

PRELIMINARY OFFICIAL STATEMENT DATED NOVEMBER 25, 2025

THIS COVER PAGE CONTAINS CERTAIN INFORMATION FOR QUICK REFERENCE ONLY. IT IS NOT A SUMMARY OF THIS ISSUE. INVESTORS MUST READ THE ENTIRE OFFICIAL STATEMENT TO OBTAIN INFORMATION ESSENTIAL TO THE MAKING OF AN INFORMED INVESTMENT DECISION.

**NEW ISSUE
BOOK ENTRY ONLY**

**S&P RATING: “A+”
See “Rating” herein.**

In the opinion of Gilmore & Bell, P.C., Bond Counsel, under existing law and assuming continued compliance with certain requirements of the Internal Revenue Code of 1986, as amended (the “Code”), (1) the interest on the Bonds (including any original issue discount properly allocable to an owner thereof) is excludable from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax, (2) the interest on the Bonds is exempt from income taxation by the State of Missouri and (3) the Bonds are not “qualified tax-exempt obligations” within the meaning of Section 265(b)(3) of the Code. Bond Counsel notes that interest on the Bonds may be included in adjusted financial statement income of applicable corporations for purposes of determining the applicability and amount of the federal corporate alternative minimum tax. See “TAX MATTERS” in this Official Statement.

\$23,065,000*
CITY OF LIBERTY, MISSOURI
SPECIAL OBLIGATION BONDS
SERIES 2025

Dated: Date of Delivery

**Due: November 1, as shown on
the inside cover page**

The Bonds are issuable only as fully registered bonds, without coupons, and, when issued, will be registered in the name of Cede & Co., as registered owner and nominee for The Depository Trust Company (“DTC”), New York, New York. DTC will act as securities depository for the Bonds. Purchases of the Bonds will be made in book-entry form, in authorized denominations. Purchasers will not receive certificates representing their interests in Bonds purchased. So long as Cede & Co. is the registered owner of the bonds, as nominee of DTC, references herein to the Bondowners or registered owners shall mean Cede & Co., as aforesaid, and shall not mean the Beneficial Owners (herein defined) of the Bonds.

The Bonds will be issued in the denomination of \$5,000 or any integral multiple thereof. Semiannual interest will be payable on May 1 and November 1, beginning on May 1, 2026. Principal will be payable upon presentation and surrender of the Bonds by the registered owners thereof at the payment office of UMB Bank, N.A., Kansas City, Missouri, Paying Agent. Interest will be payable by check or draft of the Paying Agent mailed (or by electronic transfer in certain circumstances as described herein) to the persons who are the registered owners of the Bonds as of the close of business on the fifteenth day of the month preceding the interest payment date. So long as DTC or its nominee, Cede & Co., is the Bondowner, such payments will be made directly to such Bondowner. DTC is expected, in turn, to remit such payments to the DTC Participants (herein defined) for subsequent disbursement to the Beneficial Owners.

The Bonds are subject to redemption prior to maturity as described herein.

The Bonds and the interest thereon will constitute special obligations of the City payable solely from amounts appropriated in each Fiscal Year (i) out of the income and revenues of the City provided for such Fiscal Year, plus (ii) any unencumbered balances from previous years. The City is not obligated to make any such annual appropriation. The Bonds do not constitute general obligations or indebtedness of the City within the meaning of any constitutional, charter or statutory debt limitation or restriction, and the City does not pledge its full faith and credit and is not obligated to levy taxes or resort to any other moneys or property of the City to pay the principal of and interest on the Bonds. The fiscal year of the City begins on each January 1 and ends on December 31 (the “Fiscal Year”).

The Bonds are offered when, as and if issued by the City, subject to the approval of legality by Gilmore & Bell, P.C., Kansas City, Missouri, Bond Counsel. Certain legal matters related to the Official Statement will be passed upon by Gilmore & Bell, P.C., Kansas City, Missouri. It is expected that the Bonds will be available for delivery at The Depository Trust Company in New York, New York on or about December __, 2025.

Bids for the Bonds will be received electronically by e-mail or through PARITY® as described in the Notice of Sale until 10:00 A.M., Central Time, on December 9, 2025.

[UNDERWRITER LOGO]

The date of this Official Statement is December __, 2025.

* Preliminary, subject to change.

\$23,065,000*
CITY OF LIBERTY, MISSOURI
SPECIAL OBLIGATION BONDS
SERIES 2025

MATURITY SCHEDULE*

Serial Bonds

<u>Due</u> <u>November 1</u>	<u>Principal</u> <u>Amount</u>	<u>Interest</u> <u>Rate</u>	<u>Price</u>	<u>Yield</u>
2026	\$615,000			
2027	505,000			
2028	530,000			
2029	555,000			
2030	585,000			
2031	610,000			
2032	645,000			
2033	675,000			
2034	710,000			
2035	745,000			
2036	780,000			
2037	820,000			
2038	860,000			
2039	905,000			
2040	950,000			
2041	995,000			
2042	1,045,000			
2043	1,100,000			
2044	1,155,000			
2045	1,210,000			
2046	1,275,000			
2047	1,340,000			
2048	1,410,000			
2049	1,485,000			
2050	1,560,000			

[Term Bonds]

<u>Due</u> <u>November 1</u>	<u>Principal</u> <u>Amount</u>	<u>Interest</u> <u>Rate</u>	<u>Price</u>	<u>Yield</u>
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* Preliminary, subject to change.

CITY OF LIBERTY, MISSOURI
101 East Kansas
Liberty, Missouri 64068
(816) 439-4400

MAYOR AND CITY COUNCIL

Greg Canuteson, *Mayor*
Gene Gentrup, *Council Member*
Kevin Graham, *Council Member*
Michael Hagan, *Council Member*
Harold A. Phillips, *Council Member*
Kelly Wren Pozel, *Council Member*
Adam Travis, *Council Member*
Jeff Watt, *Council Member*

CITY ADMINISTRATION

Curt Wenson, *City Administrator*
Sara Cooke, *Assistant City Administrator*
Sarah Ranes, *Deputy City Clerk*
Vicki McClure, *Finance Director*

MUNICIPAL ADVISOR

Piper Sandler & Co.
Leawood, Kansas

CERTIFIED PUBLIC ACCOUNTANT

Forvis Mazars, LLP
Kansas City, Missouri

BOND COUNSEL

Gilmore & Bell, P.C.
Kansas City, Missouri

REGARDING USE OF THIS OFFICIAL STATEMENT

No dealer, broker, salesperson or other person has been authorized by the City or the Underwriter to give any information or to make any representations with respect to the Bonds other than those contained in this Official Statement, and, if given or made, such other information or representations must not be relied upon as having been authorized by any of the foregoing. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of the Bonds by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale. The information set forth herein has been furnished by the City and other sources believed to be reliable, but such information is not guaranteed as to accuracy or completeness, and is not to be construed as a representation, by the Underwriter. The information and expressions of opinion herein are subject to change without notice and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the City or others since the date hereof.

The Underwriter has reviewed the information in this Official Statement in accordance with, and as part of, its responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriter does not guarantee the accuracy or completeness of that information.

IN CONNECTION WITH THIS OFFERING, THE UNDERWRITER MAY OVERALLOTT OR EFFECT TRANSACTIONS THAT STABILIZE OR MAINTAIN THE MARKET PRICE OF THE BONDS AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

THE BONDS HAVE NOT BEEN REGISTERED WITH THE SECURITIES AND EXCHANGE COMMISSION UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR UNDER ANY STATE SECURITIES OR “BLUE SKY” LAWS. THE BONDS ARE OFFERED PURSUANT TO AN EXEMPTION FROM REGISTRATION WITH THE SECURITIES AND EXCHANGE COMMISSION.

CAUTIONARY STATEMENTS REGARDING FORWARD-LOOKING STATEMENTS IN THIS OFFICIAL STATEMENT

Certain statements included or incorporated by reference in this Official Statement constitute “forward-looking statements” within the meaning of the United States Private Securities Litigation Reform Act of 1995, Section 21E of the United States Securities Exchange Act of 1934, as amended, and Section 27A of the United States Securities Act of 1933, as amended. Such statements are generally identifiable by the terminology used such as “plan,” “expect,” “estimate,” “anticipate,” “projected,” “budget” or other similar words.

THE ACHIEVEMENT OF CERTAIN RESULTS OR OTHER EXPECTATIONS CONTAINED IN SUCH FORWARD-LOOKING STATEMENTS INVOLVE KNOWN AND UNKNOWN RISKS, UNCERTAINTIES AND OTHER FACTORS WHICH MAY CAUSE ACTUAL RESULTS, PERFORMANCE OR ACHIEVEMENTS DESCRIBED TO BE MATERIALLY DIFFERENT FROM ANY FUTURE RESULTS, PERFORMANCE OR ACHIEVEMENTS EXPRESSED OR IMPLIED BY SUCH FORWARD-LOOKING STATEMENTS. NEITHER THE CITY NOR ANY OTHER PARTY PLANS TO ISSUE ANY UPDATES OR REVISIONS TO THOSE FORWARD-LOOKING STATEMENTS IF OR WHEN THEIR EXPECTATIONS, OR EVENTS, CONDITIONS OR CIRCUMSTANCES UPON WHICH SUCH STATEMENTS ARE BASED OCCUR.

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OFFICIAL STATEMENT
\$23,065,000*
CITY OF LIBERTY, MISSOURI
SPECIAL OBLIGATION BONDS
SERIES 2025

INTRODUCTION

This introduction is only a brief description and summary of certain information contained in this Official Statement and is qualified in its entirety by reference to more complete and detailed information contained in the entire Official Statement, including the cover page and appendices hereto, and the documents summarized or described herein. A full review should be made of the entire Official Statement.

Purpose of the Official Statement

The purpose of this Official Statement is to furnish information relating to (1) the City of Liberty, Missouri (the “City”) and (2) the City’s Special Obligation Bonds, Series 2025 (the “Bonds”), to be issued in the principal amount of \$23,065,000* to (a) fund the costs of a project for the City and (b) pay costs related to the issuance of the Bonds. The project consists of acquiring, constructing, installing, improving, furnishing, and equipping an addition to City Hall for a new police station facility (the “Project”).

The City

The City is a special charter city and political subdivision organized and existing under the laws of the State of Missouri. See the caption “**THE CITY**” herein.

The Bonds

The Bonds are being issued pursuant to an ordinance (the “Bond Ordinance”) adopted by the governing body of the City for the purpose of funding the Project and paying costs related to the issuance of the Bonds. See the caption “**THE BONDS**” herein.

Security and Source of Payment

The payment of the principal of and interest on the Bonds is subject to annual appropriation by the City. The City is not required or obligated to make any such appropriation. No property of the City is pledged or encumbered to secure payment of the Bonds.

The Bonds and the interest thereon will constitute special limited obligations of the City payable solely from amounts appropriated in each Fiscal Year (i) out of the income and revenues of the City provided for such Fiscal Year, plus (ii) any unencumbered balances from previous years. The City is not obligated to make any such annual appropriation. The Bonds do not constitute general obligations or indebtedness of the City within the meaning of any constitutional, charter or statutory debt limitation or restriction, and the City does not pledge its full faith and credit and is not obligated to levy taxes or resort to any other moneys or property of the City to pay the principal of and interest on the Bonds. The fiscal year of the City begins on each January 1 and ends on December 31 (the “Fiscal Year”). See the caption “**SECURITY AND SOURCES OF PAYMENT FOR THE BONDS**” herein.

* Preliminary, subject to change.

Financial Statements

Audited financial statements of the City, as of and for the year ended December 31, 2024, are included in **Appendix B** to this Official Statement. These financial statements have been audited by Forvis Mazars, LLP, Kansas City, Missouri, to the extent and for the periods indicated in their report which is also included in **Appendix B** hereto.

Risk Factors

Payment of the Bonds is subject to certain risks. See the caption “**RISK FACTORS**” herein.

Continuing Disclosure Information

The City has covenanted in its Continuing Disclosure Certificate to provide certain financial information and notices of material events to the Municipal Securities Rulemaking Board, in compliance with Rule 15c2-12 promulgated by the Securities and Exchange Commission. See the caption “**CONTINUING DISCLOSURE**” herein.

THE CITY

The City is a special charter city and political subdivision organized and existing under the laws of the State of Missouri. The City encompasses approximately 29 square miles and is located in Clay County, Missouri, approximately 15 miles northeast of Kansas City, Missouri. The City had a population of 30,167 according to the 2020 U.S. Census and an estimated 2024 population of 31,245. See “**APPENDIX A: THE CITY**” and “**APPENDIX B: ACCOUNTANT’S REPORT AND AUDITED FINANCIAL STATEMENTS.**”

PLAN OF FINANCING

The Project

The Project consists of acquiring, constructing, installing, improving, furnishing, and equipping an addition to City Hall to provide for a new police facility. This new facility will be approximately 30,000 square feet. The Project is anticipated to cost approximately \$25 million and is expected to be completed in 2027.

Sources and Uses of Funds*

The following table summarizes the estimated sources of funds and the expected uses of such funds, in connection with the plan of financing:

<i>Sources of Funds:</i>	
Principal Amount of the Bonds	<u>\$23,065,000*</u>
Total.....	<u>\$</u>
<i>Uses of Funds:</i>	
Deposit for Project costs.....	\$
Costs of Issuance including Underwriters’ Discount.....	
Total.....	<u>\$23,065,000*</u>

* Preliminary, subject to change.

THE BONDS

The following is a summary of certain terms and provisions of the Bonds. Reference is hereby made to the Bonds and the provisions with respect thereto in the Bond Ordinance for the detailed terms and provisions thereof.

General Description

The Bonds will be issued in the principal amounts stated on the inside cover page of this Official Statement, will be dated their date of delivery, and will consist of fully registered bonds without coupons in the denomination of \$5,000 or any integral multiple thereof. The Bonds will mature, subject to redemption as described below, on November 1 in the years and in the principal amounts set forth on the inside cover page of this Official Statement. Interest on the Bonds will be payable semiannually on May 1 and November 1 in each year, beginning on May 1, 2026. Principal will be payable upon presentation and surrender of the Bonds by the Registered Owners thereof at the payment office of UMB Bank, N.A., Kansas City, Missouri, the Paying Agent. Interest shall be paid to the Registered Owners of the Bonds as shown on the Bond Register at the close of business on the Record Date for such interest (a) by check or draft mailed by the Paying Agent to the address of such Registered Owners shown on the Bond Register, (b) at such other address as is furnished to the Paying Agent in writing by any Registered Owner or (c) in the case of an interest payment to any Registered Owner of \$500,000 or more in aggregate principal amount of Bonds, by electronic transfer to such Registered Owner upon written notice given to the Paying Agent by such Registered Owner, not less than 5 days prior to the Record Date for such interest, containing the electronic transfer instructions including the bank (which shall be in the continental United States), ABA routing number and account name and account number to which such Registered Owner wishes to have such transfer directed.

Redemption Provisions

Optional Redemption. At the option of the City, Bonds may be called for redemption and payment prior to maturity on November 1, 2035* and thereafter, in whole or in part at any time at the redemption price of 100% of the principal amount thereof, plus accrued interest thereon to the redemption date.

Mandatory Redemption. The Bonds maturing in the year 20__* (the "Term Bonds") shall be subject to mandatory redemption by the City at a redemption price equal to 100% of the principal amount thereof plus accrued interest to the redemption date, in the following principal amounts on November 1 of the following years:

[Term Bonds Maturing November 1, 20__*]

Year

Principal Amount

*Final Maturity Date

Selection of Bonds to be Redeemed. Bonds shall be redeemed only in \$5,000 principal amounts or multiples thereof. When less than all of the Outstanding Bonds are to be redeemed and paid prior to maturity, such Bonds shall be redeemed from the maturities selected by the City, and Bonds of less than a full maturity shall be selected by the Paying Agent in \$5,000 units of face value by lot or in such other equitable manner as the Paying Agent may determine.

* Preliminary, subject to change.

Notice and Effect of Call for Redemption. In the event of any such redemption, the Paying Agent will give written notice of the City's intention to redeem and pay said Bonds by first-class mail to the original purchaser of the Bonds, and to the Registered Owner of each Bond, said notice to be mailed not less than 20 days prior to the redemption date. Notice of redemption having been given as aforesaid, the Bonds or portions of Bonds to be redeemed shall become due and payable on the redemption date, at the redemption price therein specified, and from and after the redemption date (unless the City defaults in the payment of the redemption price) such Bonds or portion of Bonds shall cease to bear interest.

So long as DTC is effecting book-entry transfers of the Bonds, the Paying Agent shall provide the notices specified above to DTC. It is expected that DTC will, in turn, notify the DTC Participants and that the DTC Participants, in turn, will notify or cause to be notified the Beneficial Owners. Any failure on the part of DTC or a DTC Participant, or failure on the part of a nominee of a Beneficial Owner of a Bond (having been mailed notice from the Paying Agent, a DTC Participant or otherwise) to notify the Beneficial Owner of the Bond so affected, shall not affect the validity of the redemption of such Bond.

Registration, Transfer and Exchange of Bonds

Each Bond when issued shall be registered by the Paying Agent in the name of the owner thereof on the Bond Register. Bonds are transferable only upon the Bond Register upon presentation and surrender of the Bonds, together with instructions for transfer. Bonds may be exchanged for Bonds in the same aggregate principal amount and maturity upon presentation to the Paying Agent, subject to the terms, conditions and limitations set forth in the Bond Ordinance and upon payment of any tax, fee or other governmental charge required to be paid with respect to any such registration, transfer or exchange.

SECURITY AND SOURCES OF PAYMENT FOR THE BONDS

The Bonds are special obligations of the City payable solely from amounts pledged or appropriated therefor in each Fiscal Year (i) out of the income and revenues provided for such Fiscal Year plus (ii) any unencumbered balances for previous years. The Bonds do not constitute general obligations or indebtedness of the City within the meaning of any constitutional, charter or statutory debt limitation or restriction, and the City does not pledge its full faith and credit and is not obligated to levy taxes or resort to any other moneys or property of the City to pay the principal of and interest on the Bonds.

The payment of the principal and interest on the Bonds is subject to an annual appropriation by the City. The City Council has directed the Finance Director or any other officer of the City at any time charged with the responsibility of formulating budget proposals to include in each annual budget an appropriation of the amount necessary (after taking into account any moneys legally available for such purpose) to pay debt service on the Bonds. The City is not required or obligated to make any such annual appropriation, and the decision whether or not to appropriate such funds will be solely within the discretion of the then current City Council. No property of the City is pledged or encumbered as security for payment of the Bonds.

The City plans to use funds from property taxes, sales taxes, and other revenues to provide for the payment of the debt service of the Bonds. **None of such taxes or revenues are pledged or may be pledged to the payment of the Bonds and any decision to budget or appropriate any of such funds will be within the sole discretion of the then current City Council in each fiscal year.**

All references herein to the Bond Ordinance are qualified in their entirety by reference to the Bond Ordinance. Copies of the Bond Ordinance and the Official Statement may be viewed at the office of Piper Sandler & Co., 11635 Rosewood Street, Leawood, Kansas 66211, (913) 345-3300, or will be provided to any prospective purchaser requesting the same, upon payment by such prospective purchaser of the cost of complying with such request.

RISK FACTORS

The following section describes certain risk factors affecting the payment of and security for the Bonds. The following discussion of risks is not meant to be an exhaustive list of the risks associated with the purchase of the Bonds and does not necessarily reflect the relative importance of the various risks. Potential investors are advised to consider the following factors along with all other information in this Official Statement in evaluating the Bonds. There can be no assurance that other risk factors will not become material in the future.

Payment of Principal and Interest on the Bonds Subject to Annual Appropriation

Although the City is obligated to include in its annual budget request to the City Council an appropriation to cover principal and interest on the Bonds, the City Council is not obligated to approve such an appropriation and its failure to do so is not an event of default.

THE BONDS DO NOT GIVE RISE TO A GENERAL OBLIGATION OR OTHER INDEBTEDNESS OF THE CITY, THE STATE OF MISSOURI, OR ANY OTHER POLITICAL SUBDIVISION THEREOF WITHIN THE MEANING OF ANY CONSTITUTIONAL, CHARTER OR STATUTORY DEBT LIMITATION OR RESTRICTION.

THE BONDS SHALL BE SPECIAL OBLIGATIONS OF THE CITY PAYABLE SOLELY FROM THE ANNUAL APPROPRIATION OF FUNDS BY THE CITY FOR THAT PURPOSE. IN EACH FISCAL YEAR, PAYMENTS OF PRINCIPAL OF AND INTEREST ON THE BONDS SHALL BE MADE SOLELY FROM THE AMOUNTS APPROPRIATED THEREFOR (I) OUT OF THE INCOME AND REVENUES OF THE CITY PROVIDED FOR SUCH YEAR PLUS (II) ANY UNENCUMBERED BALANCES FOR PREVIOUS YEARS, AND THE DECISION WHETHER TO MAKE SUCH APPROPRIATION EACH YEAR SHALL BE WITHIN THE SOLE DISCRETION OF THE THEN CURRENT CITY COUNCIL. SUBJECT TO THE PRECEDING SENTENCE, THE OBLIGATIONS OF THE CITY TO MAKE PAYMENTS HEREUNDER AND TO PERFORM AND OBSERVE ANY OTHER COVENANT AND AGREEMENT CONTAINED IN THE BOND ORDINANCE SHALL BE ABSOLUTE AND UNCONDITIONAL.

NO OTHER PROPERTY OF THE CITY IS PLEDGED OR ENCUMBERED TO SECURE PAYMENT OF THE BONDS.

THE CITY PLANS TO USE FUNDS FROM ITS PROPERTY TAXES, SALES TAXES, AND OTHER REVENUES TO PROVIDE FOR THE PAYMENT OF THE DEBT SERVICE OF THE BONDS. NONE OF SUCH TAXES OR REVENUES ARE PLEDGED OR MAY BE PLEDGED TO THE PAYMENT OF THE BONDS AND ANY DECISION TO BUDGET OR APPROPRIATE ANY OF SUCH FUNDS WILL BE WITHIN THE SOLE DISCRETION OF THE THEN CURRENT CITY COUNCIL IN EACH FISCAL YEAR.

No Credit Enhancement

No bond insurance policy, letter of credit, reserve fund or other credit enhancement will be issued or funded to insure payment of the principal of or interest on the Bonds. Accordingly, any potential purchaser of the Bonds should consider the financial ability of the City to appropriate moneys sufficient to make the payments of principal of and interest on the Bonds.

Potential Risks Relating to COVID-19

In December 2019, a novel strain of coronavirus (which leads to the disease known as “COVID-19”), was discovered in Wuhan, China. Since that date, the virus spread throughout the world and was characterized as a pandemic. The impact of the COVID-19 pandemic on the U.S. economy has been broad based and negatively impacted national, state and local economies, including the City.

Although no pandemic-related health orders are currently in effect within the City or State, the recurrence of wide spread outbreaks of COVID-19 or the occurrence of any other pandemic may negatively impact the ability of the City to pay debt service on the Bonds if the economic ramifications of any pandemic has a lasting impact on the economy in and around the City.

Changes in Economic, Demographic and Market Conditions

Changes in real estate market conditions in the area of the City, as well as changes in general or local demographic or economic conditions, could adversely affect the value of the property located within the City and the level of economic activity in the City and, consequently, the amounts of real estate taxes, sales taxes and other revenues generated by the City. Such changes could also have an adverse impact on the financial condition of the City and, thus, the City resources available for appropriation for the payment of the Bonds.

In particular, sales tax revenues historically have been sensitive to changes in local, regional and national economic conditions. For example, sales tax revenues have historically declined during economic recessions, when high unemployment adversely affects consumption. Demographic changes in the population of the City may adversely affect the level of sales tax revenues. A decline in the City's population, or reductions in the level of commercial and industrial activity in the City, could reduce the number and value of taxable transactions and thus reduce the amount of sales tax revenues. Internet and on-line sales have also caused local sales tax collections to decline. The City currently imposes a use tax. It is not possible to predict whether or to what extent any such changes in economic conditions, demographic characteristics, population or commercial and industrial activity will occur, and what impact any such changes would have on sales tax revenues.

Investment Ratings and Secondary Market

The lowering or withdrawal of the investment rating initially assigned to the Bonds could adversely affect the market price for and the marketability of the Bonds. There is no assurance that a secondary market will develop for the purchase and sale of the Bonds. Prices of municipal securities in the secondary market are subject to adjustment upward and downward in response to changes in the credit markets and changes in operating performance of the entities operating the facilities subject to the municipal securities. From time to time the secondary market trading in selected issues of municipal securities will fluctuate as a result of the financial condition or market position of the underwriters, prevailing market conditions, or a material adverse change in the operations of that entity, whether or not the subject securities are in default as to principal and interest payments, and other factors that may give rise to uncertainty concerning prudent secondary market practices. Municipal securities are generally viewed as long-term investments, subject to material unforeseen changes in the investor's circumstances, and may require commitment of the investor's funds for an indefinite period of time, perhaps until maturity.

Cybersecurity Risks

The City relies on its information systems to provide security for processing, transmission and storage of confidential and other credit information. It is possible that the City's security measures will not prevent improper or unauthorized access or disclosure of personally identifiable information resulting from cyber-attacks. Security breaches, including electronic break-ins, computer viruses, attacks by hackers and similar breaches can create disruptions or shutdowns of the City and the services it provides, or the unauthorized disclosure of confidential and other credit information. If personal or otherwise protected information is improperly accessed, tampered with or distributed, the City may incur significant costs to remediate possible injury to the affected persons, and the City may be subject to sanctions and civil penalties if it is found to be in violation of federal or state laws or regulations. Any failure to maintain proper functionality and security of information systems could interrupt the City's operations, delay receipt of revenues, damage its reputation, subject it to liability claims or regulatory penalties and could have a material adverse effect on its operations, financial condition and results of operations. The City has security practices and assessments to monitor and prevent cyber-security risks. The City has not experienced any cyber-security incidents within the last 3 years.

Enforcement of Remedies

The enforcement of the remedies under the Bond Ordinance may be limited or restricted by federal or state laws or by the application of judicial discretion, and may be delayed in the event of litigation to enforce the remedies. State laws concerning the use of assets of political subdivisions and federal and state laws relating to bankruptcy, fraudulent conveyances, and rights of creditors may affect the enforcement of remedies. Similarly, the application of general principles of equity and the exercise of judicial discretion may preclude or delay the enforcement of certain remedies. The legal opinions to be delivered with the issuance of the Bonds will be qualified as they relate to the enforceability of the various legal instruments by reference to the limitations on enforceability of those instruments under (1) applicable bankruptcy, insolvency, reorganization or similar laws affecting the enforcement of creditors' rights, (2) general principles of equity, and (3) the exercise of judicial discretion in appropriate cases.

Bankruptcy

In addition to the limitations on remedies contained in the Bond Ordinance, the rights and remedies provided by the Bonds may be limited by and are subject to (i) bankruptcy, insolvency, reorganization, arrangement, fraudulent conveyance, moratorium and other laws affecting creditors' rights, (ii) the application of equitable principles, and (iii) the exercise of judicial discretion in appropriate cases and to limitations on legal remedies against political subdivisions in the State of Missouri. The City, like all other Missouri political subdivisions, is specifically authorized by Missouri law to institute proceedings under Chapter 9 of the Federal Bankruptcy Code. Such proceedings, if commenced, are likely to have an adverse effect on the market price of the Bonds.

Pensions and Other Postemployment Benefits

The City contributes to the Missouri Local Government Employees Retirement System ("LAGERS"), an agent multi-employer, statewide public employee retirement plan for entities of local government which is legally separate and fiscally independent of the State of Missouri. The City also provides other postemployment benefits ("OPEB") as part of the total compensation offered to attract and retain the services of qualified employees. Future required contribution increases beyond the current fiscal year may require the City to increase its revenues, reduce its expenditures, or some combination thereof, which may impact the City's operations or limit the City's ability to generate additional revenues in the future.

For more information specific to the City's participation, including the City's past contributions, net pension liability, and pension expense, see Note 7 to the City's financial statements included in *Appendix B* to this Official Statement.

Amendment of the Bond Ordinance

Certain amendments, effected by ordinance of the City, to the Bonds and the Bond Ordinance may be made with consent of the owners of not less than a majority in principal amount of the Bonds then outstanding. Such amendments may adversely affect the security of the owners of the Bonds.

Loss of Premium from Redemption

Any person who purchases the Bonds at a price in excess of their principal amount or who holds such Bonds trading at a price in excess of par should consider the fact that the Bonds are subject to redemption prior to maturity at the redemption prices described herein in the event such Bonds are redeemed prior to maturity. See **"THE BONDS – Redemption Provisions"** in this Official Statement.

Risk of Audit

The Internal Revenue Service has established an ongoing program to audit obligations such as the Bonds to determine the legitimacy of the tax status of such obligations. No assurance can be given that the Internal

Revenue Service will not commence an audit of the Bonds. Owners of the Bonds are advised that, if an audit of the Bonds were commenced, in accordance with its current published procedures, the Internal Revenue Service is likely to treat the City as the taxpayer, and the Owners of the Bonds may not have a right to participate in such audit. Public awareness of any audit could adversely affect the market value and liquidity of the Bonds during the pendency of the audit, regardless of the ultimate outcome of the audit.

Taxability

The Bonds are not subject to prepayment nor is the interest rate subject to adjustment in the event of a determination by the Internal Revenue Service or a court of competent jurisdiction that the interest paid or to be paid on any Bonds is or was includible in the gross income of the Owners of the Bonds for federal income tax purposes. It may be that Owners of the Bonds would continue to hold their bonds, receiving principal and interest as and when due, but would be required to include such interest payments in gross income for federal income tax purposes.

Other Factors Affecting the City

One or more of the following factors or events could adversely affect the City's operations and financial performance to an extent that cannot be determined at this time:

1. *Changes in Administration.* Changes in key administrative personnel could affect the capability of management of the City.
2. *Future Economic Conditions.* Adverse economic conditions or changes in demographics in the City, including increased unemployment and inability to control expenses in periods of inflation, could adversely impact the City's financial condition.
3. *Insurance Claims.* Increases in the cost of general liability insurance coverage and the amounts paid in settlement of liability claims not covered by insurance could adversely impact the City's financial condition.
4. *Natural Disasters.* The occurrence of natural disasters, such as floods, droughts, tornadoes or earthquakes, or the impact of pandemics, could damage the facilities of the City, interrupt services or otherwise impair operations and the ability of the City to produce revenues or control expenditures.
5. *Organized Labor Efforts.* Efforts to organize employees of the City into collective bargaining units could result in adverse labor actions or increased labor costs.

The Hancock Amendment

The City's ability to raise property taxes is substantially constrained by Missouri law. An amendment to the Missouri Constitution limiting taxation and government spending was approved by Missouri voters on November 4, 1980. This amendment limits the ability of the City to impose new or increased taxes to provide funding for the payment of the Bonds, or other governmental purposes of the City, without voter approval. The amendment (commonly known as the Hancock Amendment) limits the rate of increase and the total amount of taxes which may be imposed in any fiscal year, and the limit may not be exceeded without voter approval. The tax rate ceiling, determined annually, is the rate of levy which, when charged against the newly assessed valuation of the City for the current year, excluding new construction and improvements, will produce an amount of tax revenues equal to tax revenues for the previous year increased by 5% or the Consumer Price Index, whichever is lower. The limitation on local governmental units does not apply to taxes imposed for the payment of principal of and interest on general obligation bonds approved by the requisite percentage of voters.

The Hancock Amendment also requires political subdivisions of the State to obtain voter approval in order to increase any "tax, license or fee." The precise meaning and application of the phrase "tax, license or fee" is unclear, but decisions of the Missouri Supreme Court have indicated that it does not apply to traditionally

set user fees. The limitations imposed by the Hancock Amendment restrict the City's ability to increase many but not all taxes, licenses and certain fees without obtaining voter approval.

In 2008, through the enactment of Senate Bill 711 ("SB 711"), the Missouri General Assembly approved further limitations on the amount of property taxes that can be imposed by a political subdivision such as the City. Prior to the enactment of SB 711, a Hancock rollback would not necessarily result in a reduction of the City's property tax levy if its current tax levy was less than its current tax levy ceiling, due to the City's voluntary rollback from the maximum authorized tax levy. The property tax levy is the levy actually imposed by a political subdivision while the tax rate ceiling is the maximum levy the political subdivision may impose under the provisions of the Hancock Amendment. Under SB 711, in reassessment years (odd-numbered years), the Hancock rollback is applied to a political subdivision's actual property tax levy, regardless of whether that levy is at the political subdivision's tax levy ceiling. This further reduction is sometimes referred to as an "SB 711 rollback." In non-reassessment years (even-numbered years), the property tax levy may be increased to the political subdivision's tax levy ceiling (as adjusted by the Hancock rollback), only after a public hearing and adoption of a resolution or policy statement justifying the action.

On March 2, 2021, the Missouri Court of Appeals, Eastern Division, held in *Blankenship v. Franklin County Collector* (619 S.W. 3d 491) that an increase in the operating levy by political subdivisions pursuant to the provisions of Section 137.073.5(2), which allows political subdivisions to increase the operating levy to account for inflation in certain situations, cannot result in a levy that exceeds the highest voter-approved levy in violation of the Hancock Amendment. Approximately 600 taxing authorities were notified by the Missouri State Auditor's Office that their 2020 tax rates did not comply with the Blankenship decision and would need to be recalculated to determine their 2021 tax rates. To the extent a taxing authority levied taxes in violation of the Blankenship decision, refunds of such taxes are permitted if (1) a taxpayer files for injunctive relief before such taxes become payable, which is December 31 of the tax year, or (2) a taxpayer pays such taxes under protest and files suit against the tax collector within ninety days. The City did not receive a letter from the Missouri State Auditor's Office and will not need to adjust revenues because of the Blankenship decision.

Senior Property Tax Credit Program

In 2023, the Missouri General Assembly passed Senate Bill 190, which authorizes counties to grant property tax credits to residential property owners eligible to receive social security benefits equal to the difference between the real property tax liability on the homestead in the current year minus the real property tax liability on such homestead in the year in which the taxpayer became eligible to receive the tax credit (the "**Senior Property Tax Credit Program**"). Implementation of the Senior Property Tax Credit Program requires either adoption of an ordinance by the county or an initiative petition and voter approval process. Property tax bills within counties that participate in the Senior Property Tax Credit Program will reflect the tax credit on property tax bills for eligible taxpayers, thereby reducing the amount of property taxes that the eligible taxpayer would otherwise pay. The Clay County Commission approved the implementation of the Senior Property Tax Relief in Clay County on November 30, 2023. The next application period will begin January 1, 2026 and run through March 31, 2026. The potential financial impact of the Senior Property Tax Credit Program on the City is not yet ascertainable.

