$ 148,590	\$ 1,352,390
Compensated absences	64,480	48,380	711	113,571
Accrued interest payable	13,699	502,991	—	516,690
Unearned revenue	—	9,612	—	9,612
Current maturities of long-term debt	605,642	3,182,492	—	3,788,134
Total Current Liabilities	1,689,565	3,941,531	149,301	5,780,397
Noncurrent Liabilities:				
Compensated absences	125,166	93,915	1,380	220,461
Net pension liability	418,657	392,623	5,507	816,787
Long-term debt	1,540,676	77,205,201	—	78,745,877
Total Liabilities	3,774,064	81,633,270	156,188	85,563,522
Deferred Inflows Of Resources				
Pensions	53,043	49,744	697	103,484
Net Position				
Net investment in capital assets	27,811,895	18,853,678	—	46,665,573
Restricted for:				
Debt service	557,759	2,506,536	—	3,064,295
Kansas City sewer line	—	136,524	—	136,524
Unrestricted	3,669,678	10,540,248	134,004	14,343,930
Total Net Position	32,039,332	32,036,986	134,004	64,210,322
Total Liabilities, Deferred Inflows Of Resources and Net Position	\$ 35,866,439	\$ 113,720,000	\$ 290,889	\$ 149,877,328

See the accompanying notes to basic financial statements.

CITY OF LIBERTY, MISSOURI

**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
ENTERPRISE FUNDS
For The Year Ended December 31, 2020**

	Water	Sewer	Sanitation (Nonmajor)	Total
Operating Revenues				
Charges for services	\$ 6,074,539	\$ 9,956,594	\$ 1,857,744	\$ 17,888,877
Miscellaneous	688	450,059	—	450,747
Total Operating Revenues	6,075,227	10,406,653	1,857,744	18,339,624
Operating Expenses				
Pumping and treatment	2,024,307	1,583,402	—	3,607,709
Distribution and transmission	1,364,036	1,020,527	—	2,384,563
General and administrative	895,181	935,943	558	1,831,682
Sanitation	—	—	1,839,934	1,839,934
Depreciation	1,434,043	2,445,762	—	3,879,805
Total Operating Expenses	5,717,567	5,985,634	1,840,492	13,543,693
Operating Income	357,660	4,421,019	17,252	4,795,931
Nonoperating Revenues (Expenses)				
Investment earnings	29,385	149,176	676	179,237
Interest expense	(85,546)	(1,607,474)	—	(1,693,020)
Total Nonoperating Revenues (Expenses)	(56,161)	(1,458,298)	676	(1,513,783)
Income Before Capital Contributions	301,499	2,962,721	17,928	3,282,148
Capital Contributions	411,374	477,302	—	888,676
Change in Net Position	712,873	3,440,023	17,928	4,170,824
Net Position - Beginning of Year	31,326,459	28,596,963	116,076	60,039,498
Net Position - End of Year	\$ 32,039,332	\$ 32,036,986	\$ 134,004	\$ 64,210,322

CITY OF LIBERTY, MISSOURI

STATEMENT OF CASH FLOWS
ENTERPRISE FUNDS
For The Year Ended December 31, 2020

	Water	Sewer	Sanitation (Nonmajor)	Total
Cash Flows from Operating Activities				
Receipts from customers and users	\$ 6,045,368	\$ 9,848,456	\$ 1,826,241	\$ 17,720,065
Payment to suppliers	(2,324,336)	(3,119,013)	(1,800,439)	(7,243,788)
Payments to employees	(1,977,915)	(1,791,469)	(30,651)	(3,800,035)
Other receipts	688	450,059	—	450,747
Net Cash Provided by (Used in) Operating Activities	1,743,805	5,388,033	(4,849)	7,126,989
Cash Flows from Capital and Related Financing Activities				
Purchase of capital assets	(1,564,257)	(2,165,141)	—	(3,729,398)
Interest payments	(90,590)	(1,703,097)	—	(1,793,687)
Principal payments on debt	(588,675)	(2,319,975)	—	(2,908,650)
Net Cash Used in Capital and Related Financing Activities	(2,243,522)	(6,188,213)	—	(8,431,735)
Cash Flows from Investing Activities				
Interest and dividends received	29,385	149,176	676	179,237
Decrease in Cash and Cash Equivalents	(470,332)	(651,004)	(4,173)	(1,125,509)
Cash and Cash Equivalents - Beginning of Year	5,170,051	12,990,191	137,119	18,297,361
Cash and Cash Equivalents - End of Year	\$ 4,699,719	\$ 12,339,187	\$ 132,946	\$ 17,171,852
Components of Cash and Cash Equivalents				
Unrestricted	\$ 4,131,592	\$ 9,683,160	\$ 132,946	\$ 13,947,698
Restricted	568,127	2,656,027	—	3,224,154
	\$ 4,699,719	\$ 12,339,187	\$ 132,946	\$ 17,171,852
Reconciliation of operating income to net cash provided by (used in) operating activities:				
Operating income	\$ 357,660	\$ 4,421,019	\$ 17,252	\$ 4,795,931
Adjustments to reconcile operating income to net cash provided by (used in) operating activities				
Depreciation	1,434,043	2,445,762	—	3,879,805
Changes in assets and liabilities:				
Receivables	(29,171)	(108,138)	(31,503)	(168,812)
Inventory and other prepayments	42,593	21,786	(22)	64,357
Accounts payable and accrued expenses	(96,469)	(1,395,732)	10,476	(1,481,725)
Deferred outflows of resources - pensions	(85,032)	(61,265)	640	(145,657)
Deferred inflows of resources - pensions	(74,931)	(82,391)	(2,139)	(159,461)
Net pension liability	203,084	170,041	729	373,854
Compensated absences	(7,972)	(23,049)	(282)	(31,303)
Net Cash Provided by (Used in) Operating Activities	\$ 1,743,805	\$ 5,388,033	\$ (4,849)	\$ 7,126,989
Noncash Investing and Financing Transactions				
Capital contributions	\$ 411,374	\$ 477,302	\$ —	\$ 888,676

CITY OF LIBERTY, MISSOURI

STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
December 31, 2020

	<u>Custodial Funds</u>
Assets	
Cash and cash equivalents	\$ 565,014
Special assessments receivable	<u>491,869</u>
Total Assets	<u><u>\$ 1,056,883</u></u>
Liabilities	
Due to other organizations	<u>\$ 1,056,883</u>
Total Liabilities	<u><u>\$ 1,056,883</u></u>

CITY OF LIBERTY, MISSOURI

**STATEMENT OF CHANGES IN FIDUCIARY
NET POSITION
FIDUCIARY FUNDS
December 31, 2020**

	<u>Custodial Funds</u>
Additions	
Taxes	\$ 1,697,259
Investment earnings	2,695
Miscellaneous	<u>1,347,744</u>
Total Additions	<u><u>\$ 3,047,698</u></u>
Deductions	
Payments to other organizations	<u>\$ 3,047,698</u>
Total Deductions	<u><u>\$ 3,047,698</u></u>

NOTES TO BASIC FINANCIAL STATEMENTS
December 31, 2020

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. The City has no blended component units at December 31, 2020.

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.

CITY OF LIBERTY, MISSOURI

Notes To Basic Financial Statements (*Continued*)

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:

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.

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.

CITY OF LIBERTY, MISSOURI

Notes To Basic Financial Statements (*Continued*)

Economic Development Sales Tax Fund: 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.

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.

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.

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.

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.

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.

CITY OF LIBERTY, MISSOURI

Notes To Basic Financial Statements (*Continued*)

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.

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. Fiduciary funds are custodial in nature and apply the accrual basis of accounting. The City has the following fiduciary funds:

Custodial Funds: These are used to account for assets that the City holds for others in a custodial capacity. The City has the following custodial 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.

Notes To Basic Financial Statements (*Continued*)

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 fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the following year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

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

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

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 2020 levy plus any uncollected amounts from the 2019 levy. Property taxes that are not available for current year operations are shown as a deferred inflow. Property taxes are levied each year on all taxable real and personal property in the City. The City's property tax is levied each September 1 on the assessed value as of the prior January 1. Property taxes are billed in total by November 1 following the levy date and considered delinquent after January 1. On January 1, a lien attaches to all property for which taxes are unpaid.

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

CITY OF LIBERTY, MISSOURI

Notes To Basic Financial Statements (*Continued*)

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

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

Cash And Investments

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

Statement Of Cash Flows

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

Accounts Receivable And Unbilled Usage

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

Inventory And Prepaids

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

Notes To Basic Financial Statements (*Continued*)

Capital Assets

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

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

Major outlays for capital assets and improvements are capitalized as projects are constructed.

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 has three items that qualify for reporting in this category. They are the deferred loss on refunding reported in the government-wide statement of net position the deferred outflow related to pensions and other post-employment benefits (OPEB). 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 and OPEB results from changes in the components of the net pension liability and total OPEB 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.

Notes To Basic Financial Statements (*Continued*)

Interfund Transactions

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

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

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

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

Compensated Absences

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

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

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

Fund Balance

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

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

CITY OF LIBERTY, MISSOURI

Notes To Basic Financial Statements (*Continued*)

3. *Committed* – Assets with a purpose formally imposed by resolution of the City Council, binding unless modified or rescinded by the City Council through a similar action.
4. *Assigned* – Amounts intended to be used for specific purposes; intent can be given by the City Council, the Budget Committee or another body to which the City Council delegates the authority.
5. *Unassigned* – All amounts not included in the other fund balance classifications. The General Fund shall be the only fund to report positive unassigned fund balance. All other governmental funds may report negative unassigned fund balance.

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

Net Position

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

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 total 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, 2020, 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
U.S. Treasury Notes	\$ 8,152,484	\$ 2,029,964	\$ 6,122,520	\$ -	\$ -
Repurchase Agreements	28,511,637	28,511,637	-	-	-
	<u>\$ 36,664,121</u>	<u>\$ 30,541,601</u>	<u>\$ 6,122,520</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, 2020, the City's investments were rated as follows:

Investment Type	Rating	Company	Rating	Company
U.S. Treasury Notes	Not Rated	Moody's	Not Rated	Standard & Poor's
Repurchase Agreements	Not Rated	Moody's	Not Rated	Standard & Poor's

Concentration Of Credit Risk

The City's investment policy is to apply the prudent-person rule: investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital, as well as the probable income to be derived. In addition, with the exception of U.S. Treasury securities, government pools collateralized by U.S. Treasury securities and repurchase agreements, it is the City's policy that no more than 50% of the City's total investment portfolio be deposited in a single financial institution/primary dealer. More than 5% of the City's portfolio is invested in U.S. Treasury Notes (22%) and Repurchase Agreements (78%).

Custodial Credit Risk

Custodial credit risk is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (*e.g.*, broker-dealer) to a transaction, a government will not be able to recover the value of its investments that are in the possession of another party. The City's investment policy requires all collateral securities pledged to be held by the City or a designated independent third-party custodian with whom the City has a current custodial agreement and requires the custodian to hold the securities as pledged to the City in an account in the City's name. As of December 31, 2020, all deposits were adequately and fully collateralized.

CITY OF LIBERTY, MISSOURI

Notes To Basic Financial Statements (*Continued*)

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

Deposits	\$	9,197,625
Investments		<u>36,664,121</u>
	\$	<u>45,861,746</u>
Cash and investments	\$	32,923,509
Restricted assets:		
Cash and investments		8,346,812
Investments		4,026,411
Custodial funds, cash and cash equivalents		<u>565,014</u>
	\$	<u>45,861,746</u>

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

CITY OF LIBERTY, MISSOURI

Notes To Basic Financial Statements (*Continued*)

3. Capital Assets

The following is a summary of changes in capital assets for the year ended December 31, 2020:

	Balance - January 1, 2020	Additions	Retirements	Balance - December 31, 2020
Governmental Activities				
Capital assets, not being depreciated:				
Land	\$ 2,020,148	\$ 10	\$ —	\$ 2,020,158
Construction in progress	8,466,006	542,599	498,647	8,509,958
Total capital assets, not being depreciated	10,486,154	542,609	498,647	10,530,116
Capital assets being depreciated:				
Buildings and systems	17,153,404	483,762	—	17,637,166
Improvements other than buildings	18,241,363	375,060	—	18,616,423
Vehicles	8,671,639	586,166	64,472	9,193,333
Machinery and equipment	15,240,523	1,869,142	28,202	17,081,463
Infrastructure	84,689,033	1,524,975	—	86,214,008
Total capital assets being depreciated	143,995,962	4,839,105	92,674	148,742,393
Less: Accumulated depreciation for:				
Buildings and systems	7,406,206	455,767	—	7,861,973
Improvements other than buildings	9,192,426	776,226	—	9,968,652
Vehicles	4,347,355	815,235	54,738	5,107,852
Machinery and equipment	10,126,669	924,682	28,202	11,023,149
Infrastructure	26,924,448	3,525,894	—	30,450,342
Total accumulated depreciation	57,997,104	6,497,804	82,940	64,411,968
Total capital assets being depreciated, net	85,998,858	(1,658,699)	9,734	84,330,425
Governmental activities capital assets, net	\$ 96,485,012	\$ (1,116,090)	\$ 508,381	\$ 94,860,541

CITY OF LIBERTY, MISSOURI

Notes To Basic Financial Statements (*Continued*)