Missouri Property Tax Cap

In June 2025, the Missouri General Assembly passed Senate Bill 3, which authorizes counties to grant property tax credits in the form of a cap on increases to residential real property tax bills. For certain counties, the real property tax liability on an eligible taxpayer's home may be increased by no more than five percent per year or the percent increase in the Consumer Price Index, whichever is greater. For other counties, the real property tax liability on an eligible taxpayer's home may not be increased above the liability incurred during the initial credit year. The City of St. Louis and 17 counties, including Clay County, are exempt from the bill. The initial credit year is 2024 or, if the eligible taxpayer's real property tax liability is lower in a subsequent year, the initial credit year is that subsequent calendar year. All non-exempt counties are required to place a question of whether to enact this real property tax cap on the ballot by no later than the April 2026 general election. If a

majority of the votes cast on the question are in favor of the cap, the credit shall be in effect and the county shall grant the property tax credit to eligible taxpayers. The County Collector for each respective county will note the amount of any credit on the real property tax bills sent to eligible taxpayers.

Defeasance Risks

When all of the Bonds are deemed paid as provided in the Bond Ordinance, the requirements contained in the Bond Ordinance and all other rights granted to bond owners thereby shall terminate. Bonds or scheduled interest payments thereon shall be deemed to have been paid and discharged within the meaning of the Bond Ordinance if there has been deposited with the Paying Agent, or other commercial bank or trust company and having full trust powers, at or prior to the stated maturity or redemption date of said Bonds or the interest payments thereon, in trust for and irrevocably appropriated thereto, moneys and Defeasance Obligations that, together with the interest to be earned on any such Defeasance Obligations, will be sufficient for the payment of the principal of said Bonds and interest accrued to the stated maturity or redemption date, or if default in such payment has occurred on such date, then to the date of the tender of such payments; provided, however, that if any such Bonds are to be redeemed prior to their stated maturity, (1) the City has elected to redeem such Bonds, and (2) either notice of such redemption shall have been given, or the City shall have given irrevocable instructions, or shall have provided for an escrow agent to give irrevocable instructions, to the Paying Agent to give such notice of redemption in compliance with the Bond Ordinance. Defeasance Obligations include, in addition to cash and obligations pre-refunded with cash, bonds, notes, certificates of indebtedness, treasury bills and other securities constituting direct obligations of, or obligations the principal of and interest on which are fully and unconditionally guaranteed as to full and timely payment by, the United States of America. Historically, such United States obligations have been rated in the highest rating category by the rating agencies. There is no legal requirement in the Bond Ordinance that Defeasance Obligations consisting of such United States obligations be or remain rated in the highest rating category by any rating agency. Prices of municipal securities in the secondary market are subject to adjustment upward and downward in response to changes in the credit markets and that could include the rating of Bonds defeased with Defeasance Obligations to the extent the Defeasance Obligations have a change or downgrade in rating.

THE BOOK-ENTRY ONLY SYSTEM

The Depository Trust Company (“DTC”), New York, New York, will act as securities depository for the Bonds. The Bonds will be issued as fully-registered bonds registered in the name of Cede & Co. (DTC’s partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Bond certificate will be issued for each maturity of the Bonds.

DTC, the world’s largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a “banking organization” within the meaning of the New York Banking Law, a member of the Federal Reserve System, a “clearing corporation” within the meaning of the New York Uniform Commercial Code, and a “clearing agency” registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments from over 100 countries that DTC’s participants (“Direct Participants”) deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants’ accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation (“DTCC”). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (“Indirect Participants”). DTC has a Standard & Poor’s rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchases of Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC's records. The ownership interest of each actual purchaser of each Bond ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of the Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Bond documents. For example, Beneficial Owners of Bonds may wish to ascertain that the nominee holding the Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the Bonds within a maturity are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Bonds unless authorized by a Direct Participant in accordance with DTC's Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the City as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal and interest payments on the Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the City or Paying Agent, on the payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC (nor its nominee), the Paying Agent, or the City, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal or redemption price of and interest to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the City or the Paying Agent, disbursement of such payments to Direct Participants shall be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners shall be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as securities depository with respect to the Bonds at any time by giving reasonable notice to the City or the Paying Agent. Under such circumstances, in the event that a successor securities depository is not obtained, Bond certificates are required to be printed and delivered.

The City may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In that event, Bond certificates will be printed and delivered to DTC.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the City believes to be reliable, but the City takes no responsibility for the accuracy thereof.

Transfer Outside Book-Entry Only System

If the Book-Entry Only System is discontinued the following provisions would apply. The Bonds are transferable only upon the Register upon presentation and surrender of the Bonds, together with instructions for transfer. Bonds may be exchanged for other Bonds of any denomination authorized by the Bond Ordinance in the same aggregate principal amount, series, payment date and interest rate, upon presentation to the Paying Agent, subject to the terms, conditions and limitations and upon payment of any tax, fee or other governmental charge required to be paid with respect to any such registration, exchange or transfer.

LEGAL MATTERS

Legal Proceedings

As of the date hereof, there is no controversy, suit or other proceeding of any kind pending or threatened wherein or whereby any question is raised or may be raised, questioning, disputing or affecting in any way the legal organization of the City or its boundaries, or the right or title of any of its officers to their respective offices, or the legality of any official act in connection with the authorization, issuance and sale of the Bonds, or the constitutionality or validity of the Bonds or any of the proceedings had in relation to the authorization, issuance or sale thereof, or the levy and collection of a tax to pay the principal and interest thereof, or which might affect the City's ability to meet its obligations to pay the Bonds.

From time to time, claims and litigation against the City arises in the ordinary course of business. The City, after consultation with counsel, does not believe that the outcome of these matters will have a material impact on the financial condition of the City, and the City does not believe that such exposure would materially affect the City's ability to meet its obligations to pay the Bonds.

Approval of Legality

All legal matters incident to the authorization and issuance of the Bonds are subject to the approval of Gilmore & Bell, P.C., Kansas City, Missouri, Bond Counsel.

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TAX MATTERS

The following is a summary of the material federal and State of Missouri income tax consequences of holding and disposing of the Bonds. This summary is based upon laws, regulations, rulings and judicial decisions now in effect, all of which are subject to change (possibly on a retroactive basis). This summary does not discuss all aspects of federal income taxation that may be relevant to investors in light of their personal investment circumstances or describe the tax consequences to certain types of owners subject to special treatment under the federal income tax laws (for example, dealers in securities or other persons who do not hold the Bonds as a capital asset, tax-exempt organizations, individual retirement accounts and other tax deferred accounts, and foreign taxpayers), and, except for the income tax laws of the State of Missouri, does not discuss the consequences to an owner under any state, local or foreign tax laws. The summary does not deal with the tax treatment of persons who purchase the Bonds in the secondary market. Prospective investors are advised to consult their own tax advisors regarding federal, state, local and other tax considerations of holding and disposing of the Bonds.

Opinion of Bond Counsel

In the opinion of Gilmore & Bell, P.C., Bond Counsel to the City, under the law existing as of the issue date of the Bonds:

Federal and State of Missouri Tax Exemption. The interest on the Bonds (including any original issue discount properly allocable to an owner thereof) is excludable from gross income for federal income tax purposes and is exempt from income taxation by the State of Missouri.

Alternative Minimum Tax. The interest on the Bonds is not an item of tax preference for purposes of computing the federal alternative minimum tax.

No Bank Qualification. The Bonds are not “qualified tax-exempt obligations” within the meaning of Section 265(b)(3) of the Code.

Bond Counsel’s opinions are provided as of the date of the original issue of the Bonds, subject to the condition that the City comply with all requirements of the Code that must be satisfied subsequent to the issuance of the Bonds in order that interest thereon be, or continue to be, excludable from gross income for federal income tax purposes. The City has covenanted to comply with all such requirements. Failure to comply with certain of such requirements may cause the inclusion of interest on the Bonds in gross income for federal and State of Missouri income tax purposes retroactive to the date of issuance of the Bonds. Bond Counsel is expressing no opinion regarding other federal, state or local tax consequences arising with respect to the Bonds, but has reviewed the discussion under the heading “TAX MATTERS.”

Other Tax Consequences

Original Issue Discount. For federal income tax purposes, original issue discount is the excess of the stated redemption price at maturity of a Bond over its issue price. The issue price of a Bond is generally the first price at which a substantial amount of the Bonds of that maturity have been sold to the public. Under Section 1288 of the Code, original issue discount on tax-exempt bonds accrues on a compound basis. The amount of original issue discount that accrues to an owner of a Bond during any accrual period generally equals (1) the issue price of that Bond, plus the amount of original issue discount accrued in all prior accrual periods, multiplied by (2) the yield to maturity on that Bond (determined on the basis of compounding at the close of each accrual period and properly adjusted for the length of the accrual period), minus (3) any interest payable on that Bond during that accrual period. The amount of original issue discount accrued in a particular accrual period will be considered to be received ratably on each day of the accrual period, will be excludable from gross income for federal income tax purposes, and will increase the owner’s tax basis in that Bond. Prospective investors should consult their own tax advisors concerning the calculation and accrual of original issue discount.

Original Issue Premium. For federal income tax purposes, premium is the excess of the issue price of a Bond over its stated redemption price at maturity. The issue price of a Bond is generally the first price at which a substantial amount of the Bonds of that maturity have been sold to the public. Under Section 171 of the Code, premium on tax-exempt bonds amortizes over the term of the Bond using constant yield principles, based on the purchaser's yield to maturity. As premium is amortized, the owner's basis in the Bond and the amount of tax-exempt interest received will be reduced by the amount of amortizable premium properly allocable to the owner, which will result in an increase in the gain (or decrease in the loss) to be recognized for federal income tax purposes on sale or disposition of the Bond prior to its maturity. Even though the owner's basis is reduced, no federal income tax deduction is allowed. Prospective investors should consult their own tax advisors concerning the calculation and accrual of bond premium.

Sale, Exchange or Retirement of Bonds. Upon the sale, exchange or retirement (including redemption) of a Bond, an owner of the Bond generally will recognize gain or loss in an amount equal to the difference between the amount of cash and the fair market value of any property received on the sale, exchange or retirement of the Bond (other than in respect of accrued and unpaid interest) and such owner's adjusted tax basis in the Bond. To the extent a Bond is held as a capital asset, such gain or loss will be capital gain or loss and will be long-term capital gain or loss if the Bond has been held for more than 12 months at the time of sale, exchange or retirement.

Reporting Requirements. In general, information reporting requirements will apply to certain payments of principal, interest and premium paid on the Bonds, and to the proceeds paid on the sale of the Bonds, other than certain exempt recipients (such as corporations and foreign entities). A backup withholding tax will apply to such payments if the owner fails to provide a taxpayer identification number or certification of foreign or other exempt status or fails to report in full dividend and interest income. The amount of any backup withholding from a payment to an owner will be allowed as a credit against the owner's federal income tax liability.

Collateral Federal Income Tax Consequences. Prospective purchasers of the Bonds should be aware that ownership of the Bonds may result in collateral federal income tax consequences to certain taxpayers, including, without limitation, financial institutions, property and casualty insurance companies, individual recipients of Social Security or Railroad Retirement benefits, certain S corporations with "excess net passive income," foreign corporations subject to the branch profits tax, life insurance companies, and taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry or have paid or incurred certain expenses allocable to the Bonds. Bond Counsel expresses no opinion regarding these tax consequences. Purchasers of Bonds should consult their tax advisors as to the applicability of these tax consequences and other federal income tax consequences of the purchase, ownership and disposition of the Bonds, including the possible application of state, local, foreign and other tax laws.

Bond Counsel notes that the interest on the Bonds may be included in adjusted financial statement income of applicable corporations for purposes of determining the applicability and amount of the federal corporate alternative minimum tax.

CONTINUING DISCLOSURE

General

The City is executing a Continuing Disclosure Certificate, in substantially the form provided in *Appendix D* to this Official Statement, for the benefit of the owners and Beneficial Owners of the Bonds in order to comply with Rule 15c2-12 of the Securities and Exchange Commission (the "Rule"). The City is the only "obligated person" with responsibility for continuing disclosure.

The City has engaged in undertakings similar to the Continuing Disclosure Certificate with respect to several series of bonds previously issued by the City to provide to the national information repositories (presently, only the MSRB) the audited financial statements of the City and updates of certain operating data of the City. Over the last five years (i.e., for the fiscal years ending December 31, 2020 through December 31, 2024), the City timely filed its audited financial statements and operating data.

Electronic Municipal Market Access System (EMMA)

All Annual Reports and notices of Material Events required to be filed by the City or the Dissemination Agent pursuant to the Continuing Disclosure Certificate must be submitted to the MSRB through the MSRB's Electronic Municipal Market Access system ("EMMA"). EMMA is an internet-based, online portal for free investor access to municipal bond information, including offering documents, material event notices, real-time municipal securities trade prices and MSRB education resources, available at www.emma.msrb.org. Nothing contained on EMMA relating to the City or the Bonds is incorporated by reference in this Official Statement.

RATINGS

Standard & Poor's Ratings Services has assigned the Bonds a rating of "A+" which reflects its evaluation of the investment quality of the Bonds. Such rating reflects only the view of such rating agency, and an explanation of the significance of such rating may be obtained therefrom. There is no assurance that the rating will remain in effect for any given period of time or that it will not be revised, either downward or upward, or withdrawn entirely, by said rating agency if, in its judgment, circumstances warrant. Any such downward revisions or withdrawal of the rating may have an adverse effect on the market price of the Bonds.

The City has furnished the rating agency with certain information and materials relating to the Bonds and the City that have not been included in this Official Statement. Generally, rating agencies base their ratings on the information and materials so furnished and on investigations, studies and assumptions made by the rating agencies. There is no assurance that a particular rating will be maintained for any given period of time or that it will not be lowered or withdrawn entirely if, in the judgment of the rating agency originally establishing such rating, circumstances so warrant. The Underwriter has not undertaken any responsibility to bring to the attention of the holders of the Bonds any proposed revision or withdrawal of the ratings of the Bonds or to oppose any such proposed revision or withdrawal. Pursuant to the Continuing Disclosure Certificate, the City is required to bring to the attention of the holders of the Bonds any revision or withdrawal of the ratings of the Bonds but has not undertaken any responsibility to oppose any such revision or withdrawal. See the section herein captioned "**CONTINUING DISCLOSURE.**" Any such revision or withdrawal of the ratings could have an adverse effect on the market price and marketability of the Bonds.

MISCELLANEOUS

Municipal Advisor

Piper Sandler & Co. (the "Municipal Advisor") has acted as Municipal Advisor to the City in connection with the sale of the Bonds. The Municipal Advisor has assisted the City in matters relating to the planning, structuring and delivery of the Bonds and various other debt related matters. The Municipal Advisor will not be a manager or a member of any purchasing group submitting a proposal for the purchase of the Bonds.

The Municipal Advisor's duties, responsibilities and fees arise solely as Municipal Advisor to the City, and it has no secondary obligations or other responsibility.

Underwriting

Based upon bids received by the City on _____, 2025, the Bonds were awarded to _____ (the "Underwriter"). The Bonds are being purchased for reoffering by the Underwriter. The Underwriter has agreed to purchase the Bonds from the City at a price equal to \$_____ (representing the par amount of the Bonds less an underwriters' discount of \$_____ and [plus a net original issue premium] [less a net original issue discount] of \$_____). The Underwriter is purchasing the Bonds from the City for resale in the normal course of the Underwriter's business activities. The Underwriter reserves the right to offer any of the Bonds to one or more purchasers on such terms and conditions and at such price or prices as the Underwriter, in its discretion, shall

determine. The Underwriter reserves the right to join with dealers and other purchasers in offering the Bonds to the public. The Underwriter may offer and sell Bonds to certain dealers (including dealers depositing Bonds into investment trusts) at prices lower than the public offering prices.

The Underwriter has reviewed the information in this Official Statement in accordance with, and as part of, its responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriter does not guarantee the accuracy or completeness of that information.

Certification and Other Matters Regarding Official Statement

Information set forth in this Official Statement has been furnished or reviewed by certain officials of the City, certified public accountants, and other sources, as referred to herein, which are believed to be reliable. Any statements made in this Official Statement involving matters of opinion, estimates or projections, whether or not so expressly stated, are set forth as such and not as representations of fact, and no representation is made that any of the estimates or projections will be realized.

The Preliminary Official Statement has been “deemed final” by the City except for the omission of certain information as provided by Securities and Exchange Commission Rule 15c2-12. Simultaneously with the delivery of the Bonds, the Mayor of the City, acting on behalf of the City, will furnish to the Underwriter a certificate that shall state, among other things, that to the best knowledge and belief of such officer, this Official Statement (and any amendment or supplement hereto) as of the date of sale and as of the date of delivery of the Bonds does not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements herein, in light of the circumstances under which they were made, not misleading in any material respect.

The form of this Official Statement, and its distribution and use by the Underwriter, has been approved by the City. Neither the City nor any of its officers, directors or employees, in either their official or personal capacities, has made any warranties, representations or guarantees regarding the financial condition of the City or the City’s ability to make payments required of it; and further, neither the City nor its officers, directors or employees assumes any duties, responsibilities or obligations in relation to the issuance of the Bonds other than those either expressly or by fair implication imposed on the City by the Bond Ordinance.

CITY OF LIBERTY, MISSOURI

By: _____

Mayor

APPENDIX A

THE CITY

APPENDIX A

CITY OF LIBERTY, MISSOURI

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INFORMATION CONCERNING THE CITY

Location and Size

The City is the county seat of Clay County, Missouri (“Clay County”), and is located approximately 15 miles northeast of downtown Kansas City, Missouri (“Kansas City”). The City encompasses approximately 29 square miles and has an estimated 2024 population of 31,245.

Government and Organization

The City was incorporated in 1829, received its first charter from the State in 1851, and was reincorporated and rechartered as a special charter city in April 1861. The City still retains its status as a special charter city. Since 1965, the City has operated under the Mayor / Council / City Administrator form of government. The mayor is elected on an at-large, non-partisan basis for a two-year term. The eight members of the City Council are elected from the City’s four wards with staggered terms of four years. The City Administrator is the chief administrative officer and is appointed by and serves at the pleasure of the Mayor and City Council.

The elected officials of the City are as follows:

<u>Office</u>		<u>Name</u>	<u>Term Expires</u>
Mayor		Greg Canuteson	April 2027
Council Members	Ward 1	Harold Phillips	April 2029
		Shelton Ponder	April 2027
	Ward 2	Kelley Wrenn Pozel	April 2029
		Adam Travis	April 2027
	Ward 3	Kevin Graham	April 2027
		Jeff Watt	April 2029
	Ward 4	Michael Hagan	April 2027
		Gene Gentrup	April 2029

Public Utilities

Spire provides natural gas service in the City. Kansas City Power & Light provides electrical power to most of the City and Ameren serves other areas of the City. Telecommunication services are primarily supplied by AT&T.

Transportation and Communication Facilities

The City is situated at the junction of Interstate Highway 35 and Missouri Highways 152 and 291. The City’s southwest limit is approximately one mile northeast of the intersection of Interstate Highway 35 and Interstate Highway 435, which forms a beltway around Kansas City.

Kansas City International Airport is fifteen miles northwest of the City via Missouri Highway 291 and Interstate Highway 435. Three major rail carriers serve the City: the Norfolk Southern Railway, the Union Pacific Railroad, and the BNSF Railroad. The City provides commuter bus service to downtown Kansas City through a cooperative agreement with the Kansas City Area Transit Authority.

The City has one weekly newspaper, the *Liberty Courier Tribune*. The City’s residents benefit from numerous media outlets located in nearby Kansas City for radio, television and newspaper services.

Medical and Health Facilities

The community is served by Liberty Hospital, a 226-bed hospital, which opened in 1974. Several expansions to the hospital have been completed allowing the facility to be a comprehensive medical center with a full range of services. The hospital is a public hospital created for the benefit of the community governed by a six member publicly elected board of trustees. Liberty Hospital employs approximately 2,000 people and has more than 330 physicians. The hospital imposes a property tax levy to fund a portion of its operational expenses. In 2024, Liberty Hospital joined The University of Kansas Health System.

A Healthy Living Community, called Norterre, opened in early 2018. The innovative approach is a result of a creative partnership of Action Pact, Healthy Living Centers of America, and Liberty Hospital. Norterre includes a 50,000 square foot 2-story Healthy Living Center with state-of-the-art fitness and wellness equipment, an Olympic-size pool, therapeutic pool rooms for wellness classes and a cafe. It is a facility designed for all ages. In addition, the development includes a 60-room short term stay and long-term stay skilled nursing facility for patients during their recovery period, and a 60-room assisted living and memory support center. Additional medical office buildings and six attached residential row house buildings with four or five units each are also proposed.

The City is home to a county health clinic as well as private health centers. Liberty has three intermediate and seven residential care facilities.

Recreational and Religious Facilities

There are many recreational facilities in and around the City. Within the City, the City's Parks and Recreation Department manages approximately 500 acres of parkland, including thirteen developed parks. In addition, the City leases the 65-acre Walnut Woods Natural History Area, which is adjacent to Stocksdale Park, from the Missouri Department of Conservation. City recreation facilities available for public use include seven lighted sports fields, six picnic shelters, ten lighted tennis courts, paved trails, horseshoe pits, a nature trail, a fitness trail, an amphitheater, and playgrounds. The Parks and Recreation Department offers a variety of recreation programs on a seasonal basis for all ages including exercise, sports, arts and crafts, musical entertainment, special interest classes and special events.

The Liberty Community Center opened its doors to the public on February 18, 1992 and was built in conjunction with the Liberty Middle School. In September of 2003, a 6,000 square foot expansion project was completed making up the current 52,000 square foot facility. Amenities include a 5,400 square foot fitness center with walking track, a 700 seat performing arts theater, a family/youth fitness center, four swimming pools, a gymnasium, locker rooms, a hot tub, a sauna, meeting/banquet facilities with seating for up to 310 people, a catering kitchen and a childcare room.

The Fountain Bluff Sports Complex opened in June of 2002. This multi-million dollar facility offers various sports fields on a 146-acre site located near the southern limits of the City along Old 210 Highway. The site has eight ponds that are used for storm water control, irrigation of sports fields and public fishing while also providing aesthetic beauty to the park in the form of lighted fountains. The complex provides the public with more than two miles of walking and jogging trails, playgrounds and concession stands, nine state-of-the-art baseball/softball fields with scoreboards and lights and six soccer/football fields with lighted scoreboards. The complex currently has 65 acres of undeveloped space for future completion of the complex's master development plan. The Fountain Bluff Sports Complex offers a wide variety of sports leagues and tournaments for recreational and competitive levels. Programs included are baseball, soccer, and football and are offered to pre-school aged kids through senior adults. The complex hosts major state, regional and national events such as baseball, soccer and softball tournaments.

Smithville Lake, to the northwest of the City, covers 7,190 acres and has 175 miles of shoreline, with facilities for water sports, camping and recreation. Other nearby recreation areas are Watkins Mill State Park,

Tryst Falls Park, Rocky Hollow Park, and Hodge Park, which has a golf course, a wildlife reserve and an early 1800's village. The Jesse James Farm is nearby, as well as the Jesse James Bank Museum, which is located on the historic Liberty Square.

Educational Institutions and Facilities

One public school system, two parochial elementary schools and a college comprise the educational institutions in the City. Liberty School District No. 53 of Clay County, Missouri (the "Liberty School District") has an enrollment of 12,123 students, employs approximately 1,800 employees (consisting of administrative personnel, teachers and non-certified employees) and is rated as "accredited" by the Missouri Department of Elementary and Secondary Education. Liberty School District operates three high schools (one being an alternative school that serves grades 9 to 12), four middle schools, eleven elementary schools and one early childhood school.

William Jewell College, founded in 1849, is a co-educational liberal arts school with an enrollment of approximately 969 students. This private and independent institution is fully accredited by the North Central Association of Colleges and Secondary Schools and the Association of American Universities and Colleges. The college has opened the Pryor Learning Center, created to enhance its long standing entrepreneurship curriculum.

Population and Other Statistics

The population of the City, Clay County and the State of Missouri is set forth in the following table:

	<u>1990</u>	<u>2000</u>	<u>2010</u>	<u>2020</u>	<u>2023</u>
City of Liberty	20,459	26,232	29,149	30,167	30,446
Clay County	153,411	184,006	221,939	253,335	255,566
State of Missouri	5,117,073	5,595,211	5,988,927	6,154,913	6,168,181

The composition of the population in the City, Clay County and the State of Missouri as of the 2023 estimate was as follows:

	<u>City</u>	<u>Clay County</u>	<u>State of Missouri</u>
Under 20	8,754	66,345	1,547,870
20-24 Years	1,596	14,473	402,879
25-44 Years	7,954	73,046	1,596,432
45-64 Years	7,494	63,641	1,541,871
65 Years and older	<u>4,648</u>	<u>38,061</u>	<u>1,079,129</u>
Total	30,446	255,566	6,168,181
Median Age	37.3	37.6	38.9

Source: Missouri Census Data Center.

Labor Statistics

	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025*</u>
<i>City of Liberty</i>					
Civilian labor force	15,177	15,388	15,639	15,892	16,089
Unemployed	799	440	472	551	670
Unemployment rate	5.3%	2.9%	3.0%	3.5%	4.2%
<i>Clay County</i>					
Civilian labor force	136,224	137,148	140,828	143,066	144,827
Unemployed	6,465	3,608	3,934	4,601	5,664
Unemployment rate	4.7%	2.6%	2.8%	3.2%	3.9%
<i>State of Missouri</i>					
Civilian labor force	3,031,845	3,042,699	3,095,018	3,131,182	3,172,176
Unemployed	126,113	79,757	95,951	114,296	136,117
Unemployment rate	4.2%	2.6%	3.1%	3.7%	4.3%

Source: Missouri Economic Research and Information Center, Local Area Unemployment Statistics.

* Average of January through August.

Income Statistics

The following table sets forth income statistics for the City, Clay County and the State of Missouri:

	<u>Per Capita Income</u>	<u>Median Family Income</u>
City of Liberty	\$39,181	\$112,397
Clay County	42,336	103,627
State of Missouri	38,497	88,759

Source: Missouri Census Data Center.

Housing Structures

The following table sets forth statistics regarding housing structures by type in the City:

<u>Housing Type</u>	<u>Number of Units</u>	<u>Percentage of Units</u>
Single-Family	9,089	77%
Mobile Home	469	4
Multi-Family	2,329	20

Source: Missouri Census Data Center.

The median value of owner-occupied housing units in the area of the City and related areas was as follows:

City of Liberty	\$267,900
Clay County	256,400
State of Missouri	215,600

Source: Missouri Census Data Center.

Commerce and Industry

Listed below are the major employers located in the City and the number employed by each:

<u>Employer Name</u>	<u>Business</u>	<u>Total Employees</u>
1. Liberty School District	Education	2,082
2. Liberty Hospital	Healthcare	1,980
3. Hallmark Cards, Inc.	Warehouse Distribution	1,572
4. Amazon	Retail	1,471
5. Clay County	Government	688
6. City of Liberty	Government	494
7. Hy Vee	Grocery	486
8. LMV	Auto Parts Supplier	400
9. RR Donnelley	Publishing	355
10. Ford Stamping Plant	Fabricated Metal Products	299

Source: City of Liberty, Missouri.

Construction

The following chart summarizes construction activity during the past five calendar years by the number of permits issued and the estimated value for new construction, additions, renovations and repairs.

<u>Calendar Year</u>	<u>Building Permits Issued</u>	<u>Estimated Value</u>
2025*	730	\$162,385,440
2024	1,085	86,321,554
2023	474	74,375,549
2022	304	38,054,684
2021	414	98,291,691

The following chart summarizes construction activity during the past five calendar years by the number and type of new units constructed.

<u>Year</u>	<u>Residential</u>	<u>Commercial and Industrial</u>	<u>Total</u>
2025*	578	152	730
2024	698	387	1,085
2023	321	153	474
2022	222	82	304
2021	257	157	414

Source: City of Liberty, Missouri

* Through October 2025.

Pension and Employee Retirement Plans

The City participates in the Missouri Local Government Employees' Retirement System ("LAGERS"), an agent multiple-employer public employee retirement system that acts as a common investment and administrative agent for local government entities in Missouri. LAGERS was created and is governed by state statute, and is a defined-benefit pension plan that provides retirement, disability and death benefits. The plan is

qualified under Section 401(a) of the Internal Revenue Code of 1986, as amended, and is tax-exempt. LAGERS is governed by a seven-member Board of Trustees (“LAGERS’ Board”) consisting of three trustees elected by participating employees, three trustees elected by participating employers and one trustee appointed by the Missouri Governor.

LAGERS issues a publicly available financial report that includes financial statements and required supplementary information. The LAGERS Annual Comprehensive Financial Report for the fiscal year ended June 30, 2024 (“2024 LAGERS CAFR”) is available at <https://www.molagers.org/wp-content/uploads/2024/12/2024-ACFR-Final-Web.pdf>. The link to the 2024 LAGERS CAFR is provided for general background information only, and the information in the 2024 LAGERS CAFR is not incorporated by reference into this Official Statement. The 2024 LAGERS CAFR provides detailed information about LAGERS, including its financial position, investment policy and performance information, actuarial information and assumptions affecting plan design and policies, and certain statistical information about the plan.

For information specific to the City’s participation in LAGERS, including the City’s past contributions, net pension liability, and pension expense, see Note 7 to the City’s financial statements included in **Appendix B** to this Official Statement. For additional information regarding LAGERS, see the 2024 LAGERS CAFR.

Other Postemployment Benefits

In addition to pensions, many state and local governments, including the City, provide other postemployment benefits (“OPEB”) as part of the total compensation offered to attract and retain the services of qualified employees. For information specific to the City’s OPEB obligations, including the City’s past contributions relative to its required contributions, its assumptions as to future healthcare and other costs and its unfunded actuarial accrued liability, see Note 8 to the City’s financial statements included in **Appendix B** to this Official Statement.

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DEBT STRUCTURE OF THE CITY

Current General Obligation Indebtedness of the City

The following table sets forth as of December 1, 2025, all of the outstanding general obligation indebtedness of the City:

<u>Indebtedness</u>	<u>Date of Issuance</u>	<u>Amount Issued</u>	<u>Amount Outstanding</u>
General Obligation Bonds (South Liberty Parkway Project)	08/27/2015	\$12,985,000	\$7,565,000
General Obligation Refunding Bonds	12/28/2021	6,570,000	<u>3,740,000</u>
Total			<u>\$11,305,000</u>

History of General Obligation Indebtedness

The following table sets forth debt information pertaining to the City as of the end of each of the last five fiscal years:

<u>As of December 31</u>	<u>Outstanding Debt</u>	<u>Debt as Percentage of Assessed Value</u>
2024	\$12,590,000	1.5%
2023	13,835,000	1.7
2022	15,040,000	2.1
2021	16,505,000	2.5
2020	18,280,000	3.1

Debt Summary (as of 12/1/2025)

2025 Assessed Valuation:	\$905,450,906
2025 Estimated Actual Valuation:	\$3,918,458,432
Population (2024 Estimated):	31,245
Total Outstanding General Obligation Debt:	\$11,305,000
Overlapping Obligations: ⁽¹⁾	\$83,189,988
Total Debt and Overlapping Obligations:	\$94,494,988
Ratio of General Obligation Debt to Assessed Valuation:	1.25%
Ratio of General Obligation Debt to Estimated Actual Valuation:	0.29%
Per Capita General Obligation Debt:	\$361.82
Ratio of Total Debt Obligations to Assessed Valuation:	10.44%
Ratio of Total Debt Obligations to Estimated Actual Valuation:	2.41%
Per Capita Total Debt Obligations:	\$3,024.32

⁽¹⁾ Includes general obligation debt of political subdivisions with boundaries overlapping the City. See "DEBT STRUCTURE OF THE CITY – Overlapping Indebtedness" below.

Other Long-Term Obligations of the City

The following table sets forth the outstanding long-term obligations (other than general obligation indebtedness) of the City as of December 31, 2024:

<u>Category of Obligation</u>	<u>Date of Issuance</u>	<u>Amount Outstanding</u>
Sewer System Revenue Bonds (State Revolving Fund Program)	11/30/2005	\$900,000
Sewer System Refunding Revenue Bonds	10/28/2015	305,000
Sewerage System Revenue Bonds (State of Missouri – Direct Loan Program), Series 2015	11/10/2015	60,692,500
Special Obligation Tax Increment and Special Districts Bonds (Liberty Commons Project), 2015A	9/9/2015	28,145,000
Subordinate Special Obligation Tax Increment and Special Districts Bonds (Liberty Commons Project), 2015B	9/9/2015	9,095,000
Special Obligation Bonds	10/29/2015	10,165,000
Special Obligation Refunding and Improvement Bonds	12/7/2017	700,000
Special Obligation Bonds	11/27/2018	11,025,000
Taxable Special Obligation Bonds, Series 2019A	12/4/2019	390,000
Tax-Exempt Special Obligation Bonds, Series 2019B	12/4/2019	2,485,000
Special Obligation Bonds, Series 2020	12/18/2020	190,000
Equipment Lease Purchase Agreement	12/28/2021	285,000
Other Lease Purchase Agreements	N/A	2,070,000
Tax Increment Revenue Bonds	5/4/2010	2,790,000

⁽¹⁾ As of December 31, 2024. See “Note 5. Long-Term Liabilities” in the financial statements included in *Appendix B*.

Source: The City

The City has received voter approval to issue up to \$95,000,000 of sewer system revenue bonds and has issued \$78,422,996 of sewer system revenue bonds through the State Revolving Fund (“SRF”) Program to construct its own sewer treatment plant and to make improvements to its sewer system. The City does not have any specific plans to issue the remaining voted authority of sewer system revenue bonds.

History of Debt Payment

The City has never defaulted on the payment of any of its financing obligations.

Legal Debt Capacity

Article VI, Sections 26(b) and (c) of the Constitution of the State of Missouri limit the net outstanding amount of authorized general obligation indebtedness for a city to 10 percent of the assessed valuation of the city by a two-thirds (four-sevenths at certain elections) vote of the qualified voters. Article VI, Section 26(d) provides that a city may, by a two-thirds (four-sevenths at certain elections) vote of the qualified voters, incur indebtedness in an amount not to exceed an additional 10 percent for the purpose of acquiring rights-of-way, construction, extending and improving streets and avenues and sanitary or storm sewer systems, provided the total general obligation indebtedness of a city does not exceed 20 percent of the assessed valuation. Article VI, Section 26(e) provides that a city may, by a two-thirds (four-sevenths at certain elections) vote of the qualified voters, incur indebtedness in an amount not exceeding an additional 10 percent for the purpose of purchasing or constructing waterworks, electric or other light plants to be owned exclusively by the city, provided that the total general obligation indebtedness of a city does not exceed 20 percent of the assessed valuation. The legal debt capacity of the City for an election to be held in 2025 is:

Constitutional Debt Limit	
(20% of assessed valuation)	\$181,090,181
Bond Indebtedness Outstanding	<u>11,305,000</u>
REMAINING LEGAL DEBT CAPACITY	<u>\$169,785,181</u>

Overlapping Obligations

The following table sets forth the approximate overlapping long-term obligations of political subdivisions with boundaries overlapping the City as of December 1, 2025, and the percent attributable (on the basis of assessed valuation) to the City.

<u>Taxing Jurisdiction</u>	<u>Outstanding Indebtedness</u>	<u>% Applicable to the City</u>	<u>\$ Applicable to the City</u>
Liberty School District	\$179,676,000	46.3%	<u>\$83,189,988</u>

FINANCIAL INFORMATION CONCERNING THE CITY

Accounting, Budgeting and Auditing Procedures

The City currently produces financial statements that are in conformity with accounting principles generally accepted in the United States of America. 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 that comprise its assets, liabilities, reserves, fund balance, net assets, revenues and expenditures or expenses, as appropriate.

An annual budget is prepared under the direction of the City Administrator and submitted to the City Council for consideration prior to the fiscal year commencing on January 1. The operating budget includes proposed expenditures and revenue sources and is prepared on the modified accrual basis of accounting. Public hearings are conducted to obtain taxpayer comments. The budget is legally enacted through the adoption of an ordinance. The primary basis of budgetary control is at the fund level.

A firm of independent certified public accountants, in accordance with auditing standards generally accepted in the United States of America, audits the financial records of the City annually. The annual audit for the fiscal year ending December 31, 2024 was performed by Forvis Mazars, LLP, Kansas City, Missouri. Copies

of the audit reports are on file in the Finance Department and on the City's web site at <https://www.libertymissouri.gov/1740/Budgets-Audit-Reports> and are available for review.

Sources of Revenue

The City finances its general operations through the following taxes and other miscellaneous sources as indicated below for the last fiscal year for which audited financial statements are available (December 31, 2024):

<u>Source</u>	<u>Amount</u>	<u>Percent</u>
Taxes	\$23,531,571	81.9%
Charges for services	2,408,673	8.4
Licenses and permits	1,092,128	3.8
Intergovernmental	695,894	2.4
Investment earnings	426,190	1.5
Miscellaneous	595,699	2.1
	<u>\$28,750,155</u>	<u>100.0%</u>

Tax Increment Financing

The City has created tax increment financing redevelopment areas within the City to reimburse redevelopment project costs to assist in certain developments. These costs are payable solely from moneys on deposit in a "special allocation fund." The moneys deposited into the special allocation fund may consist of (a) certain payments in lieu of taxes, attributable to the increase in assessed valuation of the real property within the districts as a result of development, and (b) fifty percent of the total additional revenue from taxes (including the sales taxes of the City and the county, but excluding certain other taxes) of local taxing districts that are generated by economic activities within the districts over the amount of such taxes generated by economic activities within the year in the calendar year in which the redevelopment areas were approved. As a result, the payments in lieu of taxes attributable to the increase in assessed valuation of the real property within the redevelopment areas and up to fifty percent (50%) of the additional revenues generated by the sales taxes within such redevelopment areas over the amount so generated in the year in which each such district was created may not be available to the City but instead might be deposited into the special allocation fund and used to pay redevelopment project costs related to the respective developments.

Property Valuations

Assessment Procedure:

All taxable real and personal property within the City is assessed annually by the County Assessor. Missouri law requires that real property be assessed at the following percentages of true value:

Residential real property	19%
Agricultural and horticultural real property	12%
Utility, industrial, commercial, railroad and all other real property	32%

A general reassessment of real property occurred statewide in 1985. In order to maintain equalized assessed valuations following this reassessment, the Missouri General Assembly adopted a maintenance law in 1986. Beginning January 1, 1987, and every odd-numbered year thereafter, each County Assessor must adjust the assessed valuation of all real property located within his or her county in accordance with a two-year assessment and equalization maintenance plan approved by the State Tax Commission.

The assessment ratio for personal property is generally 33-1/3% of true value. However, subclasses of tangible personal property are assessed at the following assessment percentages: grain and other agricultural crops in an unmanufactured condition, 1/2%; livestock, 12%; farm machinery, 12%; historic motor vehicles, 5%; and poultry, 12%.

The County Assessor is responsible for preparing the tax roll each year and for submitting the tax roll to the Board of Equalization. The County Board of Equalization has the authority to adjust and equalize the values of individual properties appearing on the tax rolls.

Current Assessed Valuation:

The following table shows the total assessed valuation, by category, of all taxable tangible property situated in the City according to the assessment of 2025 (the last completed assessment):

<u>Type of Property</u>	<u>Assessed Valuation</u>	<u>Assessment Rate</u>	<u>Estimated Actual Valuation</u>
Real Property			
Residential	\$516,038,340	19.00%	\$2,715,991,263
Agricultural	900,890	12.00	735,618,097
Commercial	<u>235,397,791</u>	32.00	823,491,128
Total Real Property	\$752,337,021		3,459,116,777
Personal Property	<u>153,113,885</u>	33.33 *	459,341,655
Total Property	<u>\$905,450,906</u>		\$4,006,331,463

* Assumes all personal property is assessed at 33 1/3%; because certain subclasses of tangible personal property are assessed at less than 33 1/3%, the estimated actual valuation for personal property would likely be greater than that shown above. See "Assessment Procedure" discussed above.

History of Property Valuation. The total assessed valuation of all taxable tangible property situated in the City, according to the assessments after adjustment by the State Board of Equalization in each of the following years, has been as follows:

<u>Tax Year</u>	<u>Assessed Valuation</u>	<u>Percent Change</u>
2025	\$905,450,906	8.4%
2024	835,579,139	2.6
2023	814,763,434	13.4
2022	716,315,485	8.4
2021	660,381,072	13.2

Source: Clay County Assessor's Office.

Property Tax Levies and Collections

The City is required by law to prepare an annual budget, which includes an estimate of the amount of money required to be raised from property taxes, and the tax levy rates required to produce such amounts. The budget must also include proposed expenditures and must state the amount required for the payment of interest, amortization and redemption charges on the City's debt for the ensuing budget year. Such estimates are based on the assessed valuation figures provided by the County Clerk. The City must fix its ad valorem property tax rates and certify them to the County Clerk not later than September first for entry in the tax books.

The County Clerk receives the county tax books from the County Assessor, which set forth the assessments of real and personal property. In 2013, the City entered into a contract with the County to bill and

collect local taxes. The City taxes will be a line item on a consolidated tax bill that will be issued by the County in early November. Taxes are due by December 31 and become delinquent if not paid to the County Collector by that time. All tracts of land and city lots on which delinquent taxes are due are charged with a penalty of eighteen percent of each year's delinquency. All lands and lots on which taxes are delinquent and unpaid are subject to sale at public auction in August of each year.

Because of the tax collection procedure described above, the City receives the bulk of its moneys from local property taxes in the months of December, January and February.

Tax Rates

Debt Service Levy. The City does not currently impose a debt service levy, but instead pays debt service on its general obligation indebtedness from other available sources. Once indebtedness has been approved by the voters and bonds are issued, the City is required under Article VI, Section 26(f) of the Missouri Constitution to levy an annual tax on all taxable tangible property therein sufficient to pay the interest and principal of the indebtedness when due, to the extent not provided for by other sources. The City Council may set the tax rate for debt service, without limitation as to rate or amount, at the level required to make such payments.

Operating Levy. The current general fund levy of the City is \$0.6712 per \$100 of assessed valuation and the current parks fund levy of the City is \$0.1217 per \$100 of assessed valuation. The operating levy (consisting of all ad valorem taxes levied except the debt service levy) cannot exceed the "tax rate ceiling" for the current year without voter approval. The tax rate ceiling, determined annually, is the rate of levy which, when charged against the newly assessed valuation of the City for the current year, excluding new construction and improvements, will produce an amount of tax revenues equal to tax revenues for the previous year increased by 5% or the Consumer Price Index, whichever is lower. Without the required percentage of voter approval, the tax rate ceiling cannot at any time exceed the greater of the tax rate in effect in 1980 or the most recent voter-approved tax rate. The tax levy for debt service on the City's general obligation bonds is exempt from the calculations of and limitations upon the tax rate ceiling. Under Article X, Section 11(c) of the Missouri Constitution, any increase in the City's operating levy above \$1.00 must be approved by two-thirds of the voters voting on the proposition. The current tax rate ceiling for the general fund is \$0.6712 per \$100 of assessed valuation and the current tax rate ceiling for the parks fund is \$0.1217 per \$100 of assessed valuation.

In 2008, through the enactment of Senate Bill 711 ("SB 711"), the Missouri General Assembly approved further limitations on the amount of property taxes that can be imposed by a local governmental unit. Prior to the enactment of SB 711, a Hancock rollback would not necessarily result in a reduction of a city's actual operating tax levy if its current tax levy was less than its current tax levy ceiling, due to the city's voluntary rollback from the maximum authorized tax levy. Under SB 711, in reassessment years (odd-numbered years), the Hancock rollback is applied to a city's actual operating tax levy, regardless of whether that levy is at the city's tax levy ceiling. This further reduction is sometimes referred to as an "SB 711 rollback." In non-reassessment years (even-numbered years), the operating levy may be increased to the city's tax levy ceiling (as adjusted by the Hancock rollback), only after a public hearing and adoption of a resolution or policy statement justifying the action.

[Remainder of page left intentionally blank.]

The following table shows the City's tax levies (per \$100 of assessed valuation) for each of the last five years and for the current fiscal year:

<u>Fiscal Year Ended</u>	<u>General Fund</u>	<u>Parks Fund</u>	<u>Total Levy</u>
2025	\$0.6712	\$0.1217	\$0.7929
2024	0.7218	0.1308	0.8526
2023	0.7408	0.1343	0.8751
2022	0.7538	0.1367	0.8905
2021	0.6775	0.1193	0.7968
2020	0.7574	0.1334	0.8908

Tax Collection Record

The following table sets forth tax collection information for the City for the last five fiscal years.

<u>Year Ended</u>	<u>Total Levy</u>	<u>Taxes Levied</u>	<u>Current and Delinquent Taxes Collected</u>	
			<u>Amount</u>	<u>%</u>
2024	\$0.8526	\$7,124,148	\$7,568,801	106.24%
2023	0.8751	7,129,995	7,420,503	104.07
2022	0.8905	6,378,789	6,022,168	94.41
2021	0.7968	5,261,916	5,485,030	104.24
2020	0.8908	5,196,070	5,176,095	99.62

*Collection amounts include personal property, real estate, and railroad & utility taxes. Amounts do not include TIF, Surtax or assessment adjustments made after billing. The City contracted with Clay County beginning in 2013 to bill and collect City property taxes. Source: The City.

Major Property Taxpayers

The ten largest property taxpayers for 2025, based on assessed valuation of real property, are as follows:

<u>Business</u>	<u>Business Type</u>	<u>Assessed Valuation</u>	<u>Percentage of Assessed Valuation</u>
1. NP Broadacres Industrial LLC	Development	\$33,108,160	3.66%
2. NP Liberty CC Building LC LLC	Development	18,381,120	2.03
3. Hallmark Cards, Inc.	Distribution Center	12,952,140	1.43
4. NHNR Prop Co 1 LLC	Development	7,751,330	0.85
5. Star Development Corp	Development	7,338,310	0.81
6. Laclede Gas Co	Gas Company	6,669,690	0.74
7. Bonavia at Withers Farm LLC	Apartments	6,408,720	0.71
8. Twain GL III LLC	Development	5,892,240	0.65
9. B & B Movie Theatres LLC	Movie Theatres	5,506,840	0.61
10. Hy-Vee Inc.	Grocery Store	4,626,680	0.51

Source: Clay County Assessor.

Sales Tax Collections

<u>Fiscal Year</u>	<u>1% General Sales Tax</u>	<u>1% General Sales Tax for Public Safety*</u>	<u>1/2% Capital Sales Tax</u>	<u>1/4% Park Sales Tax</u>	<u>1/4% Fire Sales Tax</u>	<u>1/2% Transportation Sales Tax</u>	<u>3/8% Economic Development Sales Tax</u>	<u>1/2% Public Safety Sales Tax</u>	<u>Total Sales Tax</u>
2024	\$7,008,231	-	\$3,310,011	\$1,704,832	\$1,672,480	\$3,304,013	\$2,682,085	\$3,575,948	\$23,257,600
2023	6,879,974	-	3,319,890	1,642,468	1,642,468	3,313,893	2,635,112	3,485,370	22,919,175
2022	6,793,677	-	3,271,716	1,635,857	1,635,857	3,265,696	2,575,698	3,451,472	22,629,973
2021	5,315,006	-	2,518,091	1,259,044	1,259,044	2,512,072	2,156,630	2,909,909	17,929,796
2020	4,817,726	-	2,285,508	1,142,754	1,142,754	2,279,333	2,053,450	2,710,514	16,432,039
2019	7,008,231	-	3,310,011	1,704,832	1,672,480	3,304,013	2,682,085	3,575,948	23,257,600

Source: City of Liberty Finance Department

*Approved in 2024 and estimated to provide an additional \$7,500,000 in sales tax revenues to support first responders in the City.

APPENDIX B

ACCOUNTANTS' REPORT AND AUDITED FINANCIAL STATEMENTS



CITY OF LIBERTY, MISSOURI

Annual Comprehensive Financial Report For The
Year Ended December 31, 2024

CITY OF LIBERTY, MISSOURI
ANNUAL COMPREHENSIVE
FINANCIAL REPORT
FOR THE YEAR ENDED DECEMBER 31, 2024



*Report prepared and submitted by
the Department of Finance*

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Introductory Section



June 30, 2025

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

Management Responsibility

The Annual Comprehensive Financial Report (ACFR) of the City of Liberty, Missouri (the City), for the fiscal year ended December 31, 2024, is hereby submitted for your review. This report was prepared by the Finance Department in close cooperation with the external auditor, Forvis Mazars. 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.

Liberty has received many national recognitions for its quality of life. In 2011, Family Circle Magazine listed Liberty as the third Best Towns and Cities for Families and Money Magazine ranked Liberty as the seventh Best Places to Live. In 2021, Liberty was featured by Money Magazine again, this time as one of the Top 10 Places to Retire.

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, restaurants and other business uses, benefit from the completion of this project that provides 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.

Residential Development

Single family residential lots continue to be approved and constructed. Several new subdivisions have completed the necessary public improvement, subdivided into lots, and have begun building new single-family homes. Homestead of Liberty, a multi-phase residential subdivision under construction, has added 111 lots to the southern portion of town.

Homestead Hills, with 121 single family lots was approved for the area south of Homestead and it currently under construction. Ella's Crossing adds a 52-lot subdivision on the east portion of town near William Jewell College. Vintage Estates, 24 patio homes on Withers Road. All five of the subdivision projects are currently under construction. The City Council approved a subdivision plat for Tapp Farms, 149 new single family lots on 90 acres at south Liberty Parkway and Birmingham Road which is currently beginning construction of infrastructure. And White Horse, also along Birmingham Road, was approved for 323 single family lots which is expected to begin construction in 2025. An extension of Clay Meadows 12th Plat adding 26 Lots was approved for a preliminary plat in 2024. The Trails Neighborhood a 30 Lots subdivision north of South Liberty Parkway was approved and has begun public improvements.

Multi-family and senior housing projects continue to add a diversity of housing options to our community. The City approved two large apartment complexes on South Liberty Parkway in 2022 and 2024: Liberty Parkway Plaza, with 328 units; and Prominence Apartments, with 402 units, both projects will also have a commercial component. Fulkerson Cottages, a 40-unit, age restricted townhome development on 6.7 acres, a 191-unit senior housing complex (Withers Farm at South Liberty Parkway and Withers Road), are both recently completed.

Mixed Use

In December of 2022, the City approved a rezoning to allow a large scale, mixed-use development on 1075 acres. This includes 385 acres which were voluntarily annexed into the City at the northern city boundary. The project, Montage, is a mixed-use, master planned community encompassing over 1,000 acres of residential, commercial, recreational and open space uses. The single-family residential components will include a variety of price points from entry-level to estate homes. Multi-family units will include garden walk-up apartment homes, elevator-served loft apartments and vertically mixed-use buildings with residential over retail. Commercial uses include office, tech, neighborhood retail, main street retail and mixed-use. Montage Liberty is made up of nine villages ranging in size from 50 to 200 acres: Westhill neighborhood will include 445 single family homes, 136 single family attached urban village and townhomes, a community pool and playscape, and a neighborhood retail corner with 65,000 square foot of commercial. Westhill is proposed as 118 acres including eight acres of neighborhood parks and regional detention, open space and greenways. Village Center will be a mixed-use environment of 100 acres with 322 residential units; 326,000 square feet of office; over 175,000 square feet of ground floor retail; an active adult mixed-use residential building with 144 apartment homes over retail; Main Street retail encompassing 32,000 square feet; two hotels with a total of 160 rooms; and approximately 115,000 square feet of office, tech and mixed-use space. This area will also include over 18 acres of neighborhood parks and regional detention, open space and greenways. The Grove Village contains the Grove demonstration farm and learning center situated just south of Liberty North High School. The 150-acre village will include 398 single family homes of urban village, conventional and traditional neighborhood designs. This village will have over 23 acres of community open space and greenways. Village D: Montage's 117-acre village known as Village D will include 105 entry-level single-family homes, 490 garden apartment homes, 486 elevator-served loft apartments, and over 25 acres of neighborhood parks and regional detention, open space and greenways. Tech Campus: The 47-acre Tech Campus village will provide approximately 618,000 square feet of office, tech and light industrial space to commercial users and include 5 acres with a fishing lake and other regional detention, open space and greenways. Innovation Park: The 71-acre Innovation

Park is the office park along I-35 frontage which will house over 675,000 square feet of garden office, tech and mixed-use space users and include 24 acres of regional detention, open space and greenways. Legacy, the Active Adult village in Montage, is 100 acres of 198 age-restricted (55+) single family and villa homes, art center, church site, and neighborhood parks, open space and greenways. The Sports Village at Montage will include the City of Liberty Regional Sports Park with 6 soccer and lacrosse fields and room for a 100,000 square foot field house, an elementary school, the Montage Community Center and Grand Lawn with amphitheater. It will also include 419 typical and mid-density single family homes with nearly 40 acres of neighborhood parks and regional detention, open space and greenways in its over 200 acres. The Equestrian Village within Montage has nearly 250 estate homes and a neighborhood stable planned on 130-acres. A preliminary plat for Montage-Enclave for 93 Lots was approved in 2024.

Retail

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 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 also includes a 110-room hotel and specialty grocery store. 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 the former Sears/Kmart strip center that is now Liberty Commons. North Haven Center, a 7.5-acre commercial center on 291 Highway, built 3 hotels, all of which are newly open. In 2023, the City approved two new hotels – an Atwell by IHG at the intersection of Stewart Road and Wilshire Boulevard and a Tru by Hilton at Rogers Plaza now under construction. A new 6,500 square foot multitenant commercial structure at Liberty Parkway Plaza on South Liberty Parkway and Swan Avenue was approved. Prominence Commercial, a 30,000 square foot commercial development including five buildings on 11 acres at South Liberty Parkway and Plummer Road, was approved in 2023. Water St Lofts, an 18-unit, 47,000 mixed use development in the Historic Downtown was approved in 2024. A 12,000 square foot office building at Rush Creek Parkway was approved in 2024 and has begun construction.

Construction is complete on several new commercial projects, including: a new car wash on 291 Highway; a 1,700 square foot oil change business on 291 Highway at Blue Jay Drive; a 2,130 square foot Mo' Bettahs Hawaiian Food restaurant on Kansas Street; a 7,000 square foot Commerce Bank and a 4,019 square foot Hawaiian Bros restaurant on 291 Highway and Kansas Street. Two 16,000 sq ft multi-tenant commercial/ office buildings at Oakwood Business Park off of N. Church Road have completed construction, and a third is currently under construction. Chick-fil-a has recently completed an expansion and renovation project. A 2,000 square foot office building was added on Route H for Cuba Insurance. Chipotle Restaurant renovated a 3,320 square foot existing building on S 291 Highway.

Institutional

In 2023, William Jewell College – a liberal arts school – received approval for a 53,000 square foot recreational facility and alterations to their stadium. Liberty Public Schools, following a bond initiative, made several improvements at school facilities throughout the City, including: a 10,790 square foot building addition to Discovery Middle School for a new

multipurpose room; a 10,800 square foot building addition to South Valley Middle School for a new multipurpose room; and a 7,990 square foot building addition to EPiC Elementary School for a new multipurpose room.

Industrial

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 five times. 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. A 168,000 building at Lot C3 Heartland Meadows was constructed in 2022 and was purchased by US Motor Works who owns and occupies the building as a distribution/fulfillment center. US Motor Works is an automotive parts supplier.

The City's first speculative industrial project, Liberty Parkway Plaza & Logistics Center, has completed construction of the first building and is fully leased by two tenants. The 710,000 square ft. building is located in the southern part of the City at I-35 and South Liberty Parkway. In the future, there is space for another 300,000 sq. ft. of industrial buildings. The development also includes approximately 28,000 square ft. of retail space including a Casey's Convenient Store. The City's second speculative building Heartland Meadows Commerce Center is a 181,000 square foot facility that is completely leased with two tenants. AT&T and Grimco are the two tenants in that facility.

Construction is mostly complete on the Liberty Commerce Center located south of S. Liberty Parkway and has six of the seven industrial buildings completed on 340 acres. Approvals for those buildings will equal 3,311,000 new square feet of industrial buildings. The Liberty Commerce Center has two Amazon facilities, Retail Rebel, Walgreens, Sleep Outfitters, CEVA Logistics, and Berlin Packaging as tenants.

Construction is complete on three of four buildings on the Liberty Heartland Logistics Center generally located southwest of the intersection of W. Heartland Drive and Shepherd Road. The development consists of four buildings totaling just shy of 2.5 million square feet. Building A an 848,000 sq. ft. facility was constructed for a Hallmark distribution facility and is fully operational. Building B has a lease agreement with Animal Health International taking a portion of the building and building C has a partial tenant (TAB Batteries) with additional space for lease and Building D has been through the approval process and we are waiting for the construction phase to begin.

Other recently approved industrial projects include the new North Liberty Logistics Park, an industrial center with approximately 4.3 million square feet of space in nine buildings. There are nine lots proposed on 360+/- acres. The industrial buildings are proposed to be utilized for manufacturing, warehousing and distribution purposes. The project is located between I-35 and US 69 Hwy. The northern portion of the property adjacent to 116th street was recently annexed into the city. The intersection of Edgar Petty Road and US 69 Hwy is proposed to be relocated to the north away from the I-35/US 69 intersection.

Garrison Industrial, a 170,700-sf industrial building on 13.74 acres at the SE corner of US 69 and Garrison Road has been approved by the City Council. Progress Shops 35,640 sf industrial/warehouse building at the corner of Brown and Progress is ready to begin construction.

Development

The City has previously developed and continues to implement a number of economic planning tools to encourage development in the community. The City had a Comprehensive Plan update in 2022, which was approved in early 2023. The plan provides the direction for the growth and development of the City. 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. This plan has components that will assist the City as it considers future roadway projects, land use proposals, or economic development throughout the corridor. A new Preservation Plan for the City's Historic Downtown and adjacent historic residential area was updated in 2021-22. The Parks and Recreation Trail System Plan was also updated in 2022-23 showing priorities for new parks, trails and facilities in the community. The city continues to update the Public Utilities/Facilities Plan, which identifies the system requirements for sanitary sewer, water distribution and fire protection services and a Street Master Plan which identifies the roadway network for future development activity.

The City 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 \$5.0 million investment in the commercial area and over \$ 2.5 million in the residential district. The downtown boasts numerous restaurants, shops, and services.

Utilities

Growth of the demand for water and sewer services continued in 2024 through development within the city limits of Liberty and from development areas served by wholesale customers. The continued growth highlights the need to maintain long term plans for the water and sewer systems. The water master plan was completed in 2022, the collections and treatment master plans date from 2014 and 2017 respectively and need to be updated when PFAS recommendations are finalized. Staff anticipated that work might start in 2024 but now plans to start the work in several years as political changes have slowed the implementation of PFAS regulations.

The Liberty Utilities Department continues to focus on efficiency, effectiveness and resiliency. A new focus to add to the resiliency item is cybersecurity as it has become a focal point for state and federal officials who are concerned about hackers trying to destroy confidence in municipal utilities. City staff continues cybersecurity training to help increase staff awareness in identifying threats and confidence to take the appropriate action.

Waste water collection and treatment staff continue to find new ways to optimize operations and identify areas of infrastructure that need repair and improvement. The maintenance division has increased the use of acoustic test equipment to increase the efficiency of cleaning and televising sanitary sewer. The acoustic equipment allows a quick assessment of the sewer line and allows crews to focus on lines that need cleaning and televising thereby minimizing the equipment time and manpower necessary to properly maintain the system.

Waste water treatment plant operations are optimizing the operation of the bio-solids handling process after installation of new membranes in the dewatering system. New membranes and fine screens necessary for the proper operation of the membranes for the thickening process have been installed and the operators are adjusting processes to optimize equipment run times. The improvement in dewatering performance will lead to less energy consumption and less bio-solids that have to be hauled and disposed of at the landfill. Staff has halted the application of bio-solids via land application due to concerns regarding PFAS contamination of private agricultural land and the potential long-term liability of PFAS litigation.

Water Production staff realized significant increases in the performance of two of the finish filters after the replacement of the filter media. The performance is measured in the amount of time between having to backwash the filter that cleans the filter media of accumulated trapped mater. The run times of the rehabilitated filters was nearly twice that of the other filters which reduces the amount of finished water that is wasted during backwash cycles and reduces the amount of water that must be evaporated at the discharge point of the backwash water. A contractor has been selected to replace the filter media in the remaining filters and expects the project to be complete in late 2025 or early 2026. Staff realizes that the maintenance activities of the existing plant needs to increase and an additional staff member was hired in 2024 to help with the effort to reduce deferred maintenance.

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.

Fiscal Year 2024 proved to be a promising year on the economic front. 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.

The City believes its revenue base within the General Fund is showing not only stabilization, but also providing growth opportunities within the Property, Sales Tax, Use Tax and Charges for Services categories. This has allowed the City to provide modest employee adjustments along with enhancements to the employee pension plan.

Further, 2024 Franchise Fee revenues for electricity and natural gas, being subject to weather fluctuations, did see actuals coming in at what was budgeted due to a colder winter and a much warmer summer than we have seen in more current years. To allow for conservatism, adjustments were made to the 2025 budget to account for these impacts. Overall the City continues to experience decreases in Franchise Fee revenues attributable to landlines and cable TV franchise fees.

As we navigate through 2025, staff will continue to focus efforts on revenues and expenditures, and 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 and City Council during 2024 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 2025.

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 five 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 2025 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, 2024, 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 43% of the total general fund 2024 final revenue budget. 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. The City continued to see decreases within landline and cable franchise fee revenue in 2024.

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 1 of each year. Real property assessed valuation is determined by applying the "market value" multiplied by the appropriate assessment ratios. In 2024, property tax revenue totaled \$6.9M which is the same revenue that was received in 2023. This is primarily attributable to Council approving and adopting the Revenue Neutral Levy Rate in 2024. The Levy rate in 2024 was set at \$0.8526 per \$100 assessed valuation. Each year the City Council may set the rates to be levied for the City's property taxes.

Sales and Use Taxes comprise of approximately 40% 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 that were completed in 2021.

In 2024, the Use Tax generated \$876,000 in "One Time" revenues. Since these revenues are considered one time in nature and should not be considered ongoing revenues, City staff felt the need to protect these funds and transfer them out of the General Fund and move them into a Limited Capital fund for one-time purchases purposes. Tracking of these "one-time revenues" will continue to be monitored in 2025.

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 citizen's 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 within 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 major 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 financed 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 Forvis Mazars audited the financial statements contained in this report for the year ended December 31, 2024. 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 Annual Comprehensive Financial Report for the fiscal year ended December 31, 2023. 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 ACFR, whose contents conform to program standards established by the GFOA. Such ACFR 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,

A handwritten signature in cursive script that reads "Vicki J. McClure".

Vicki McClure
Finance Director



Government Finance Officers Association

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

Presented to

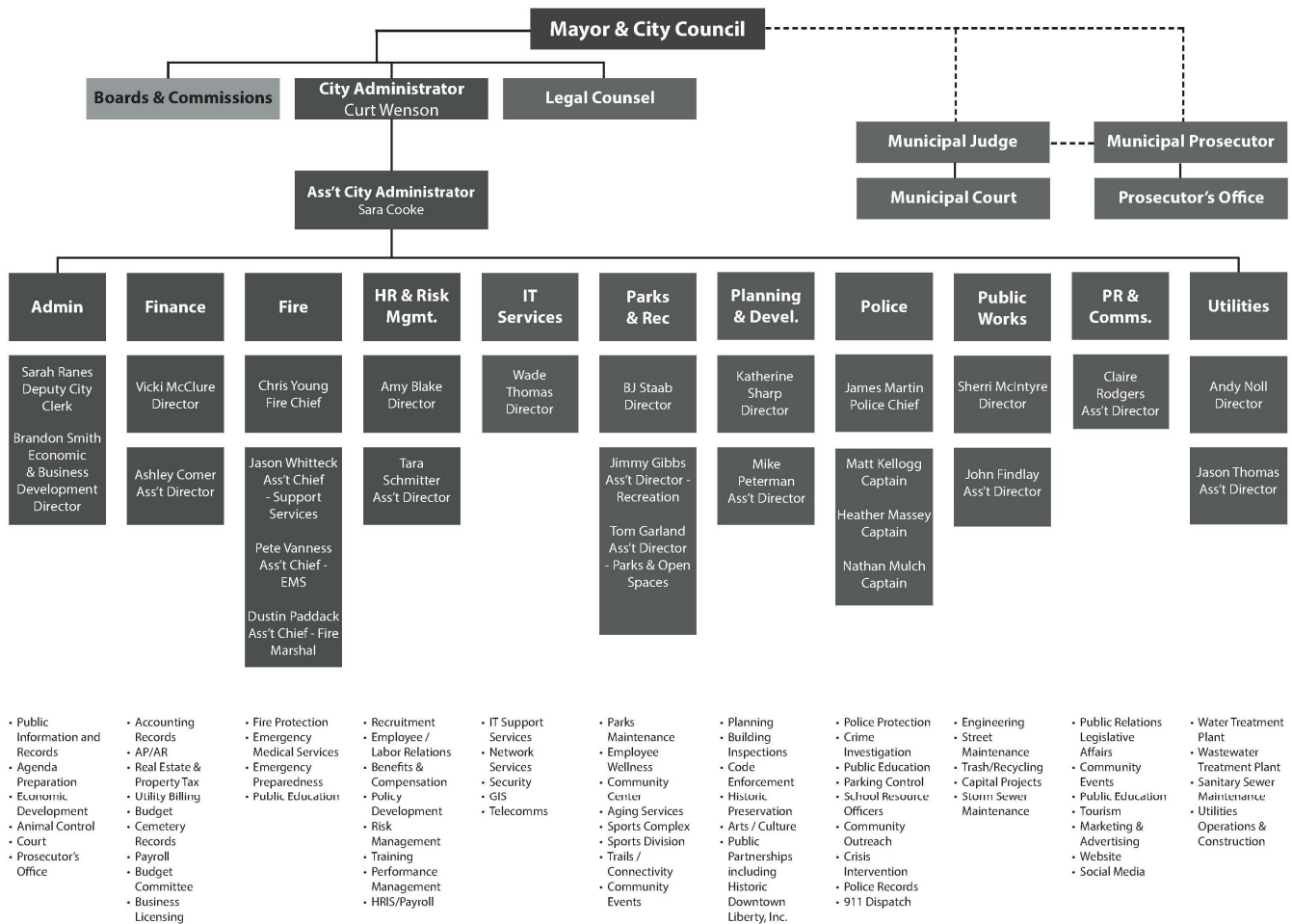
**City of Liberty
Missouri**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

December 31, 2023

Christopher P. Morill

Executive Director/CEO



CITY OF LIBERTY, MISSOURI

LIST OF PRINCIPAL OFFICIALS

Elected Officials

Title	Name
Mayor	Greg Canuteson
Council Member, First Ward	Shelton Ponder
Council Member, First Ward	Harold Phillips
Council Member, Second Ward	Adam Travis
Council Member, Second Ward	Kelley Wrenn Pozel
Council Member, Third Ward	Kevin Graham
Council Member, Third Ward	Jeff Watt
Council Member, Fourth Ward	Michael Hagan
Council Member, Fourth Ward	Gene Gentrup

Appointed Officials

Municipal Court Judge	Douglas Wilson
Municipal Prosecutor	Thomas C. McGiffin
City Administrator	Curtis C. Wenson
Finance Director	Vicki McClure
Assistant City Administrator/Strategic Information Officer	Sara Cooke
Deputy City Clerk	Sarah Ranes
Fire Chief	Chris Young
Human Resources and Risk Management Director	Amy Blake
Technology and Logistics Director	Wade Thomas
Parks and Recreation Director	BJ Staab
Police Chief	Jim Martin
Public Works Director	Sherri McIntyre
Utilities Director	Andy Noll

Financial Section

Independent Auditor's Report

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

Report on the Audit of the Financial Statements

Opinions

We have audited 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, 2024, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the accompanying 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, 2024, 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.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of our report. We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for 12 months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 City's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison, pension, and other postemployment benefit information as listed in the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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.