	Balance - January 1, 2020	Additions	Retirements	Balance - December 31, 2020
Business-Type Activities				
Capital assets, not being depreciated:				
Land	\$ 1,340,677	\$ —	\$ —	\$ 1,340,677
Construction in progress	2,316,029	3,149,712	206,808	5,258,933
Total capital assets, not being depreciated	3,656,706	3,149,712	206,808	6,599,610
Capital assets being depreciated:				
Buildings and system	10,535,683	—	—	10,535,683
Improvements other than buildings	199,443	—	—	199,443
Vehicles	2,757,289	221,058	—	2,978,347
Machinery and equipment	13,596,976	1,209,096	9,521	14,796,551
Wastewater treatment plant	78,380,060	—	—	78,380,060
Infrastructure	64,068,212	245,016	—	64,313,228
Total capital assets being depreciated	169,537,663	1,675,170	9,521	171,203,312
Less: Accumulated depreciation for:				
Buildings and system	4,729,981	222,312	—	4,952,293
Improvements other than buildings	194,518	265	—	194,783
Vehicles	1,395,532	173,593	—	1,569,125
Machinery and equipment	7,846,715	573,083	9,521	8,410,277
Wastewater treatment plant	4,449,867	1,570,239	—	6,020,106
Infrastructure	26,116,441	1,340,313	—	27,456,754
Total accumulated depreciation	44,733,054	3,879,805	9,521	48,603,338
Total capital assets being depreciated, net	124,804,609	(2,204,635)	—	122,599,974
Business-type activities capital assets, net	\$ 128,461,315	\$ 945,077	\$ 206,808	\$ 129,199,584

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

Governmental Activities	
General government	\$ 366,831
Public safety	949,150
Culture and recreation	1,260,561
Public works	3,921,262
	<u>6,497,804</u>
	<u><u>\$ 6,497,804</u></u>

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

Business-Type Activities	
Water	\$ 1,434,043
Sewer	2,445,762
	<u>3,879,805</u>
	<u><u>\$ 3,879,805</u></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, 2020:

	Balance - January 1, 2020	Additions	Retirements	Balance - December 31, 2020	Due Within One Year
Governmental Activities					
Special obligation bonds	\$ 34,808,850	\$ 955,000	\$ 2,467,562	\$ 33,296,288	\$ 2,822,328
Capital leases	1,599,632	309,227	527,174	1,381,685	536,026
General obligation bonds	19,625,000	—	1,345,000	18,280,000	1,385,000
TIF bonds	47,730,000	—	1,890,000	45,840,000	1,155,000
MDNR loan payable	—	—	—	—	—
Net pension liability	6,220,158	2,336,362	—	8,556,520	—
Total other post employment benefits liability	608,156	108,034	231,890	484,300	—
Compensated absences	2,041,636	1,152,571	1,090,299	2,103,908	715,329
Bond premiums	1,254,062	—	130,877	1,123,185	—
Bond discounts	(216,226)	—	8,008	(208,218)	—
	\$ 113,671,268	\$ 4,861,194	\$ 7,674,794	\$ 110,857,668	\$ 6,613,683
Business-Type Activities					
Revenue bonds	\$ 2,770,000	\$ —	\$ 785,000	\$ 1,985,000	\$ 810,000
SRF bonds	78,103,000	—	1,936,000	76,167,000	2,785,250
Special obligation bonds	4,431,150	—	162,438	4,268,712	167,672
Capital leases	50,424	—	25,212	25,212	25,212
Net pension liability	442,933	373,854	—	816,787	—
Compensated absences	365,335	163,150	194,453	334,032	113,571
Bond premiums	104,929	—	16,842	88,087	—
	\$ 86,267,771	\$ 537,004	\$ 3,119,945	\$ 83,684,830	\$ 3,901,705

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, 2020 are as follows:

Governmental Activities

General obligation bonds:	
2013 General Obligation Bonds, 3-3.30%, due in varying amounts through 2030	\$ 4,870,000
2012 General Obligation Refunding & Improvement Bonds, 3-4%, due in varying amounts through 2022	2,925,000
2015 General Obligation Bonds, 2-5%, due in varying amounts through 2035	10,485,000
Special obligation bonds:	
2013 Special Obligation Refunding and Improvement Bonds, 3%, due in varying amounts through 2023	486,288
2015 Special Obligation Bonds, 2-3.5%, due in varying amounts through 2035	13,310,000
2017 Special Obligation Refunding and Improvement Bonds, 2.65%, due in varying amounts through 2032	3,430,000
2018 Special Obligation Bonds, 3%-5%, due in varying amounts through 2038	10,440,000
Series 2019A Taxable Special Obligation Bonds, 2.5%, due in varying amounts through 2028	1,350,000
Series 2019B Tax-Exempt Special Obligation Bonds, 2%-4%, due in varying amounts through 2039	3,325,000
2020 Special Obligation Bonds, 1.525%, due in varying amounts through 2025	955,000
Tax increment revenue bonds:	
2010 Roger's Plaza Project Tax Increment Revenue Bonds, 6.75%, due in varying amounts through 2030	3,990,000
Series 2015A Special Obligation Tax Increment and Special Districts Bonds, 5.125%-6%, due in varying amounts through 2046	30,310,000
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	2,445,000
Capital leases:	
Lease purchase of fire pump truck, 2.01% due in annual installments between \$159,000 and \$236,000 through 2023	694,000
Lease purchase of roof and parking lot, 2.01% due in annual installments between \$50,000 and \$74,000 through 2023	218,000
Lease purchase of aerial fire truck, 2.97% due in annual installments of \$131,259 through 2022	253,243
Lease purchase of IT and fitness equipment, 1.63% due in annual installments between \$255,000 and \$260,000 through 2019	10,291
Lease purchase of IT equipment, due in annual installments of \$103,000 through 2022	206,151
Total Governmental Activities	<u>\$ 98,797,973</u>

Business-Type Activities

Revenue bonds:	
2011 Waterworks Refunding Bonds, 1.75%-3.00%, due in varying amounts through 2021	\$ 530,000
2015B Sewer System Refunding Revenue Bonds, 2.5% due in 2025	1,455,000
2005 State Revolving Fund Program Bonds, 3.25%-5.25%, due in varying amounts through 2026	2,465,000
2015 State Revolving Fund Program Bonds, 1.22%, due in varying amounts through 2037	73,702,000
2013 Special Obligation Refunding and Improvement Bonds, 3%, due in varying amounts through 2023	23,712
Lease purchase of trucks, 1.63% due in annual installments between \$30,000 and \$35,000 through 2021	25,212
2018 Special Obligation Bonds, 3%-5%, due in varying amounts through 2038	4,245,000
	<u>\$ 82,445,924</u>

CITY OF LIBERTY, MISSOURI

Notes To Basic Financial Statements (*Continued*)

Annual debt service requirements to service all outstanding indebtedness as of December 31, 2020 are as follows:

For The Years Ended December 31,	Debt Service General Obligation Bonds		Debt Service Special Obligation Bonds	
	Principal	Interest	Principal	Interest
	2021	\$ 1,385,000	\$ 564,153	\$ 2,822,328
2022	1,435,000	516,190	2,917,096	943,852
2023	1,265,000	475,028	2,776,864	851,155
2024	1,305,000	437,903	2,480,000	763,531
2025	1,340,000	396,015	2,400,000	681,781
2026-2030	7,415,000	1,287,478	11,375,000	2,324,182
2031-2035	4,135,000	342,313	7,900,000	714,087
2036-2039	-	-	625,000	56,456
	\$ 18,280,000	\$ 4,019,080	\$ 33,296,288	\$ 7,347,464

For The Years Ended December 31,	Enterprise Revenue Bonds		Enterprise Capital Leases	
	Principal	Interest	Principal	Interest
	2021	\$ 810,000	\$ 46,611	\$ 25,212
2022	285,000	26,201	-	-
2023	290,000	18,914	-	-
2024	295,000	11,522	-	-
2025	305,000	3,897	-	-
	\$ 1,985,000	\$ 107,145	\$ 25,212	\$ 411

For The Years Ended December 31,	Governmental Capital Leases		Debt Service Tax Increment Revenue Bonds	
	Principal	Interest	Principal	Interest
	2021	\$ 536,026	\$ 24,396	\$ 1,155,000
2022	535,157	15,328	1,275,000	2,891,715
2023	310,502	6,231	1,350,000	2,757,041
2024	-	-	2,030,000	2,687,933
2025	-	-	1,060,000	2,591,934
2026-2030	-	-	7,290,000	11,797,406
2031-2035	-	-	6,415,000	9,680,219
2036-2040	-	-	7,055,000	7,512,925
2041-2045	-	-	5,125,000	5,881,825
2046	-	-	13,085,000	892,775
	\$ 1,381,685	\$ 45,955	\$ 45,840,000	\$ 49,574,744

CITY OF LIBERTY, MISSOURI

Notes To Basic Financial Statements (*Continued*)

The City is obligated under leases accounted for as capital leases. Assets under capital leases at December 31, 2020 totaled \$3,350,135, net of accumulated depreciation of \$2,214,097. Amortization expense is included with depreciation expense for these capital assets.

For The Years Ended December 31,	Enterprise SRF Bonds		Enterprise Special Obligation	
	Principal	Interest	Principal	Interest
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	4,652,000	769,741	195,000	128,544
2026-2030	23,140,000	2,857,788	1,115,000	518,088
2031-2035	25,616,000	1,374,531	1,320,000	311,428
2036-2038	8,184,500	99,329	915,000	55,700
	<u>\$ 76,167,000</u>	<u>\$ 8,819,387</u>	<u>\$ 4,268,712</u>	<u>\$ 1,621,372</u>

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 \$530,000 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 30% of net revenues on average over the next year. The total principal and interest remaining to be paid on the 2011 bonds is \$543,250. Principal and interest paid during the current year and total customer net revenues were \$540,481 and \$1,830,608, respectively.

The City has pledged future sewer customer revenues, net of specified operating expenses, to repay three debt issues with outstanding principal of \$77,622,000 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 73% of net revenues on average over the next 17 years. The total principal and interest remaining to be paid on the bonds is \$86,535,282. Principal and interest paid for the current year and total customer net revenues were \$3,294,678 and \$7,015,957, 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 \$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 \$5,595,150 payable through 2030. For the current year, principal and interest paid and total incremental PILOTS, EATS and CID revenues were \$526,813 and \$586,826, 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 \$87,046,356 payable through 2046. For the current year, principal and interest paid and total incremental revenues were \$2,964,084 and \$3,119,579, 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 \$2,703,238 payable through 2024. For the current year, principal and interest paid and total incremental PILOTS, EATS and CID revenues were \$514,208 and \$946,447, respectively.

Conduit Debt

The City has issued industrial development bonds to provide financial assistance to private businesses for economic development purposes. The debt is payable solely from payments received from the private businesses involved. As of December 31, 2020, there were ten issues of industrial revenue bonds outstanding. These issues have an aggregate original issue amount of approximately \$445 million and a balance as of December 31, 2020 of approximately \$403 million.

CITY OF LIBERTY, MISSOURI

Notes To Basic Financial Statements (Continued)

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	\$ 154
Nonmajor	Nonmajor governmental funds	<u>2,122</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.

Interfund transfers for the year were as follows:

	<u>Transfers In</u>	<u>Transfers Out</u>
Governmental activities		
General	\$ 2,742,110	\$ 2,437,840
Parks	1,055,445	49,000
Nonmajor governmental funds	<u>1,300,063</u>	<u>2,610,778</u>
	<u>\$ 5,097,618</u>	<u>\$ 5,097,618</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, 2020 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

CITY OF LIBERTY, MISSOURI

Notes To Basic Financial Statements (*Continued*)

under the Internal Revenue Code Section 401(a) and it is tax exempt. The responsibility for the operations and administration of LAGERS is vested in the LAGERS Board of Trustees consisting of seven persons. LAGERS issues a publicly available financial report that includes financial statements and required supplementary information. This report may be obtained by accessing the LAGERS website at www.molagers.org.

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

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

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

Employees Covered by Benefit Terms at December 31, 2020, the following employees were covered by benefit terms:

	General	Police Officers	Firefighters	Total
Retirees and beneficiaries				
currently receiving benefits	91	27	30	148
Terminated vested members	74	16	23	113
Fully vested active members	134	41	50	225
Total	<u>299</u>	<u>84</u>	<u>103</u>	<u>486</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 10.7% (General), 16.2% (Police) and 23.5% (Fire) of annual covered payroll.

Notes To Basic Financial Statements (Continued)

Net Pension Liability

The City's net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of February 29, 2020. The roll-forward of total pension liability from February 29, 2020 to June 30, 2020, reflects expected service cost and interest reduced by actual benefit payments and administrative expenses.

Actuarial Assumptions - The total pension liability in the February 29, 2020, 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 29, 2020 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

CITY OF LIBERTY, MISSOURI

Notes To Basic Financial Statements (*Continued*)

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:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Equity	39.00%	4.16%
Fixed Income	28.00%	0.89%
Real Assets/Real Return	33.00%	2.09%

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

	<u>Increase (Decrease)</u>		
	<u>Total Pension Liability (a)</u>	<u>Plan Fiduciary Net Position (b)</u>	<u>Changes in Net Pension Liability (Asset) (a) - (b)</u>
Balances as of January 1, 2020	\$ 64,260,369	\$ 57,597,278	\$ 6,663,091
Changes for the year:			
Service cost	1,649,053	-	1,649,053
Interest on total pension liability	4,632,465	-	4,632,465
Difference between expected and actual experience	(604,639)	-	(604,639)
Benefit payments	(2,390,635)	(2,390,635)	-
Employer contributions	-	1,966,341	(1,966,341)
Employee contributions	-	547,724	(547,724)
Net investment income (loss)	-	748,647	(748,647)
Administrative expenses	-	(59,975)	59,975
Other (Net Transfer)	-	(236,074)	236,074
Net changes	3,286,244	576,028	2,710,216
Balances as of December 31, 2020	\$ 67,546,613	\$ 58,173,306	\$ 9,373,307

CITY OF LIBERTY, MISSOURI

Notes To Basic Financial Statements (Continued)

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

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Net pension liability	\$ 20,097,704	\$ 9,373,307	\$ 617,942

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

For the year ended December 31, 2020, the City recognized pension expense of \$2,918,388 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	\$ 1,219,935	\$ 624,637
Assumption changes	330,697	-
Net difference between projected and actual earnings	1,630,819	-
Contributions subsequent to the measurement date*	<u>1,141,795</u>	<u>-</u>
Total	<u>\$ 4,323,246</u>	<u>\$ 624,637</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, 2021.