Supplementary 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 financial statements and Budget and Actual Comparison Schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The 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 financial statements and Budget and Actual Comparison Schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual comprehensive financial report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Forvis Mazars, LLP

Kansas City, Missouri
June 30, 2025

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Management's Discussion And Analysis

CITY OF LIBERTY, MISSOURI

CITY OF LIBERTY MISSOURI

MANAGEMENT DISCUSSION AND ANALYSIS

December 31, 2024

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, 2024, with selected comparative information for the fiscal year ended December 31, 2023. 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 \$147,472,255 (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 surplus amount of \$19,245,708. Analysis is included in the overview of financial statements.
- The City's total net position increased by \$8,326,589. Of this amount, \$2,312,456 was from the City's "governmental activities" and \$6,014,101 was from the "business-type activities." The majority of the "governmental activities" increase is due to the increase in PILOT revenues attributable to the Chapter 100 projects that were collected in 2024 as a result of the increased growth within the commercial and industrial areas of the City in recent years. 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 \$48,461,503; a decrease of \$(1,253,319) in comparison with the prior year. This decrease is attributable to an intentional spend down of fund balance within the General Fund in 2024.
- \$6,446,795 (13.3%) of the combined governmental fund balances of \$48,461,503 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 \$8,218,991 or approximately 28.6% percent of total General Fund revenues.
- The City had a net decrease in debt totaling \$9,313,000 during the current fiscal year. This is attributable to paydown in our overall debt in 2024. The City did issue a finance purchase for the purchase of a Street Sweeper. The total amount issued was \$390,000.

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 required supplementary information and supplementary information in addition to the basic financial statements.

CITY OF LIBERTY, MISSOURI

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, wastewater 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.

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 18 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 Public Safety 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 nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

CITY OF LIBERTY, MISSOURI

Management's Discussion and Analysis *(Continued)*

Proprietary Funds

The City maintains one type of proprietary fund. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City maintains three enterprise funds. Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Water Fund and Wastewater 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 nonmajor fund.

Fiduciary Funds

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

Notes to the 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

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, pension and other postemployment benefit information.

The combining statements referred to earlier in connection with 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 \$147,472,255 at the close of the fiscal year ended December 31, 2024. The following table reflects a condensed statement of net position.

Net Position

	Governmental Activities 2024	Business-Type Activities 2024	Total 2024	Governmental Activities 2023	Business-Type Activities 2023	Total 2023
Current and other assets	\$ 61,763,199	\$ 27,582,781	\$ 89,345,980	\$ 66,642,875	\$ 26,664,419	\$ 93,307,294
Capital assets, net	98,790,717	125,775,859	224,566,576	97,320,639	125,362,170	222,682,809
Total Assets	160,553,916	153,358,640	313,912,556	163,963,514	152,026,589	315,990,103
Deferred Outflows of Resources	10,323,663	1,386,954	11,710,617	8,364,342	1,255,630	9,619,972
Current liabilities	10,253,343	8,387,720	18,641,063	13,539,316	8,097,084	21,636,400
Noncurrent liabilities	86,959,413	61,757,775	148,717,188	87,272,307	66,590,159	153,862,466
Total Liabilities	97,212,756	70,145,495	167,358,251	100,811,623	74,687,243	175,498,866
Deferred Inflows of Resources	10,689,119	103,518	10,792,637	10,853,015	112,496	10,965,511
Net position:						
Net investment in capital assets	61,397,665	60,254,140	121,651,805	56,372,545	54,817,792	111,190,337
Restricted	2,528,069	4,061,827	6,589,896	3,002,204	4,022,185	7,024,389
Unrestricted (deficit)	(950,060)	20,180,614	19,230,554	1,288,469	19,642,503	20,930,972
Total Net Position	\$ 62,975,674	\$ 84,496,581	\$ 147,472,255	\$ 60,663,218	\$ 78,482,480	\$ 139,145,698

The City's combined net position increased by \$8.3 million from \$139.1 million in 2023 to \$147.5 million in 2024. This favorable activity is primarily found within the Governmental Activities (\$2.3 million) and is primarily attributable to an increase in PILOT revenues attributable to the Chapter 100 projects that were collected in 2024 as a result of the increased growth within the commercial and industrial areas of the City in recent years. The increase in the City's Business-Type Activities (\$6.0 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 wastewater treatment and positive activities of the Water Fund.

An additional portion of the City's net position of \$6.6 million or 4.5% 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 positive of \$19.2 million, representing an decrease of \$1.7 million when compared to 2023.

By far, the largest portion of the City's net position, \$121.6 million reflects its net investment in capital assets (e.g., land, buildings, machinery and equipment), less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens. Consequently, these assets are not available for future spending.

Although the City's 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 \$147 million in net position is comprised of \$121.6 million of net investment in capital assets; a restricted net position of \$6.6 million that can be used for capital projects, debt service and other purposes, and a positive of \$19.2 million in unrestricted net position. Total net position increased by \$8.3 million reflecting 6.0% growth during the current fiscal year.

CITY OF LIBERTY, MISSOURI

Management's Discussion and Analysis (Continued)

The following table reflects the changes in net position of the City's activities for the years ended December 31, 2024 and 2023:

City of Liberty's Changes in Net Position						
	Governmental Activities 2024	Business-Type Activities 2024	Total 2024	Governmental Activities 2023	Business-Type Activities 2023	Total 2023
Revenues:						
Program revenues:						
Charges for services	\$ 6,421,912	\$ 22,322,281	\$ 28,744,193	\$ 6,777,072	\$ 21,585,428	\$ 28,362,500
Operating grants and contributions	591,128	-	591,128	763,688	-	763,688
Capital grants and contributions	655,040	1,985,588	2,640,628	635,277	1,357,253	1,992,530
General revenues:						
Property taxes	9,996,492	-	9,996,492	8,751,738	-	8,751,738
Franchise taxes	3,753,469	-	3,753,469	3,821,436	-	3,821,436
Sales and use taxes	32,012,926	-	32,012,926	32,895,059	-	32,895,059
Other taxes	2,365,002	-	2,365,002	2,275,907	-	2,275,907
Grants from other governments - unrestricted	500,000	-	500,000	3,707,852	-	3,707,852
Investment income	1,834,031	878,225	2,712,256	1,669,836	875,975	2,545,811
Other	748,036	510,334	1,258,402	1,466,960	15,209	1,482,169
Total Revenues	58,878,036	26,196,428	84,574,496	62,764,825	23,833,865	86,598,690
Expenses:						
General government	8,880,151	-	8,880,151	8,501,785	-	8,501,785
Community development and improvement	2,002,953	-	2,002,953	2,241,500	-	2,241,500
Public works	9,772,107	-	9,772,107	6,400,564	-	6,400,564
Culture and recreation	7,820,005	-	7,820,005	7,157,746	-	7,157,746
Cemetery maintenance	113,198	-	113,198	111,865	-	111,865
Public safety	23,192,051	-	23,192,051	20,410,130	-	20,410,130
Interest on long-term debt	4,785,115	-	4,785,115	4,888,957	-	4,888,957
Water	-	8,042,621	8,042,621	-	7,928,695	7,928,695
Wastewater	-	9,449,323	9,449,323	-	8,732,256	8,732,256
Sanitation	-	2,190,383	2,190,383	-	2,112,889	2,112,889
Total Expenses	56,565,580	19,682,327	76,247,907	49,712,547	18,773,840	68,486,387
Change In Net Position	2,312,456	6,014,101	8,326,557	13,052,278	5,060,025	18,112,303
Net position, beginning of year	60,663,218	78,482,480	139,145,698	47,610,940	73,422,455	121,033,395
Net position, end of year	\$ 62,975,674	\$ 84,496,581	\$ 147,472,255	\$ 60,663,218	\$ 78,482,480	\$ 139,145,698

Governmental Activities

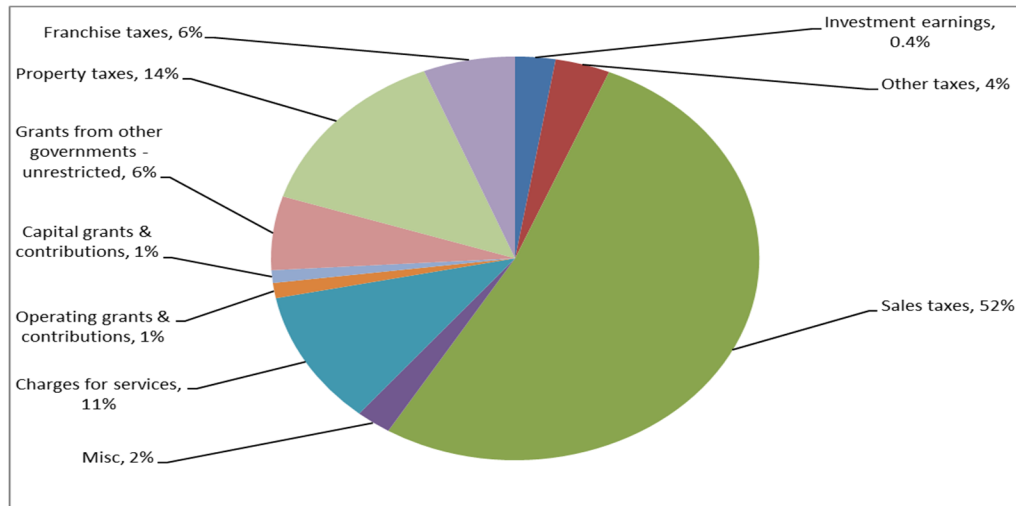
Governmental Activities increased the City's total net position by \$2,312,456 accounting for 28% of the total 2024 increase in the total net position of the City. This increase is primarily attributable to an increase due to the increase in PILOT revenues attributable to the Chapter 100 projects that were collected in 2024 as a result of the increased growth within the commercial and industrial areas of the city in recent years., along with management operating within forecasted revenues and controlling expenses.

Overall, general revenue applicable to Governmental Activities for 2024 decreased by \$(3,378,800) to \$51,209,988 and represents a (6.2)% decrease from the prior year. Property taxes totaled \$9,996,492 which was an increase of \$1,244,754 predominantly due to the increased valuations attributable to commercial retail property adding to the tax roll for 2024. Final 2024 assessed valuations increased by \$20.8M when compared to 2023 valuations. The total assessed valuation for 2024 was \$808,606,789. This increase speaks to the additional collections along with the commercial/residential property additions. City franchise fees saw a decrease of \$(67,967) to \$3,753,469. For year ended 2024, the City saw increases within electrical franchise fee revenue when compared to 2023. This is solely attributable to a more seasonal weather pattern along with rate increases from Evergy. The City did see a decrease in gas franchise fees of roughly \$90k when compared to 2023 totals. This is primarily attributable to a warmer winter in our region in 2024. The City continues to experience decreases in telephone and cable phone franchise fee revenue. Sales and use tax revenue decreased by \$(882,133) to \$32,012,926 and is attributable to a decrease in consumer spending in 2024 due to inflationary costs. Charges for services decreased by \$(355,160) in 2024 for total revenues of \$6,421,912; this is primarily due to an increase in right of way permits in 2024.

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 ending December 31, 2024.



The following table shows expenses and program revenues of the governmental activities for the years ending December 31, 2024 and 2023:

	Net Cost of Governmental Activities			
	Total Cost of Service		Net Cost of Service	
	2024	2023	2024	2023
General government	\$ 8,880,151	\$ 8,501,785	\$ (6,829,150)	\$ (6,766,184)
Community development and improvement	2,002,953	2,241,500	(2,002,953)	(2,241,500)
Public works	9,772,107	6,400,564	(8,915,011)	(5,348,607)
Culture and recreation	7,820,005	7,157,746	(4,617,346)	(3,713,982)
Cemetery maintenance	113,198	111,865	(85,113)	(77,392)
Public safety	23,192,051	20,410,130	(21,662,812)	(18,499,888)
Interest on long-term debt	4,785,115	4,888,957	(4,785,115)	(4,888,957)
Total	\$ 56,565,580	\$ 49,712,547	\$ (48,897,500)	\$ (41,536,510)

Expenses from governmental activities totaled \$56,565,580; however, net costs of these services were \$48,897,500. The difference of \$7.7 million represents direct revenues received from charges for services (\$6.4 million), operating grants and contributions (\$0.6 million), and capital grants and contributions (\$0.66 million). Taxes and other revenues in the amount of \$51,209,988 were collected to cover these net costs.

CITY OF LIBERTY, MISSOURI

Management's Discussion and Analysis (*Continued*)

Business-Type Activities

Business-type activities increased the City's net position by \$6,014,101 .

The Water Fund recorded an increase of \$726,854 in the net position for the year and is attributable to an increase in intergovernmental revenues. This is attributable to a grant that was received from Clay County, using money received from the *American Rescue Plan Act*, to construct the 16-inch water line located on South Liberty Parkway North to Ruth Ewing, this provided the City a needed connection in times of maintenance of distributions from the existing 24-inch distributions main. Revenues from user fees were \$6,896,078 and showed an increase in the amount of \$143,455 when compared to 2023. The City implemented a 4.0% water rate increase in April of 2024. In 2024, water usage was slightly higher and this is attributable to a more normal summer condition. Operating expenses for 2024 were \$7,994,178 which increased by \$335,409 from 2023. The increase is attributable to the higher costs within general and administrative along with an increase in depreciation specifically an increase to costs associated with our Lee Chemical site and other inflationary cost increases. The City implemented a 3% salary adjustment and other compensation related items that impacted all Business-Type Funds.

Depreciation expense increased by \$26,880 due to timing of the additional capital investments in the system. The Water Fund's operating income decreased by \$0.25M in 2024 primarily due to the increase in chemical costs and other inflationary costs.

The Wastewater Fund recorded an increase of \$5,334,950 in net position for the year. Revenues from user fees increased by \$547,859 or 4.3% when compared to 2023 revenues. Operating expenses showed an increase of \$822,330. The increase is attributable to higher costs associated with Pumping and Treating, Distribution and Transmission. Along with increases within the General and Administrative category in 2024. The higher costs within Pumping and Treating and Distribution and Transmission is due to the City of Liberty taking in an estimated 1.20 additional gallons per day for the treatment of Kansas City Customers. In May of 2021, an amendment to the Intergovernmental Agreement between the City of Liberty and the City of Kansas City was approved. In 2023, there was approximately 3,921 acres located in Kansas City (west side of I 35) that the City of Liberty provided wastewater treatment for. The City implemented a 3% salary adjustment and other compensation related items that impacted all Business-Type Funds.

Depreciation expense increased by \$142,041 in 2024. 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 Wastewater Fund was a positive \$5,080,380 at December 31, 2024, a decrease of \$274,471 when compared to the total operating income earned in 2023. This is attributable to an increase in pumping and treatment expenses, primarily due to the increase in cost related to chemicals to treat our water and wastewater. Depreciation also increased by \$142,041 when compared to 2023 final.

Net position increased by \$5,334,950 and is due to improved operations in the Wastewater Fund. To address future income generation, the City implemented a 1.0% wastewater rate increase in April 2024.

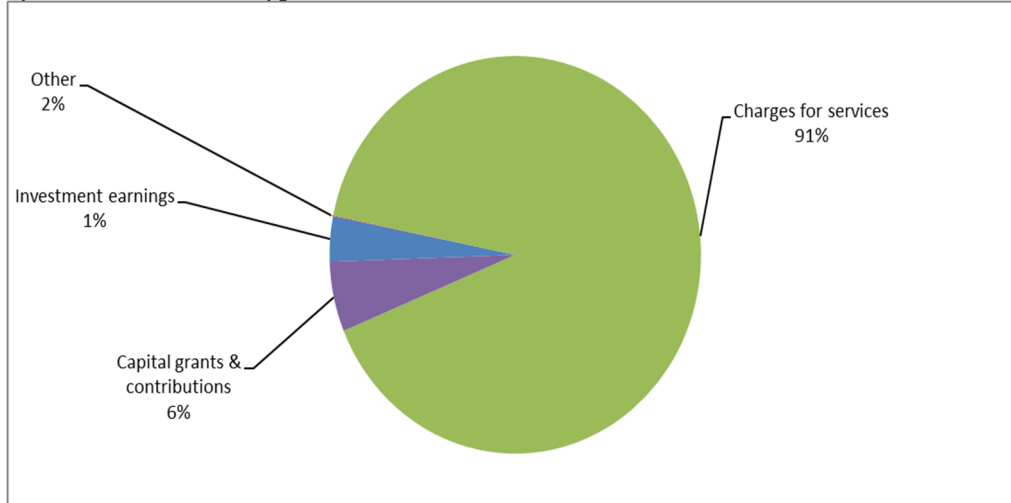
The Sanitation Fund recorded a decrease in net position of \$47,703 for 2024. Revenues of \$2,138,705 increased over the 2023 revenues of \$2,090,000. Total Operating Expenses for 2024 increased \$77,494 over expenses for 2023 and is in line with sanitation hauler contract increases. The decrease in the total net position is attributable to the sanitation fund covering cost related to the fuel charge that was imposed by Republic Services in July 2023 and rather than passing this increase along to our customers the Sanitation Fund covered these costs.

CITY OF LIBERTY, MISSOURI

Management's Discussion and Analysis (*Continued*)

The following table reflects the revenues by source for the City's business-type activities for the year ending December 31, 2024:

Revenues by Source - Business-Type Activities



Total business-type activities' operating revenue for fiscal year 2024 was \$23,168,913 with charges for services (99.9%) being the major operating revenue source. All revenue of \$23,168,913 with the exception of \$878,225 received from investment earnings and \$1,149,290 in capital contributions was generated for specific business-type activity expenses. In the previous year, operating revenue for business-type activities was \$21,600,637.

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds

The focus of the City's governmental funds is to provide information on near-term inflows, outflows and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of December 31, 2024, the City's governmental funds reported combined ending fund balances of \$48,461,503 reflecting a decrease of \$(1,253,319) from the previous year. This decrease is primarily attributable to an increase in expenditures related to public safety operational costs in 2024. Of this total, approximately 13.3% of this total amount \$6,446,795 constitutes unassigned fund balance, which is available for spending at the government's discretion. The remaining \$42,014,708 of fund balance is as follows: (1) non-spendable (\$1,417,075) which is inventories, prepaids and permanent fund principal, (2) restricted (\$36,141,635), (3) assigned (\$89,051), and (4) committed (\$4,366,750).

CITY OF LIBERTY, MISSOURI

Management's Discussion and Analysis (*Continued*)

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 \$6,446,795 with total fund balance at \$8,218,991. Total fund balance decreased by \$(2,415,365) over the previous fiscal year fund balance. This is attributable to Council approved spend down of fund balance within the General Fund for 2024. One large piece of the spend down was the additional transfer from the General Fund into the Public Safety Sales Tax Fund to help support operations within our Police and Fire Department. Revenues increased by \$377,251 in 2024 and are primarily the result of increases in charges for services and licenses and permits. Other financing sources showed an increase of \$304,846 from the 2023 amount of 1,348,890. This is primarily due to the City issuing new debt in 2024, change in Subscriptions, and an increase in transfers out of the General Fund in 2024.

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 2024 is calculated at 29% (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 2024, the fund balance policy was exceeded within the General Fund.

The Park Fund had a fund balance of \$495,060 at December 31, 2024. This represents a decrease of \$(143,601) over the previous year fund balance. This decrease in fund balance is attributable to an increase in operating expenditures for services. Revenues decreased by \$(29,762) or (0.6)% and expenditures increased by \$509,985 or 8.4% when compared to 2023. Total fund balance represents 10.6% of 2024 revenues. This does meet the level required by policy of 12%. Inter fund transfers from Park Sales Tax for 2024 increased by \$(238,417). Of this amount, \$49,000 is transferred to the General Fund to help support Public Relations staff and IT services.

The Liberty TIF Fund has a fund balance of \$9,453,866 at year end 2024, which is an increase of \$469,156 from the 2023 balance of \$8,984,710. This increase in fund balance is the result of a decrease in expenditures within Economic Development due to a decrease in developer reimbursements in 2024.

The Public Safety Sales Tax has been presented as a major fund on the face of the financials as of December 31, 2024. The Public Safety Sales Tax Fund had a fund balance of \$5.9M at December 31, 2024. This represents a decrease of \$(515,991) over the previous year fund balance. This decrease is attributable the increase of salaries and benefits pertaining to public safety in 2024.

Although the Capital, Transportation and Economic Development Sales Tax Funds were not categorized as major funds in 2024, 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 2024, 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 \$3,263,263. The Wastewater Fund showed an unrestricted net position of \$16,840,858 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 \$76,493. There was an increase in unrestricted net position when compared to 2023 of \$706,133 for the Water Fund. There was a decrease of \$(120,319) for the Wastewater Fund and \$(47,703) for the Sanitation Fund, representing a total unrestricted increase for the proprietary funds of \$538,112. For the year ended 2024, the ending net position totaled \$84,496,581.

CITY OF LIBERTY, MISSOURI

Management's Discussion and Analysis (*Continued*)

In the past, the Water and Wastewater 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 Wastewater Funds. The consulting firm, together with the City Council Budget Committee, worked with staff on fiscal matters concerning the Water and Wastewater 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 2024, the City implemented a 4.0% rate increase to its water user rates.

Wastewater services reflect only collection of sewage. The City of Liberty has owned and operated their own Wastewater Treatment Facility since April 2017. This has 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 wastewater user rates, as required. In 2024, the City implemented a 1.0% increase. These actions generated \$13,287,498 in operating revenues. This reflects an \$547,859 increase over 2023 revenues of \$12,739,639. This increase is attributable to an amendment to the Intergovernmental Agreement with Kansas City for the treatment of their wastewater on the west side of I35. This amended agreement began in June 2021 and will expire in 2026. In total the City of Liberty wastewater treatment plant treated roughly 434.8 million gallons of sewage for Kansas City in 2024. This equates to roughly \$1.0M in additional revenue for the wastewater fund. Total operating expenses were \$8,207,118 or \$822,330 more than 2023 amounts of \$7,384,788. This increase in Operating Revenue is primarily due to Liberty's ability to operate their own wastewater treatment facility. Net operating income for 2024 was \$5,080,380.

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 April 2024, the City implemented a 4.0% rate increase in its Sanitation user rates. The current contract with our service provider expires in April of 2025. Staff has been working with the service provider, budget committee and Council to come up with a new contract that will be effective in April 2025.

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 Wastewater Fund in 2024.

CITY OF LIBERTY, MISSOURI

Management's Discussion and Analysis (*Continued*)

GENERAL FUND BUDGETARY HIGHLIGHTS

Differences between the final budget and 2024 actual can be summarized as follows:

In 2024, final expenditures for the General Fund on a budgetary basis were \$27,681,307 representing an unfavorable \$(354,276) variance from the final amended budget of \$27,327,031. The major contributor to the unfavorable variance is due to inflationary costs increases among all categories with the exception of Capital Outlay. Capital outlay decreased in 2024 due to the timing of the payments related to the construction of the server room for our IT Department. This project began in late 2024 with a completion date of mid-Summer 2025.

Actual revenue for the General Fund was \$28,750,155 representing a favorable \$870,873 variance from the final budget of \$27,879,282. Taxes and charges for service were major contributors to the bottom line having a combined favorable variance of \$294,272. This favorable variance is due to continued increase in Use Tax and continued growth industrial and residential growth. Although there is a favorable variance in 2024, franchise fee taxes continue to see declines, in telephone and cable.

Other financing sources closed out at \$(3,484,213) with the 2024 final budget of \$(1,126,953) resulting in an unfavorable variance of \$(2,357,260). This unfavorable variance is primarily attributable to the increase in transfers out in 2024 when compared to the original budget. The final 2024 budget includes an additional \$3M transfer to the Public Safety Sales Tax Fund for operational support within that fund.

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 \$275,398 which includes traffic violations and other additional items. This amount equates to less than 1% of total general revenues of \$28,750,155 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, 2024 amounts to \$224,566,576 (net of accumulated depreciation). This investment in capital assets includes land, construction-in-progress, buildings and systems, improvements other than buildings, wastewater treatment plant, vehicles, machinery and equipment, and infrastructure. The total increase in the City's investment in capital assets for the current fiscal year was \$1,883,767 or a increase of .8%. Capital assets for governmental activities increased by \$1,470,078 and those for business- type activities increased by \$413,690. The beginning balance for governmental activities changed by \$685,443 in 2023 because of the adoption of GASB 87 and the addition of the right of use assets.

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

- Police Vehicles and Equipment – \$1.240 million
- Animal Control - \$0.024 million
- Technology - Equipment – \$0.314 million
- Citywide - Capital Equipment- \$0.168 million
- Fire Sales Tax Capital Equipment - \$0.940
- Capital Sales Tax Capital Equipment - \$0.760

CITY OF LIBERTY, MISSOURI

Management's Discussion and Analysis (Continued)

City of Liberty's Capital Assets							
	Governmental Activities		Business-Type Activities		Total		
	2024	2023	2024	2023	2024	2023	
Land	\$ 2,040,158	\$ 2,040,158	\$ 1,340,677	\$ 1,340,677	\$ 3,380,835	\$ 3,380,835	
Construction-in-progress	5,540,834	4,037,729	784,600	1,175,037	6,325,434	5,212,766	
Buildings and system	21,818,724	21,159,606	10,535,683	10,535,683	32,354,407	31,695,289	
Vehicles	11,023,203	9,977,933	3,726,620	3,096,574	14,749,823	13,074,507	
Improvements other than buildings	20,492,456	19,749,065	244,256	244,256	20,736,712	19,993,321	
Wastewater treatment plant	-	-	80,102,528	79,607,683	80,102,528	79,607,683	
Machinery and equipment	22,244,871	20,082,790	27,194,332	24,735,494	49,439,203	44,818,284	
Infrastructure	105,724,265	103,825,985	67,094,507	65,347,162	172,818,772	169,173,147	
Right-to-use leased assets	926,138	728,059	-	-	926,138	728,059	
Right-to-use subscription assets	1,155,530	524,774	-	-	1,155,530	524,774	
Accumulated depreciation and amortization	(92,175,462)	(84,805,457)	(65,247,343)	(60,720,396)	(157,422,805)	(145,525,853)	
Total	\$ 98,790,717	\$ 97,320,641	\$ 125,775,860	\$ 125,362,170	\$ 224,566,576	\$ 222,682,811	

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 \$141,827,500. Of this amount, \$12,590,000 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		
	2024	2023	2024	2023	2024	2023	
Special obligation bonds	\$ 21,410,000	\$ 23,785,000	\$ 3,545,000	\$ 3,735,000	\$ 24,955,000	\$ 27,520,000	
Finance purchase obligations	675,000	425,000	-	-	675,000	425,000	
General obligation bonds	12,590,000	13,835,000	-	-	12,590,000	13,835,000	
TIF bonds	40,030,000	40,990,000	-	-	40,030,000	40,990,000	
SRF bonds	-	-	61,592,500	66,124,500	61,592,500	66,124,500	
Revenue bonds	-	-	305,000	600,000	305,000	600,000	
Total	\$ 74,705,000	\$ 79,035,000	\$ 65,442,500	\$ 70,459,500	\$ 140,147,500	\$ 149,494,500	

During the current fiscal year, the City's total debt decreased by \$9,347,000 or 6.3%. This decrease is primarily due to the pay down of all debt categories, including the payoff of the TIF 2018 Series. In 2024, the total debt within the City's governmental activities saw a net decrease of \$4,330,000. This decrease is primarily due to the pay down of all outstanding debt. Additional information on the City's long-term debt can be found in Note 4 of this report.

ECONOMIC FACTORS, NEXT YEAR'S BUDGET AND RATES

Based on 2024 end-of-year activity, it was anticipated that 2025 General Fund revenues would show stability and was conservatively budgeted at the amount of \$30,385,535. City staff continues to review and monitor all revenues on a monthly basis.

Property taxes for 2025 are budgeted at \$6,399,208 about \$342,273 less than 2024 actual revenues. The City Council established the 2024 general levy rate at \$0.8526 per \$100 assessed valuation, which is the result of using the Revenue Neutral in 2024. This rate will be applied to a higher 2024 assessed valuation, since the revenue neutral

CITY OF LIBERTY, MISSOURI

Management's Discussion and Analysis (Continued)

option was approved, this will cause a decrease of roughly \$153,635 in revenue in 2025. Assessed Valuations for 2024 were calculated to be \$808,606,789 or \$20,815,705 higher than 2023.

Sales tax revenue is budgeted at \$7,711,632 roughly \$237,700 higher than the final for 2024, it is back to business as usual and we anticipate an increase in Sales Tax Revenues over 2024. Use Tax revenues are projected to be \$4,675,150 which is slightly higher when compared to 2024 final revenues of \$4,383,710. Franchise fees have been budgeted at \$3,985,000 for 2025, an increase of \$230,000 from 2024 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 \$2.7 million. Revenues for Emergency Services are projected at \$2.0 million slightly increased when compared to 2024 final revenues of \$1.7 million. Court Fines and Forfeitures are projected at \$0.310, which is a slight decrease of \$4,000 when compared to 2024 actual. In 2024,

Initial 2025 General Fund expenditures and transfers are projected to total \$30,344,873 compared to the 2024 close-out of \$32,187,986. This represents an \$1.8 million decrease from 2024 actual. This decrease is due to the intentional spend down of fund balance in 2024. Employee salary and fringe benefit costs are budgeted at \$27,383,613 this is an increase when compared to 2024 final totals of \$25,904,905. This is due to the City providing a 3% salary adjustment, enhancements to LAGERS 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 Police and Fire personnel and fringe benefit costs. These costs are offset from a deduction from the Public Safety Sales Tax Fund.

For 2025, it is estimated that \$8,459,649 will be deducted from the General Fund salary and benefit costs to cover the Police and Fire staff. Non-salary expenditures increased 10% in the 2025 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 \$3,026,925. This reflects anticipated expenditures for City computer equipment and replacement of vehicles within the police department and community development.

Based on programmed actions for 2025, 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. 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 2025. User rates for Wastewater Funds are budgeted to increase by 1.0% and sanitation rates increase by 2.0%, water rates increased by 4.0%.

The 2025 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. Over the last couple of years, Parks has made several improvements and enhancements to many of the neighborhood parks and community center. Revenues generated from the Use Tax has made these improvements possible. In the summer of 2023, City Park opened its new splash pad. This was the final improvement to our City Park. The improvements to City Park have been well received by the citizens of Liberty. In 2023 operations at the Community Center and Capital Federal Sports Complex were able to return to normal operations. For 2025, revenues generated for all park's divisions are projected to be \$7.0 million; this is an increase of \$360,000 when compared to 2024 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 2025 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, 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, 2024

	Governmental Activities	Business-Type Activities	Total
Assets			
Current Assets			
Cash and investments	\$ 30,978,706	\$ 18,955,521	\$ 49,934,227
Receivables:			
Taxes, net	17,000,876	-	17,000,876
Accounts, net	855,679	3,317,191	4,172,870
Lease receivable	204,677	-	204,677
Accrued interest	1,339,950	724,632	2,064,582
Due from other governments	284,123	-	284,123
Inventory	35,163	321,570	356,733
Prepaid expenses	825,446	177,337	1,002,783
Other Assets	390,000	-	390,000
Restricted assets:			
Cash and investments	9,402,283	-	9,402,283
Accrued interest	29,209	24,703	53,912
Total Current Assets	<u>61,346,112</u>	<u>23,520,954</u>	<u>84,867,066</u>
Noncurrent Assets			
Restricted assets:			
Investments	417,057	4,061,827	4,478,884
Capital assets:			
Nondepreciable:			
Land	2,040,158	1,340,677	3,380,835
Construction in progress	5,540,834	784,600	6,325,434
Depreciable:			
Buildings and system	21,818,724	10,535,683	32,354,407
Improvements other than buildings	20,492,456	244,256	20,736,712
Vehicles	11,023,203	3,726,619	14,749,822
Machinery and equipment	22,244,871	27,194,332	49,439,203
Wastewater treatment plant	-	80,102,528	80,102,528
Right-to-use leased asset	926,138	-	926,138
Right-to-use subscription asset	1,155,530	-	1,155,530
Infrastructure	105,724,265	67,094,507	172,818,772
Less: Accumulated depreciation & amortization	<u>(92,175,462)</u>	<u>(65,247,343)</u>	<u>(157,422,805)</u>
Total Noncurrent Assets	<u>99,207,774</u>	<u>129,837,686</u>	<u>229,045,460</u>
Total Assets	<u>160,553,886</u>	<u>153,358,640</u>	<u>313,912,526</u>
Deferred Outflows of Resources			
Pensions	9,898,400	1,386,954	11,285,354
Other postemployment benefits	351,250	-	351,250
Deferred loss on refunding	74,013	-	74,013
Total Deferred Outflows of Resources	<u>10,323,663</u>	<u>1,386,954</u>	<u>11,710,617</u>
Total Assets and Deferred Outflows of Resources	<u>\$ 170,877,549</u>	<u>\$ 154,745,594</u>	<u>\$ 325,623,143</u>

See accompanying notes to basic financial statements.

CITY OF LIBERTY, MISSOURI
STATEMENT OF NET POSITION
December 31, 2024

	Governmental Activities	Business-Type Activities	Total
Liabilities			
Current Liabilities			
Accounts payable and accrued liabilities	\$ 2,563,998	\$ 2,618,882	\$ 5,182,880
Deposits	243,923	-	243,923
Compensated absences	1,181,538	175,273	1,356,811
Accrued interest payable	585,131	431,953	1,017,084
Unearned revenue	443,279	9,612	452,891
Current maturities of long-term debt	5,235,474	5,152,000	10,387,474
Total Current Liabilities	<u>10,253,343</u>	<u>8,387,720</u>	<u>18,641,063</u>
Noncurrent Liabilities			
Compensated absences	2,892,733	429,122	3,321,855
Net pension liability	12,184,014	958,934	13,142,914
Total other postemployment benefit liability	454,274	-	454,274
Long-term debt	71,428,392	60,369,719	131,798,111
Total Noncurrent Liabilities	<u>86,959,413</u>	<u>61,757,775</u>	<u>148,717,188</u>
Total Liabilities	<u>97,212,756</u>	<u>70,145,495</u>	<u>167,358,251</u>
Deferred Inflows of Resources			
Pensions	593,150	103,518	696,668
Other postemployment benefits	623,986	-	623,986
Property tax	9,283,392	-	9,283,392
Leases	188,591	-	188,591
Total Deferred Inflows of Resources	<u>10,689,119</u>	<u>103,518</u>	<u>10,792,637</u>
Net Position			
Net investment in capital assets	61,397,665	60,254,140	121,651,805
Restricted for:			
Expendable:			
Debt service	836,832	3,924,733	4,761,565
Parks	1,090,963	-	1,090,963
Cemetery	31,950	-	31,950
Kansas City sewer line	-	137,094	137,094
Nonexpendable:			
Cemetery trust corpus	568,324	-	568,324
Unrestricted (deficit)	(950,060)	20,180,614	19,230,554
Total Net Position	<u>62,975,674</u>	<u>84,496,581</u>	<u>147,472,255</u>
Total Liabilities, Deferred Inflows of Resources and Net Position	<u>\$ 170,877,549</u>	<u>\$ 154,745,594</u>	<u>\$ 325,623,143</u>

See accompanying notes to basic financial statements.

CITY OF LIBERTY, MISSOURI
STATEMENT OF ACTIVITIES
For The Year Ended December 31, 2024

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		
					Governmental Activities	Business-type Activities	Total
Governmental activities							
General government	\$ 8,880,151	\$ 1,804,258	\$ 287,938	\$ -	\$ (6,829,150)	\$ -	\$ (6,829,150)
Community development and improvement	2,002,953	-	-	-	(2,002,953)	-	(2,002,953)
Public works	9,772,107	-	202,056	655,040	(8,915,011)	-	(8,915,011)
Culture and recreation	7,820,005	3,123,981	78,678	-	(4,617,346)	-	(4,617,346)
Cemetery maintenance	113,198	28,085	-	-	(85,113)	-	(85,113)
Public safety	23,192,051	1,465,588	22,456	-	(21,662,812)	-	(21,662,812)
Interest	4,785,115	-	-	-	(4,785,115)	-	(4,785,115)
Total governmental activities	56,565,580	6,421,912	591,128	655,040	(48,897,500)	-	(48,897,500)
Business-type activities							
Water	8,042,621	6,896,078	-	1,703,807	-	557,264	557,264
Sewer	9,449,323	13,287,498	-	281,781	-	4,119,956	4,119,956
Sanitation	2,190,383	2,138,705	-	-	-	(51,678)	(51,678)
Total business-type activities	19,682,327	22,322,281	-	1,985,588	-	4,625,542	4,625,542
Total primary government	\$ 76,247,907	\$ 28,744,193	\$ 591,128	\$ 2,640,628	(48,897,500)	4,625,542	(44,271,958)
General revenues							
Taxes:							
Property tax					9,996,492	-	9,996,492
Franchise taxes					3,753,469	-	3,753,469
Sales and use taxes					32,012,926	-	32,012,926
Other taxes					2,365,002	-	2,365,002
Grants from other governments - unrestricted					500,000	-	500,000
Investment income					1,834,031	878,225	2,712,256
Miscellaneous					1,248,036	10,334	1,258,370
Transfers					(500,000)	500,000	-
Total general revenues and transfers					51,209,988	1,388,559	52,598,515
Change in net position					2,312,456	6,014,101	8,326,557
Net Position - Beginning of Year					60,663,218	78,482,480	139,145,698
Net Position - End of Year					\$ 62,975,674	\$ 84,496,581	\$ 147,472,255

See accompanying notes to basic financial statements.

CITY OF LIBERTY, MISSOURI

BALANCE SHEET - GOVERNMENTAL FUNDS

December 31, 2024

	General	Parks	Liberty TIF	Public Safety Sales Tax	Nonmajor Governmental Funds	Total
Assets						
Cash and investments	\$ 5,428,791	\$ 481,344	\$ 254,590	\$ 4,955,427	\$ 19,858,554	\$ 30,978,706
Receivables						
Taxes	10,451,819	1,336,380	2,707,393	804,230	2,587,406	17,887,228
Accounts	1,572,209	56,526	-	-	51,944	1,680,679
Lease receivable	204,677	-	-	-	-	204,677
Accrued interest	454,711	48,045	12,400	166,677	658,117	1,339,950
Allowance for uncollectible receivables	(1,576,921)	(134,431)	-	-	-	(1,711,352)
Due from other governments	-	-	-	-	284,123	284,123
Inventory	35,163	-	-	-	-	35,163
Prepays	735,435	71,866	-	10,792	7,353	825,446
Other Assets	-	-	-	-	390,000	390,000
Restricted assets						
Cash and investments - restricted	-	-	8,528,980	-	873,303	9,402,283
Investments	-	-	-	-	417,057	417,057
Accrued interest	-	-	-	-	29,209	29,209
Total Assets	\$ 17,305,884	\$ 1,859,730	\$ 11,503,363	\$ 5,937,126	\$ 25,157,066	\$ 61,763,169
Liabilities						
Accounts payable	\$ 1,635,865	\$ 228,828	\$ 300	\$ 20,063	\$ 678,942	\$ 2,563,998
Deposits	195,904	-	-	-	48,019	243,923
Unearned revenue	417,257	26,022	-	-	-	443,279
Total Liabilities	2,249,026	254,850	300	20,063	726,961	3,251,200
Deferred Inflows of Resources						
Charges for services	524,901	-	-	-	53,582	578,483
Property taxes	6,124,375	1,109,820	2,049,197	-	-	9,283,392
Leases	188,591	-	-	-	-	188,591
Total Deferred Inflows of Resources	6,837,867	1,109,820	2,049,197	-	53,582	10,050,466
Fund Balances						
Nonspendable:						
Inventory	35,163	-	-	-	-	35,163
Prepays	735,435	71,866	-	10,792	7,353	825,446
Permanent fund principal	-	-	-	-	556,466	556,466
Restricted:						
Parks and recreation	-	423,194	-	-	1,723,376	2,146,570
Capital projects	-	-	-	-	10,621,301	10,621,301
Transportation projects	-	-	-	-	4,428,474	4,428,474
Public safety	-	-	-	5,906,271	2,479,763	8,386,037
Debt service	-	-	9,453,866	-	-	9,453,866
Cemetery	-	-	-	-	31,950	31,950
Law enforcement	-	-	-	-	99,493	99,493
Other purposes	-	-	-	-	974,144	974,144
Committed	921,652	-	-	-	3,445,098	4,366,750
Assigned	79,946	-	-	-	9,105	89,051
Unassigned	6,446,795	-	-	-	-	6,446,795
Total Fund Balances	8,218,991	495,060	9,453,866	5,917,063	24,376,523	48,461,503
Total Liabilities, Deferred Inflows Of Resources And Fund Balances	\$ 17,305,884	\$ 1,859,730	\$ 11,503,363	\$ 5,937,126	\$ 25,157,066	\$ 61,763,169

CITY OF LIBERTY, MISSOURI
RECONCILIATION OF THE BALANCE SHEET-GOVERNMENTAL FUNDS TO THE
STATEMENT OF NET POSITION
December 31, 2024

Total Fund Balances - Governmental Funds	\$ 48,461,503
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	2,040,158
Construction in progress	5,540,834
Buildings and system	21,818,724
Improvements other than buildings	20,492,456
Vehicles	11,023,203
Machinery and equipment	22,244,871
Infrastructure	105,724,265
Right-to-use leased asset	926,138
Right-to-use subscription asset	1,155,530
Accumulated depreciation and amortization	(92,175,462)
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.	578,483
Deferred inflows and outflows of resources in the governmental activities related to pensions, other postemployment benefits, and deferred loss on refunding are not recorded in the fund statements.	9,106,527
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds:	
Current:	
Compensated absences	(1,181,538)
Accrued interest payable	(585,131)
Financed purchase obligations	(210,000)
General obligations, special obligation, TIF bonds	(4,635,000)
Lease liability	(166,062)
Subscription liability	(224,412)
Noncurrent:	
Compensated absences	(2,892,733)
Net pension liability	(12,184,014)
Other postemployment benefits	(454,274)
Bond discounts	176,186
Bond premium	(1,079,465)
Lease liability	(354,223)
Subscription liability	(310,890)
Financed purchase obligations	(465,000)
General obligations, special obligation, TIF bonds	(69,395,000)
Total Net Position - Governmental Activities	<u><u>\$ 62,975,674</u></u>

CITY OF LIBERTY, MISSOURI
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For The Year Ended December 31, 2024

	General	Parks	Liberty TIF	Public Safety Sales Tax	Nonmajor Governmental Funds	Total
Revenues						
Taxes	\$ 23,531,571	\$ 1,152,783	\$ 5,260,935	\$ 3,930,495	\$ 14,252,105	\$ 48,127,889
Intergovernmental	695,894	78,678	-	-	971,596	1,746,168
Charges for services	2,408,673	3,123,981	-	-	45,745	5,578,399
Licenses and permits	1,092,128	-	-	-	-	1,092,128
Investment earnings	426,190	49,479	397,226	142,136	819,000	1,834,031
Miscellaneous	595,699	250,984	600	-	311,035	1,158,318
Total Revenues	28,750,155	4,655,905	5,658,761	4,072,631	16,399,481	59,536,933
Expenditures						
Current:						
General government	6,729,248	-	-	-	965,449	7,694,697
Community development and improvement	1,168,416	-	570,317	-	140,000	1,878,733
Public works	3,484,412	-	-	-	1,402,214	4,886,626
Culture and recreation	537,089	6,156,883	-	-	58,718	6,752,690
Cemetery maintenance	-	-	-	-	113,198	113,198
Public safety	11,320,313	-	-	9,236,095	795,500	21,351,908
Capital outlay	2,874,409	77,732	-	-	5,689,175	8,641,316
Debt service:						
Principal retirement	1,366,825	290,000	960,000	-	2,582,775	5,199,600
Interest and fiscal charges	200,595	78,980	3,659,288	-	916,687	4,855,550
Bond issuance costs	-	-	-	-	27,000	27,000
Total Expenditures	27,681,307	6,603,595	5,189,605	9,236,095	12,690,716	61,401,318
Revenues Over (Under) Expenditures	1,068,848	(1,947,690)	469,156	(5,163,464)	2,054,740	(1,864,385)
Other Financing Sources (Uses)						
Issuance of finance purchase proceeds	-	-	-	-	390,000	390,000
Proceeds from sale of capital assets	50,400	39,350	-	-	-	89,750
Issuance of lease liability	198,079	-	-	-	-	198,079
Issuance of subscription liability	433,237	-	-	-	-	433,237
Transfers in	972,020	1,813,739	-	4,647,473	698,358	8,131,590
Transfers out	(5,137,949)	(49,000)	-	-	(3,444,641)	(8,631,590)
Total Other Financing Sources (Uses)	(3,484,213)	1,804,089	-	4,647,473	(2,356,283)	611,066
Net Change in Fund Balances	(2,415,365)	(143,601)	469,156	(515,991)	1,352,482	(1,253,319)
Fund Balances - Beginning Of Year	10,634,356	638,661	8,984,710	6,433,054	23,024,041	49,714,822
Fund Balances - End Of Year	\$ 8,218,991	\$ 495,060	\$ 9,453,866	\$ 5,917,063	\$ 24,376,523	\$ 48,461,503

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, 2024

Net Change In Fund Balances - Total Governmental Funds	\$	(1,253,319)
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Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlays as expenditures.

However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. The following is the detail of the amount by which capital outlays exceeded depreciation in the current year:

Capital outlay		9,359,016
Depreciation and amortization		(7,845,918)
Gain on disposal of capital assets		(43,053)

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		248,615
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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		(1,342,730)
Change in accrued interest payable		22,856
Change in deferred inflow and outflow - pensions and other postemployment benefits		2,072,517
Changes in net pension liability and other postemployment benefits liability		(3,158,391)

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

Principal payments on long-term debt		5,199,600
Issuance of financed purchase obligation		(390,000)
Issuance of lease liability		(198,079)
Issuance of subscription liability		(433,237)
Amortization of bond premium and discounts		111,600
Amortization of deferred loss on refunding		(37,021)

Change In Net Position Of Governmental Activities	\$	<u>2,312,456</u>
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CITY OF LIBERTY, MISSOURI
STATEMENT OF NET POSITION
ENTERPRISE FUNDS
December 31, 2024

	Water	Sewer	Sanitation (Nonmajor)	Total
Assets				
Current Assets:				
Cash and investments	\$ 4,151,242	\$ 14,711,282	\$ 92,997	\$ 18,955,521
Receivables:				
Accounts	999,470	2,158,596	159,125	3,317,191
Accrued interest	148,039	597,634	3,662	749,335
Inventory	306,546	15,024	-	321,570
Prepays	77,398	99,570	369	177,337
Total Current Assets	5,682,695	17,582,106	256,153	23,520,954
Noncurrent Assets:				
Restricted assets, cash and investments	467,436	3,594,391	-	4,061,827
Capital assets:				
Land	795,677	545,000	-	1,340,677
Construction in progress	784,600	-	-	784,600
Buildings and systems	9,284,872	1,250,811	-	10,535,683
Improvements other than buildings	148,416	95,840	-	244,256
Vehicles	1,843,062	1,883,557	-	3,726,619
Machinery and equipment	16,130,742	11,063,590	-	27,194,332
Wastewater treatment plant	-	80,102,528	-	80,102,528
Infrastructure	34,471,588	32,622,919	-	67,094,507
Accumulated depreciation	(33,094,793)	(32,152,550)	-	(65,247,343)
Total Noncurrent Assets	30,831,600	99,006,086	-	129,837,686
Total Assets	36,514,295	116,588,192	256,153	153,358,640
Deferred Outflows of Resources				
Pensions	672,654	699,463	14,837	1,386,954
Total Deferred Outflows of Resources	672,654	699,463	14,837	1,386,954
Total Assets and Deferred Outflows of Resources	\$ 37,186,949	\$ 117,287,655	\$ 270,990	\$ 154,745,594
Liabilities				
Current Liabilities:				
Accounts payable and accrued expenses	\$ 2,239,374	\$ 203,121	\$ 176,387	\$ 2,618,882
Compensated absences	95,471	77,848	1,954	175,273
Accrued interest payable	8,228	423,725	-	431,953
Unearned revenue	-	9,612	-	9,612
Current maturities of long-term debt	72,150	5,079,850	-	5,152,000
Total Current Liabilities	2,415,233	5,794,157	178,341	8,387,720
Noncurrent Liabilities:				
Compensated absences	233,738	190,593	4,791	429,122
Net pension liability	465,070	483,606	10,258	958,934
Long-term debt	1,268,811	59,100,908	-	60,369,719
Total Noncurrent Liabilities	1,967,619	59,775,107	15,049	61,757,775
Total Liabilities	4,382,842	65,569,263	193,390	70,145,495
Deferred Inflows of Resources				
Pensions	50,205	52,206	1,107	103,518
Total Deferred Inflows of Resources	50,205	52,206	1,107	103,518
Net Position				
Net investment in capital assets	29,023,203	31,230,937	-	60,254,140
Restricted for:				
Debt service	467,436	3,457,297	-	3,924,733
Kansas City sewer line	-	137,094	-	137,094
Unrestricted	3,263,263	16,840,858	76,493	20,180,615
Total Net Position	32,753,902	51,666,186	76,493	84,496,581
Total Liabilities, Deferred Inflows of Resources and Net Position	\$ 37,186,950	\$ 117,287,655	\$ 270,990	\$ 154,745,595

See 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, 2024

	Water	Sewer	Sanitation (Nonmajor)	Total
Operating Revenues				
Charges for services	\$ 6,896,078	\$ 13,287,498	\$ 2,138,705	\$ 22,322,281
Miscellaneous	10,334	-	-	10,334
Total operating revenues	6,906,412	13,287,498	2,138,705	22,332,615
Operating Expenses				
Pumping and treatment	2,800,778	2,688,521	-	5,489,299
Distribution and transmission	1,778,441	1,518,407	-	3,296,848
General and administrative	1,713,355	1,174,848	-	2,888,203
Sanitation	-	-	2,190,383	2,190,383
Depreciation	1,701,604	2,825,342	-	4,526,946
Total operating expenses	7,994,178	8,207,118	2,190,383	18,891,679
Operating Income (Loss)	(1,087,766)	5,080,380	(51,678)	3,940,936
Nonoperating Revenues (Expenses)				
Investment earnings	159,256	714,994	3,975	878,225
Interest expense	(48,443)	(1,242,205)	-	(1,290,648)
Intergovernmental	836,298	-	-	836,298
Total nonoperating revenues (expenses)	947,111	(527,211)	3,975	423,875
Income (Loss) Before Capital Contributions and Transfers	(140,655)	4,053,169	(47,703)	4,364,811
Capital contributions	867,509	281,781	-	1,149,290
Transfers In	-	500,000	-	500,000
Change in Net Position	726,854	5,334,950	(47,703)	6,014,101
Net Position - Beginning of Year	32,027,048	46,331,236	124,196	78,482,480
Net Position - End of Year	\$ 32,753,902	\$ 51,666,186	\$ 76,493	\$ 84,496,581

See accompanying notes to basic financial statements.

CITY OF LIBERTY, MISSOURI
STATEMENT OF CASH FLOWS
ENTERPRISE FUNDS
For The Year Ended December 31, 2024

			Sanitation		
	Water	Sewer	(Nonmajor)	Total	
Cash Flows from Operating Activities					
Receipts from customers and users	\$ 6,629,914	\$ 13,011,410	\$ 2,140,345	\$	21,781,669
Payment to suppliers	(3,326,605)	(2,503,163)	(2,124,969)		(7,954,737)
Payments for interfund services	(179,200)	(179,200)	-		(358,400)
Payments to employees	(2,536,246)	(2,677,837)	(54,470)		(5,268,553)
Net Cash Provided by (Used in) Operating Activities	587,863	7,651,210	(39,094)		8,199,979
Cash Flows from Noncapital and Related Financing Activities					
Transfers in	-	500,000	-		500,000
Net Cash Provided in Noncapital and Related Financing Activities	-	500,000	-		500,000
Cash Flows from Capital and Related Financing Activities					
Purchase of capital assets	(781,601)	(3,009,102)	-		(3,790,703)
Interest payments	(51,122)	(1,275,531)	-		(1,326,653)
Principal payments on debt	(70,300)	(4,946,700)	-		(5,017,000)
Receipts from intergovernmental	836,298	-	-		836,298
Net Cash Used in Capital and Related Financing Activities	(66,725)	(9,231,333)	-		(9,298,058)
Cash Flows from Investing Activities					
Interest and dividends received	159,256	714,994	3,975		877,581
Increase (Decrease) in Cash and Cash Equivalents	680,394	(365,773)	(35,119)		279,502
Cash and Cash Equivalents - Beginning of Year	3,938,284	18,671,446	128,116		22,737,846
Cash and Cash Equivalents - End of Year	\$ 4,618,678	\$ 18,805,673	\$ 92,997	\$	23,017,348
Components of Cash and Cash Equivalents					
Unrestricted	\$ 4,151,242	\$ 14,711,282	\$ 92,997	\$	18,955,521
Restricted	467,436	3,594,391	-		4,061,827
	\$ 4,618,678	\$ 18,305,673	\$ 92,997	\$	23,017,348
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:					
Operating income (loss)	\$ (1,087,766)	\$ 5,080,380	\$ (51,678)	\$	3,940,936
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities					
Depreciation	1,701,604	2,825,342	-		4,526,946
Changes in assets and liabilities:					
Receivables	(269,330)	(276,088)	1,640		(543,778)
Inventory and other prepayments	(54,425)	(40,594)	(63)		(95,082)
Accounts payable and accrued expenses	177,622	(30,991)	7,699		154,330
Deferred outflows of resources - pensions	(27,744)	(101,537)	(2,043)		(131,324)
Deferred inflows of resources - pensions	(7,575)	(1,364)	(39)		(8,978)
Net pension asset/liability	62,404	110,276	2,269		174,949
Compensated absences	93,073	85,784	3,121		181,978
Net Cash Provided by (Used in) Operating Activities	\$ 587,863	\$ 7,651,210	\$ (39,094)	\$	8,199,979
Noncash Investing and Financing Transactions					
Capital contributions	\$ 867,509	\$ 281,781	\$ -	\$	1,149,290

CITY OF LIBERTY, MISSOURI
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
December 31, 2024

	<u>Custodial Funds</u>
Assets	
Cash and cash equivalents	\$ 915,362
Special assessments receivable	<u>465,392</u>
Total assets	<u><u>\$ 1,380,754</u></u>
Liabilities	
Accounts payable	4,046
Due to other organizations	<u>\$ 1,376,708</u>
Total liabilities	<u><u>\$ 1,380,754</u></u>

See accompanying notes to basic financial statements.

CITY OF LIBERTY, MISSOURI

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
For The Year Ended December 31, 2024

	<u>Custodial Funds</u>
Additions	
Taxes	\$ 2,258,014
Total Additions	<u>\$ 2,258,014</u>
Deductions	
Payments to other organizations	\$ 2,258,014
Total Deductions	<u>\$ 2,258,014</u>

See accompanying notes to basic financial statements.

NOTES TO BASIC FINANCIAL STATEMENTS

December 31, 2024

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 component units at December 31, 2024.

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

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

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

CITY OF LIBERTY, MISSOURI

Notes To Basic Financial Statements (*Continued*)

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.

Public Safety Sales Tax Fund: This fund is a special revenue fund used to report the City’s public safety sales tax revenue and provides funding for Police and Fire personnel.

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.

CITY OF LIBERTY, MISSOURI

Notes To Basic Financial Statements *(Continued)*

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

ARPA Fund: This fund represents the federal grant and relief monies received by the City under the American Rescue Plan Act of 2021, also called the COVID-19 Stimulus Package or American Rescue Plan, and related expenditures.

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.

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.

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.

CITY OF LIBERTY, MISSOURI

Notes To Basic Financial Statements (*Continued*)

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

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

The following are the City's major enterprise funds:

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

Sewer Fund: Accounts for cost of collection and treatment of wastewater. Effective August 1998, the City's system was connected with the Kansas City, Missouri sewage system. Effective October 2017, the City's wastewater treatment plant was in-service and the flows treated by the City of Kansas City, Missouri were significantly reduced. Revenues are derived from charges to customers.

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

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

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:

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 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.

CITY OF LIBERTY, MISSOURI

Notes To Basic Financial Statements (Continued)

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

Measurement Focus And Basis Of Accounting

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and 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 2024 levy plus any uncollected amounts from the 2023 levy. Property taxes that are not available for current year operations are shown as a deferred inflow. Property taxes are levied each year on all taxable real and personal property in the City. The City's property tax is levied each September 1 on the assessed value as of the prior January 1. Property taxes are billed in total by November 1 following the levy date and considered delinquent after January 1. On January 1, a lien attaches to all property for which taxes are unpaid.

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

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

CITY OF LIBERTY, MISSOURI

Notes To Basic Financial Statements *(Continued)*

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

Cash And Investments

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

Statement Of Cash Flows

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

Accounts Receivable And Unbilled Usage

Accounts receivable and unbilled usage results primarily from miscellaneous services provided to citizens in the governmental and enterprise 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 and enterprise fund types are accounted for under the consumption method. Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements under the consumption method.

Capital Assets

Land, construction in progress, 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.

CITY OF LIBERTY, MISSOURI

Notes To Basic Financial Statements (*Continued*)

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.

Lease Assets

Lease assets are initially recorded at the initial measurement of the lease liability, plus lease payments made at or before the commencement of the lease term, less any lease incentives received from the lessor at or before the commencement of the lease, plus initial direct costs that are ancillary to place the asset into service. Lease assets are amortized on a straight-line basis over the shorter of the lease term or the useful life of the underlying asset.

Subscription Assets

Subscription assets are initially recorded at the initial measurement of the subscription liability; plus any payments made and adjustments for initial direct costs prior to the commencement date. The subscription asset is amortized on a straight-line basis over the shorter of the SBITA term or the useful life of the underlying IT asset.

Leases Receivable

The City is lessor for several noncancellable leases for land and tower space and recognizes a related lease receivable and a deferred inflow of resources. At the commencement of a lease, the City initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of the lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized over the lease term.

The City monitors changes in circumstances that would require a remeasurment of its leases and will remeasure the lease receivable and deferred inflow of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable.

Capital, Lease, and Subscription Asset Impairment

The City evaluates capital, lease and subscription assets for impairment whenever events or circumstances indicate a significant, unexpected decline in the service usability of a capital, lease, or subscription asset has occurred. If a capital, lease or subscription is tested for impairment and the magnitude of the decline in service usability is significant and unexpected, accumulated depreciation is increased by the amount of the impairment loss.

CITY OF LIBERTY, MISSOURI

Notes To Basic Financial Statements *(Continued)*

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 assets that applies to future periods 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 postemployment-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.

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

The City policies permit most employees to accumulate vacation and sick leave benefits that may be realized as paid time off or, in limited circumstances, as a cash payment. A liability is accrued for compensated absences as the benefits are earned if the leave is more likely than not to be used for time off or settled in cash.

Compensated absence liabilities are computed using the regular pay and termination pay rates, as applicable, in effect at statement of net position date plus an additional amount for salary-related payments such as Social Security and Medicare taxes computed using rates in effect at that date. The estimated compensated absences liability expected to be paid more than one year after the statement of net position date is included in other long-term liabilities.

CITY OF LIBERTY, MISSOURI

Notes To Basic Financial Statements (*Continued*)

For governmental fund types, the amount of accumulated unpaid vacation and sick leave that is payable from available resources is recorded as a liability of the respective fund only if they have matured, for example, as a result of employee retirements and resignations.

Fund Balance

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

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

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

Net Position

Net position represents the difference between the sum of assets and deferred outflows of resources and the sum of liabilities and deferred inflows of resources. Net investment in capital assets consists of capital assets, net of accumulated depreciation and amortization, 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.

CITY OF LIBERTY, MISSOURI

Notes To Basic Financial Statements (*Continued*)

Long-Term Liabilities

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

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

Deferred Inflows Of Resources

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net assets that applies to future periods 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 as well as those related to lessor transactions. These items have 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 funds 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. Implementation of Accounting Pronouncements

GASB Statement No. 99, *Omnibus 2022*. The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB statements and (2) accounting and financial reporting for financial guarantees. This standard was partially adopted for 2023. Adoption of GASB 99 had no effect on beginning net position or fund balance, nor were any financial statement line items affected by its adoption.

GASB Statement 100, *Accounting Changes and Error Corrections-an amendment of GASB Statement No. 62*. The primary objective of this Statement is to enhance the accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. Adoption of GASB 100 had no effect on beginning net position or fund balance, nor were any financial statement line items affected by its adoption. GASB 100 does require certain additional footnote disclosures not required in GASB 62.

CITY OF LIBERTY, MISSOURI

Notes To Basic Financial Statements (Continued)

GASB Statement No. 101, *Compensated Absences*. This objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. Specifically, this statement requires that a government entity recognize a liability of compensated absences for the leave that has not been used and leave that has been used but not yet paid in cash or settled through noncash means. The impact to the financial statements was not material and the City did not restate beginning net position or fund balances for the adoption of GASB 101.

3. Deposits And Investments

As of December 31, 2024, the City had the following investments and maturities:

Investment Type	Amount	Investment Maturity (In Years)		
		Less Than 1	1-3	3-5
Federal Home Loan Mortgage	\$ 2,574,361	\$ -	\$ 2,075,751	\$ 498,610
FFCB Bond	4,894,663	2,141,340	2,753,323	-
U.S. Treasury Notes	14,639,234	4,982,910	7,062,765	2,593,559
Certificates of Deposit	1,825,305	487,714	1,337,591	-
Repurchase Agreements	1,565,449	1,565,449	-	-
	<u>\$ 25,499,013</u>	<u>\$ 9,177,414</u>	<u>\$ 12,229,430</u>	<u>\$ 3,092,169</u>

In addition to the above investments, the City has an investment of \$467,339 in Greater Kansas City Community Foundation pooled investments which includes both equity and fixed income investment pools. Fixed income investment pools make up approximately 38.4% of the total investment pool and has a weighted average maturity of 3.92 years.

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, money markets and repurchase agreements. It is the City's policy to follow state statutes.

CITY OF LIBERTY, MISSOURI

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, 2023, the City's investments were rated as follows:

Investment Type	Rating	Company	Rating	Company
Federal Home Loan Mortgage	Aaa	Moody's	AA+	Standard & Poor's
FFCB Bond	Aaa	Moody's	AA+	Standard & Poor's
U.S. Treasury Notes	Aaa	Moody's	Not Rated	Standard & Poor's
Certificate of Deposit	Not Rated	Moody's	Not Rated	Standard & Poor's
Repurchase Agreements	Not Rated	Moody's	Not Rated	Standard & Poor's
GKCCF	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 notes, government pools collateralized by U.S. Treasury notes 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 (55.18%), Repurchase Agreements (6.14%), FFCB Bonds (19.20%), Certificates of Deposit (7.15%), and Federal Home Loan Bank Mortgages (10.10%).

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, 2024, 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	\$ 38,764,404
Investments	<u>25,966,352</u>
	<u>\$ 64,730,756</u>
 Cash and investments	 \$ 49,934,227
Restricted assets:	
Cash and investments	9,402,283
Investments	4,478,884
Custodial funds, cash and cash equivalents	<u>915,362</u>
	<u><u>\$ 64,730,756</u></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)

4. Capital Assets

The following is a summary of changes in capital assets for the year ended December 31, 2024:

	Balance - January 1, 2024	Additions	Retirements	Balance - December 31, 2024
Governmental Activities				
Capital assets, not being depreciated or amortized:				
Land	\$ 2,040,158	\$ -	\$ -	2,040,158
Construction in progress	4,037,729	2,093,799	590,694	5,540,834
Total capital assets, not being depreciated or amortized	6,077,887	2,093,799	590,694	7,580,992
Capital Assets being depreciated or amortized:				
Buildings and systems	21,159,606	659,118	-	21,818,724
Improvements other than buildings	19,749,065	743,391	-	20,492,456
Vehicles	9,977,933	1,451,804	406,534	11,023,203
Machinery and equipment	20,082,790	2,274,483	112,402	22,244,871
Infrastructure	103,825,985	1,898,280	-	105,724,265
Right-to-use leased assets - network assets	728,059	198,079	-	926,138
Right-to-use subscription assets - ERP	524,774	630,756	-	1,155,530
Total capital assets being depreciated or amortized	176,048,212	7,855,911	518,936	183,385,187
Less: Accumulated depreciation and amortization				
Buildings and systems	9,077,064	528,371	-	9,605,435
Improvements other than buildings	12,057,100	514,368	-	12,571,468
Vehicles	6,999,220	866,029	321,521	7,543,728
Machinery and equipment	14,044,503	1,110,331	111,999	15,042,835
Infrastructure	42,274,009	4,309,315	-	46,583,324
Right-to-use leased assets - network assets	227,458	168,000	-	395,458
Right-to-use subscription assets - ERP	126,103	349,503	42,392	433,214
Total accumulated depreciation and amortization	84,805,457	7,845,917	475,912	92,175,462
Total capital assets being depreciated or amortized, net	91,242,755	9,993	43,024	91,209,725
Governmental activities capital assets, net	\$ 97,320,642	\$ 2,103,793	\$ 633,718	\$ 98,790,717

CITY OF LIBERTY, MISSOURI

Notes To Basic Financial Statements (Continued)

	Balance - January 1, 2024	Additions	Retirements	Balance - December 31, 2024
Business-Type Activities				
Capital asstes, not being depreciated:				
Land	\$ 1,340,677	\$ -	\$ -	1,340,677
Construction in progress	1,175,037	784,600	1,175,037	784,600
Total capital assets, not being depreciated	2,515,714	784,600	1,175,037	2,125,277
Capital Assets being depreciated:				
Buildings and systems	10,535,683	-	-	10,535,683
Improvements other than buildings	244,256	-	-	244,256
Vehicles	3,096,574	630,045	-	3,726,619
Machinery and equipment	24,735,494	2,458,838	-	27,194,332
Wastewater treatment plant	79,607,683	494,845	-	80,102,528
Infrastructure	65,347,162	1,747,345	-	67,094,507
Total capital assets being depreciated	183,566,852	5,331,073	-	188,897,925
Less: Accumulated depreciation for:				
Buildings and systems	5,615,947	223,016	-	5,838,963
Improvements other than buildings	195,656	3,405	-	199,061
Vehicles	1,733,776	246,805	-	1,980,581
Machinery and equipment	10,870,458	1,007,074	-	11,877,532
Wastewater treatment plant	10,771,000	1,677,060	-	12,448,060
Infrastructure	31,533,559	1,369,587	-	32,903,146
Total accumulated depreciation	60,720,396	4,526,947	-	65,247,343
Total capital assets being depreciated, net	122,846,456	804,126	-	123,650,582
Business-type activities capital assets, net	\$ 125,362,170	\$ 1,588,727	\$ 1,175,037	\$ 125,775,859

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

Governmental Activities

Governmental Activities	
General government	\$ 1,049,865
Public safety	921,303
Culture and recreation	992,062
Public works	4,882,687
	<u>\$ 7,845,917</u>

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

Business-Type Activities

Business-Type Activities	
Water	\$ 1,701,604
Sewer	2,825,343
	<u>\$ 4,526,947</u>

CITY OF LIBERTY, MISSOURINotes To Basic Financial Statements *(Continued)***5. Long-Term Liabilities**

The following is a summary of changes in long-term liabilities for the year ended December 31, 2024:

	January 1, 2024	Additions	Retirements	December 31, 2024	Due Within One Year
Governmental Activities					
Special obligation bonds	\$ 23,785,000	\$ -	\$ 2,375,000	\$ 21,410,000	\$ 2,290,000
Financed purchase obligations	425,000	390,000	140,000	675,000	210,000
General obligation bonds	13,835,000	-	1,245,000	12,590,000	1,285,000
TIF bonds	40,990,000	-	960,000	40,030,000	1,060,000
Net pension liability	8,896,382	3,287,632	-	12,184,014	-
Total other postemployment benefits liability	583,515	-	129,241	454,274	-
Compensated absences	2,731,541	1,342,730	-	4,074,271	1,181,538
Lease liability	507,605	198,079	185,399	520,285	166,062
Subscription liability	396,266	433,237	294,201	535,302	224,412
Bond premiums	1,199,073	-	119,608	1,079,465	-
Bond discounts	(184,194)	-	(8,008)	(176,186)	-
	<u>\$ 93,165,188</u>	<u>\$ 5,651,678</u>	<u>\$ 5,440,441</u>	<u>\$ 93,376,425</u>	<u>\$ 6,417,012</u>
Business-Type Activities					
Revenue bonds	\$ 600,000	\$ -	\$ 295,000	\$ 305,000	\$ 305,000
SRF bonds	66,124,500	-	4,532,000	61,592,500	4,652,000
Special obligation bonds	3,735,000	-	190,000	3,545,000	195,000
Net pension liability	783,985	174,949	-	958,934	-
Compensated absences	422,417	544,661	362,685	604,393	175,273
Bond premiums	84,878	-	5,659	79,219	-
	<u>\$ 71,750,780</u>	<u>\$ 719,610</u>	<u>\$ 5,385,344</u>	<u>\$ 67,085,046</u>	<u>\$ 5,327,273</u>

CITY OF LIBERTY, MISSOURI

Notes To Basic Financial Statements *(Continued)*

Bonds, notes and finance purchase payables of the City at December 31, 2024 are as follows:

Governmental Activities

General obligation bonds:

2015 General Obligation Bonds, 2-5%, due in varying amounts through 2035	\$ 8,185,000
2021 General Obligation Refunding & Improvement Bonds, 3-4%, due in varying amounts through 2030	4,405,000

Special obligation bonds:

2015 Special Obligation Bonds, 2-3.5%, due in varying amounts through 2035	10,165,000
2017 Special Obligation Refunding and Improvement Bonds, 2.65%, due in varying amounts through 2032	700,000
2018 Special Obligation Bonds, 3%-5%, due in varying amounts through 2038	7,480,000
Series 2019A Taxable Special Obligation Bonds, 2.5%, due in varying amounts through 2028	390,000
Series 2019B Tax-Exempt Special Obligation Bonds, 2%-4%, due in varying amounts through 2039	2,485,000
2020 Special Obligation Bonds, 1.525%, due in varying amounts through 2025	190,000

Tax increment revenue bonds:

2010 Roger's Plaza Project Tax Increment Revenue Bonds, 6.75%, due in varying amounts through 2030	2,790,000
Series 2015A Special Obligation Tax Increment and Special Districts Bonds, 5.125%-6%, due in varying amounts through 2046	28,145,000
Series 2015B Subordinate Special Obligation Tax Increment and Special Districts Bonds, 8.5%, due in 2046	9,095,000

Financed purchase obligations:

Lease purchase of IT/Police equipment, due in annual installments between \$118,000 and \$145,000 through 2026	285,000
Lease purchase of Street Sweeper, due in semi-annual installments between \$35,000 and \$45,000 through 2029	390,000

Total Governmental Activities	<u>\$ 74,705,000</u>
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Business-Type Activities

Revenue bonds:

2015B Sewer System Refunding Revenue Bonds, 2.5% due in 2025	\$ 305,000
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SRF bonds:

2005 State Revolving Fund Program Bonds, 3.25%-5.25%, due in varying amounts through 2026	900,000
2015 State Revolving Fund Program Bonds, 1.22%, due in varying amounts through 2037	60,692,500

Special obligation bonds:

2018 Special Obligation Bonds, 3%-5%, due in varying amounts through 2038	<u>3,545,000</u>
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Total Business-type Activities	<u>\$ 65,442,500</u>
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CITY OF LIBERTY, MISSOURI

Notes To Basic Financial Statements (Continued)

Annual debt service requirements to service all outstanding indebtedness as of December 31, 2024 are as follows:

For The Years Ended December 31,	Debt Service General Obligation Bonds		Debt Service Special Obligation Bonds	
	Principal	Interest	Principal	Interest
2025	\$ 1,285,000	\$ 388,663	\$ 2,290,000	\$ 654,206
2026	1,335,000	342,563	2,175,000	574,437
2027	1,385,000	291,363	2,275,000	499,923
2028	1,440,000	234,863	2,100,000	433,088
2029	1,485,000	187,663	2,180,000	371,363
2030-2034	4,765,000	478,106	8,365,000	955,288
2035-2039	895,000	14,544	2,025,000	72,538
	<u>\$ 12,590,000</u>	<u>\$ 1,937,765</u>	<u>\$ 21,410,000</u>	<u>\$ 3,560,843</u>

For The Years Ended December 31,	Enterprise Revenue Bonds	
	Principal	Interest
2025	\$ 305,000	\$ 3,897
	<u>\$ 305,000</u>	<u>\$ 3,897</u>

For The Years Ended December 31,	Governmental Finance Purchase Obligations		Debt Service Tax Increment Revenue Bonds	
	Principal	Interest	Principal	Interest
2025	\$ 210,000	\$ 13,754	\$ 1,060,000	\$ 2,591,934
2026	220,000	11,221	1,180,000	2,526,413
2027	80,000	7,629	1,285,000	2,451,950
2028	85,000	4,832	1,425,000	2,370,144
2029	80,000	2,034	1,555,000	2,280,419
2030-2034	-	-	6,785,000	10,063,019
2035-2039	-	-	7,740,000	7,954,931
2040-2044	-	-	4,715,000	6,177,025
2045-2049	-	-	14,285,000	1,941,250
	<u>\$ 675,000</u>	<u>\$ 39,290</u>	<u>\$ 40,030,000</u>	<u>\$ 38,357,085</u>

The City is obligated under leases accounted for as finance purchase obligation. Assets under finance purchase obligation at December 31, 2024 totaled \$1,170,397, net of accumulated amortization of \$4,763,489. Amortization expense is included with depreciation expense for these finance purchase obligations.