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:	
2021	\$ 351,456
2022	537,533
2023	944,212
2024	723,502
2025	(12,403)
Thereafter	<u>12,514</u>
Total	<u>\$ 2,556,814</u>

Notes To Basic Financial Statements (*Continued*)

Allocation of LAGERS Net Pension Liability

The City's full-time equivalents at December 31, 2020 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, 2020, 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, 2020, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	13
Active employees	<u>254</u>
Total	<u><u>267</u></u>

CITY OF LIBERTY, MISSOURI

Notes To Basic Financial Statements (*Continued*)

Total OPEB Liability

The total OPEB liability of \$484,300 was measured as of December 31, 2020, and was determined by an actuarial valuation as of July 1, 2019, rolled forward to December 31, 2020.

The total OPEB liability in the July 1, 2019 actuarial valuation was determined using the following actuarial assumptions:

Discount rate:	1.96% per annum
Salary increases:	3.50% per annum
Healthcare cost trend rate:	Medical: 7.50% graded down to 5.00% over 9 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, 2020.

Mortality rates were based on the Society of Actuaries Pub-2010 public retirement plans headcount-weighted mortality tables using MP-2020 full generational improvement scale.

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

Changes in Total OPEB Liability

Balance at 12/31/2019	\$	608,156
Service costs		43,634
Interest costs		19,389
Changes in assumptions		(220,890)
Difference between expected and actual experience		45,011
Benefit payments		(11,000)
Net change		<u>(123,856)</u>
Balance at 12/31/2020	\$	<u>484,300</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:

	<u>Healthcare cost trend rate</u>		
	<u>1% Decrease</u>	<u>Current</u>	<u>1% Increase</u>
Total OPEB Liability	\$ 412,955	\$ 484,300	\$ 571,273

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 OEPB 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:

	Discount rate		
	1% Decrease 0.96%	Current 1.96%	1% Increase 2.96%
Total OPEB Liability	\$ 537,109	\$ 484,300	\$ 435,934

OPEB Expense and Deferred Inflows of Resources Related to OPEB

For the year ended December 31, 2020, the City recognized OPEB expense of \$43,415. At December 31, 2020, the City reported deferred outflows and inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 139,194	\$ 55,995
Assumption changes	34,711	224,539
Total	\$ 173,905	\$ 280,534

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:	
2021	\$ (8,608)
2022	(8,608)
2023	(8,608)
2024	(8,608)
2025	(8,608)
Thereafter	(63,589)
Total	\$ (106,629)

Notes To Basic Financial Statements (*Continued*)

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	\$ 674,505
Parks	9,344
Nonmajor Funds	2,051,794
Water	890,515
Sewer	451,105
	<hr/>
	\$ 4,077,263
	<hr/> <hr/>

The City participates in a number of federal and state programs that are fully or partially funded by grants received from other governmental units. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grant program regulations, the City may be required to reimburse the grantor government. As of December 31, 2020, 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.

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.

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 (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, 2020, the City has the following open redevelopment agreements:

	<u>Unpaid Reimbursable Project Costs</u>
Triangle (Areas B - H)	\$ 506,761
Blue Jay Crossing	<u>2,394,311</u>
	<u>\$ 2,901,072</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, 2020, 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 2020 were:

<u>Year</u>	<u>Beginning Of Year Liability</u>	<u>Current Year Claims And Changes In Estimates</u>	<u>Claims Payments</u>	<u>Balance Year Ended</u>
2020	\$ -	\$ 11,827	\$ 11,827	\$ -

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:

- U.S. Treasury notes of \$8,152,484 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, 2020, the City’s tax revenue was diverted through various abatements necessary to incent development within the City totaling an estimated \$7,466,148 under the following programs:

Tax Abatement Program	Amount of Taxes Abated during the Fiscal Year
Tax Increment Financing	\$ 6,765,354
Chapter 353	253,881
Chapter 100 Bonds	446,913
	<hr/>
	\$ 7,466,148
	<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.

CITY OF LIBERTY, MISSOURI

Notes To Basic Financial Statements (*Continued*)

14. Fund Balance Deficits

As of December 31, 2020, 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, 2020, were:

2021	\$	103,104
2022		103,104
2023		103,104
2024		103,104
2025		103,104
2026 – 2028		<u>258,850</u>
Future minimum lease payments	\$	<u><u>774,370</u></u>

16. Adoption of New Standard

As a result of the adoption of GASB Statement No. 84, *Fiduciary Activities*, the City added a statement of changes in fiduciary net position.

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, 2020**

	Original Budget	Final Budget	Actual (Budget Basis)	Variance With Final Budget (Over) Under
Revenues				
Taxes	\$ 16,146,684	\$ 16,146,684	\$ 16,703,715	\$ (557,031)
Intergovernmental	488,953	488,953	3,520,528	(3,031,575)
Charges for services	1,594,822	1,594,822	1,984,317	(389,495)
Licenses and permits	442,200	442,200	507,180	(64,980)
Investment earnings	77,000	77,000	80,854	(3,854)
Miscellaneous	573,460	573,460	591,702	(18,242)
Total Revenues	19,323,119	19,323,119	23,388,296	(4,065,177)
Expenditures				
Current:				
General government	5,296,883	5,341,830	6,120,355	(778,525)
Community development and improvement	848,821	848,821	809,577	39,244
Public works	2,898,763	2,905,672	2,618,050	287,622
Culture and recreation	376,773	376,773	364,402	12,371
Public safety	10,520,224	10,839,833	11,036,046	(196,213)
Capital outlay	-	-	911,942	(911,942)
Debt service:				
Principal retirement	854,886	854,886	937,170	(82,284)
Interest and fiscal charges	312,562	312,562	310,551	2,011
Bond issuance costs	-	-	16,500	(16,500)
Total Expenditures	21,108,912	21,480,377	23,124,593	(1,644,216)
Revenues Over (Under) Expenditures	(1,785,793)	(2,157,258)	263,703	(2,420,961)
Other Financing Sources (Uses)				
Issuance of long-term debt	810,000	810,000	955,000	(145,000)
Transfers in	972,020	972,020	2,742,110	(1,770,090)
Transfers out	(67,750)	(67,750)	(2,437,840)	2,370,090
Total Other Financing Sources (Uses)	1,714,270	1,714,270	1,259,270	455,000
Net Change In Fund Balances	\$ (71,523)	\$ (442,988)	1,522,973	\$ (1,965,961)
Fund Balance - Beginning of Year			5,277,437	
Fund Balance - End of Year			6,800,410	
Adjustments, Encumbrances			134,656	
Fund Balance, End of Year - GAAP Basis			\$ 6,935,066	
Net Change in Fund Balance - Budget Basis			\$ 1,522,973	
Adjustments:				
Encumbrances - Beginning of Year			(539,849)	
Encumbrances - End of Year			674,505	
Net Change in Fund Balance - GAAP Basis			\$ 1,657,629	

See note to required supplementary information.

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, 2020**

	Original Budget	Final Budget	Actual (Budget Basis)	Variance With Final Budget (Over) Under
Revenues				
Taxes	\$ 777,621	\$ 777,621	\$ 747,246	\$ 30,375
Intergovernmental	-	-	7,605	(7,605)
Charges for services	3,310,020	3,310,020	1,627,479	1,682,541
Investment earnings	12,000	12,000	7,155	4,845
Miscellaneous	50,750	50,750	24,216	26,534
Total Revenues	4,150,391	4,150,391	2,413,701	1,736,690
Expenditures				
Current:				
Culture and recreation	4,542,976	4,658,701	3,712,983	945,718
Capital outlay	-	-	36,261	(36,261)
Debt service:				
Principal retirement	120,000	120,000	110,000	10,000
Interest and fiscal charges	139,710	139,710	96,386	43,324
Total Expenditures	4,802,686	4,918,411	3,955,630	962,781
Revenues Over (Under) Expenditures	(652,295)	(768,020)	(1,541,929)	773,909
Other Financing Sources (Uses)				
Proceeds from sale of capital assets	-	-	27,850	(27,850)
Transfers in	701,292	701,292	1,055,445	(354,153)
Transfers out	(49,000)	(49,000)	(49,000)	-
Total Other Financing Sources (Uses)	652,292	652,292	1,034,295	(382,003)
Net Change In Fund Balances	\$ (3)	\$ (115,728)	(507,634)	\$ 391,906
Fund Balance - Beginning of Year			655,753	
Fund Balance - End of Year			148,119	
Adjustments, Encumbrances			(146,227)	
Fund Balance, End of Year - GAAP Basis			<u>\$ 1,892</u>	
Net Change in Fund Balance - Budget Basis			\$ (507,634)	
Adjustments:				
Encumbrances - Beginning of Year			(155,571)	
Encumbrances - End of Year			9,344	
Net Change in Fund Balance - GAAP Basis			<u>\$ (653,861)</u>	

See note to required supplementary information.

CITY OF LIBERTY, MISSOURI

**REQUIRED SUPPLEMENTARY INFORMATION
NOTES TO BUDGETARY COMPARISON INFORMATION
December 31, 2020**

1. Budgetary Data

A legally adopted annual budget is prepared for governmental fund types, except for the Limited Capital Fund, 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, Liberty TIF Fund, Cemetery Fund, and Economic Development Fund by \$1,644,216, \$473,400, \$546, and \$205,678, 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

	2020	2019	2018	2017	2016	2015
Total Pension Liability						
Service cost	\$ 1,649,053	\$ 1,592,366	\$ 1,421,377	\$ 1,346,125	\$ 1,300,713	\$ 1,290,766
Interest on total pension liability	4,632,465	4,280,527	3,984,146	3,723,940	3,400,555	3,211,265
Difference between expected and actual experience	(604,639)	1,158,261	552,419	403,200	(236,513)	(95,628)
Effect of assumption changes or inputs	—	—	—	—	1,855,247	—
Benefit payments	(2,390,635)	(2,025,136)	(1,885,159)	(1,955,991)	(1,810,201)	(1,790,929)
Net Change in Total Pension Liability	3,286,244	5,006,018	4,072,783	3,517,274	4,509,801	2,615,474
Total Pension Liability - Beginning	64,260,369	59,254,351	55,181,568	51,664,294	47,154,493	44,539,019
Total Pension Liability - Ending (a)	67,546,613	64,260,369	59,254,351	55,181,568	51,664,294	47,154,493
Fiduciary Net Position						
Employer contributions	1,966,341	1,966,030	1,829,755	1,501,991	1,433,344	1,405,597
Employee contributions	547,724	556,170	526,762	464,346	458,444	442,608
Net investment income (loss)	748,647	3,530,781	5,748,389	5,124,895	(51,526)	822,220
Benefit payments	(2,390,635)	(2,025,136)	(1,885,159)	(1,955,991)	(1,810,201)	(1,790,929)
Administrative expenses	(59,975)	(51,928)	(35,942)	(34,053)	(31,968)	(35,605)
Other (net transfer)	(236,074)	185,121	(430,866)	173,111	101,204	(256,996)
Net Change in Fiduciary Net Position	576,028	4,161,038	5,752,939	5,274,299	99,297	586,895
Fiduciary Net Position - Beginning	57,597,278	53,436,240	47,683,301	42,409,002	42,309,705	41,722,810
Fiduciary Net Position - Ending (b)	58,173,306	57,597,278	53,436,240	47,683,301	42,409,002	42,309,705
Net Pension Liability, Ending = (a) - (b)	\$ 9,373,307	\$ 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	86.12%	89.63%	90.18%	86.41%	82.09%	89.73%
Covered Payroll	\$ 13,603,071	\$ 13,812,017	\$ 12,973,228	\$ 11,244,023	\$ 11,234,166	\$ 10,833,407
Net Pension Liability as a Percentage of Covered Payroll	68.91%	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 2020.

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
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%
2020	2,111,730	2,097,440	14,290	14,371,958	14.59%

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 12 to 22 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,**

	2020	2019	2018
Total OPEB Liability			
Service cost	\$ 43,634	\$ 40,396	\$ 55,309
Interest on total OPEB liability	19,389	22,124	25,122
Change in benefit terms	-	(160,944)	(119,860)
Change in assumptions	(220,890)	41,021	(26,014)
Differences between actual and expected experience	45,011	115,247	(72,792)
Benefit payments	(11,000)	(21,000)	(21,000)
 Net change in total OPEB liability	 (123,856)	 36,844	 (159,235)
 Total OPEB liability, beginning	 608,156	 571,312	 730,547
Total OPEB liability, ending	<u>\$ 484,300</u>	<u>\$ 608,156</u>	<u>\$ 571,312</u>
 Covered payroll	 \$ 12,766,532	 \$ 13,635,602	 \$ 13,635,602
 Total OPEB liability as a percentage of covered payroll	 3.79%	 4.46%	 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 – In 2019, the discount rate changed from 3.68% to 3.00%. Disability incidence and mortality improvement scale were updated. In 2020, the discount rate changed from 3.00% to 1.96%. 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, 2020**

	Special Revenue	Capital Projects	Permanent	Total
Assets				
Cash and investments	\$ 3,810,201	\$ 8,075,187	\$ 455,604	\$12,340,992
Receivables, net of allowance for uncollectibles:				
Taxes	544,372	1,726,882	-	2,271,254
Accounts	40,557	144,152	2,110	186,819
Accrued interest	674	2,200	111	2,985
Due from other funds	2,122	-	-	2,122
Prepays	14,865	6,490	-	21,355
Restricted assets:				
Cash and investments	-	392,526	-	392,526
Investments	-	802,257	-	802,257
Accrued interest	-	170	-	170
Total Assets	\$ 4,412,791	\$11,149,864	\$ 457,825	\$16,020,480
Liabilities				
Accounts payable and accrued liabilities	\$ 5,884	\$ 261,286	\$ -	\$ 267,170
Deposits	5,475	48,019	-	53,494
Due to other funds	-	-	2,276	2,276
Unearned revenue	-	24,304	-	24,304
Total Liabilities	11,359	333,609	2,276	347,244
Fund Balances				
Nonspendable:				
Prepays	14,865	6,490	-	21,355
Permanent fund principal	-	-	455,549	455,549
Restricted for:				
Parks and recreation	-	1,022,222	-	1,022,222
Capital projects	-	6,310,811	-	6,310,811
Transportation projects	-	1,908,867	-	1,908,867
Public safety	4,022,110	1,562,754	-	5,584,864
Cemetery	28,747	-	-	28,747
Law enforcement	52,079	-	-	52,079
Other purposes	283,631	5,111	-	288,742
Total Fund Balances	4,401,432	10,816,255	455,549	15,673,236
Total Liabilities and Fund Balances	\$ 4,412,791	\$11,149,864	\$ 457,825	\$16,020,480

CITY OF LIBERTY, MISSOURI

**COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
December 31, 2020**

	Cemetery	Police Training	Inmate Security	Transient Guest Tax	Public Safety Sales Tax	Total
Assets						
Cash and investments	\$ 33,263	\$ 21,122	\$ 15,945	\$ 258,941	\$ 3,480,930	\$ 3,810,201
Receivables, net of allowance for uncollectibles:						
Taxes	-	-	-	-	544,372	544,372
Accounts	14	15,003	-	25,540	-	40,557
Accrued interest	7	5	4	62	596	674
Due from other funds	2,122	-	-	-	-	2,122
Prepays	-	-	-	366	14,499	14,865
Total Assets	\$ 35,406	\$ 36,130	\$ 15,949	\$ 284,909	\$ 4,040,397	\$ 4,412,791
Liabilities						
Accounts payable and accrued liabilities	\$ 1,184	\$ -	\$ -	\$ 912	\$ 3,788	\$ 5,884
Deposits	5,475	-	-	-	-	5,475
Total Liabilities	6,659	-	-	912	3,788	11,359
Fund Balances						
Nonspendable:						
Prepays	-	-	-	366	14,499	14,865
Restricted for:						
Public safety	-	-	-	-	4,022,110	4,022,110
Cemetery	28,747	-	-	-	-	28,747
Law enforcement	-	36,130	15,949	-	-	52,079
Other purposes	-	-	-	283,631	-	283,631
Total Fund Balances	28,747	36,130	15,949	283,997	4,036,609	4,401,432
Total Liabilities And Fund Balances	\$ 35,406	\$ 36,130	\$ 15,949	\$ 284,909	\$ 4,040,397	\$ 4,412,791

CITY OF LIBERTY, MISSOURI

**COMBINING BALANCE SHEET
NONMAJOR CAPITAL PROJECTS FUNDS
December 31, 2020**

	Limited Capital	Capital Sales Tax	Transportation Sales Tax	Fire Sales Tax	Economic Development Sales Tax	Parks Capital	Cable Reserve	Total
Assets								
Cash and investments	\$ 1,682,655	\$ 780,728	\$ 1,471,329	\$ 1,342,735	\$ 2,792,630	\$ -	\$ 5,110	\$ 8,075,187
Receivables, net of allowance for uncollectibles:								
Taxes	-	439,411	439,411	219,706	408,652	219,702	-	1,726,882
Accounts	-	144,152	-	-	-	-	-	144,152
Accrued interest	430	239	343	313	686	188	1	2,200
Prepays	-	3,621	1,447	99	1,323	-	-	6,490
Restricted assets:								
Cash and investments	-	392,526	-	-	-	-	-	392,526
Investments	-	-	-	-	-	802,257	-	802,257
Accrued interest	-	95	-	-	-	75	-	170
Total Assets	\$ 1,683,085	\$ 1,760,772	\$ 1,912,530	\$ 1,562,853	\$ 3,203,291	\$ 1,022,222	\$ 5,111	\$ 11,149,864
Liabilities								
Accounts payable and accrued liabilities	\$ 245,778	\$ 11,472	\$ 2,216	\$ -	\$ 1,820	\$ -	\$ -	\$ 261,286
Deposits	-	20,665	-	-	27,354	-	-	48,019
Unearned revenue	-	24,304	-	-	-	-	-	24,304
Total Liabilities	245,778	56,441	2,216	-	29,174	-	-	333,609
Fund Balances								
Nonspendable:								
Prepays	-	3,621	1,447	99	1,323	-	-	6,490
Restricted for:								
Parks and recreation	-	-	-	-	-	1,022,222	-	1,022,222
Capital projects	1,437,307	1,700,710	-	-	3,172,794	-	-	6,310,811
Transportation projects	-	-	1,908,867	-	-	-	-	1,908,867
Public safety	-	-	-	1,562,754	-	-	-	1,562,754
Other purposes	-	-	-	-	-	-	5,111	5,111
Total Fund Balances	1,437,307	1,704,331	1,910,314	1,562,853	3,174,117	1,022,222	5,111	10,816,255
Total Liabilities And Fund Balances	\$ 1,683,085	\$ 1,760,772	\$ 1,912,530	\$ 1,562,853	\$ 3,203,291	\$ 1,022,222	\$ 5,111	\$ 11,149,864

CITY OF LIBERTY, MISSOURI

COMBINING BALANCE SHEET
NONMAJOR PERMANENT FUNDS
December 31, 2020

	Frank Hughes Memorial Trust	Mt. Memorial Cemetery Trust	Fairview Cemetery Trust	Total
Assets				
Cash and investments	\$ 30,146	\$ 33,921	\$ 391,537	\$ 455,604
Receivables, net of allowance for uncollectibles:				
Accounts	-	-	2,110	2,110
Accrued interest	8	9	94	111
Total Assets	\$ 30,154	\$ 33,930	\$ 393,741	\$ 457,825
Liabilities				
Due to other funds	\$ 154	\$ 175	\$ 1,947	\$ 2,276
Fund Balances				
Nonspendable:				
Permanent fund principal	30,000	33,755	391,794	455,549
Total Liabilities And Fund Balances	\$ 30,154	\$ 33,930	\$ 393,741	\$ 457,825

CITY OF LIBERTY, MISSOURI

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS
For The Year Ended December 31, 2020**

	Special Revenue	Capital Projects	Permanent	Total
Revenues				
Taxes	\$ 3,134,658	\$ 9,704,881	\$ -	\$ 12,839,539
Intergovernmental	-	475,917	-	475,917
Charges for services	75,142	-	-	75,142
Investment earnings	13,876	55,040	2,671	71,587
Miscellaneous	6,105	1,158,484	5,400	1,169,989
Total Revenues	3,229,781	11,394,322	8,071	14,632,174
Expenditures				
Current:				
General government	101,683	274,197	-	375,880
Community development and improvement	-	45,697	-	45,697
Public works	-	686,058	-	686,058
Culture and recreation	-	253,778	-	253,778
Cemetery maintenance	63,696	-	-	63,696
Public safety	1,495,508	46,821	-	1,542,329
Capital outlay	-	3,118,970	-	3,118,970
Debt service:				
Principal retirement	-	3,201,774	-	3,201,774
Interest and fiscal charges	-	1,285,118	-	1,285,118
Total Expenditures	1,660,887	8,912,413	-	10,573,300
Revenues Over Expenditures	1,568,894	2,481,909	8,071	4,058,874
Other Financing Sources (Uses)				
Proceeds from sale of capital asset	-	374,307	-	374,307
Transfers in	670,243	629,820	-	1,300,063
Transfers out	(49,750)	(2,558,357)	(2,671)	(2,610,778)
Total Other Financing Sources (Uses)	620,493	(1,554,230)	(2,671)	(936,408)
Net Change In Fund Balances	2,189,387	927,679	5,400	3,122,466
Fund Balances - Beginning of Year	2,212,045	9,888,576	450,149	12,550,770
Fund Balances - End of Year	\$ 4,401,432	\$10,816,255	\$ 455,549	\$ 15,673,236

CITY OF LIBERTY, MISSOURI

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - NONMAJOR SPECIAL REVENUE FUNDS
For The Year Ended December 31, 2020**

	Cemetery	Police Training	Inmate Security	Transient Guest Tax	Public Safety Sales Tax	Total
Revenues						
Taxes	\$ -	\$ -	\$ -	\$ 224,749	\$ 2,909,909	\$ 3,134,658
Charges for services	53,160	18,246	3,736	-	-	75,142
Investment earnings	141	94	80	1,010	12,551	13,876
Miscellaneous	2,703	-	-	3,402	-	6,105
Total Revenues	56,004	18,340	3,816	229,161	2,922,460	3,229,781
Expenditures						
Current:						
General government	-	-	-	101,683	-	101,683
Cemetery maintenance	63,696	-	-	-	-	63,696
Public safety	-	349	-	-	1,495,159	1,495,508
Total Expenditures	63,696	349	-	101,683	1,495,159	1,660,887
Revenues Over (Under) Expenditures	(7,692)	17,991	3,816	127,478	1,427,301	1,568,894
Other Financing Sources (Uses)						
Transfers in	70,243	-	-	-	600,000	670,243
Transfers out	(47,750)	-	-	(2,000)	-	(49,750)
Total Other Financing Sources (Uses)	22,493	-	-	(2,000)	600,000	620,493
Net Change In Fund Balances	14,801	17,991	3,816	125,478	2,027,301	2,189,387
Fund Balances - Beginning of Year	13,946	18,139	12,133	158,519	2,009,308	2,212,045
Fund Balances - End of Year	\$ 28,747	\$ 36,130	\$ 15,949	\$ 283,997	\$ 4,036,609	\$ 4,401,432

CITY OF LIBERTY, MISSOURI

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - NONMAJOR CAPITAL PROJECTS FUNDS
For The Year Ended December 31, 2020**

	Limited Capital	Capital Sales Tax	Transportation Sales Tax	Fire Sales Tax	Economic Development Sales Tax	Parks Capital	Cable Reserve	Total
Revenues								
Taxes	\$ -	\$ 2,518,091	\$ 2,512,072	\$ 1,259,044	\$ 2,156,630	\$ 1,259,044	\$ -	\$ 9,704,881
Intergovernmental	-	475,917	-	-	-	-	-	475,917
Investment earnings	12,301	7,633	6,806	9,571	11,126	7,573	30	55,040
Miscellaneous	40,081	72,440	-	269,962	628,252	147,749	-	1,158,484
Total Revenues	52,382	3,074,081	2,518,878	1,538,577	2,796,008	1,414,366	30	11,394,322
Expenditures								
Current:								
General government	-	-	-	-	274,197	-	-	274,197
Community development and improvement	-	-	45,697	-	-	-	-	45,697
Public works	-	528,012	110,521	-	47,525	-	-	686,058
Culture and recreation	-	-	3,531	-	-	250,247	-	253,778
Public safety	-	-	-	46,821	-	-	-	46,821
Capital outlay	1,508,420	1,009,812	1,600	129,449	199,384	270,305	-	3,118,970
Debt service:								
Principal retirement	-	564,755	275,000	829,310	1,427,709	105,000	-	3,201,774
Interest and fiscal charges	-	169,392	107,685	98,330	867,389	42,322	-	1,285,118
Bond issuance costs	4,515	(12,759)	-	-	7,035	1,209	-	-
Total Expenditures	1,512,935	2,259,212	544,034	1,103,910	2,823,239	669,083	-	8,912,413
Revenues Over (Under) Expenditures	(1,460,553)	814,869	1,974,844	434,667	(27,231)	745,283	30	2,481,909
Other Financing Sources (Uses)								
Issuance of long-term debt	258,375	(517,472)	-	-	189,872	69,225	-	-
Premium on bond issuance	11,119	(22,269)	-	-	8,171	2,979	-	-
Proceeds from sale of capital assets	-	-	-	-	374,307	-	-	374,307
Transfers in	-	-	-	-	629,820	-	-	629,820
Transfers out	-	(303,010)	(944,320)	(315,000)	-	(996,027)	-	(2,558,357)
Total Other Financing Sources (Uses)	269,494	(842,751)	(944,320)	(315,000)	1,202,170	(923,823)	-	(1,554,230)
Net Change In Fund Balances	(1,191,059)	(27,882)	1,030,524	119,667	1,174,939	(178,540)	30	927,679
Fund Balances - Beginning of Year	2,628,366	1,732,213	879,790	1,443,186	1,999,178	1,200,762	5,081	9,888,576
Fund Balances - End of Year	\$ 1,437,307	\$ 1,704,331	\$ 1,910,314	\$ 1,562,853	\$ 3,174,117	\$ 1,022,222	\$ 5,111	\$ 10,816,255

CITY OF LIBERTY, MISSOURI

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - NONMAJOR PERMANENT FUNDS
For The Year Ended December 31, 2020**

	Frank Hughes Memorial Trust	Mt. Memorial Cemetery Trust	Fairview Cemetery Trust	Total
Revenues				
Investment earnings	\$ 178	\$ 201	\$ 2,292	\$ 2,671
Miscellaneous	-	-	5,400	5,400
Total Revenues	178	201	7,692	8,071
Revenues Over Expenditures	178	201	7,692	8,071
Other Financing Uses				
Transfers out	(178)	(201)	(2,292)	(2,671)
Net Change In Fund Balances	-	-	5,400	5,400
Fund Balances - Beginning of Year	30,000	33,755	386,394	450,149
Fund Balances - End of Year	\$ 30,000	\$ 33,755	\$ 391,794	\$ 455,549