As of December 31, 2024, the City has outstanding commitments under finance purchase obligations not yet commenced of \$1,838,748. As of December 31, 2024, the City has not extended any funds related to this commitment.

CITY OF LIBERTY, MISSOURI

Notes To Basic Financial Statements *(Continued)*

Lease Liabilities

The City leases land for its operations, the terms of which expire in various years through 2028. During 2024, there were no variable payments not previously included in the measurement of the lease liability. The following is a schedule by year of payments under the leases as of December 31, 2024:

For The Years Ended December 31,	Governmental Activities Leases	
	Principal	Interest
2025	\$ 166,062	\$ 7,270
2026	163,031	4,710
2027	162,368	2,142
2028	28,825	170
	<u>\$ 520,286</u>	<u>\$ 14,291</u>

Subscription Liabilities

The following is a schedule by year of payments under the subscriptions as of December 31, 2024:

For The Years Ended December 31,	Governmental Activities Leases	
	Principal	Interest
2025	\$ 224,412	\$ 9,723
2026	242,328	3,467
2027	68,561	450
	<u>\$ 535,302</u>	<u>\$ 13,640</u>

CITY OF LIBERTY, MISSOURI

Notes To Basic Financial Statements (*Continued*)

For The Years Ended December 31,	Enterprise SRF Bonds		Enterprise Special Obligation	
	Principal	Interest	Principal	Interest
2025	\$ 4,652,000	\$ 769,741	\$ 195,000	\$ 128,544
2026	4,778,000	697,132	205,000	118,544
2027	4,424,000	622,969	215,000	103,594
2028	4,533,000	568,666	225,000	96,625
2029	4,646,000	513,022	230,000	103,594
2030-2034	24,993,000	1,681,306	1,275,000	358,259
2035-2039	13,566,500	248,554	1,200,000	98,000
	<u>\$ 61,592,500</u>	<u>\$ 5,101,390</u>	<u>\$ 3,545,000</u>	<u>\$ 1,007,160</u>

Pledges Of Revenue On Outstanding Debt

Utility revenues pledged: The City has pledged future sewer customer revenues, net of specified operating expenses, to repay two debt issues with outstanding principal of \$61,592,500 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 63% of net revenues on average over the next 13 years. The total principal and interest remaining to be paid on the bonds is \$66,693,890. Principal and interest paid for the current year and total customer net revenues were \$5,678,685 and \$8,120,717, 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 \$3,451,838 payable through 2030. For the current year, principal and interest paid and total incremental PILOTS, EATS and CID revenues were \$540,369 and \$728,563, 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 \$74,935,247 payable through 2046. For the current year, principal and interest paid and total incremental revenues were \$3,068,509 and \$3,994,425, 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, 2024, 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, 2024 of approximately \$373 million.

CITY OF LIBERTY, MISSOURI

Notes To Basic Financial Statements (*Continued*)

6. Interfund Transactions

Interfund transfers for the year were as follows:

	Transfers In	Transfers Out
Governmental activities		
General	\$ 972,020	\$ 5,137,949
Parks	1,813,739	49,000
Public Safety Sales Tax	4,647,473	-
Nonmajor governmental funds	698,358	3,444,641
Business-Type activities		
Sewer	500,000	-
	<u>\$ 8,631,590</u>	<u>\$ 8,631,590</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, 2024 were \$358,400.

7. Missouri Local Government Employees Retirement System (LAGERS)

General Information about the Pension Plan

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

CITY OF LIBERTY, MISSOURI

Notes To Basic Financial Statements (*Continued*)

Benefits provided - LAGERS provides retirement, death and disability benefits. Benefit provisions are adopted by the governing body of the employer, within the options available in the state statutes governing LAGERS. All benefits vest after five years of credited service. Employees who retire on or after age 60 (55 for police, fire or public safety) with five 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 five years of credited service and after attaining age 55 (50 for police, fire or public safety) and receive a reduced allowance.

Benefit Multiplier:	2%
Final Average Salary:	5 years
Member Contributions:	0%

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 June 30, 2024. The following employees were covered by benefit terms at June 30, 2024.

	General	Police Officers	Fire	Public Safety	Total
Retirees and beneficiaries					
currently receiving benefits	112	37	34	-	183
Terminated vested members	79	19	23	-	121
Fully vested active members	146	43	64	7	260
Total	337	99	121	7	564

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 0% of their gross pay to LAGERS. Employer contribution rates are 15.9% (General), 23.4% (Police), 28.5% (Fire) and 19.1% (Public Safety) of annual covered payroll. For 2024, the City contributed \$4,512,761 to the Plan.

CITY OF LIBERTY, MISSOURI

Notes To Basic Financial Statements (Continued)

Net Pension Liability

The City's net pension liability was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of February 29, 2024. The roll-forward of total pension liability from February 29, 2024 to June 30, 2024, reflects expected service cost and interest reduced by actual benefit payments.

Actuarial Assumptions - The total pension liability in the February 29, 2024, 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
Amortization Method	Level percentage of payroll, closed
Remaining Amortization Period	Multiple bases from 8 to 18 years
Asset Valuation Method	5 year smoothed fair value, 20% corridor
Inflation	2.75% wage inflation, 2.25% price inflation
Salary increases	2.75% to 6.55%, including wage inflation
Investment Rate of Return	7.00%, net of investment expenses
Retirement Ages	Experience-based table of rates that are specific to the type of eligibility condition
Mortality	The healthy retiree mortality tables, for post-retirement mortality, was 115% of the PubG-2010 Retiree Mortality Table for males and females. The disabled retiree mortality tables, for post-retirement mortality, was 115% of the PubNS-2010 Disabled Retiree Mortality Table for males and females. The pre-retirement mortality tables used were 75% of the PubG-2010 Employee Mortality table for males and females of General groups, and 75% of the PubS-2010 Employee Mortality table for males and females of Police, Fire and Public Safety groups.
	Mortality rates for a particular calendar year are determined by applying the MP-2020 mortality improvement scale to the above described tables.

The actuarial assumptions used in the February 29, 2024 valuation were based on the results of an actuarial experience study for the period March 1, 2010 through February 28, 2015.

CITY OF LIBERTY, MISSOURI

Notes To Basic Financial Statements (Continued)

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

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Equity	39.00%	4.35%
Fixed Income	28.00%	1.43%
Real Assets/Real Return	33.00%	2.67%

Discount Rate - The discount rate used to measure the total pension liability is 7.0%. The projection of cash flows used to determine the discount rate assumes that employer and employee contributions will be made at the rates agreed upon for employees and the actuarially determined rates for employers. Based on these assumptions, the pensions plan's fiduciary net position was projected to be available to pay all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payment to determine the total pension liability.

Changes in the Net Pension Liability

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Changes in Net Position Liability (Asset) (a) - (b)
Balances as of January 1, 2024	\$ 87,978,391	\$ 78,298,058	\$ 9,680,333
Changes for the year:			
Service cost	2,344,443	-	2,344,443
Interest on total pension liability	6,119,879	-	6,119,879
Difference between expected and actual experience	2,634,231	-	2,634,231
Changes of assumptions	-	-	-
Benefit payments	(3,466,483)	(3,466,483)	-
Employer contributions	-	4,303,829	(4,303,829)
Employee contributions	-	-	-
Net investment income	-	4,075,772	(4,075,772)
Administrative expenses	-	(67,556)	67,556
Other (Net Transfer)	-	(676,073)	676,073
Net changes	7,632,070	4,169,489	3,462,581
Balances as of December 31, 2024	\$ 95,610,461	\$ 82,467,547	\$ 13,142,914

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

Sensitivity of the Net Pension Liability to Changes in the Discount Rate - The following sensitivity analysis presents the net pension liability of the City, calculated using the discount rate of 7.00% 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 (6.00%) or one percentage point higher (8.00%) than the current rate:

	1% Decrease (6.00)%	Current Discount Rate (7.00)%	1% Increase (8.00)%
Net pension liability	\$ 27,849,787	\$ 13,142,914	\$ 1,078,623

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

For the year ended December 31, 2024, the City recognized pension expense of \$5,597,497 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	\$ 6,757,367	\$ 395,506
Assumption changes	-	304,162
Net difference between projected and actual earnings	2,278,203	-
Contributions subsequent to the measurement date*	2,249,784	-
Total	<u>\$ 11,285,354</u>	<u>\$ 696,668</u>

*The amount reported as deferred outflows of resources resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability for the year ending December 31, 2025.

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

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

Year ended December 31:	
2025	\$ 1,137,730
2026	3,673,377
2027	2,046,188
2028	1,042,240
2029	288,980
Thereafter	<u>150,387</u>
Total	<u>\$ 8,338,902</u>

Allocation of LAGERS Net Pension Liability

The City's full-time equivalents at December 31, 2024 was used to allocate the net pension liability and deferred inflows of resources and deferred outflows of resources related to pension.

8. Total Other Postemployment 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.

CITY OF LIBERTY, MISSOURI

Notes To Basic Financial Statements *(Continued)*

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, 2024, no assets are accumulated in a trust that meets the criteria in paragraph 4 of Statement 75 and the City 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, 2024, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	2
Active employees	<u>270</u>
Total	<u><u>272</u></u>

Total OPEB Liability

The total OPEB liability of \$454,274 was measured as of December 31, 2024, and was determined by an actuarial valuation as of July 1, 2023, rolled forward to December 31, 2024.

The total OPEB liability in the July 1, 2023 actuarial valuation projected to the corresponding measurement date was determined using the following actuarial assumptions:

Discount rate:	4.22% per annum
Salary increases:	4.00% per annum
Healthcare cost trend rate:	Medical: 7.50% graded down to 5.00% over 10 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, 2024.

Mortality rates were based on the Society of Actuaries Pub-2010 public retirement plans headcount-weighted mortality tables using MP-2021 full generational improvement scale.

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

CITY OF LIBERTY, MISSOURI

Notes To Basic Financial Statements *(Continued)***Changes in Total OPEB Liability**

Balance at 01/01/2024	\$	583,515
Service costs		36,986
Interest costs		24,075
Changes in assumptions		63,680
Difference between expected and actual experience		(253,982)
Net change		(129,241)
Balance at 12/31/2024	\$	454,274

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

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

	Healthcare cost trend rate		
	1% Decrease	Current	1% Increase
Total OPEB Liability	\$ 394,557	\$ 454,274	\$ 526,000

CITY OF LIBERTY, MISSOURI

Notes To Basic Financial Statements (Continued)

Sensitivity of Total OPEB Liability to Changes in the Discount Rate

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

	Discount rate		
	1% Decrease 3.22%	Current 4.22%	1% Increase 5.22%
Total OPEB Liability	\$ 502,138	\$ 454,274	\$ 411,107

OPEB Expense and Deferred Inflows of Resources Related to OPEB

For the year ended December 31, 2024, the City recognized OPEB expense of \$35,784. At December 31, 2024, 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	\$ 315,544	\$ 105,394
Assumption changes	35,706	518,592
Total	<u>\$ 351,250</u>	<u>\$ 623,986</u>

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

Year ended December 31:	
2025	\$ (25,277)
2026	(25,277)
2027	(25,277)
2028	(25,277)
2029	(25,277)
Thereafter	<u>(146,351)</u>
Total	<u>\$ (272,736)</u>

CITY OF LIBERTY MISSOURI

Notes To Basic Financial Statements (*Continued*)

9. 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.

10. Commitments And Contingent Liabilities

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

Capital projects:	
General Fund	\$ 1,000,151
Parks	37,825
Nonmajor Funds	4,751,947
Water	351,194
Sewer	666,589
	<u>\$ 6,807,707</u>

The City participates in a number of federal and state programs that are fully or partially funded by grants received from other governmental units. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grant program regulations, the City may be required to reimburse the grantor government. As of December 31, 2024, 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.

The City has accrued approximately \$1.2 million within accounts payable and accrued expense of the Water Fund related to the estimated cost to monitor and remediate certain contaminated soils. The estimate was performed by a 3rd party consultant during 2023.

11. 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, 2024, the City has the following open redevelopment agreements:

	Unpaid Reimbursable Project Costs
Blue Jay Crossing	\$ 700,973
Liberty Commons	1,123,319
	<u>\$ 1,824,292</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, 2024, the City did not accrue a liability for these unpaid reimbursable project costs.

12. 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 medical, vision and dental 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 property and casualty, workers compensation, 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 2024 and 2023 were:

Year	Beginning Of Year Liability	Current Year Claims And Changes In Estimates	Claims Payments	Balance Year Ended
2024	\$ -	\$ 7,194	\$ 7,194	-
2023	\$ -	\$ 870	\$ 870	-

13. 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. Government Agencies and U.S. Treasury notes of \$22,108,258, 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).
- Repurchase agreements of \$1,565,449 are valued using unadjusted quoted prices in active markets for identical assets (Level 1 inputs).
- Pooled investments held at the Greater Kansas City Community Foundation (GKCCF) of \$467,339 are 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).
- Certificates of Deposit of \$1,825,325 values using quoted prices for similar assets, quoted prices in markets just are not active or other inputs just 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)*

14. Tax Abatement Disclosures

For the fiscal year ended December 31, 2024 the City's tax revenue was diverted through various abatements necessary to incent development within the City totaling an estimated \$17,451,482 under the following programs:

Tax Abatement Program	Amount of Taxes Abated during the Fiscal Year
Tax Increment Financing	\$ 4,618,797
Chapter 353	409,335
Chapter 100 Bonds	<u>12,423,350</u>
	<u>\$ 17,451,482</u>

The City does not believe the amounts depicted above represent "lost taxes." Under each particular project, the City requires a stringent "but for" test to insure the public infrastructure improvements (Tax 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)

15. Fund Balance Deficits

As of December 31, 2024, there were no funds with a fund deficit.

16. Subsequent Events

Subsequent to year-end, the City passed a 1 cent increase in the City's general sales tax to support first responders. The tax is estimated to provide an additional \$7.5M in sales tax revenues.

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, 2024

	Original Budget	Final Budget	Actual (Budget Basis)	Variance With Final Budget (Over) Under
Revenues				
Taxes	\$ 23,266,383	\$ 23,266,383	\$ 23,531,571	\$ 265,188
Intergovernmental	677,501	677,501	695,894	18,393
Charges for services	2,379,589	2,379,589	2,408,673	29,084
Licenses and permits	759,800	759,800	1,092,128	332,328
Investment earnings	300,000	300,000	426,190	126,190
Miscellaneous	496,009	496,009	595,699	99,690
Total revenues	27,879,282	27,879,282	28,750,155	870,873
Expenditures				
Current:				
General government	7,401,639	7,583,263	6,729,248	854,015
Community development and improvement	1,234,676	1,234,676	1,168,416	66,260
Public works	3,686,255	3,704,934	3,484,412	220,522
Culture and recreation	596,032	596,032	537,089	58,943
Public safety	11,112,552	11,158,845	11,320,313	(161,468)
Capital outlay	1,698,023	2,099,928	2,874,409	(774,481)
Debt service:				
Principal retirement	772,225	772,225	1,366,825	(594,600)
Interest and fiscal charges	177,128	177,128	200,595	(23,467)
Total expenditures	26,678,530	27,327,031	27,681,307	(354,276)
Revenues Over (Under) Expenditures	1,200,752	552,251	1,068,848	516,597
Other Financing Sources (Uses)				
Proceeds from sale of capital assets	-	-	50,400	50,400
Issuance of lease liability	-	-	198,079	198,079
Issuance of subscription liability	-	-	433,237	433,237
Transfers in	972,020	972,020	972,020	-
Transfers out	(2,098,973)	(2,098,973)	(5,137,949)	(3,038,976)
Total other financing sources (uses)	(1,126,953)	(1,126,953)	(3,484,213)	(2,357,260)
Net Change in Fund Balances	\$ 73,799	\$ (574,702)	(2,415,365)	\$ (1,840,663)
Fund Balances, Beginning of Year			10,634,356	
Fund Balances, End of Year			8,218,991	
Adjustments, Encumbrances			(1,816,068)	
Fund Balance, End of Year			6,402,923	
Net Change in Fund Balance - Budget Basis			(2,415,365)	
Adjustments:				
Encumbrances - Beginning of Year			(2,817,666)	
Encumbrances - End of Year			1,001,598	
Net Change in Fund Balance - Budget Basis			\$ (4,231,433)	

See notes to budgetary comparison 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, 2024

	Original Budget	Final Budget	Actual (Budget Basis)	Variance With Final Budget (Over) Under
Revenues				
Taxes	\$ 1,146,003	\$ 1,146,003	\$ 1,152,783	\$ 6,780
Intergovernmental	75,000	75,000	78,678	3,678
Charges for services	3,367,296	3,367,296	3,123,981	(243,315)
Investment earnings	44,500	44,500	49,479	4,979
Miscellaneous	258,429	258,429	250,984	(7,445)
Total revenues	4,891,228	4,891,228	4,655,905	(235,323)
Expenditures				
Current:				
Culture and recreation	6,172,650	6,234,300	6,156,883	77,417
Capital outlay	75,000	75,000	77,732	(2,732)
Debt service:				
Principal retirement	290,000	290,000	290,000	-
Interest and fiscal charges	78,344	78,344	78,980	(636)
Total expenditures	6,615,994	6,677,644	6,603,595	74,049
Revenues Over (Under) Expenditures	(1,724,766)	(1,786,416)	(1,947,690)	(161,274)
Other Financing Sources (Uses)				
Proceeds from sale of capital assets	-	-	39,350	39,350
Transfers in	1,773,766	1,773,766	1,813,739	39,973
Transfers out	(49,000)	(49,000)	(49,000)	-
Total other financing sources (uses)	1,724,766	1,724,766	1,804,089	79,323
Net Change in Fund Balances	<u>\$ -</u>	<u>\$ (61,650)</u>	(143,601)	<u>\$ (81,951)</u>
Fund Balances, Beginning of Year			638,661	
Fund Balances, End of Year			495,060	
Adjustments, Encumbrances			54,222	
Fund Balance, End of Year			549,282	
Net Change in Fund Balance - Budget Basis			(143,601)	
Adjustments:				
Encumbrances - Beginning of Year			16,397	
Encumbrances - End of Year			37,825	
Net Change in Fund Balance - Budget Basis			<u>\$ (89,379)</u>	

See notes to budgetary comparison information.

CITY OF LIBERTY, MISSOURI
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL - PUBLIC SAFETY SALES TAX
For The Year Ended December 31, 2024

	Original Budget	Final Budget	Actual (Budget Basis)	Variance With Final Budget (Over) Under
Revenues				
Taxes	\$ 4,107,190	\$ 4,107,190	\$ 3,930,495	\$ (176,695)
Investment earnings	153,000	153,000	142,136	(10,864)
Total revenues	4,260,190	4,260,190	4,072,631	(187,559)
Expenditures				
Public safety	10,051,144	10,051,144	9,236,095	815,049
Total expenditures	10,051,144	10,051,144	9,236,095	815,049
Revenues Over (Under) Expenditures	(5,790,954)	(5,790,954)	(5,163,464)	627,490
Other Financing Sources (Uses)				
Transfers in	1,647,473	1,647,473	4,647,473	3,000,000
Total other financing sources (uses)	1,647,473	1,647,473	4,647,473	3,000,000
Net Change in Fund Balances	<u>\$ (4,143,481)</u>	<u>\$ (4,143,481)</u>	(515,991)	<u>\$ 3,627,490</u>
Fund Balances, Beginning of Year			6,433,054	
Fund Balances, End of Year			5,917,063	
Adjustments, Encumbrances			-	
Fund Balance, End of Year			5,917,063	
Net Change in Fund Balance - Budget Basis			(515,991)	
Adjustments:				
Encumbrances - Beginning of Year			-	
Encumbrances - End of Year			-	
Net Change in Fund Balance - Budget Basis			<u>\$ (515,991)</u>	

See notes to budgetary comparison information.

CITY OF LIBERTY, MISSOURI
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULES OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL - LIBERTY TIF FUND
For The Year Ended December 31, 2024

	Original Budget	Final Budget	Actual	Variance With Final Budget Positive (Negative)
Revenues				
Taxes	\$ 5,921,038	\$ 5,921,038	\$ 5,260,935	\$ (660,103)
Investment earnings	245,000	245,000	397,226	152,226
Miscellaneous	-	-	600	600
Total revenues	<u>6,166,038</u>	<u>6,166,038</u>	<u>5,658,761</u>	<u>(507,277)</u>
Expenditures				
Current:				
Community development and improvement	1,146,226	1,146,226	570,317	575,909
Debt service:				
Principal retirement	960,000	960,000	960,000	-
Interest and fiscal charges	<u>3,683,223</u>	<u>3,683,223</u>	<u>3,659,288</u>	<u>23,935</u>
Total expenditures	<u>5,789,449</u>	<u>5,789,449</u>	<u>5,189,605</u>	<u>599,844</u>
Net Change in Fund Balances	376,589	376,589	469,156	92,567
Fund Balances, Beginning of Year	<u>8,984,710</u>	<u>-</u>	<u>8,984,710</u>	<u>8,984,710</u>
Fund Balances, End of Year	<u>\$ 9,361,299</u>	<u>\$ 376,589</u>	<u>\$ 9,453,866</u>	<u>\$ 9,077,277</u>

See notes to budgetary comparison information.

CITY OF LIBERTY, MISSOURI
REQUIRED SUPPLEMENTARY INFORMATION
NOTES TO BUDGETARY COMPARISON INFORMATION
December 31, 2024

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, Limited Capital Fund, Economic Development Fund, Parks Capital Fund and ARPA Funding by \$354,276, \$109,938, \$249,637, \$74,853, and \$74,887, 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

	2024	2023	2022	2021	2020	2019	2018	2017	2016
Total Pension Liability									
Service cost	\$ 2,344,443	\$ 2,049,834	\$ 1,801,814	\$ 1,654,672	\$ 1,649,053	\$ 1,592,366	\$ 1,421,377	\$ 1,346,125	\$ 1,300,713
Interest on total pension liability	6,119,879	5,424,386	4,869,009	4,864,652	4,632,465	4,280,527	3,984,146	3,723,940	3,400,555
Difference between expected and actual experience	2,634,231	3,638,601	4,488,469	(333,068)	(604,639)	1,158,261	552,419	403,200	(236,513)
Effect of assumption changes or inputs	-	2,379,117	-	(1,125,306)	-	-	-	-	1,855,247
Benefit payments	(3,466,483)	(3,927,932)	(2,785,912)	(2,566,558)	(2,390,635)	(2,025,136)	(1,885,159)	(1,955,991)	(1,810,201)
Net Change in Total Pension Liability	7,632,070	9,564,006	8,373,380	2,494,392	3,286,244	5,006,018	4,072,783	3,517,274	4,509,801
Total Pension Liability - Beginning	87,978,391	78,414,385	70,041,005	67,546,613	64,260,369	59,254,351	55,181,568	51,664,294	47,154,493
Total Pension Liability - Ending (a)	95,610,461	87,978,391	78,414,385	70,041,005	67,546,613	64,260,369	59,254,351	55,181,568	51,664,294
Fiduciary Net Position									
Employer contributions	4,303,829	3,566,142	2,492,334	2,182,987	1,966,341	1,966,030	1,829,755	1,501,991	1,433,344
Employee contributions	-	398,096	654,166	588,936	547,724	556,170	526,762	464,346	458,444
Net investment income (loss)	4,075,772	2,810,294	62,942	16,123,068	748,647	3,530,781	5,748,389	5,124,895	(51,526)
Benefit payments	(3,466,483)	(3,927,932)	(2,785,912)	(2,566,558)	(2,390,635)	(2,025,136)	(1,885,159)	(1,955,991)	(1,810,201)
Administrative expenses	(67,556)	(74,898)	(50,830)	(45,514)	(59,975)	(51,928)	(35,942)	(34,053)	(31,968)
Other (net transfer)	(676,073)	700,605	112,884	(116,058)	(236,074)	185,121	(430,866)	173,111	101,204
Net Change in Fiduciary Net Position	4,169,489	3,472,307	485,584	16,166,861	576,028	4,161,038	5,752,939	5,274,299	99,297
Fiduciary Net Position - Beginning	78,298,058	74,825,751	74,340,167	58,173,306	57,597,278	53,436,240	47,683,301	42,409,002	42,309,705
Fiduciary Net Position - Ending (b)	82,467,547	78,298,058	74,825,751	74,340,167	58,173,306	57,597,278	53,436,240	47,683,301	42,409,002
Net Pension Liability (asset), Ending = (a) - (b)	\$ 13,142,914	\$ 9,680,333	\$ 3,588,634	\$ (4,299,162)	\$ 9,373,307	\$ 6,663,091	\$ 5,818,111	\$ 7,498,267	\$ 9,255,292
Fiduciary Net Position as a Percentage of Total Pension Liability	86.25%	89.00%	95.42%	106.14%	86.12%	89.63%	90.18%	86.41%	82.09%
Covered Payroll	\$ 20,457,611	\$ 18,370,208	\$ 15,768,139	\$ 14,265,265	\$ 13,603,071	\$ 13,812,017	\$ 12,973,228	\$ 11,244,023	\$ 11,234,166
Net Pension Liability/asset as a Percentage of Covered Payroll	64.24%	52.70%	22.76%	-30.14%	68.91%	48.24%	44.85%	66.69%	82.39%

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.

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

Assumption Changes –

During 2023, a new assumption was adopted, which changed salary increases from a range of 2.75% to 7.15% including wage inflation to a range of 2.75% to 6.75%.

During 2021, new assumptions were adopted which included a decrease in wage inflation from 3.25% to 2.75%, a decrease in price inflation from 2.5% to 2.25%, a change in salary increases from a range of 3.25% to 6.55% to a range of 2.75% to 7.15% including wage inflation, a decrease in projected investment rate of return from 7.25% to 7.00%.

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 2016 through 2024.

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
2015	\$ 1,449,446	\$ 1,413,118	\$ 36,328	\$ 11,302,557	12.50%
2016	1,478,020	1,438,821	39,199	11,491,979	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%
2021	2,357,526	2,321,990	35,536	15,398,475	15.08%
2022	2,751,244	2,751,245	(1)	17,856,980	15.41%
2023	4,067,637	4,067,638	(1)	19,876,893	20.46%
2024	4,728,038	4,512,761	215,277	21,432,969	21.06%

Notes to Schedule:

Actuarial cost method
Amortization method
Remaining amortization period
Asset valuation method
Inflation
Salary increases
Net investment rate of return
Retirement age

Mortality

Entry age normal and modified terminal funding
Level percentage of payroll, closed
Multiple bases from 8 to 19 years
5 year smoothed fair value, 20% corridor
2.75% wage inflation, 2.25% price inflation
2.75% to 6.55%, including wage inflation
7.00%, net of investment expenses
Experience-based table of rates that are specific to the type of eligibility condition.

The healthy retiree mortality tables, for post-retirement mortality, was 115% of the PubG-2010 Retiree Mortality Table for males and females. The disabled retiree mortality tables, for post-retirement mortality, was 115% of the PubNS-2010 Disabled Retiree Mortality Table for males and females. The pre-retirement mortality tables used was 75% of the PubG-2010 Employee Mortality table for males and females of General groups, and 75% of the PubS-2010 Employee Mortality table for males and females of Police, Fire and Public Safety groups.

Mortality rates for a particular calendar year are determined by applying the MP-2020 mortality improvement scale to the above described tables.

Actuarially Determined Contributions – In 2023 the member contribution rate decreased from 4% to 0%.

CITY OF LIBERTY, MISSOURI
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY AND RELATED RATIOS
FISCAL YEARS ENDED DECEMBER 31, 2018 - 2024

	2024	2023	2022	2021	2020	2019	2018
Total OPEB Liability							
Service cost	\$ 36,986	\$ 27,370	\$ 44,063	\$ 39,156	\$ 43,634	\$ 40,396	\$ 55,309
Interest on total OPEB liability	24,075	18,633	12,333	10,230	19,389	22,124	25,122
Change in benefit terms	-	-	-	-	-	(160,944)	(119,860)
Change in assumptions	(253,982)	16,091	(101,116)	(75,061)	(220,890)	41,021	(26,014)
Differences between actual and expected experience	63,680	103,014	(91,376)	110,878	45,011	115,247	(72,792)
Benefit payments	-	-	(12,000)	(3,000)	(11,000)	(21,000)	(21,000)
Net change in total OPEB liability	(129,241)	165,108	(148,096)	82,203	(123,856)	36,844	(159,235)
Total OPEB liability, beginning	583,515	418,407	566,503	484,300	608,156	571,312	730,547
Total OPEB liability, ending	<u>\$ 454,274</u>	<u>\$ 583,515</u>	<u>\$ 418,407</u>	<u>\$ 566,503</u>	<u>\$ 484,300</u>	<u>\$ 608,156</u>	<u>\$ 571,312</u>
Covered-employee payroll	\$18,372,672	\$14,191,773	\$14,191,77	\$12,766,532	\$12,766,532	\$13,635,602	\$13,635,602
Total OPEB liability as a percentage of employee payroll	2.47%	4.11%	2.95%	4.44%	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 – There were no benefit changes in years 2020 - 2024.

Changes of Assumptions – In 2024, the discount rate changed from 3.88% to 4.22%. 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, 2024

	Special Revenue	Capital Projects	Permanent	Total
Assets				
Cash and investments	\$ 1,030,861	\$ 18,741,890	\$ 85,803	\$ 19,858,554
Receivable, net of allowance for uncollectibles:				
Taxes	-	2,587,406	-	2,587,406
Accounts, net	49,621	63	2,260	51,944
Accrued interest	30,998	626,055	1,064	658,117
Due from other governments	-	284,123	-	284,123
Prepays	2,619	4,734	-	7,353
Other Assets	-	390,000	-	390,000
Restricted assets:				
Cash and investments - restricted	-	405,964	467,339	873,303
Investments	-	417,057	-	417,057
Accrued interest	-	29,209	-	29,209
Total Assets	<u>\$ 1,114,099</u>	<u>\$ 23,486,501</u>	<u>\$ 556,466</u>	<u>\$ 25,157,066</u>
Liabilities				
Accounts payable	\$ 11,445	\$ 667,497	\$ -	\$ 678,942
Deposits	-	48,019	-	48,019
Total Liabilities	<u>11,445</u>	<u>715,516</u>	<u>-</u>	<u>726,961</u>
Deferred Inflows of Resources				
Charges for services	-	53,582	-	53,582
Fund Balances				
Nonspendable:				
Prepays	2,619	4,734	-	7,353
Permanent fund principal	-	-	556,466	556,466
Restricted:				
Parks and recreation	-	1,723,376	-	1,723,376
Capital projects	-	10,621,301	-	10,621,301
Transportation projects	-	4,428,474	-	4,428,474
Public safety	-	2,479,763	-	2,479,763
Cemetery	31,950	-	-	31,950
Law enforcement	99,493	-	-	99,493
Other purposes	968,592	5,552	-	974,144
Committed	-	3,445,098	-	3,445,098
Assigned	-	9,105	-	9,105
Total Fund Balances	<u>1,102,654</u>	<u>22,717,403</u>	<u>556,466</u>	<u>24,376,523</u>
Total Liabilities and Fund Balances	<u>\$ 1,114,099</u>	<u>\$ 23,486,501</u>	<u>\$ 556,466</u>	<u>\$ 25,157,066</u>

CITY OF LIBERTY, MISSOURI
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
December 31, 2024

	<u>Cemetery</u>	<u>ARPA Funding</u>	<u>Police Training</u>	<u>Inmate Security</u>	<u>Transient Guest Tax</u>	<u>Total</u>
Assets						
Cash and investments	\$ 29,023	\$ -	\$ 53,702	\$ 33,039	\$ 915,097	\$ 1,030,861
Receivables, net of allowance for uncollectible:						
Accounts, net	1,189	-	10,068	-	38,364	49,621
Accrued interest	1,734	-	1,632	1,052	26,580	30,998
Prepays	1,073	-	-	-	1,546	2,619
Total Assets	<u>\$ 33,019</u>	<u>\$ -</u>	<u>\$ 65,402</u>	<u>\$ 34,091</u>	<u>\$ 981,587</u>	<u>\$ 1,114,099</u>
Liabilities						
Accounts payable	\$ (4)	\$ -	\$ -	\$ -	\$ 11,449	\$ 11,445
Total Liabilities	<u>(4)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>11,449</u>	<u>11,445</u>
Fund Balances						
Nonspendable:						
Prepays	1,073	-	-	-	1,546	2,619
Restricted for:						
Cemetery	31,950	-	-	-	-	31,950
Law enforcement	-	-	65,402	34,091	-	99,493
Other purposes	-	-	-	-	968,592	968,592
Total Fund Balances	<u>33,023</u>	<u>-</u>	<u>65,402</u>	<u>34,091</u>	<u>970,138</u>	<u>1,102,654</u>
Total Liabilities and Fund Balances	<u>\$ 33,019</u>	<u>\$ -</u>	<u>\$ 65,402</u>	<u>\$ 34,091</u>	<u>\$ 981,587</u>	<u>\$ 1,114,099</u>

CITY OF LIBERTY, MISSOURI
COMBINING BALANCE SHEET
NONMAJOR CAPITAL PROJECTS FUNDS
December 31, 2024

	Limited Capital	Capital Sales Tax	Transportation Sales Tax	Fire Sales Tax	Economic Development Sales Tax	Parks Capital	Cable Reserve	Total
Assets								
Cash and investments	\$ 3,452,449	\$ 3,967,781	\$ 3,839,549	\$ 2,127,516	\$ 4,437,054	\$ 912,182	\$ 5,359	\$ 18,741,890
Receivable, net of allowance for uncollectibles:								
Taxes	-	676,618	676,618	338,309	557,552	338,309	-	2,587,406
Accounts, net	-	69	-	-	(6)	-	-	63
Accrued interest	92,239	126,404	125,522	91,050	149,274	41,566	-	626,055
Due from other funds	-	284,123	-	-	-	-	-	284,123
Prepays	-	838	2,096	1,048	752	-	-	4,734
Other	-	390,000	-	-	-	-	-	390,000
Restricted assets:								
Cash and investments - restricted	-	405,964	-	-	-	-	-	405,964
Investments	-	-	-	-	-	417,057	-	417,057
Accrued interest	-	14,754	-	-	-	14,262	193	29,209
Total Assets	<u>\$ 3,544,688</u>	<u>\$ 5,866,551</u>	<u>\$ 4,643,785</u>	<u>\$ 2,557,923</u>	<u>\$ 5,144,626</u>	<u>\$ 1,723,376</u>	<u>\$ 5,552</u>	<u>\$ 23,486,501</u>
Liabilities								
Accounts payable	\$ 90,485	\$ 204,393	\$ 213,215	\$ 77,112	\$ 82,292	\$ -	\$ -	\$ 667,497
Deposits	-	20,665	-	-	27,354	-	-	48,019
Total Liabilities	<u>90,485</u>	<u>225,058</u>	<u>213,215</u>	<u>77,112</u>	<u>109,646</u>	<u>-</u>	<u>-</u>	<u>715,516</u>
Deferred Inflows of Resources								
Charges for services	-	53,582	-	-	-	-	-	53,582
Fund Balances								
Nonspendable:								
Prepays	-	838	2,096	1,048	752	-	-	4,734
Restricted for:								
Parks and recreation	-	-	-	-	-	1,723,376	-	1,723,376
Capital projects	-	5,587,073	-	-	5,034,228	-	-	10,621,301
Transportation projects	-	-	4,428,474	-	-	-	-	4,428,474
Public safety	-	-	-	2,479,763	-	-	-	2,479,763
Other purposes	-	-	-	-	-	-	5,552	5,552
Committed	3,445,098	-	-	-	-	-	-	3,445,098
Assigned	9,105	-	-	-	-	-	-	9,105
Total Fund Balances	<u>3,454,203</u>	<u>5,587,911</u>	<u>4,430,570</u>	<u>2,480,811</u>	<u>5,034,980</u>	<u>1,723,376</u>	<u>5,552</u>	<u>22,717,403</u>
Total Liabilities and Fund Balances	<u>\$ 3,544,688</u>	<u>\$ 5,866,551</u>	<u>\$ 4,643,785</u>	<u>\$ 4,237,923</u>	<u>\$ 5,144,626</u>	<u>\$ 1,723,376</u>	<u>\$ 5,552</u>	<u>\$ 23,486,501</u>

CITY OF LIBERTY, MISSOURI
COMBINING BALANCE SHEET
NONMAJOR PERMANENT FUNDS
December 31, 2024

	Frank Hughes Memorial Trust	Cemetery Trust	Total
Assets			
Cash and investments	\$ 28,061	\$ 57,742	\$ 85,803
Receivable			
Accounts, net	-	2,260	2,260
Accrued interest	1,064	-	1,064
Cash and investments - restricted	-	467,339	467,339
Total Assets	\$ 29,125	\$ 527,341	\$ 556,466
Liabilities			
Fund Balances			
Nonspendable:			
Permanent fund principal	\$ 29,125	\$ 527,341	\$ 556,466
Total Liabilities and Fund Balances	\$ 29,125	\$ 527,341	\$ 556,466

CITY OF LIBERTY, MISSOURI
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS
For The Year Ended December 31, 2024

	Special Revenue	Capital Projects	Permanent	Total
Revenues				
Taxes	\$ 676,184	\$ 13,575,921	\$ -	\$ 14,252,105
Intergovernmental	500,000	471,596	-	971,596
Charges for services	45,745	-	-	45,745
Investment earnings	35,582	741,893	41,525	819,000
Miscellaneous	112,246	188,815	9,974	311,035
Total Revenues	<u>1,369,757</u>	<u>14,978,225</u>	<u>51,499</u>	<u>16,399,481</u>
Expenditures				
Current:				
General government	528,959	436,490	-	965,449
Community development and improvement	-	140,000	-	140,000
Public works	-	1,402,214	-	1,402,214
Culture and recreation	-	58,718	-	58,718
Cemetery maintenance	113,198	-	-	113,198
Public safety	1,405	794,095	-	795,500
Capital outlay	613,996	5,075,179	-	5,689,175
Debt service:				
Principal retirement	-	2,582,775	-	2,582,775
Interest and fiscal charges	-	916,687	-	916,687
Bond issuance costs	-	27,000	-	27,000
Total Expenditures	<u>1,257,558</u>	<u>11,433,158</u>	<u>-</u>	<u>12,690,716</u>
Revenues Over Expenditures	<u>112,199</u>	<u>3,545,067</u>	<u>51,499</u>	<u>3,708,765</u>
Other Financing Sources (Uses)				
Issuance of Lease Proceeds	-	390,000	-	390,000
Transfers in	71,858	626,500	-	698,358
Transfers out	(2,000)	(3,428,886)	(13,755)	(3,444,641)
Total Other Financing Sources (Uses)	<u>69,858</u>	<u>(2,412,386)</u>	<u>(13,755)</u>	<u>(2,356,283)</u>
Net Change in Fund Balances	182,057	1,132,681	37,744	1,352,482
Fund Balances - Beginning of Year	<u>920,597</u>	<u>21,584,722</u>	<u>518,722</u>	<u>23,024,041</u>
Fund Balances - End of Year	<u>\$ 1,102,654</u>	<u>\$ 22,717,403</u>	<u>\$ 556,466</u>	<u>\$ 24,376,523</u>

CITY OF LIBERTY, MISSOURI
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - NONMAJOR SPECIAL REVENUE FUNDS
For The Year Ended December 31, 2024

	<u>Cemetery</u>	<u>ARPA Funding</u>	<u>Police Training</u>	<u>Inmate Security</u>	<u>Transient Guest Tax</u>	<u>Total</u>
Revenues						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ 676,184	\$ 676,184
Intergovernmental	-	500,000	-	-	-	500,000
Charges for services	28,085	-	12,237	5,423	-	45,745
Investment earnings	1,888	-	1,657	1,225	30,812	35,582
Miscellaneous	29,895	74,887	800	-	6,664	112,246
Total Revenues	<u>59,868</u>	<u>574,887</u>	<u>14,694</u>	<u>6,648</u>	<u>713,660</u>	<u>1,369,757</u>
Expenditures						
Current:						
General government	-	32,673	-	-	496,286	528,959
Cemetery maintenance	113,198	-	-	-	-	113,198
Public safety	-	-	1,405	-	-	1,405
Capital outlay	71,782	542,214	-	-	-	613,996
Total Expenditures	<u>184,980</u>	<u>574,887</u>	<u>1,405</u>	<u>-</u>	<u>496,286</u>	<u>1,257,558</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(125,112)</u>	<u>-</u>	<u>13,289</u>	<u>6,648</u>	<u>217,374</u>	<u>112,199</u>
Other Financing Sources (Uses)						
Transfers in	71,858	-	-	-	-	71,858
Transfers out	-	-	-	-	(2,000)	(2,000)
Total Other Financing Sources (Uses)	<u>71,858</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(2,000)</u>	<u>69,858</u>
Net Change in Fund Balances	<u>(53,254)</u>	<u>-</u>	<u>13,289</u>	<u>6,648</u>	<u>215,374</u>	<u>182,057</u>
Fund Balances - Beginning of Year	<u>86,277</u>	<u>-</u>	<u>52,113</u>	<u>27,443</u>	<u>754,764</u>	<u>920,597</u>
Fund Balances - End of Year	<u>\$ 33,023</u>	<u>\$ -</u>	<u>\$ 65,402</u>	<u>\$ 34,091</u>	<u>\$ 970,138</u>	<u>\$ 1,102,654</u>

CITY OF LIBERTY, MISSOURI
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - NONMAJOR CAPITAL PROJECT FUNDS
For The Year Ended December 31, 2024

	Limited Capital	Capital Sales Tax	Transportation Sales Tax	Fire Sales Tax	Economic Development Sales Tax	Parks Capital	Cable Reserve	Total Capital Projects Funds
Revenues								
Taxes	\$ 879,068	\$ 3,340,448	\$ 3,334,450	\$ 1,670,223	\$ 2,681,509	\$ 1,670,223	\$ -	\$ 13,575,921
Intergovernmental	-	436,158	15,438	20,000	-	-	-	471,596
Investment earnings	110,706	158,883	141,477	97,679	168,282	64,651	215	741,893
Miscellaneous	-	638	4,999	117,739	5,845	59,594	-	188,815
Total Revenues	<u>989,774</u>	<u>3,936,127</u>	<u>3,496,364</u>	<u>1,905,641</u>	<u>2,855,636</u>	<u>1,794,468</u>	<u>215</u>	<u>14,978,225</u>
Expenditures								
Current:								
General government	189,080	-	-	-	247,410	-	-	436,490
Community development and improvement	-	-	140,000	-	-	-	-	140,000
Public works	-	348,391	765,340	-	288,483	-	-	1,402,214
Culture and recreation	26,124	-	17,887	-	-	14,707	-	58,718
Public safety	-	-	-	794,095	-	-	-	794,095
Capital outlay	338,580	2,297,959	827,532	934,739	351,948	324,421	-	5,075,179
Debt service:		-						
Principal retirement	-	368,097	280,140	220,000	1,609,923	104,615	-	2,582,775
Interest and fiscal charges	-	90,099	69,585	25,104	698,123	33,776	-	916,687
Bond issuance costs	-	5,130	-	21,870	-	-	-	27,000
Total Expenditures	<u>553,784</u>	<u>3,109,676</u>	<u>2,100,484</u>	<u>1,995,808</u>	<u>3,195,887</u>	<u>477,519</u>	<u>-</u>	<u>11,433,158</u>
Revenues Over (Under) Expenditures	<u>435,990</u>	<u>826,451</u>	<u>1,395,880</u>	<u>(90,167)</u>	<u>(340,251)</u>	<u>1,316,949</u>	<u>215</u>	<u>3,545,067</u>
Other Financing Sources								
Issuance of lease proceeds	-	390,000	-	-	-	-	-	390,000
Transfers in	-	-	-	-	626,500	-	-	626,500
Transfers out	-	(303,010)	(941,350)	(315,000)	(500,000)	(1,369,526)	-	(3,428,886)
Total other financing sources	<u>-</u>	<u>86,990</u>	<u>(941,350)</u>	<u>(315,000)</u>	<u>126,500</u>	<u>(1,369,526)</u>	<u>-</u>	<u>(2,412,386)</u>
Net Change in Fund Balances	<u>435,990</u>	<u>913,441</u>	<u>454,530</u>	<u>(405,167)</u>	<u>(213,751)</u>	<u>(52,577)</u>	<u>215</u>	<u>1,132,681</u>
Fund Balances - Beginning of Year	<u>3,018,213</u>	<u>4,674,470</u>	<u>3,976,040</u>	<u>2,885,978</u>	<u>5,248,731</u>	<u>1,775,953</u>	<u>5,337</u>	<u>21,584,722</u>
Fund Balances - End of Year	<u>\$ 3,454,203</u>	<u>\$ 5,587,911</u>	<u>\$ 4,430,570</u>	<u>\$ 2,480,811</u>	<u>\$ 5,034,980</u>	<u>\$ 1,723,376</u>	<u>\$ 5,552</u>	<u>\$ 22,717,403</u>

CITY OF LIBERTY, MISSOURI
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - NONMAJOR PERMANENT FUNDS
For The Year Ended December 31, 2024

	Frank Hughes Memorial Trust	Cemetery Trust	Total
Revenues			
Investment earnings	\$ 1,160	\$ 40,365	\$ 41,525
Miscellaneous	-	9,974	9,974
Total Revenues	1,160	50,339	51,499
Other Financing Uses			
Transfers out	(1,897)	(11,858)	(13,755)
Total Other Financing Uses	(1,897)	(11,858)	(13,755)
Net Change in Fund Balances	(737)	38,481	37,744
Fund balances - Beginning of Year	29,862	488,860	518,722
Fund Balances - End of Year	<u>\$ 29,125</u>	<u>\$ 527,341</u>	<u>\$ 556,466</u>

CITY OF LIBERTY, MISSOURI
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCES - BUDGET AND ACTUAL -
Limited Capital
For The Year Ended December 31, 2024

	Final Budget	Actual	Variance With Final Budget - (Over) Under
Revenues			
Taxes	\$ -	\$ 879,068	\$ 879,068
Investment earnings	-	110,706	110,706
Total Revenues	-	989,774	989,774
Expenditures			
General government	218,742	189,080	29,662
Culture and recreation	26,080	26,124	(44)
Capital outlay	199,024	338,580	(139,556)
Total Expenditures	443,846	553,784	(109,938)
Net Change in Fund Balances	(443,846)	435,990	879,836
Fund Balance - Beginning of Year		3,018,213	
Fund Balance - End of Year		<u>\$ 3,454,203</u>	

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, 2024

	Original Budget	Final Budget	Actual	Variance With Final Budget - (Over) Under
Revenues				
Taxes	\$ 3,418,430	\$ 3,418,430	\$ 3,340,448	\$ (77,982)
Intergovernmental	658,549	658,549	436,158	(222,391)
Investment earnings	61,000	61,000	158,883	97,883
Miscellaneous	-	-	638	638
Total Revenues	4,137,979	4,137,979	3,936,127	(201,852)
Expenditures				
Current:				
Public works	1,003,631	1,020,382	348,391	671,991
Capital outlay	2,355,000	2,654,604	2,297,959	356,645
Debt service:				
Principal retirement	368,097	368,097	368,097	-
Interest and fiscal charges	89,680	89,680	90,099	(419)
Bond issuance costs	-	-	5,130	(5,130)
Total Expenditures	3,816,408	4,132,763	3,109,676	1,023,087
Excess (Deficiency) of Revenues Over (Under) Expenditures	321,571	5,216	826,451	821,235
Other Financing Sources (Uses)				
Issuance of Lease Proceeds	-	-	390,000	390,000
Transfers out	(303,010)	(303,010)	(303,010)	-
Total Other Financing Sources (Uses)	(303,010)	(303,010)	86,990	390,000
Net Change in Fund Balances	18,561	(297,794)	913,441	1,211,235
Fund Balance - Beginning of Year			4,674,470	
Fund Balance - End of Year			\$ 5,587,911	

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, 2024

	Original Budget	Final Budget	Actual	Variance With Final Budget - (Over) Under
Revenues				
Taxes	\$ 3,418,430	\$ 3,418,430	\$ 3,334,450	\$ (83,980)
Intergovernmental	-	-	15,438	15,438
Investment earnings	89,000	89,000	141,477	52,477
Miscellaneous	250,000	250,000	4,999	(245,001)
Total Revenues	3,757,430	3,757,430	3,496,364	(261,066)
Expenditures				
Current:				
Community development and improvement	170,000	170,000	140,000	30,000
Public works	2,832,043	3,345,783	765,340	2,580,443
Culture and recreation	21,700	21,700	17,887	3,813
Capital outlay	800,000	822,289	827,532	(5,243)
Debt service:				
Principal retirement	280,140	280,140	280,140	-
Interest and fiscal charges	69,368	69,368	69,585	(217)
Total Expenditures	4,173,251	4,709,280	2,100,484	2,608,796
Excess (Deficiency) of Revenues Over (Under) Expenditures	(415,821)	(951,850)	1,395,880	2,347,730
Other Financing Sources (Uses)				
Transfers out	(941,350)	(941,350)	(941,350)	-
Total Other Financing Sources (Uses)	(941,350)	(941,350)	(941,350)	-
Net Change in Fund Balances	(1,357,171)	(1,893,200)	454,530	2,347,730
Fund Balance - Beginning of Year			3,976,040	
Fund Balance - End of Year			\$ 4,430,570	

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, 2024

	Original Budget	Final Budget	Actual	Variance With Final Budget - (Over) Under
Revenues				
Taxes	\$ 1,709,220	\$ 1,709,220	\$ 1,670,223	\$ (38,997)
Intergovernmental	-	-	20,000	20,000
Investment earnings	72,000	72,000	97,679	25,679
Miscellaneous	300,000	300,000	117,739	(182,261)
Total Revenues	2,081,220	2,081,220	1,905,641	(175,579)
Expenditures				
Current:				
Public safety	445,055	465,061	794,095	(329,034)
Capital outlay	575,500	1,542,451	934,739	607,712
Debt service:				
Principal retirement	220,000	220,000	220,000	-
Interest and fiscal charges	24,786	24,786	25,104	(318)
Bond issuance costs	-	-	21,870	(21,870)
Total Expenditures	1,265,341	2,252,298	1,995,808	256,490
Excess (Deficiency) of Revenues Over (Under) Expenditures	815,879	(171,078)	(90,167)	(1,573,114)
Other Financing Sources (Uses)				
Issuance of Lease Proceeds	-	-	-	-
Transfers out	(315,000)	(315,000)	(315,000)	-
Total Other Financing Sources (Uses)	(315,000)	(315,000)	(315,000)	1,680,000
Net Change in Fund Balances	500,879	(486,078)	(405,167)	106,886
Fund Balance - Beginning of Year			2,885,978	
Fund Balance - End of Year			\$ 2,480,811	

CITY OF LIBERTY, MISSOURI
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCES - BUDGET AND ACTUAL -
ECONOMIC DEVELOPMENT SALES TAX FUND
For The Year Ended December 31, 2024

	Original Budget	Final Budget	Actual	Variance With Final Budget - (Over) Under
Revenues				
Taxes	\$ 2,742,890	\$ 2,742,890	\$ 2,681,509	\$ (61,381)
Investment earnings	98,000	98,000	168,282	70,282
Miscellaneous	-	-	5,845	5,845
Total Revenues	<u>2,840,890</u>	<u>2,840,890</u>	<u>2,855,636</u>	<u>14,746</u>
Expenditures				
Current:				
General government	245,878	245,878	247,410	(1,532)
Public works	392,962	392,962	288,483	104,479
Capital outlay	-	-	351,948	(351,948)
Debt service:				
Principal retirement	1,609,923	1,609,923	1,609,923	-
Interest and fiscal charges	697,487	697,487	698,123	(636)
Total Expenditures	<u>2,946,250</u>	<u>2,946,250</u>	<u>3,195,887</u>	<u>(249,637)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(105,360)</u>	<u>(105,360)</u>	<u>(340,251)</u>	<u>(234,891)</u>
Other Financing Sources (Uses)				
Transfers in	626,500	626,500	626,500	-
Transfers out	-	-	(500,000)	(500,000)
Total Other Financing Sources (Uses)	<u>626,500</u>	<u>626,500</u>	<u>126,500</u>	<u>(500,000)</u>
Net Change in Fund Balances	521,140	521,140	(213,751)	(734,891)
Fund Balance - Beginning of Year			<u>5,248,731</u>	
Fund Balance - End of Year			<u>\$ 5,034,980</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, 2024

	Original Budget	Final Budget	Actual	Variance With Final Budget - (Over) Under
Revenues				
Taxes	\$ 1,709,220	\$ 1,709,220	\$ 1,670,223	\$ (38,997)
Investment earnings	27,000	27,000	64,651	37,651
Miscellaneous	-	-	59,594	59,594
Total Revenues	<u>1,736,220</u>	<u>1,736,220</u>	<u>1,794,468</u>	<u>58,248</u>
Expenditures				
Current:				
Culture and recreation	-	14,275	14,707	(432)
Capital outlay	250,000	250,000	324,421	(74,421)
Debt service:				
Principal retirement	104,615	104,615	104,615	-
Interest and fiscal charges	33,776	33,776	33,776	-
Total Expenditures	<u>388,391</u>	<u>402,666</u>	<u>477,519</u>	<u>(74,853)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>1,347,829</u>	<u>1,333,554</u>	<u>1,316,949</u>	<u>(16,605)</u>
Other Financing Sources (Uses)				
Transfers out	(1,369,526)	(1,369,526)	(1,369,526)	-
Total Other Financing Sources (Uses)	<u>(1,369,526)</u>	<u>(1,369,526)</u>	<u>(1,369,526)</u>	<u>-</u>
Net Change in Fund Balances	(21,697)	(35,972)	(52,577)	(16,605)
Fund Balance - Beginning of Year			<u>1,775,953</u>	
Fund Balance - End of Year			<u>\$ 1,723,376</u>	

CITY OF LIBERTY, MISSOURI
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCES - BUDGET AND ACTUAL -
CABLE RESERVE FUND
For The Year Ended December 31, 2024

	Original Budget	Final Budget	Actual	Variance With Final Budget - (Over) Under
Revenues				
Investment earnings	\$ -	\$ -	\$ 215	\$ 215
Total Revenues	-	-	215	215
Net Change in Fund Balances	-	-	215	215
Fund Balance - Beginning of Year			5,337	
Fund Balance - End of Year			<u>\$ 5,552</u>	

CITY OF LIBERTY, MISSOURI
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCES - BUDGET AND ACTUAL -
CEMETERY FUND
For The Year Ended December 31, 2024

	Original Budget	Final Budget	Actual	Variance With Final Budget - (Over) Under
Revenues				
Charges for services	\$ 30,000	\$ 30,000	\$ 28,085	\$ (1,915)
Investment earnings	25,700	25,700	1,888	(23,812)
Miscellaneous	82,100	82,100	29,895	(52,205)
Total Revenues	137,800	137,800	59,868	(77,932)
Expenditures				
Current:				
Cemetery maintenance	112,200	112,200	113,198	(998)
Capital outlay	80,000	80,000	71,782	8,218
Total Expenditures	192,200	192,200	184,980	7,220
Revenues Over Expenditures	(54,400)	(54,400)	(125,112)	(70,712)
Other Financing Sources				
Transfers in	74,800	74,800	71,858	(2,942)
Total Other Financing Sources	74,800	74,800	71,858	(2,942)
Net Change in Fund Balances (Deficit)	20,400	20,400	(53,254)	(73,654)
Fund Balance - Beginning of Year			86,277	
Fund Balance - End of Year			\$ 33,023	

CITY OF LIBERTY, MISSOURI
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCES - BUDGET AND ACTUAL -
ARPA Funding
For The Year Ended December 31, 2024

	Final Budget	Actual	Variance With Final Budget - (Over) Under
Revenues			
Intergovernmental	\$ -	\$ 500,000	\$ 500,000
Miscellaneous	-	74,887	74,887
Total Revenues	<u>-</u>	<u>574,887</u>	<u>574,887</u>
Expenditures			
General government	-	32,673	(32,673)
Capital outlay	500,000	542,214	(42,214)
Total Expenditures	<u>500,000</u>	<u>574,887</u>	<u>(74,887)</u>
Net Change in Fund Balances (Deficit)	(500,000)	-	500,000
Fund Balance - Beginning of Year		<u>-</u>	
Fund Balance - End of Year		<u>\$ -</u>	

CITY OF LIBERTY, MISSOURI
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCES - BUDGET AND ACTUAL -
POLICE TRAINING FUND
For The Year Ended December 31, 2024

	Original Budget	Final Budget	Actual	Variance With Final Budget - (Over) Under
Revenues				
Charges for services	\$ 9,500	\$ 9,500	\$ 12,237	\$ 2,737
Investment earnings	930	930	1,657	727
Miscellaneous	-	-	800	800
Total Revenues	<u>10,430</u>	<u>10,430</u>	<u>14,694</u>	<u>4,264</u>
Expenditures				
Current:				
Public safety	<u>10,500</u>	<u>10,500</u>	<u>1,405</u>	<u>9,095</u>
Total Expenditures	<u>10,500</u>	<u>10,500</u>	<u>1,405</u>	<u>9,095</u>
Net Change in Fund Balances (Deficit)	(70)	(70)	13,289	13,359
Fund Balance - Beginning of Year			<u>52,113</u>	
Fund Balance - End of Year			<u>\$ 65,402</u>	

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, 2024

	Original Budget	Final Budget	Actual	Variance With Final Budget - (Over) Under
Revenues				
Charges for services	\$ 5,000	\$ 5,000	\$ 5,423	\$ 423
Investment earnings	625	625	1,225	600
Total Revenues	<u>5,625</u>	<u>5,625</u>	<u>6,648</u>	<u>1,023</u>
Expenditures				
Current:				
Public safety	<u>5,500</u>	<u>5,500</u>	<u>-</u>	<u>5,500</u>
Total Expenditures	<u>5,500</u>	<u>5,500</u>	<u>-</u>	<u>5,500</u>
Net Change in Fund Balances (Deficit)	125	125	6,648	6,523
Fund Balance - Beginning of Year			<u>27,443</u>	
Fund Balance - End of Year			<u><u>\$ 34,091</u></u>	

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, 2024

	Original Budget	Final Budget	Actual	Variance With Final Budget - (Over) Under
Revenues				
Taxes	\$ 600,000	\$ 600,000	\$ 676,184	\$ 76,184
Investment earnings	10,000	10,000	30,812	20,812
Miscellaneous	5,600	5,600	6,664	1,064
Total Revenues	<u>615,600</u>	<u>615,600</u>	<u>713,660</u>	<u>98,060</u>
Expenditures				
Current:				
General government	<u>837,868</u>	<u>837,868</u>	<u>496,286</u>	<u>341,582</u>
Total Expenditures	<u>837,868</u>	<u>837,868</u>	<u>496,286</u>	<u>341,582</u>
Revenues Over Expenditures	<u>(222,268)</u>	<u>(222,268)</u>	<u>217,374</u>	<u>439,642</u>
Other Financing Sources				
Transfers out	<u>(2,000)</u>	<u>(2,000)</u>	<u>(2,000)</u>	<u>-</u>
Total Other Financing Sources	<u>(2,000)</u>	<u>(2,000)</u>	<u>(2,000)</u>	<u>-</u>
Net Change in Fund Balances (Deficit)	<u>(224,268)</u>	<u>(224,268)</u>	<u>215,374</u>	<u>439,642</u>
Fund Balance - Beginning of Year			<u>754,764</u>	
Fund Balance - End of Year			<u>\$ 970,138</u>	

CITY OF LIBERTY, MISSOURI
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL -
FRANK HUGHES MEMORIAL TRUST FUND
For The Year Ended December 31, 2024

	Original Budget	Final Budget	Actual	Variance With Final Budget - (Over) Under
Revenues				
Investment earnings	\$ 900	\$ 900	\$ 1,160	\$ 260
Total Revenues	<u>900</u>	<u>900</u>	<u>1,160</u>	<u>260</u>
Other Financing Sources				
Transfers out	<u>(900)</u>	<u>(900)</u>	<u>(1,897)</u>	<u>(997)</u>
Total Other Financing Sources	<u>(900)</u>	<u>(900)</u>	<u>(1,897)</u>	<u>(997)</u>
Net Change In Fund Balances	-	-	(737)	(737)
Fund balances - Beginning of Year			<u>29,862</u>	
Fund Balances - End of Year			<u><u>\$ 29,125</u></u>	

CITY OF LIBERTY, MISSOURI
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL -
CEMETERY TRUST FUND
For The Year Ended December 31, 2024

	Original Budget	Final Budget	Actual	Variance With Final Budget - (Over) Under
Revenues				
Investment earnings	\$ 14,800	\$ 14,800	\$ 40,365	\$ 25,565
Miscellaneous	6,200	6,200	9,974	3,774
Total Revenues	<u>21,000</u>	<u>21,000</u>	<u>50,339</u>	<u>29,339</u>
Other Financing Sources				
Transfers out	<u>(14,800)</u>	<u>(14,800)</u>	<u>(11,858)</u>	<u>2,942</u>
Total Other Financing Sources	<u>(14,800)</u>	<u>(14,800)</u>	<u>(11,858)</u>	<u>2,942</u>
Net Change In Fund Balances	6,200	6,200	38,481	32,281
Fund balances - Beginning of Year			<u>488,860</u>	
Fund Balances - End of Year			<u>\$ 527,341</u>	

CITY OF LIBERTY, MISSOURI
COMBINING STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
December 31, 2024

	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	\$ 2,068	\$ -	\$ 352,500	\$ 198,848	\$ 25,662	\$ 65,447	\$ 32,975	\$ 677,500
Special assessments receivable	-	-	-	-	-	706,851	-	706,851
Total Assets	<u>\$ 2,068</u>	<u>\$ -</u>	<u>\$ 352,500</u>	<u>\$ 198,848</u>	<u>\$ 25,662</u>	<u>\$ 772,298</u>	<u>\$ 32,975</u>	<u>\$ 1,384,351</u>
Liabilities								
Accounts payable	-	-	-	-	-	4,046	-	4,046
Due to other organizations	\$ 2,068	\$ -	\$ 352,500	\$ 198,848	\$ 25,662	\$ 768,252	\$ 32,975	\$ 1,380,305
Total Liabilities	<u>\$ 2,068</u>	<u>\$ -</u>	<u>\$ 352,500</u>	<u>\$ 198,848</u>	<u>\$ 25,662</u>	<u>\$ 772,298</u>	<u>\$ 32,975</u>	<u>\$ 1,384,351</u>

CITY OF LIBERTY, MISSOURI
COMBINING STATEMENT OF CHANGES
IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
For The Year Ended December 31, 2024

	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	\$ 2,068	\$ -	\$ 174,009	\$ 214,470	\$ 277,486	\$ 1,069,613	\$ 522,436	\$ 2,260,082
Miscellaneous	-	1,529	-	-	-	-	-	1,529
Total Additions	<u>\$ 2,068</u>	<u>\$ 1,529</u>	<u>\$ 174,009</u>	<u>\$ 214,470</u>	<u>\$ 277,486</u>	<u>\$ 1,069,613</u>	<u>\$ 522,436</u>	<u>\$ 2,261,611</u>
Deductions								
Payments to other organizations	\$ 2,068	\$ 1,529	\$ 174,009	\$ 214,470	\$ 277,486	\$ 1,069,613	\$ 522,436	\$ 2,261,611
Total Deductions	<u>\$ 2,068</u>	<u>\$ 1,529</u>	<u>\$ 174,009</u>	<u>\$ 214,470</u>	<u>\$ 277,486</u>	<u>\$ 1,069,613</u>	<u>\$ 522,436</u>	<u>\$ 2,261,611</u>

Statistical Section

CITY OF LIBERTY, MISSOURI
Statistical Section
December 31, 2024

The statistical section of the City's annual comprehensive 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.