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, 2020**

	Original Budget	Final Budget	Actual	Variance With Final Budget - (Over) Under
Revenues				
Taxes	\$ 2,381,900	\$ 2,381,900	\$ 2,518,091	\$ (136,191)
Intergovernmental	449,130	449,130	475,917	(26,787)
Investment earnings	20,000	20,000	7,633	12,367
Miscellaneous	328,000	328,000	72,440	255,560
Total Revenues	3,179,030	3,179,030	3,074,081	104,949
Expenditures				
Current:				
Public works	305,124	328,465	528,012	(199,547)
Capital outlay	2,178,000	2,251,037	1,009,812	1,241,225
Debt service:				
Principal retirement	594,510	594,510	564,755	29,755
Interest and fiscal charges	182,830	182,830	169,392	13,438
Bond issuance costs	-	-	(12,759)	12,759
Total Expenditures	3,260,464	3,356,842	2,259,212	1,097,630
Revenues Under Expenditures	(81,434)	(177,812)	814,869	(992,681)
Other Financing Sources				
Issuance of long-term debt	-	-	(517,472)	517,472
Premium on bond issuance	-	-	(22,269)	22,269
Transfers out	(303,010)	(303,010)	(303,010)	-
Total Other Financing	(303,010)	(303,010)	(842,751)	539,741
Net Change In Fund Balances	\$ (384,444)	\$ (480,822)	(27,882)	\$ (452,940)
Fund Balance - Beginning of Year			1,732,213	
Fund Balance - End of Year			\$ 1,704,331	

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, 2020**

	Original Budget	Final Budget	Actual	Variance With Final Budget - (Over) Under
Revenues				
Taxes	\$ 2,381,900	\$ 2,381,900	\$ 2,512,072	\$ (130,172)
Investment earnings	-	-	6,806	(6,806)
Total Revenues	2,381,900	2,381,900	2,518,878	(136,978)
Expenditures				
Current:				
Community development and improvement	56,794	56,794	45,697	11,097
Public works	116,170	119,770	110,521	9,249
Culture and recreation	7,500	7,500	3,531	3,969
Capital outlay	772,500	772,500	1,600	770,900
Debt service:				
Principal retirement	275,000	275,000	275,000	-
Interest and fiscal charges	107,690	107,690	107,685	5
Total Expenditures	1,335,654	1,339,254	544,034	795,220
Revenues Over Expenditures	1,046,246	1,042,646	1,974,844	(932,198)
Other Financing Sources (Uses)				
Transfers in	22,500	22,500	-	22,500
Transfers out	(944,320)	(944,320)	(944,320)	-
Total Other Financing Sources (Uses)	(921,820)	(921,820)	(944,320)	22,500
Net Change In Fund Balances	\$ 124,426	\$ 120,826	1,030,524	\$ (909,698)
Fund Balance - Beginning of Year			879,790	
Fund Balance - End of Year			\$ 1,910,314	

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, 2020

	Original Budget	Final Budget	Actual	Variance With Final Budget - (Over) Under
Revenues				
Taxes	\$ 8,136,686	\$ 8,136,686	\$ 8,263,768	\$ (127,082)
Investment earnings	99,000	99,000	24,374	74,626
Miscellaneous	15,000	15,000	17,038	(2,038)
Total Revenues	8,250,686	8,250,686	8,305,180	(54,494)
Expenditures				
Current:				
General government	54,315	54,315	12,397	41,918
Community development and improvement	2,761,513	2,761,513	3,268,292	(506,779)
Public works	16,917	16,917	44,807	(27,890)
Debt service:				
Principal retirement	2,265,764	2,265,764	1,988,000	277,764
Interest and fiscal charges	1,965,890	1,965,890	2,224,303	(258,413)
Total Expenditures	7,064,399	7,064,399	7,537,799	(473,400)
Revenues Over Expenditures	1,186,287	1,186,287	767,381	418,906
Net Change In Fund Balances	\$ 1,186,287	\$ 1,186,287	767,381	\$ 418,906
Fund Balance - Beginning of Year			9,335,576	
Fund Balance - End of Year			\$ 10,102,957	

CITY OF LIBERTY, MISSOURI

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

For The Year Ended December 31, 2020

	Original Budget	Final Budget	Actual	Variance With Final Budget - (Over) Under
Revenues				
Charges for services	\$ 23,010	\$ 23,010	\$ 53,160	\$ (30,150)
Investment earnings	350	350	141	209
Miscellaneous	13,500	13,500	2,703	10,797
Total Revenues	36,860	36,860	56,004	(19,144)
Expenditures				
Current:				
Cemetery maintenance	63,150	63,150	63,696	(546)
Total Expenditures	63,150	63,150	63,696	(546)
Revenues Under Expenditures	(26,290)	(26,290)	(7,692)	(18,598)
Other Financing Sources (Uses)				
Transfers in	67,750	67,750	70,243	(2,493)
Transfers out	(47,750)	(47,750)	(47,750)	-
Total Other Financing Sources (Uses)	20,000	20,000	22,493	(2,493)
Net Change In Fund Balances	\$ (6,290)	\$ (6,290)	14,801	\$ (21,091)
Fund Balance - Beginning of Year			13,946	
Fund Balance - End of Year			\$ 28,747	

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, 2020**

	Original Budget	Final Budget	Actual	Variance With Final Budget - (Over) Under
Revenues				
Charges for services	\$ 9,400	\$ 9,400	\$ 18,246	\$ (8,846)
Investment earnings	60	60	94	(34)
Miscellaneous	1,200	1,200	-	1,200
Total Revenues	10,660	10,660	18,340	(7,680)
Expenditures				
Current:				
Public safety	9,500	9,500	349	9,151
Net Change In Fund Balances	\$ 1,160	\$ 1,160	17,991	\$ (16,831)
Fund Balance - Beginning of Year			18,139	
Fund Balance - End of Year			\$ 36,130	

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, 2020**

	Original Budget	Final Budget	Actual	Variance With Final Budget - (Over) Under
Revenues				
Taxes	\$ 318,000	\$ 318,000	\$ 224,749	\$ 93,251
Investment earnings	-	-	1,010	(1,010)
Intergovernmental	-	-	3,402	(3,402)
Total Revenues	318,000	318,000	229,161	88,839
Expenditures				
Current:				
General government	323,840	323,840	101,683	222,157
Total Expenditures	323,840	323,840	101,683	222,157
Other Financing Sources (Uses)				
Transfers out	(2,000)	(2,000)	(2,000)	-
Net Change In Fund Balances	\$ (7,840)	\$ (7,840)	125,478	\$ (133,318)
Fund Balance - Beginning of Year			158,519	
Fund Balance - End of Year			\$ 283,997	

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, 2020**

	Original Budget	Final Budget	Actual	Variance With Final Budget - (Over) Under
Revenues				
Charges for services	\$ 4,500	\$ 4,500	\$ 3,736	\$ 764
Investment earnings	10	10	80	(70)
Total Revenues	<u>4,510</u>	<u>4,510</u>	<u>3,816</u>	<u>694</u>
Expenditures				
Current:				
Public safety	5,500	5,500	-	5,500
Net Change In Fund Balances	<u>\$ (990)</u>	<u>\$ (990)</u>	<u>3,816</u>	<u>\$ (4,806)</u>
Fund Balance - Beginning of Year			<u>12,133</u>	
Fund Balance - End of Year			<u>\$ 15,949</u>	

CITY OF LIBERTY, MISSOURI

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL -
PARKS CAPITAL FUND
For The Year Ended December 31, 2020**

	Original Budget	Final Budget	Actual	Variance With Final Budget - (Over) Under
Revenues				
Taxes	\$ 1,190,950	\$ 1,190,950	\$ 1,259,044	\$ (68,094)
Investment earnings	-	-	7,573	(7,573)
Miscellaneous	-	-	147,749	(147,749)
Total Revenues	1,190,950	1,190,950	1,414,366	(223,416)
Expenditures				
Current:				
Culture and recreation	30,000	40,610	250,247	(209,637)
Capital outlay	487,005	517,965	270,305	247,660
Debt service:				
Principal retirement	105,000	105,000	105,000	-
Interest and fiscal charges	42,450	42,450	42,322	128
Bond issuance costs	-	-	1,209	(1,209)
Total Expenditures	664,455	706,025	669,083	36,942
Revenues Over (Under) Expenditures	526,495	484,925	745,283	(260,358)
Other Financing Sources (Uses)				
Issuance of long-term debt	-	-	69,225	(69,225)
Premium on bond issuance	-	-	2,979	(2,979)
Transfers out	(642,052)	(642,052)	(996,027)	353,975
Total Other Financing Sources (Uses)	(642,052)	(642,052)	(923,823)	281,771
Net Change In Fund Balances	\$ (115,557)	\$ (157,127)	(178,540)	\$ 21,413
Fund Balance - Beginning of Year			<u>1,200,762</u>	
Fund Balance - End of Year			<u>\$ 1,022,222</u>	

CITY OF LIBERTY, MISSOURI

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL -
FIRE SALES TAX FUND
For The Year Ended December 31, 2020**

	Original Budget	Final Budget	Actual	Variance With Final Budget - (Over) Under
Revenues				
Taxes	\$ 1,191,920	\$ 1,191,920	\$ 1,259,044	\$ (67,124)
Investment earnings	100	100	9,571	(9,471)
Miscellaneous	306,155	306,155	269,962	36,193
Total Revenues	1,498,175	1,498,175	1,538,577	(40,402)
Expenditures				
Current:				
Public safety	48,840	82,370	46,821	35,549
Capital outlay	317,600	379,133	129,449	249,684
Debt service:				
Principal retirement	829,310	829,310	829,310	-
Interest and fiscal charges	98,180	98,180	98,330	(150)
Total Expenditures	1,293,930	1,388,993	1,103,910	285,083
Revenues Over (Under) Expenditures	204,245	109,182	434,667	(325,485)
Other Financing Sources (Uses)				
Transfers out	(315,000)	(315,000)	(315,000)	-
Total Other Financing Sources (Uses)	(315,000)	(315,000)	(315,000)	-
Net Change In Fund Balances	\$ (110,755)	\$ (205,818)	119,667	\$ (325,485)
Fund Balance - Beginning of Year			1,443,186	
Fund Balance - End of Year			\$ 1,562,853	

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, 2020**

	Original Budget	Final Budget	Actual	Variance With Final Budget - (Over) Under
Revenues				
Taxes	\$ 2,747,480	\$ 2,747,480	\$ 2,909,909	\$ (162,429)
Investment earnings	-	-	12,551	(12,551)
Total Revenues	2,747,480	2,747,480	2,922,460	(174,980)
Expenditures				
Current:				
Public safety	2,759,926	2,759,926	1,495,159	1,264,767
Total Expenditures	2,759,926	2,759,926	1,495,159	1,264,767
Revenues Over (Under) Expenditures	(12,446)	(12,446)	1,427,301	(1,439,747)
Other Financing Sources (Uses)				
Transfers in	-	-	600,000	(600,000)
Total Other Financing Sources (Uses)	-	-	600,000	(600,000)
Net Change In Fund Balances	\$ (12,446)	\$ (12,446)	2,027,301	\$ (2,039,747)
Fund Balance - Beginning of Year			2,009,308	
Fund Balance - End of Year			\$ 4,036,609	

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, 2020**

	Original Budget	Final Budget	Actual	Variance With Final Budget - (Over) Under
Revenues				
Investment earnings	\$ 500	\$ 500	\$ 30	\$ 470
Expenditures				
Current:				
Capital outlay	6,535	6,535	-	6,535
Total Expenditures	6,535	6,535	-	6,535
Net Change In Fund Balances	\$ (6,035)	\$ (6,035)	30	\$ (6,065)
Fund Balance - Beginning of Year			<u>5,081</u>	
Fund Balance - End of Year			<u>\$ 5,111</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, 2020**

	Original Budget	Final Budget	Actual	Variance With Final Budget - (Over) Under
Revenues				
Taxes	\$ 2,060,610	\$ 2,060,610	\$ 2,156,630	\$ (96,020)
Investment earnings	-	-	11,126	(11,126)
Miscellaneous	199,820	199,820	628,252	(428,432)
Total Revenues	2,260,430	2,260,430	2,796,008	(535,578)
Expenditures				
Current:				
General government	307,826	307,826	274,197	33,629
Public works	-	-	47,525	(47,525)
Capital outlay	-	-	199,384	(199,384)
Debt service:				
Principal retirement	1,427,710	1,427,710	1,427,709	1
Interest and fiscal charges	866,688	866,688	867,389	(701)
Bond issuance costs	-	-	7,035	(7,035)
Total Expenditures	2,602,224	2,602,224	2,823,239	(221,015)
Revenues Under Expenditures	(341,794)	(341,794)	(27,231)	(314,563)
Other Financing Sources				
Issuance of long-term debt	-	-	189,872	(189,872)
Premiums on bond issuance	-	-	8,171	(8,171)
Proceeds from sale of capital assets	-	-	374,307	(374,307)
Transfers in	430,000	430,000	629,820	(199,820)
Transfers out	(111,500)	(111,500)	-	(111,500)
Total Other Financing Sources	318,500	318,500	1,202,170	(883,670)
Net Change In Fund Balances	\$ (23,294)	\$ (23,294)	1,174,939	\$ (1,198,233)
Fund Balance - Beginning of Year			1,999,178	
Fund Balance - End of Year			\$ 3,174,117	

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, 2020**

	Original Budget	Final Budget	Actual	Variance With Final Budget - (Over) Under
Revenues				
Investment earnings	\$ 500	\$ 500	\$ 178	\$ 322
Expenditures				
Current:				
Cemetery maintenance	500	500	178	322
Net Change In Fund Balances	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
Fund Balance - Beginning of Year			<u>30,000</u>	
Fund Balance - End of Year			<u>\$ 30,000</u>	

CITY OF LIBERTY, MISSOURI

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL -
MT. MEMORIAL CEMETERY TRUST FUND
For The Year Ended December 31, 2020**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget - (Over) Under</u>
Revenues				
Investment earnings	\$ 650	\$ 650	\$ 201	\$ 449
Expenditures				
Cemetery maintenance	650	650	201	449
Net Change In Fund Balances	<u>\$ -</u>	<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, 2020**

	Original Budget	Final Budget	Actual	Variance With Final Budget - (Over) Under
Revenues				
Investment earnings	\$ 7,350	\$ 7,350	\$ 2,292	\$ 5,058
Miscellaneous	4,500	4,500	5,400	(900)
Total Revenues	11,850	11,850	7,692	4,158
Expenditures				
Cemetery maintenance	7,350	7,350	2,292	5,058
Net Change In Fund Balances	\$ 4,500	\$ 4,500	5,400	\$ (900)
Fund Balance - Beginning of Year			386,394	
Fund Balance - End of Year			\$ 391,794	

CITY OF LIBERTY, MISSOURI

**COMBINING STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
December 31, 2020**

	Triangle CID Sales Tax Fund	Preservation and Development	Roger's Plaza CID	Blue Jay Crossing CID	Liberty Corners CID	Liberty Commons CID	Liberty Commons TDD	Total
Assets								
Cash and cash equivalents	\$ 132,277	\$ 530	\$ 237,500	\$ -	\$ 28,164	\$ 144,428	\$ 22,115	\$ 565,014
Special assessments receivable	-	-	-	-	-	491,869	-	491,869
Total Assets	\$ 132,277	\$ 530	\$ 237,500	\$ -	\$ 28,164	\$ 636,297	\$ 22,115	\$ 1,056,883
Liabilities								
Due to other organizations	\$ 132,277	\$ 530	\$ 237,500	\$ -	\$ 28,164	\$ 636,297	\$ 22,115	\$ 1,056,883
Total Liabilities	\$ 132,277	\$ 530	\$ 237,500	\$ -	\$ 28,164	\$ 636,297	\$ 22,115	\$ 1,056,883

CITY OF LIBERTY, MISSOURI

**COMBINING STATEMENT OF CHANGES
IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
For The Year Ended December 31, 2020**

	Triangle CID Sales Tax Fund	Preservation and Development	Roger's Plaza CID	Blue Jay Crossing CID	Liberty Corners CID	Liberty Commons CID	Liberty Commons TDD	Total
Additions								
Taxes	\$ -	\$ -	\$ 114,600	\$ 123,892	\$ -	\$ 1,058,276	\$ 400,491	\$ 1,697,259
Investment earnings	1,186	-	125	163	304	516	401	2,695
Miscellaneous	1,082,294	15	-	-	265,434	1	-	1,347,744
Total Additions	\$ 1,083,480	\$ 15	\$ 114,725	\$ 124,055	\$ 265,738	\$ 1,058,793	\$ 400,892	\$ 3,047,698
Deductions								
Payments to other organizations	\$ 1,083,480	\$ 15	\$ 114,725	\$ 124,055	\$ 265,738	\$ 1,058,793	\$ 400,892	\$ 3,047,698
Total Deductions	\$ 1,083,480	\$ 15	\$ 114,725	\$ 124,055	\$ 265,738	\$ 1,058,793	\$ 400,892	\$ 3,047,698

**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, 2020, 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 25, 2021, which contained an Emphasis of Matter paragraph regarding the City's adoption of GASB Statement No. 84, *Fiduciary Activities*.

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) as a basis for designing 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 2020-001 and 2020-002 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 financial statements. 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 Responses to Findings

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

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 25, 2021

City of Liberty, Missouri
Schedule of Findings and Responses
Year Ended December 31, 2020

Reference Number	Finding
2020-001	<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 2021 to ensure future entries are completed correctly.</p>

City of Liberty, Missouri
Schedule of Findings and Responses (Continued)
Year Ended December 31, 2020

Reference Number	Finding
2020-002	<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 2021 to ensure future entries are completed correctly.</p>

Statistical Section

CITY OF LIBERTY, MISSOURI
Statistical Section
December 31, 2020

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.....	100 - 106
Revenue Capacity	
These schedules contain information to help the reader assess the City’s most significant local revenue sources, property and sales tax.....	107 - 111
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.....	112 - 114
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.	115 - 116
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.	117 - 121

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)

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Governmental activities:										
Net investment in capital assets	\$ 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	\$ 43,584,063
Restricted	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	6,428,000
Unrestricted	(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)	(30,937,211)
Total Governmental Activities Net Position	\$ 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	\$ 19,074,852
Business-type activities:										
Net investment in capital assets	\$ 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	\$ 46,665,573
Restricted	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	3,200,819
Unrestricted	(817,529)	707,214	1,215,871	(920,479)	1,721,151	(4,065,499)	7,689,789	13,175,696	14,263,253	14,343,930
Total Business-Type Activities Net Position	\$ 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	\$ 64,210,322
Primary government:										
Net investment in capital assets	\$ 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	\$ 90,249,636
Restricted	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	9,628,819
Unrestricted	(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)	(16,593,281)
Total Primary Government Net Position	\$ 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	\$ 83,285,174

CITY OF LIBERTY, MISSOURI

CHANGES IN NET POSITION

Last Ten Fiscal Years

(accrual basis of accounting)

(Unaudited)

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Expenses:										
Governmental activities:										
General government	\$ 4,488,682	\$ 5,578,298	\$ 4,409,570	\$ 4,070,808	\$ 4,960,224	\$ 5,140,449	\$ 5,223,135	\$ 5,841,114	\$ 5,659,671	\$ 6,586,532
Community development and Improvement	1,963,294	3,077,802	2,440,676	3,035,596	25,081,992	13,338,549	3,948,361	3,353,557	3,266,439	4,170,521
Public works	2,434,200	2,234,374	3,374,941	4,145,087	3,633,562	5,352,526	6,017,730	7,162,689	7,611,046	7,319,555
Culture and recreation	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	5,670,834
Cemetery maintenance	71,061	45,600	43,454	37,175	52,078	51,281	58,493	46,984	58,292	63,696
Public safety	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	14,409,099
Interest on long-term debt	1,565,218	1,924,369	1,790,466	1,636,145	1,840,593	4,360,199	3,772,079	4,197,840	4,017,211	3,777,359
Total Governmental Activities Expenses	24,818,767	27,494,230	27,858,487	28,751,969	53,053,303	45,101,693	36,513,862	38,502,275	39,094,494	41,997,596
Business-type activities:										
Water	4,230,222	4,683,122	4,647,033	4,804,585	5,100,859	5,536,119	5,322,160	5,668,706	5,829,288	5,803,113
Sewer	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	7,593,108
Sanitation	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	1,840,492
Total Business-Type Activities Expenses	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	15,236,713
Total Primary Government Expenses	36,134,052	39,543,698	40,271,945	41,786,811	68,163,648	61,000,409	49,630,645	53,304,074	54,277,040	57,234,309
Program revenue:										
Governmental activities:										
Charges for services:										
General government	570,776	416,114	467,610	655,384	199,985	584,352	5,956	-	-	223,776
Community Development and Improvement	-	-	-	-	-	-	-	-	-	685,645
Public Works	137,768	148,575	-	-	-	-	-	-	-	-
Culture and recreation	2,813,673	2,761,851	2,326,010	2,346,377	2,314,001	2,530,502	2,701,584	2,735,211	2,534,943	1,627,479
Cemetery maintenance	18,901	31,110	55,675	35,881	41,695	44,435	22,370	32,704	47,839	53,160
Public safety	1,539,830	1,664,281	1,677,637	1,567,613	1,500,729	1,882,114	1,967,701	2,096,847	981,111	1,432,225
Operating grants and contributions	229,030	-	-	-	-	-	-	-	-	-
General Government	-	8,143	17,016	303,552	427,264	232,793	197,943	262,040	186,883	3,075,682
Public Works	-	228,950	-	-	-	-	-	-	-	-
Culture and Recreation	-	101,006	212,301	210,387	222,116	242,813	257,792	455,573	215,229	152,724
Public Safety	-	10,761	13,687	13,712	7,729	16,752	14,464	12,568	12,950	11,967
Capital grants and contributions	417,785	2,683,237	1,130,664	900,480	319,606	328,678	444,576	2,030,070	561,554	1,195,047
Total Governmental Activities Program Revenue	5,727,763	8,054,028	5,900,600	6,033,386	5,033,125	5,862,439	5,612,386	7,615,013	4,540,502	8,457,705
Business-type activities:										
Charges for services:										
Water	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	6,074,539
Sewer	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	9,956,594
Sanitation	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	1,857,744
Capital grants and contributions:										
Water	80,113	387,731	276,174	31,348	59,305	757	304,615	1,019,648	-	411,374
Sewer	89,912	248,825	334,925	43,972	195,228	372,333	258,798	452,042	3,744	477,302
Total Business-Type Activities Program Revenue	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	18,777,553
Total Primary Government Program Revenues	17,477,274	22,032,476	20,256,561	19,861,121	19,349,065	21,581,451	21,878,574	25,751,068	21,617,080	27,235,258
Net (expense) revenue:										
Governmental activities	(19,091,004)	(19,440,202)	(21,957,887)	(22,718,583)	(48,020,178)	(39,239,254)	(30,901,476)	(30,887,262)	(34,553,992)	(33,539,891)
Business-type activities	434,226	1,928,980	1,942,503	792,893	(794,405)	(179,704)	3,149,405	3,334,256	1,894,032	3,540,840
Total Primary Government Net Expense	(18,656,778)	(17,511,222)	(20,015,384)	(21,925,690)	(48,814,583)	(39,418,958)	(27,752,071)	(27,553,006)	(32,659,960)	(29,999,051)
General revenues and other changes in net assets:										
Governmental activities:										
Taxes:										
Property taxes	\$ 6,507,625	\$ 7,147,343	\$ 6,098,618	\$ 6,369,803	\$ 6,362,431	\$ 6,274,468	\$ 6,526,773	\$ 7,201,489	\$ 7,406,240	\$ 7,841,790
Franchise taxes	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	3,181,006
Sales taxes	8,945,418	9,877,630	11,211,196	12,320,585	12,373,730	15,174,323	18,039,385	22,269,931	23,895,616	26,085,287
Other taxes	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	1,446,185
Investment earnings	47,348	51,651	212,866	72,043	81,731	230,266	307,153	446,801	574,788	183,970
Miscellaneous	687,515	679,995	725,523	729,515	869,258	1,115,913	1,555,418	1,478,632	2,525,761	2,205,102
Total Governmental Activities	21,277,142	22,899,771	23,251,413	24,560,064	26,555,261	27,787,015	31,353,955	36,531,564	39,364,117	40,943,340
Business-type activities:										
Investment earnings	180,075	167,902	162,017	158,569	152,792	160,012	202,157	337,985	498,840	179,237
Miscellaneous	-	1,000	17,943	38,387	6,649	268,702	87,080	137,523	320,064	450,747
Total Business-Type Activities	180,075	168,902	179,960	196,956	159,441	428,714	289,237	475,508	818,904	629,984
Total Primary Government	21,457,217	23,068,673	23,431,373	24,757,020	26,714,702	28,215,729	31,643,192	37,007,072	40,183,021	41,573,324
Changes in net assets:										
Governmental activities	2,186,138	3,459,569	1,293,526	1,841,481	(21,464,917)	(11,452,239)	452,479	5,644,302	4,810,125	7,403,449
Business-type activities	614,301	2,097,882	2,122,463	989,849	(634,964)	249,010	3,438,642	3,809,764	2,712,936	4,170,624
Total Primary Government	\$ 2,800,439	\$ 5,557,451	\$ 3,415,989	\$ 2,831,330	\$(22,099,881)	\$(11,203,229)	\$ 3,891,121	\$ 9,454,066	\$ 7,523,061	\$ 11,574,073

CITY OF LIBERTY, MISSOURI

PROGRAM REVENUES BY FUNCTION/PROGRAM

Last Ten Fiscal Years

(accrual basis of accounting)

(Unaudited)

Function / Program	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Governmental activities:										
General government	\$ 570,996	\$ 416,114	\$ 467,610	\$ 958,936	\$ 627,249	\$ 817,145	\$ 203,899	\$ 262,040	\$ 186,883	\$ 3,299,458
Community development and improvement	-	-	-	-	-	-	-	-	-	685,645
Public works	649,462	148,575	-	900,480	319,606	328,678	444,576	2,030,070	561,554	1,195,047
Culture and recreation	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	1,780,203
Cemetery maintenance	18,901	31,110	55,675	35,881	41,695	44,435	22,370	32,704	47,839	53,160
Public safety	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	1,444,192
Total Governmental Activities	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	8,457,705
Business-type activities:										
Water	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	6,485,913
Sewer	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	10,433,896
Sanitation	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	1,857,744
Total Business-Type Activities	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	18,777,553
Total Government	\$ 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	\$ 27,235,258

Source: City records.

CITY OF LIBERTY, MISSOURI

FUND BALANCES, GOVERNMENTAL FUNDS

Last Ten Fiscal Years

(accrual basis of accounting)

(Unaudited)

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
General Fund:										
Nonspendable	\$ 480,371	\$ 377,301	\$ 456,208	\$ 538,830	\$ 548,017	\$ 475,874	\$ 602,864	\$ 618,124	\$ 744,408	\$ 597,958
Restricted	-	-	-	-	73,259	-	-	-	-	-
Committed	-	-	-	-	-	-	-	-	-	590,263
Assigned	-	-	-	-	37,881	42,490	-	-	-	84,242
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	5,662,603
Total General Fund	\$ 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	\$ 6,935,066
All Other Governmental Funds:										
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	121,314
Permanent fund principal	406,977	412,477	420,533	427,493	433,568	437,393	439,643	444,074	450,149	455,549
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	1,022,222
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	6,310,811
Transportation projects	489,539	1,382,576	5,663,166	1,062,662	934,973	780,698	944,536	904,456	879,790	1,908,867
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	5,584,864
Debt Service	3,927,265	4,603,767	5,002,339	5,019,769	22,455,613	10,058,655	8,253,454	7,948,504	9,335,576	10,102,957
Cemetery	70,999	75,083	88,917	89,551	72,637	53,080	11,771	12,015	13,946	28,747
Law Enforcement	31,857	35,720	25,531	21,497	4,881	4,828	6,912	17,962	30,272	52,079
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	288,742
Unassigned	3,668,127	3,905,515	-	(37,740)	(19,028)	(9,028)	-	-	-	(98,067)
Total All Other Government Funds	\$ 14,466,063	\$ 21,758,550	\$ 24,000,191	\$ 19,140,672	\$ 63,805,380	\$ 44,793,911	\$ 33,553,829	\$ 23,848,654	\$ 22,542,099	\$ 25,778,085

Source: City records

CITY OF LIBERTY, MISSOURI

CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS

Last Ten Fiscal Years

(modified accrual basis of accounting)

(Unaudited)

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Revenues:										
Taxes	\$ 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	\$ 38,554,268
Intergovernmental	671,815	3,216,205	1,373,668	1,428,131	976,715	821,036	914,775	991,773	907,637	4,004,050
Licenses and permits	443,914	270,115	318,505	394,857	399,462	509,749	503,727	472,588	484,067	507,180
Charges for services	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	3,686,938
Investment earnings	47,348	51,651	50,849	72,043	81,731	230,266	307,153	446,801	574,788	183,970
Lease	303,771	198,744	—	—	—	—	—	—	—	—
Miscellaneous	835,292	772,620	707,580	729,515	824,547	1,115,913	970,185	1,478,632	2,525,761	1,802,945
Total Revenues	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	48,739,351
Expenditures:										
General government	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	6,263,030
Community development and improvement	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	4,123,566
Public works	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	3,348,915
Culture and recreation	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	4,402,093
Cemetery maintenance	30,617	36,687	43,454	37,175	52,078	51,281	58,493	46,984	58,292	63,696
Public safety	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	12,689,321
Capital outlay	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	14,142,470
Debt service:										
Principal	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	6,236,944
Bond issuance costs	—	—	104,197	14,111	2,274,248	—	52,501	301,397	116,843	16,500
Interest	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	3,916,358
Payment to refunding bond escrow agent	—	—	—	—	500,013	—	—	—	—	—
Total Expenditures	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	45,202,893
Excess Of Revenues Under Expenditures	(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)	3,536,458
Other financing sources (uses):										
Transfers in	\$ 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	\$ 5,097,618
Transfers out	(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)	(5,097,618)
Issuance of long-term debt	—	10,230,000	8,644,690	—	74,805,312	—	3,830,000	11,525,000	4,845,000	955,000
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	—	(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	—	—	402,157
Capital contributions	720,456	1,571,160	—	—	—	—	—	—	—	—
Total Other Financing Sources (Uses)	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	1,357,157
Net Changes In Fund Balance	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)	4,893,615
Fund balances, beginning of year	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	27,819,536
Fund balances, end of year	\$ 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	\$ 32,713,151
Debt service as a percentage of noncapital expenditures	18.50%	10.99%	16.26%	17.30%	9.99%	21.78%	24.14%	24.95%	24.93%	24.73%

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
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
2020	7,841,790	26,085,287	3,181,006	1,446,185	38,554,268
Change 2011-2020	54.64%	198.87%	-18.15%	33.08%	105.38%

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 (1)	Estimated Actual Taxable Value	Taxable Assessed Value As A Percentage Of Actual Taxable Value	Total Direct Tax Rate
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
2020	330,811,720	1,741,114,316	6,333,583	420,515,938	281,238,282	61,739,456	13,944,355	583,303,746	1.4%	2,855,697,649	20.43%	0.8908

Source: City records

(1) U.S. Bureau of Labor Statistics

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
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
2020	0.7574	0.1334	—	0.8908	6.4550	0.7846	0.1500	0.0300	8.3104

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	2020			2011		
	Taxable Assessed Value	Rank	Percentage Of Total City Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage Of Total City Taxable Assessed Value
B&B Movie Theatres LLC	\$ 5,419,490	1	0.93%	—	—	—
Hallmark Cards	5,176,210	2	0.89%	\$ 8,182,662	1	1.77%
Timothy D. Harris LLC (Shoppes @ Liberty Triangle)	5,169,350	3	0.89%	—	—	—
Star Development	4,499,860	4	0.77%	3,245,502	3	0.70%
Agree Limited Partnership	2,741,410	5	0.47%	—	—	—
Robertson Properties Inc	2,664,020	6	0.46%	—	—	—
Park-RN Liberty Investments LLC	2,647,780	6	0.45%	—	—	—
Liberty Commons Lodging Assoc LLC	2,523,870	7	0.43%	—	—	—
Rodale LLC	2,492,000	8	0.43%	—	—	—
Hy-Vee Food Stores, Inc.	2,217,370	9	0.38%	4,877,991	2	1.05%
Lowe's Home Centers, Inc.	2,054,240	10	0.35%	2,695,387	4	0.58%
Centro Bradley SPE 5 LLC	—	—	—	2,239,490	5	0.48%
RR Donnelley	—	—	—	1,754,385	6	0.38%
American Central Transport	—	—	—	1,746,979	7	0.38%
Southern Union Company	—	—	—	1,657,250	8	0.36%
Clark Printing Company, Inc.	—	—	—	1,625,630	9	0.35%
Continental Disc Corporation	—	—	—	1,589,690	10	0.34%
Total	\$ 37,605,600		6.45%	\$ 29,614,966		6.39%

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
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%	421,056	4,620,873	102.86%
2013	4,470,089	170,416	3.81%	4,330,014	4,500,430	100.68%
2014	4,491,096	326,153	7.26%	4,208,419	4,534,572	100.97%
2015	4,530,039	161,404	3.56%	4,370,353	4,531,757	100.04%
2016	4,603,577	223,215	4.85%	4,175,110	4,398,325	95.54%
2017	4,751,282	462,379	9.73%	4,276,539	4,738,918	99.74%
2018	4,978,773	570,229	11.45%	4,131,993	4,702,222	94.45%
2019	5,120,202	121,652	2.38%	4,616,017	4,737,669	92.53%
2020	5,196,070	122,954	2.37%	-	122,954	2.37%

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	Bond Premiums (Discounts)	Loan Payable	State Revolving Fund	Revenue Bonds	Capital Leases				Bond Premiums (Discounts)
2011	6,710,000	0.31%	230	65,214	895,125	1,345,000	17,840,000	(40,764)	—	8,746,905	8,880,000	—	(57,636)	44,482,244	5.21%	1,526
2012	11,679,083	0.57%	417	55,211	1,615,809	975,491	13,661,392	456,430	—	3,135,390	3,876,911	—	212,325	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	608,285	—	4,585,000	7,765,000	306,124	200,854	48,170,952	5.35%	1,595
2014	14,260,000	0.71%	462	34,175	4,115,456	-	15,640,000	484,765	—	4,320,000	6,680,000	257,825	200,634	45,307,456	4.88%	1,467
2015	25,390,000	1.21%	831	23,120	3,864,355	-	54,240,000	754,284	—	19,662,522	5,770,000	208,400	68,571	109,158,397	11.77%	3,575
2016	23,165,000	1.09%	760	11,863	3,516,347	-	53,070,000	665,786	—	64,287,522	5,040,000	157,465	57,386	149,248,197	16.07%	4,894
2017	22,667,460	1.02%	731	5,414	3,086,704	-	51,800,000	577,288	—	81,877,996	4,300,000	193,826	37,439	163,931,400	16.77%	5,283
2018	20,840,000	0.93%	645	-	2,351,062	-	49,500,000	999,905	—	80,004,000	3,540,000	139,272	121,774	156,374,334	15.22%	4,837
2019	19,625,000	0.70%	561	-	1,599,632	-	47,730,000	1,037,836	—	78,103,000	2,770,000	50,424	104,929	149,878,056	14.09%	4,281
2020	18,280,000	0.64%	530	-	1,381,685	-	45,840,000	914,967	—	76,167,000	1,985,000	25,212	88,087	143,678,897	12.99%	4,169

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, 2020
(Unaudited)

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable	Amount Applicable To City
Overlapping:			
Liberty Hospital District	\$ —	0.00%	\$ —
Liberty School District	120,791,000	52.67%	63,622,226
Clay County	—	0.00%	—
Subtotal, Overlapping Debt			
City Direct Debt	98,797,973	100.00%	98,797,973
Bond Premiums	1,123,185	100.00%	1,123,185
Bond Discounts	(208,218)	100.00%	<u>(208,218)</u>
Total Direct And Overlapping Debt			<u><u>\$ 163,335,166</u></u>

Sources: Individual Governmental entity and City records

(1) Determined by ratio of assessed value in overlapping unit compared to the 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 06/30/2020

CITY OF LIBERTY, MISSOURI

LEGAL DEBT MARGIN INFORMATION

Last Ten Fiscal Years

(Unaudited)

Legal Debt Margin Calculation for Fiscal Year 2020

Assessed value	\$ 583,303,746
Debt limit (20% of assessed value)	<u>116,660,749</u>
City Debt applicable to debt limit:	
General obligation bonds	\$ 18,280,000
Special assessment bonds	33,296,288
Less-amount available debt service fund, Special Assessment Neighborhood Improvement Fund	<u>-</u>
Total net debt applicable to limit	<u>51,576,288</u>
Legal debt margin	<u>\$ 65,084,461</u>

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Debt limit	\$ 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	\$ 116,660,749
Total net debt applicable to limit	<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>	<u>65,084,461</u>
Legal debt margin	<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>	<u>\$ 51,576,288</u>
Total Net Debt Applicable To The Limit As A Percentage Of Debt Limit	7.87%	17.82%	29.43%	25.27%	11.07%	127.05%	132.67%	95.41%	110.88%	126.19%

Source: City records

CITY OF LIBERTY, MISSOURI

PLEGDED 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		
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
2020	16,660,441	7,823,396	8,837,045	785,000	65,913	850,913	10.39

(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⁾
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%
2020	32,100	1,106,390,700	34,467	38.5	12,550	6.7%

Sources:

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

CITY OF LIBERTY, MISSOURI

PRINCIPAL EMPLOYEES

Employer	2020			2011		
	Employees	Rank	Percentage Of Total County Employment	Employees	Rank	Percentage Of Total County Employment
Liberty School District	1,800	1	1.46%	1,299	2	1.20%
Liberty Hospital	1,400	2	1.14%	1,372	1	1.26%
Hallmark Cards	1,351	3	1.10%	1,265	3	1.16%
LMV	700	4	0.57%	—	—	—
Clay County	688	5	0.56%	600	4	0.55%
RR Donnelley	350	6	0.28%	370	5	0.34%
City of Liberty	335	7	0.27%	198	8	0.18%
Ford Stamping Plant	310	8	0.25%	—	—	—
Ferrellgas	268	9	0.22%	292	6	0.27%
William Jewell	235	10	0.19%	235	7	0.22%
HyVee	—	—	—	—	—	—
RockTenn	—	—	—	170	10	0.16%
Continental Disc	—	—	—	183	9	0.17%
	7,437		6.04%	5,984		5.51%

Sources: Liberty Economic Development Corporation

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									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Administration										
Administrative Assistant	—	—	—	1	1	0.5	—	—	2	2
Animal Control Officer	3	2	2	3	2	2	—	—	—	—
Animal Shelter Attendant	1	1	1	—	1	0.5	—	—	—	—
Assistant City Administrator	1	1	1	1	1	1	1	1	1	1
Assistant Deputy City Clerk	—	—	1	1	1	1	1	1	1	—
Assistant to the City Administrator	1	1	1	—	1	1	1	1	1	1
City Administrator	1	1	1	1	1	1	1	1	1	1
Communication Manager	1	1	1	1	1	1	1	1	1	1
Court Administrator	1	1	1	1	1	1	1	1	1	1
Deputy City Clerk	1	1	1	1	1	1	1	1	1	1
Economic & Business Development Mgr	—	1	1	1	1	1	1	1	1	1
HR/Admin Specialist	1	1	1	—	—	—	—	—	—	—
Marketing & Special Events Supervisor	1	1	1	1	—	—	—	—	—	—
Municipal Court Technician	1	1	2	2	2	2	2	2	2	2
Prosecutors Assistant	1	1	—	—	—	—	—	—	—	—
Information Services										
GIS Manager	2	—	—	—	—	—	—	—	—	—
GIS Specialist I	—	—	1	1	1	1	1	1	1	1
GIS Specialist II	—	1	—	—	—	—	—	—	—	—
GIS Specialist III	—	1	1	1	1	1	1	—	—	—
Information Security Officer	—	1	1	1	1	1	—	—	—	—
Information Systems Analyst I	1	—	—	—	—	—	—	—	—	—
Information Systems Analyst II	1	—	—	—	—	—	—	—	—	—
Information Systems Analyst III	1	—	—	—	—	—	—	—	—	—
Information Systems Specialist I	2	2	2	2	1.5	1	1	2	2	—
Information Systems Specialist II	1	1	1	2	1	1	2	1	1	1
Information Systems Specialist III	—	1	1	—	1	1	—	2	2	2
Information Technology Services Director	1	1	1	1	1	1	1	1	1	1
Payroll Specialist	0.5	—	—	—	—	—	—	—	—	—
Senior Information System Specialist	—	1	1	1	1	1	2	—	—	—
Human Resources										
Administrative Assistant	—	—	—	—	—	—	—	—	—	1
Asst Director HR & Risk Mgmt	1	—	1	1	—	—	—	—	—	—
Human Resources Coordinator	—	—	—	—	—	—	1	1	1	—
Human Resources Director	1	1	1	1	1	1	1	1	1	1
Human Resources Manager	—	—	—	—	1	1	—	—	—	—
Payroll Specialist	0.5	—	—	—	—	—	—	—	—	—
Finance										
Accountant	2	2	—	—	1	1	1	1	1	1
Accounting Specialist	1	1	—	—	—	—	—	—	—	—
Accounting Manager	2	1	2	2	1	1	1	1	1	1
Accounts Payable Specialist	—	1	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
Finance Director/Assistant City Administrator	1	1	1	1	1	1	1	1	1	1
Finance Manager	—	—	1	—	—	—	—	1	—	—
Finance Specialist - Licensing	—	—	1	—	—	—	—	—	—	—
Finance Technician	3	1	2	3	3	3	4	4	4	4
Lead Finance Technician	—	1	1	—	1	1	—	—	—	—
Lead Meter Technician	—	—	—	1	1	1	1	1	1	1
Meter Service Technician	—	—	2	2	2	2	2	1	1	1
Office Supervisor	—	—	1	1	1	1	1	1	1	1
Operations Supervisor	1	1	—	—	—	—	—	—	—	—
Payroll Specialist	1	1	1	1	1	1	1	1	1	1
Fire										
Administrative Assistant	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	1	1
Assisant Chief - Shift Commanders	3	3	3	3	3	3	3	3	3	3
Deputy Fire Chief	—	—	—	—	—	—	—	—	1	1
Division Chief-Fire Marshal	1	1	1	1	1	1	1	1	—	—
Division Chief-Training	1	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									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Fire (Continued)										
Fire Captain	9	9	9	9	9	9	9	9	9	9
Fire Chief	1	1	1	1	1	1	1	1	1	1
Fire Prevention Officer	—	—	—	—	—	—	—	—	1	1
Firefighter/EMT	8	10	10	12	12	8	12	9	9	9
Firefighter/Paramedic	31	29	29	24	21	28	24	24	24	22
Aging Services										
Administrative Assistant	1	1	1	1	1	1	1	1	1	—
Bus Driver	1	1	1	1	1	1	1	1	1	—
Recreation Program Coordinator	2	2	2	2	1	1	1	—	—	—
Senior Center Technician	—	—	—	—	1	1	1	1	1	—
Senior Services Manager	—	—	—	—	1	1	1	1	1	—
Police										
Administrative Assistant	0.5	0.5	0.5	0.5	0.5	1	0.5	0.5	—	—
Animal Control Officer	—	—	—	—	—	—	2	2	2	2
Animal Control Shelter Attendant	—	—	—	—	—	—	0.5	0.5	—	—
Communications Officer	7	9	9	9	9	9	9	9	8	8
Communications Supervisor	1	1	1	1	1	1	1	1	1	1
Deputy Police Chief	—	—	—	—	—	—	—	—	1	1
Evidence & Property Technician	—	—	—	—	0.5	0.5	0.5	—	—	—
Parking Control Officer	—	—	—	0.5	0.5	—	—	—	—	—
Police Captain	2	2	2	2	2	2	2	2	1	1
Police Chief	1	1	1	1	1	1	1	1	1	1
Police Corporal	4	4	4	4	4	4	4	4	4	4
Police Lieutenant	1	2	2	2	2	2	2	2	4	4
Police Officer	30	29	29	25	25	25	25	25	25	23
Police Sergeant	5	6	6	6	6	6	6	6	6	6
Records Technician	1	3	3	3	3	3	3	3	3	3
Support Services Supervisor	1	1	1	1	1	1	1	1	1	—
Public Works										
Administrative Assistant	1	1	2	1	2	2	2	2	2	2
Building Maintenance Technician	—	—	—	—	—	—	—	1	1	2
Capital Review Engineer	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	1	2
Mechanic II	—	—	—	—	—	—	—	—	—	1
Project Inspector	1	2	2	2	1	1	—	—	—	1
Public Works Crew Chief	2	2	2	2	2	2	—	—	—	—
Public Works Director	1	1	1	1	1	1	1	1	1	1
Public Works Maintenance Superintendent	1	1	1	1	—	—	—	—	—	—
Public Works Maintenance Worker I	4	4	4	6	—	—	7	7	7	6
Public Works Maintenance Worker II	4	4	4	4	9	9	5	5	5	9
Public Works Mechanic	1	1	1	1	1	1	—	—	—	—
Public Works Operations Manager	—	—	—	—	1	1	1	1	1	1
Senior Project Inspector	1	—	—	—	1	1	2	2	2	2

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									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Development Services										
Administrative Assistant	1	1	1	1	1	1	1	1	1	1
Assistant Director	—	—	—	—	1	1	1	1	1	1
Building Inspector	1	1	1	1	1	1	1	1	1	1
Chief Building Official	1	1	1	1	1	1	1	1	1	1
City Planner	1	1	1	1	1	1	1	1	1	—
Code Enforcement Officer	1	1	1	1	1	1	1	1	1	1
Community Development Manager	1	1	1	1	1	1	1	1	1	1
Development Director	1	1	—	1	—	—	—	—	—	—
Planning and Economic Development Manager	—	—	1	—	—	—	—	—	—	—
Rental Inspector	—	—	—	—	1	0.5	—	—	—	—
Senior Building Inspector	1	1	1	1	1	1	1	1	1	1
Parks & Recreation										
Administrative Assistant	—	—	—	—	—	—	—	—	—	1
Assistant Parks & Recreation Director	2	2	2	—	1	1	1	1	1	1
Athletic Fields Ground Keeper	2	2	2	2	2	2	2	1	1	2
Building Maintenance Technician	1	1	1	2	1	1	1	1	1	1
Bus Driver	—	—	—	—	—	—	—	—	—	1
Community Center Manager	—	—	—	1	1	1	1	1	1	1
Custodian	—	—	—	—	—	—	—	1	1	1
Customer Care Team Supervisor	—	1	1	1	—	—	—	—	—	—
Events Coordinator	—	—	—	—	—	—	1	1	1	—
Facility Maintenance Supervisor	1	2	1	1	—	—	—	—	—	—
Horticulturist	1	1	1	1	1	1	1	1	1	—
Lead Theater Technician	1	1	1	1	1	1	1	1	1	1
Maintenance Supervisor	—	—	—	—	1	1	—	—	—	—
Marketing/Special Events Coordinator	1	1	1	1	1	1	—	—	—	1
Mechanic	1	1	1	1	1	1	1	1	1	—
Mechanical Systems Specialist	—	—	—	—	—	—	1	1	1	—
Office Assistant	—	—	—	—	1	1	1	1	1	1
Office Supervisor	1	1	1	1	1	1	1	1	1	1
Parks & Natural Resources Manager	—	1	1	1	1	1	1	1	1	1
Parks and Recreation Director	1	1	1	1	1	1	1	1	1	1
Parks Crew Chief	2	1	2	2	1	1	2	2	2	3
Parks Maintenance Worker I	3	2	3	4	1	1	—	—	—	4
Parks Maintenance Worker II	1	3	1	1	3	3	3	3	3	3
Parks Manager - Operations	1	1	1	1	—	—	—	—	—	—
Parks Supervisor	—	1	—	2	2	2	1	1	1	—
Recreation Coordinator	3	3	2	2	2	2	3	3	3	2
Recreation Program (Sports Complex) Manager	4	3	4	1	1	1	1	1	1	1
Recreation Supervisor	—	—	—	1	—	—	—	—	—	—
Senior Center Technician	—	—	—	—	—	—	—	—	—	1
Senior Recreation Coordinator	—	3	3	3	3	3	3	3	3	3
Senior Services Coordinator	—	—	—	—	—	—	—	—	—	1
Special Projects Manager	1	1	1	1	—	—	—	—	—	—
Theater Coordinator	1	1	1	—	—	—	—	—	—	—
Theater Productions/Facility Rental Supervisor	—	—	—	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									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Utilities										
Administrative Assistant	1	1	1	—	—	—	—	—	—	—
Collection Maintenance I	—	—	—	1	—	—	—	—	—	—
Utilities Manager - Collections	1	1	1	1	1	1	—	—	—	—
Utilities Collection Worker I	5	5	5	5	3	3	—	—	—	—
Utilities Collection Worker II	2	1	1	1	1	1	—	—	—	—
Construction Manager-Sewer	1	1	1	1	1	1	1	1	1	—
Construction Manger-Water	1	1	1	1	1	1	1	1	1	—
Utilities Construction Worker I	1	1	1	1	1	1	1	1	2	—
Utilities Construction Worker II	1	2	2	1	1	1	—	—	—	—
Crew Chief	—	—	—	—	—	—	2	2	2	—
Crew Chief Collections	1	—	—	—	—	—	—	—	—	—
Crew Chief Meter Services	1	—	—	—	—	—	—	—	—	—
Utilities Manager - Distribution	1	1	1	1	1	1	—	—	—	—
Utilities Distribution Worker I	4	5	5	5	5	5	—	—	—	—
Utilities Distribution Worker II	2	2	2	2	2	2	—	—	—	—
Lead Operator-Water Treatment Operations	—	—	—	—	—	—	1	1	1	—
Maintenance Supervisor-Water Treatment Operations	—	—	—	—	—	—	1	1	1	—
Maintenance Mecahnic-Water Tratment Operations	—	—	—	—	—	—	1	1	1	—
Maintenance Worker I	—	—	—	—	—	—	8	8	8	—
Maintenance Worker II	—	—	—	—	—	—	2	2	2	—
Operator-Water Tratment Operations	—	—	—	—	—	—	4	4	4	—
Utilities Manager - Production	1	1	1	1	1	1	—	—	—	—
Production Technician	—	—	—	—	6	6	—	—	—	—
Utilities Treatment Manager	1	1	1	1	1	1	—	—	—	—
Util Prod/Treatment Technician I	9	10	10	7	2	2	—	—	—	—
Treatment Technician II	—	—	—	1	—	—	—	—	—	—
Utilities Assistant Director Operations & Construction	1	1	1	1	1	1	1	1	1	—
Utilities Assistant Director Production & Treatment	1	1	1	1	1	1	1	1	1	—
Utilities Director	1	1	1	1	1	1	1	1	1	—
Utilities Meter Service Technician	2	2	2	—	—	—	—	—	—	—
Utilities Water Service Specialist	—	1	1	—	—	—	—	—	—	—
Utilities Worker - Production & Treatment	1	1	2	—	—	—	—	—	—	—
WWTP-IPP Coordinator	1	1	1	1	—	—	—	—	—	—
Totals City-Wide	2,276	2,283	2,289	2,273	2,263	2,262	2,255	2,249	2,250	2,222

Source: City records

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

Function/Program	Calendar Year									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Police:										
Calls for service	30,441	30,210	31,540	29,594	26,815	31,324	26,556	26,703	24,509	22,558
Adult arrest	1,514	1,897	471	467	1,138	888	741	741	738	805
Speeding citations only	1,710	1,768	1,443	1,359	955	622	132	545	945	802
Traffic citations	5,620	5,012	4,923	5,307	4,672	2,823	3,634	3,013	3,832	3,125
Fire:										
Total fire runs	3,338	894	3,338	3,265	3,330	3,358	3,997	1,176	1,229	1,157
Total rescue runs	3,232	3,380	2,898	2,847	2,896	2,817	3,034	3,405	3,401	3,290
Property loss	452,250	670,100	250,500	699,200	4,152,500	887,000	663,400	1,004,200	6,963,001	1,265,650
Property saved	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	14,971,350
Building permits:										
Commercial:										
Total building permits	5	31	4	9	11	18	16	5	143	98
Total value all permits	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	38,133,287
Residential:										
Total building permits	17	12	39	30	24	42	55	47	186	213
Total value all permits	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	22,143,879
Parks and Recreation:										
Recreation program attendance	3,511	3,827	4,564	-	-	-	-	-	-	-
Sports	-	-	-	5,065	6,443	5,366	4,399	8,671	7,068	1,873
Community Programs	-	-	-	817	271	-	3,342	4,582	4,858	2,369
Camps	-	-	-	-	-	381	810	1,010	852	409
Aquatics program attendance	3,839	3,119	2,244	2,481	3,315	2,733	3,045	3,537	2,803	1,393
Fitness	-	-	-	3,371	3,591	-	38,471	50,662	51,354	25,677
Community Center Memberships	2,496	17,669	4,411	4,484	4,620	5,196	5,642	5,548	5,325	4,682
Rentals	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	201
# of Hours	-	-	-	2,133	2,099	2,540	2,250	2,649	2,504	1,219
Street trees maintained (1)	-	-	-	-	-	-	-	-	-	-
# of Trees**	675	700	700	680	1,810	280	1,022	-	-	-
# of Hours	-	-	-	-	-	-	-	3,000	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	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Debt Service/Lease Payments	\$ 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	\$ 3,736,940
Street and Major Roadway Improvements	926,632	820,876	29,839	4,201,556	—	—	—	—	—	94,581
Storm Water Improvements	26,909	275,685	205,599	56,822	404,472	553,786	244,362	1,274,258	496,952	437,469
Capital Equipment	432,283	598,365	692,643	363,226	708,041	818,809	837,262	1,898,576	534,917	466,442
Fire Equipment	20,875	5,112	4,710	—	1,906,893	82,353	36,683	1,073,864	4,983	24,149
Neighborhood Improvements	317,918	364,524	123,339	420,015	—	—	—	—	—	—
Water System Upgrades	82,345	758,171	1,266,184	990,939	490,970	910,107	437,010	1,397,842	902,940	1,564,255
Sewer System Upgrades	9,947	174,567	1,066,823	319,556	741,859	381,072	258,513	513,287	1,494,304	2,151,539
WasteWater System	—	—	—	2,380,590	16,534,500	50,728,915	6,933,767	—	—	—

Source: City records