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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. 97 - 104

Revenue Capacity

These schedules contain information to help the reader assess the City's most significant local revenue sources, property and sales tax. 105 - 109

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. 110 - 111

Demographic And Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place. 112 - 113

Operating Information

These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs. 114 - 120

Sources: Unless otherwise noted, the information in these schedules is derived from the annual comprehensive financial 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)

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Governmental activities:										
Net investment in capital assets	\$ 37,284,881	\$ 38,646,267	\$ 36,755,618	\$ 47,276,514	\$ 46,617,054	\$ 43,584,063	\$ 46,204,497	\$ 48,204,093	\$ 56,372,545	\$ 61,316,791
Restricted	6,753,226	6,630,554	5,455,901	6,959,443	7,459,414	6,428,000	9,912,476	4,533,610	3,002,204	3,061,974
Unrestricted	(31,301,005)	(43,991,958)	(40,798,595)	(47,374,679)	(42,405,065)	(30,937,211)	(21,917,555)	(5,126,763)	1,288,469	(1,403,059)
Total Governmental Activities Net Position	\$ 12,737,102	\$ 1,284,863	\$ 1,412,924	\$ 6,861,278	\$ 11,671,403	\$ 19,074,852	\$ 34,199,418	\$ 47,610,940	\$ 60,663,218	\$ 62,975,706
Business-type activities:										
Net investment in capital assets	\$ 46,760,260	\$ 52,595,025	\$ 43,260,889	\$ 41,596,924	\$ 43,001,812	\$ 46,665,573	\$ 49,387,295	\$ 50,390,860	\$ 54,817,792	\$ 55,101,790
Restricted	1,347,735	1,548,630	2,566,120	2,553,942	2,774,433	3,200,819	4,131,584	3,816,386	4,022,185	4,198,921
Unrestricted	1,721,151	(4,065,499)	7,689,789	13,175,696	14,263,253	14,343,930	16,285,120	19,215,209	19,642,503	25,195,870
Total Business-Type Activities Net Position	\$ 49,829,146	\$ 50,078,156	\$ 53,516,798	\$ 57,326,562	\$ 60,039,498	\$ 64,210,322	\$ 69,803,999	\$ 73,422,455	\$ 78,482,480	\$ 84,496,581
Primary government:										
Net investment in capital assets	\$ 84,045,141	\$ 91,241,292	\$ 80,016,507	\$ 88,873,438	\$ 89,618,866	\$ 90,249,636	\$ 95,591,792	\$ 98,594,953	\$ 111,190,337	\$ 116,418,581
Restricted	8,100,961	8,179,184	8,022,021	9,513,385	10,233,847	9,628,819	14,044,060	8,349,996	7,024,389	7,260,895
Unrestricted	(29,579,854)	(48,057,457)	(33,108,806)	(34,198,983)	(28,141,812)	(16,593,281)	(5,632,435)	14,088,446	20,930,972	23,792,811
Total Primary Government Net Position	\$ 62,566,248	\$ 51,363,019	\$ 54,929,722	\$ 64,187,840	\$ 71,710,901	\$ 83,285,174	\$ 104,003,417	\$ 121,033,395	\$ 139,145,698	\$ 147,472,287

CITY OF LIBERTY, MISSOURI

CHANGES IN NET POSITION

Last Ten Fiscal Years (accrual basis of accounting) (Unaudited)

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Expenses:										
Governmental activities:										
General government	\$ 4,960,224	\$ 5,140,449	\$ 5,223,135	\$ 5,890,022	\$ 5,659,671	\$ 6,586,532	\$ 6,634,763	\$ 8,570,945	\$ 8,501,785	\$ 8,880,151
Community development and Improvement	25,081,992	13,338,549	3,948,361	3,366,176	3,266,439	4,170,521	2,421,263	2,416,162	2,241,500	2,002,953
Public works	3,633,562	5,352,526	6,017,730	7,184,517	7,611,046	7,319,555	7,260,997	8,390,095	6,400,564	9,772,107
Culture and recreation	5,003,851	5,380,857	5,888,852	5,289,777	5,528,286	5,670,834	5,961,987	6,852,458	7,157,746	7,820,005
Cemetery maintenance	52,078	51,281	58,493	46,984	58,292	63,696	61,928	91,000	111,865	113,198
Public safety	12,481,003	11,477,832	11,605,212	12,918,857	12,953,549	14,409,099	13,101,075	14,931,678	20,410,130	23,192,051
Interest on long-term debt	1,840,593	4,360,199	3,772,079	4,197,840	4,017,211	3,777,359	3,477,468	3,762,043	4,888,957	4,785,115
Total Governmental Activities Expenses	53,053,303	45,101,693	36,513,862	38,894,173	39,094,494	41,997,596	38,919,481	45,014,381	49,712,547	56,565,580
Business-type activities:										
Water	5,100,859	5,536,119	5,322,160	5,668,706	5,829,288	5,803,113	5,693,553	7,699,167	7,928,695	7,454,548
Sewer	8,494,147	8,782,656	6,189,447	7,457,999	7,593,886	7,593,108	7,590,449	8,317,541	8,732,256	9,449,323
Sanitation	1,515,339	1,579,941	1,605,176	1,675,094	1,759,372	1,840,492	1,909,740	2,004,846	2,112,889	2,190,383
Total Business-Type Activities Expenses	15,110,345	15,898,716	13,116,783	14,801,799	15,182,546	15,236,713	15,193,742	18,021,554	18,773,840	19,094,254
Total Primary Government Expenses	68,163,648	61,000,409	49,630,645	53,695,972	54,277,040	57,234,309	54,113,223	63,035,935	68,486,387	75,659,834
Program revenue:										
Governmental activities:										
Charges for services										
General government	199,985	584,352	5,956	-	-	223,776	850,341	61,677	1,482,266	1,763,063
Community Development and Improvement	-	-	-	-	-	685,645	-	-	-	-
Culture and recreation	2,314,001	2,530,502	2,701,584	2,725,211	2,534,943	1,627,479	2,764,042	2,992,886	3,369,814	3,123,981
Cemetery maintenance	41,695	44,435	22,370	32,704	47,839	53,160	50,063	45,583	34,473	28,085
Public safety	1,500,729	1,882,114	1,967,701	2,096,847	981,111	1,432,225	3,026,362	3,900,045	1,890,519	1,506,783
Operating grants and contributions										
General Government	427,264	232,793	197,943	262,040	186,883	3,075,682	572,069	441,973	253,335	287,938
Public Works	-	-	-	-	-	-	-	206,525	416,680	202,056
Culture and Recreation	222,116	242,813	257,792	455,573	215,222	152,724	157,807	-	73,950	78,678
Public Safety	7,729	16,752	14,464	12,568	12,950	11,967	13,307	8,586	19,723	22,456
Capital grants and contributions	319,606	328,678	444,576	2,030,070	561,554	1,195,047	558,695	547,583	635,277	655,040
Total Governmental Activities Program Revenue	5,033,125	5,862,439	5,612,386	7,615,013	4,540,502	8,457,705	7,992,686	8,204,858	8,176,037	7,668,080
Business-type activities:										
Charges for services:										
Water	4,790,934	5,521,259	5,400,127	6,009,942	5,798,660	6,074,539	6,272,347	6,328,739	6,755,791	6,896,078
Sewer	7,757,065	8,251,871	8,632,213	8,952,085	9,497,811	9,956,594	11,577,621	1,204,789	12,739,639	13,287,498
Sanitation	1,513,408	1,572,792	1,670,435	1,702,338	1,776,363	1,857,744	1,920,925	2,001,600	2,089,998	2,138,705
Capital grants and contributions:										
Water	59,305	757	304,615	1,019,648	-	411,374	332,511	551,139	856,615	1,115,734
Sewer	195,228	372,333	258,798	452,042	3,744	477,302	521,882	404,105	500,638	281,781
Total Business-Type Activities Program Revenues	14,315,940	15,719,012	16,266,188	18,136,055	17,076,578	18,777,553	20,625,286	10,490,372	22,942,681	23,719,796
Total Primary Government Program Revenues	19,349,065	21,581,451	21,878,574	25,751,068	21,617,080	27,235,258	28,617,972	18,695,230	31,118,718	31,387,876
Net (expense) revenue:										
Governmental activities	(48,020,178)	(39,239,254)	(30,901,476)	(30,887,262)	(34,553,992)	(33,539,891)	(30,982,084)	(36,809,523)	(41,536,510)	(48,897,500)
Business-type activities	(794,405)	(179,704)	3,149,405	3,334,256	1,894,032	3,540,840	5,431,544	3,568,818	4,168,841	4,625,542
Total Primary Government Net Expense	(48,814,583)	(39,418,958)	(27,752,071)	(27,553,006)	(32,659,960)	(29,999,051)	(25,550,540)	(33,240,705)	(37,367,669)	(44,271,958)

CITY OF LIBERTY, MISSOURI

CHANGES IN NET POSITION

Last Ten Fiscal Years
(accrual basis of accounting)
(Unaudited)

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
General revenues and other changes in net position:										
Governmental activities:										
Taxes:										
Property taxes	\$ 6,362,431	\$ 6,274,468	\$ 6,526,773	\$ 7,201,489	\$ 7,406,240	\$ 7,841,790	\$ 8,303,289	\$ 5,971,181	\$ 8,751,738	\$ 9,996,492
Franchise taxes	3,760,453	3,544,972	3,466,868	3,595,312	3,366,963	3,181,006	3,150,264	3,578,141	3,821,436	3,753,469
Sales and use taxes	12,373,730	15,174,323	18,039,385	22,269,931	23,895,616	26,085,287	31,374,879	32,712,710	32,895,059	32,012,926
Other taxes	3,107,658	1,447,073	1,458,358	1,539,399	1,594,749	1,446,185	1,799,883	2,072,768	2,275,907	2,365,002
Grants from other governments - unrestricted	-	-	-	-	-	-	-	2,140,289	-	500,000
Investment earnings	81,731	230,266	307,153	446,801	574,788	183,970	17,454	(4,059)	1,669,836	1,834,031
Miscellaneous	869,258	1,115,913	1,555,418	1,478,632	2,525,761	2,205,102	1,460,881	750,015	1,466,960	1,248,068
Transfers										(500,000)
Total Governmental Activities	26,555,261	27,787,015	31,353,955	36,531,564	39,364,117	40,943,340	46,106,650	47,221,045	50,880,936	51,209,988
Business-type activities:										
Investment earnings	152,792	160,012	202,157	337,985	498,840	179,237	139,365	27,324	875,975	878,225
Miscellaneous	6,649	268,702	87,080	137,523	320,064	450,747	22,768	22,314	15,209	10,334
Transfers	-	-	-	(500,000)	-	-	-	-	-	500,000
Total Business-Type Activities	159,441	428,714	289,237	(24,492)	818,904	629,984	162,133	49,638	891,184	1,388,559
Total Primary Government	26,714,702	28,215,729	31,643,192	36,507,072	40,183,021	41,573,324	46,268,783	47,270,683	51,772,120	52,598,547
Changes in net position:										
Governmental activities	(21,464,917)	(11,452,239)	452,479	6,144,302	4,810,125	7,403,449	15,124,566	13,411,522	9,344,426	2,312,488
Business-type activities	(634,964)	249,010	3,438,642	3,309,764	2,712,936	4,170,824	5,593,677	3,618,456	5,060,025	6,014,101
Total Primary Government	\$(22,099,881)	\$(11,203,229)	\$ 3,891,121	\$ 9,454,066	\$ 7,523,061	\$ 11,574,273	\$ 20,718,243	\$ 17,029,978	\$ 14,404,451	\$ 8,326,589

CITY OF LIBERTY, MISSOURI
PROGRAM REVENUES BY FUNCTION/PROGRAM
Last Ten Fiscal Years
(accrual basis of accounting)
(Unaudited)

Function / Program	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Governmental activities:										
General government	\$ 627,249	\$ 817,145	\$ 203,899	\$ 262,040	\$ 186,883	\$ 3,299,458	\$ 1,422,410	\$ 503,650	\$ 1,735,601	\$ 2,051,001
Public works	-	-	-	-	-	-	-	-	-	-
Community development and improvement	-	-	-	-	-	685,645	-	-	-	-
Public works	319,606	328,678	444,576	2,030,070	561,554	1,195,047	558,695	754,108	1,051,957	857,096
Culture and recreation	2,536,117	2,773,315	2,959,376	3,180,784	2,750,165	1,780,203	2,921,849	2,992,886	3,443,764	3,202,659
Cemetery maintenance	41,695	44,435	22,370	32,704	47,839	53,160	50,063	45,583	34,473	28,085
Public safety	1,508,458	1,898,866	1,982,165	2,109,415	994,061	1,444,192	3,039,669	3,908,631	1,910,242	1,529,239
Total Governmental Activities	5,033,125	5,862,439	5,612,386	7,615,013	4,540,502	8,457,705	7,992,686	8,204,858	8,176,037	7,668,080
Business-type activities:										
Water	4,850,239	5,522,016	5,704,742	7,029,590	5,798,660	6,485,913	6,604,858	6,879,878	7,612,406	8,011,812
Sewer	7,952,293	8,624,204	8,891,011	9,404,127	9,501,555	10,433,896	12,099,503	12,708,894	13,240,277	13,569,279
Sanitation	1,513,408	1,572,792	1,670,435	1,702,338	1,776,363	1,857,744	1,920,925	2,001,600	2,089,998	2,138,705
Total Business-Type Activities	14,315,940	15,719,012	16,266,188	18,136,055	17,076,578	18,777,553	20,625,286	21,590,372	22,942,681	23,719,796
Total Government	\$ 19,349,065	\$ 21,581,451	\$ 21,878,574	\$ 25,751,068	\$ 21,617,080	\$ 27,235,258	\$ 28,617,972	\$ 29,795,230	\$ 31,118,718	\$ 31,387,876

CITY OF LIBERTY, MISSOURI
FUND BALANCES, GOVERNMENTAL FUNDS
(accrual basis of accounting)
(Unaudited)

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
General Fund:										
Nonspendable	\$ 548,017	\$ 475,874	\$ 602,864	\$ 618,124	\$ 744,408	\$ 597,958	\$ 663,850	\$ 770,560	\$ 824,505	\$ 770,598
Committed	-	-	-	-	-	590,263	476,166	3,397,078	576,226	921,652
Assigned	37,881	42,490	-	-	-	84,242	41,038	69,088	72,274	79,946
Unassigned	2,878,184	2,590,842	2,776,068	3,994,471	4,533,029	5,662,603	8,723,552	6,331,126	9,161,351	6,446,795
Total General Fund	\$ 3,464,082	\$ 3,109,206	\$ 3,378,932	\$ 4,612,595	\$ 5,277,437	\$ 6,935,066	\$ 9,904,606	\$ 10,567,852	\$ 10,634,356	\$ 8,218,991
All Other Governmental Funds:										
Fund Balances										
Nonspendable										
Prepaid	\$ 48,969	\$ 48,230	\$ 107,813	\$ 105,463	\$ 133,886	\$ 121,314	\$ 97,217	\$ 170,397	\$ 70,333	\$ 90,011
Permanent fund principal	433,568	437,393	439,643	444,074	450,149	455,549	463,696	464,777	518,722	556,466
Restricted for										
Parks and recreation	2,201,605	2,108,073	1,120,855	1,700,115	1,747,828	1,022,222	1,570,988	2,065,934	2,348,651	2,146,570
Capital projects	36,366,122	29,999,312	18,232,468	9,651,619	6,355,087	6,310,811	6,184,534	7,542,055	9,949,963	10,621,301
Transportation projects	934,973	780,698	944,536	904,456	879,790	1,908,867	2,790,769	3,660,065	3,974,343	4,428,474
Public safety	1,165,482	1,136,631	4,261,530	2,841,567	3,431,977	5,584,864	6,919,797	8,252,189	2,885,130	8,412,009
Debt service	22,455,613	10,058,655	8,253,454	7,948,504	9,335,576	10,102,957	8,166,055	8,677,686	8,984,710	9,453,866
Cemetery	72,637	53,080	11,771	12,015	13,946	28,747	63,495	68,656	86,277	31,950
Law enforcement	4,881	4,828	6,912	17,962	30,272	52,079	57,070	68,615	79,556	99,493
Other purposes	140,558	176,039	174,847	222,879	163,588	288,742	470,861	594,222	759,580	974,144
Assigned	-	-	-	-	-	-	-	-	159,241	9,105
Committed	-	-	-	-	-	-	-	3,050,220	2,830,906	3,445,098
Unassigned	(19,028)	(9,028)	-	-	-	(98,067)	444,595	(65,853)	-	-
Total All Other Government Funds	\$ 63,805,380	\$ 44,793,911	\$ 33,553,829	\$ 23,848,654	\$ 22,542,099	\$ 25,778,085	\$ 27,229,077	\$ 34,548,963	\$ 32,647,412	\$ 40,268,487

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

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Revenues:										
Taxes	\$ 25,264,810	\$ 26,440,836	\$ 28,793,056	\$ 34,606,131	\$ 36,263,568	\$ 38,554,268	\$ 44,628,315	\$ 47,334,800	\$ 47,744,140	\$ 48,127,889
Intergovernmental	976,715	821,036	914,775	991,773	907,637	4,004,050	1,301,878	3,344,956	5,106,817	1,746,168
Licenses and permits	339,462	509,749	503,727	472,588	484,067	507,180	1,036,152	812,948	635,284	1,092,128
Charges for services	4,110,210	4,458,056	4,516,670	4,297,447	4,518,066	3,686,938	5,558,814	5,577,540	6,154,154	5,578,399
Investment earnings	81,731	230,266	307,153	446,801	574,788	183,970	17,454	(4,059)	1,669,836	1,834,031
Lease	-	-	-	-	-	-	-	-	-	-
Miscellaneous	824,547	1,115,913	970,185	1,478,632	2,525,761	1,802,945	1,405,592	770,449	1,466,960	1,158,318
Total Revenues	31,597,475	33,575,856	36,005,566	42,293,372	45,273,887	48,739,351	53,948,205	57,836,634	62,777,191	59,536,933
Expenditures:										
General government	4,647,549	4,519,275	4,686,884	4,951,051	5,315,589	6,263,030	6,509,882	8,391,517	7,858,190	7,694,697
Community development and improvement	22,802,592	13,306,979	3,864,769	3,042,653	3,155,405	4,123,566	2,389,676	2,458,017	2,105,181	1,878,733
Public works	4,085,325	2,897,617	3,170,423	4,653,472	3,850,406	3,348,915	4,004,307	4,163,008	4,790,026	4,886,626
Culture and recreation	4,160,582	4,512,327	5,031,351	4,343,092	4,570,951	4,402,093	4,668,409	5,566,898	6,177,807	6,752,690
Cemetery maintenance	52,078	51,281	58,493	46,984	58,292	63,696	61,928	91,000	116,567	113,198
Public safety	11,526,676	9,738,413	10,618,366	11,486,316	12,145,510	12,689,321	13,682,337	15,575,212	19,107,454	21,351,908
Capital outlay	2,921,467	8,548,421	15,602,242	25,131,362	12,067,340	4,142,470	6,052,043	3,981,861	7,783,305	10,295,341
Debt service:										
Principal	3,963,201	5,321,924	4,855,799	5,859,076	5,749,726	6,236,944	7,721,082	5,747,183	5,459,902	5,199,600
Bond issuance costs	2,274,248	-	52,501	301,397	116,843	16,500	90,933	18,902	-	27,000
Interest	1,590,031	4,432,032	3,890,887	3,722,054	3,952,653	3,916,358	3,756,180	3,929,289	4,880,770	4,855,550
Payment to refunding bond escrow agent	500,013	-	-	-	-	-	-	-	-	-
Total Expenditures	58,523,762	53,328,269	51,831,715	63,537,457	50,982,715	45,202,893	48,936,777	49,922,887	58,279,202	63,055,343
Excess Of Revenues Under Expenditures	(26,926,287)	(19,752,413)	(15,826,149)	(21,244,085)	(5,708,828)	3,536,458	5,011,428	7,913,747	4,497,989	(3,518,410)
Other financing sources (uses):										
Transfers in	\$ 2,230,806	\$ 4,149,255	\$ 1,903,828	\$ 4,344,540	\$ 2,917,109	\$ 5,097,618	\$ 4,878,978	\$ 6,134,243	\$ 8,168,689	\$ 8,131,590
Transfers out	(2,230,806)	(4,149,255)	(1,903,828)	(3,844,540)	(2,917,109)	(5,097,618)	(4,878,978)	(6,134,243)	(8,168,689)	(8,631,590)
Issurance of lease liability	-	-	-	-	-	-	-	-	-	198,079.00
Issurance of subscription liability	-	-	-	-	-	-	-	-	-	433,237.00
Issuance of long-term debt	74,805,312	-	3,830,000	11,525,000	4,845,000	955,000	-	-	-	-
Premium (discount) on debt issuance	-	-	-	478,326	153,143	-	-	-	-	-
Issuance of refunding debt	-	-	1,565,000	3,415,000	-	-	6,570,000.00	-	-	-
Payment to refunded bond escrow agent	(4,435,000)	-	(1,565,000)	(3,415,000)	-	-	(8,428,226.00)	-	-	-
Insurance Recoveries	-	-	585,113	268,478	68,972	-	-	-	-	-
Premium (discount) on bond issue	-	-	-	-	-	-	583,730.00	-	-	-
Finance purchase obligations	-	-	-	-	-	-	678,000.00	-	-	2,070,000
Proceeds from sale of capital assets	395,368	349,033	441,449	-	-	402,157	5,600	69,385	100,018	89,750
Total Other Financing Sources (Uses)	70,765,680	349,033	4,856,562	12,771,804	5,067,115	1,357,157	(590,896)	69,385	100,018	2,291,066
Net Changes In Fund Balance	43,839,393	(19,403,380)	(10,969,587)	(8,472,281)	(641,713)	4,893,615	4,420,532	7,983,132	4,598,007	(1,227,344)
Fund balances (deficits), beginning of year	23,503,328	67,306,497	47,903,117	36,933,530	28,461,249	27,819,536	32,713,151	37,133,683	45,116,815	49,714,822
Fund balances (deficits), end of year	\$ 67,342,721	\$ 47,903,117	\$ 36,933,530	\$ 28,461,249	\$ 27,819,536	\$ 32,713,151	\$ 37,133,683	\$ 45,116,815	\$ 49,714,822	\$ 48,487,478
Debt service as a percentage of noncapital expenditures	9.99%	21.78%	24.14%	24.95%	24.93%	24.73%	27.16%	22.38%	22.24%	19.51%

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
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
2021	8,303,289	31,374,879	3,150,264	1,799,883	44,628,315
2022	8,971,181	32,712,710	3,578,141	2,072,768	47,334,800
2023	8,751,738	32,895,059	3,821,436	2,275,907	47,744,140
2024	9,996,492	32,012,926	3,753,469	2,365,002	48,127,889
Change 2015-2024	57.12%	158.72%	-0.19%	-23.90%	87.97%

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
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%	2,126,711,350	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%	2,224,897,925	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%	2,237,892,096	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%	2,815,189,086	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%	2,855,697,650	20.43%	0.8908
2021	378,088,970	1,989,941,947	7,501,833	487,105,969	303,372,727	64,674,425	14,270,170	660,381,072	7.0%	3,244,956,041	20.35%	0.7968
2022	385,469,770	2,028,788,263	6,890,583	557,093,406	373,568,327	73,399,128	15,102,079	716,315,485	6.5%	3,440,311,556	20.82%	0.8905
2023	441,686,500	2,324,665,789	6,469,417	576,600,281	474,226,233	80,172,153	17,087,176	814,763,434	3.4%	3,920,907,549	20.78%	0.8751
2024	446,722,480	2,351,170,947	7,125,500	587,434,094	511,919,488	80,316,019	16,327,673	835,579,139	2.9%	4,001,016,201	20.88%	0.8526

Source: City records

(1) U.S. Bureau of Labor Statistics

(2) 2024 ASSESSED VAL & RR&UTILITY CERTIFICATIONS EXCEL SPREADSHEET

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	Total City Tax Rate	School District Tax Rate	County Tax Rate	Hospital Tax Rate	State Tax Rate	Total Tax Rate
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
2021	0.6775	0.1193	0.7968	5.9277	0.9700	0.1352	0.0300	7.8597
2022	0.7538	0.1367	0.8905	5.9277	0.9384	0.1352	0.0300	7.9218
2023	0.7408	0.1343	0.8751	5.9277	0.8586	0.1300	0.0300	7.8214
2024	0.7218	0.1308	0.8526	5.9277	0.8807	-	0.0300	7.6910

Source: Office of Clay County
Clerk
2024 Property Tax Recap
2024 Tax Rates by Jurisdiction

CITY OF LIBERTY, MISSOURI
PRINCIPAL PROPERTY TAXPAYERS
Current Year and Nine Years Prior
(Unaudited)

Taxpayer	2024			2015		
	Taxable Assessed Value	Rank	Percentage Of Total City Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage Of Total City Taxable Assessed Value
Hallmark Cards	8,044,900	1	0.96%	5,176,900	1	1.08%
Star Development	7,071,990	2	0.85%	2,816,820	2	0.59%
		3				
B&B Movie Theatres LLC	5,816,030	4	0.70%	—	—	0.00%
Twain GL III LLC	4,709,250	5	0.56%	—	—	0.00%
Crossroads West Assoc LP	4,153,020	6	0.50%	—	—	0.00%
	3,967,640	6				
Timothy D. Harris LLC	3,779,170	7	0.47%	—	—	0.00%
Robertson Properties Inc			0.45%	—	—	0.00%
Bonavia at withers farm LLC	3,759,420	8	0.45%	—	—	0.00%
Hy-Vee Food Stores, Inc.	3,555,170	9	0.43%	2,113,020	6	0.44%
	3,474,710	10				
Wilshire Apartments LLC			0.42%	—	—	0.00%
				2,014,400	7	
Centro Bradley SPE 5 LLC	—	—	0.00%	2,211,520	5	0.42%
Lowe's Home Centers, Inc.	—	—	0.00%	2,683,240	3	0.46%
Triangle Land Reserve LLC	—	—	0.00%	1,597,800	8	0.56%
LTD Enterprises, LLC	—	—	0.00%	1,444,990	9	0.33%
Clark Printing Company, Inc.	—	—	0.00%	1,429,730	10	0.30%
Rogers Sporting Goods	—	—	0.00%			0.30%
Legacy Liberty, LLC	—	—	0.00%	2,673,250	4	0.56%
Total	\$ 48,331,300		5.79%	\$ 24,161,670		5.04%

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
2014	4,491,096	326,153	7.26%	4,208,566	4,534,719	100.97%
2015	4,530,039	161,404	3.56%	4,370,672	4,532,076	100.04%
2016	4,603,577	223,215	4.85%	4,175,857	4,399,072	95.56%
2017	4,751,282	462,379	9.73%	4,277,829	4,740,208	99.77%
2018	4,978,773	570,229	11.45%	4,138,102	4,708,331	94.57%
2019	5,120,202	121,652	2.38%	4,664,872	4,786,524	93.48%
2020	5,196,070	122,954	2.37%	4,965,854	5,087,808	97.92%
2021	5,261,916	243,096	4.62%	4,501,545	4,744,641	90.17%
2022	6,378,789	259,808	4.07%	6,557,219	6,817,027	106.87%
2023	7,129,995	184,645	2.59%	5,716,608	5,901,253	82.77%
2024	7,124,148	462,096	6.49%	5,883,554	6,345,650	89.07%

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 Assessment	Percentage Of Actual Taxable Value Of Property	Debt Per Capita	MDNR Loan Payable	Special Obligation Bonds	Finance Purchase Obligations	TIF Bonds	Bond Premiums (Discounts)	Subscription Liability	Lease Liability	State Revolving Fund	Revenue Bonds	Finance Purchase Obligation	Special Obligation Bonds	Bond Premiums (Discounts)			
	Bonds																	
2014	14,260,000	0.71%	474	34,175	4,345,410	4,115,456	15,640,000	484,765			4,320,000	6,680,000	257,825	164,590	200,634	49,817,456	5.36%	1,655
2015	25,390,000	1.21%	836	23,120	20,976,920	3,864,355	54,240,000	754,284			19,662,522	5,770,000	208,400	133,080	68,571	130,268,397	14.04%	4,289
2016	23,165,000	1.09%	761	11,863	19,823,430	3,516,347	53,070,000	665,786			64,287,522	5,040,000	157,465	101,570	57,386	169,173,197	18.22%	5,556
2017	22,667,460	1.02%	719	5,414	22,090,172	3,086,704	51,800,000	577,288			81,877,996	4,300,000	193,826	69,828	37,439	186,091,400	19.03%	5,906
2018	20,840,000	0.93%	656	-	31,977,146	2,351,062	49,500,000	999,905			80,004,000	3,540,000	139,272	4,502,854	121,774	192,854,334	18.77%	6,069
2019	19,625,000	0.70%	646	-	34,808,850	1,599,632	47,730,000	1,037,836			78,103,000	2,770,000	50,424	4,431,150	104,929	189,118,056	17.79%	6,226
2020	18,280,000	0.64%	569	-	33,296,288	1,381,685	45,840,000	914,967			76,167,000	1,985,000	25,212	4,268,712	88,087	181,243,897	16.38%	5,646
2021	16,505,000	0.51%	547	-	29,278,960	1,520,086	42,675,000	1,317,455			73,381,750	1,175,000	-	4,101,040	16,843	168,636,836	16.27%	5,581
2022	15,040,000	0.44%	489	-	26,461,864	870,000	41,860,000	1,136,215		571,669	70,536,500	890,000	-	3,923,136	6,563	159,581,500	13.91%	5,185
2023	13,835,000	0.35%	449	-	23,785,000	425,000	40,990,000	1,014,879	396,266	507,605	66,124,500	600,000	-	3,735,000	-	150,398,371	12.63%	4,884
2024	12,590,000	0.31%	403	-	21,410,000	2,355,000	40,030,000	903,279	535,302	520,285	61,592,500	305,000	-	3,545,000	79,219	142,883,087	11.67%	4,573

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, 2021

(Unaudited)

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable	Amount Applicable to City
Overlapping:			
Liberty Hospital District	\$ -	0.00%	\$ -
Liberty School District	187,971,000	45.94%	86,359,964
Clay County	-	0.00%	-
Subtotal, Overlapping Debt			86,359,964
City Direct Debt:			
Governmental Activities			
Special Obligation Bonds	21,410,000		
Finance Purchase Obligations	2,355,000		
General Obligation Bonds	12,590,000		
TIF Bonds	40,030,000		
Lease Liability	520,285		
Subscription Liability	535,302		
Total City Direct Debt	77,440,587	100.00%	77,440,587
Bond Premiums	1,079,465	100.00%	1,079,465
Bond Discounts	(176,186)	100.00%	(176,186)
Total Direct And Overlapping Debt			<u>\$ 164,703,830</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 06/20/2025

CITY OF LIBERTY, MISSOURI
LEGAL DEBT MARGIN INFORMATION
Last Ten Fiscal Years
(Unaudited)

Legal Debt Margin Calculation for Fiscal Year 2022

Assessed value	\$ 835,579,139
Debt limit (20% of assessed value)	<u>167,115,828</u>
City Debt applicable to debt limit:	
General obligation bonds	\$ 12,590,000
Special assessment bonds	21,410,000
Less-amount available debt service fund, Special Assessment Neighborhood Improvement Fund	<u>-</u>
Total net debt applicable to limit	<u>34,000,000</u>
Legal debt margin	<u>\$ 133,115,828</u>

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Debt limit	\$ 96,102,746	\$ 97,603,559	\$ 102,632,004	\$ 103,208,392	\$ 114,789,877	\$ 116,660,749	\$ 132,076,214	\$ 143,263,097	\$ 162,952,687	\$ 167,115,828
Total net debt applicable to limit	9,575,826	54,615,129	58,521,832	50,391,246	60,356,027	65,084,461	86,292,254	101,761,233	125,332,687	133,115,828
Legal debt margin	<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>	<u>\$ 45,783,960</u>	<u>\$ 41,501,864</u>	<u>\$ 37,620,000</u>	<u>\$ 34,000,000</u>
Total Net Debt Applicable To The Limit As A Percentage Of Debt Limit	11.07%	127.05%	132.67%	95.41%	110.88%	126.19%	188.48%	245.20%	333.15%	391.52%

Source: City records

CITY OF LIBERTY, MISSOURI
PLEDGED REVENUE COVERAGE
Last Ten Fiscal Years
(dollars in thousands)
(Unaudited)

Waterworks and Sewer System Bonds							
Fiscal Year	Operating Revenue (1)	Operating Expenses (2)	Net Revenues Available For Debt Services	Debt Service		Total Debt Payments	Coverage
				Principal	Interest		
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
2021	18,011,787	7,763,109	10,248,678	810,000	46,611	856,611	11.96
2022	18,610,165	10,331,380	8,278,785	285,000	26,201	311,201	26.60
2023	18,638,667	10,685,532	7,953,135	290,000	18,914	308,914	25.75
2024	20,155,958	12,174,350	7,981,608	295,000	11,522	306,522	26.04

(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		Personal	Per Capita	Median	School	Unemployment
December 31,	Population (4)	Income (4)	Income (4)	Age (1)	Enrollment (2)	Rate (3)
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%
2021	30,167	1,034,607,432	34,296	38.5	12,663	3.9%
2022	30,775	1,147,568,975	37,289	39.4	12,398	2.6%
2023	30,794	1,183,875,330	38,445	38.5	12,141	3.5%
2024	31,245	1,224,210,345	39,181	38.1	12,141	4.2%

Sources:

- (1) City-Data.com
- (2) Liberty Public School District
- (3)US Department of Labor Bureau
- (4) US Census Bureau 7/1/24

CITY OF LIBERTY, MISSOURI**PRINCIPAL EMPLOYEES**

Employer	2024			2015		
	Employees (1)	Rank	Percentage Of Total County Employment (2)	Employees	Rank	Percentage Of Total County Employment (2)
Liberty School District	2,082	1	1.52%	2,109.00	1	1.73%
Liberty Hospital	1,980	2	1.45%	1,400.00	2	1.15%
Hallmark Cards	1,572	3	1.15%	820.00	3	0.67%
Amazon	1,471	4	1.08%	-	-	-
Clay County	688	5	0.50%	350.00	5	0.29%
City of Liberty	494	6	0.36%	325.00	6	0.27%
HyVee	486	7	0.36%	-	-	-
LMV	400	8	0.29%	185.00	10	0.15%
RR Donnelley	355	9	0.26%	350.00	4	0.29%
Ford Stamping Plant	299	10	0.22%	256.00	8	0.21%
Ferrellgas	-	-	-	263.00	7	0.22%
William Jewell	-	-	-	235.00	9	0.19%
	9,827		7.19%	6,293		5.17%

Sources: (1) Liberty Economic Development Corporation

(2) Mid America Regional Council (MARC) as of 12/31/24

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, 2024									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Administration										
Administrative Assistant		-	-	-	-	-	-	1	1	0.5
Administrative Specialist	1	1	1	-	-	-	-	-	-	-
Animal Control Officer	2	2	2	2	3	2	2	3	2	2
Animal Control Supervisor	1	1	1	1	1	1	-	-	-	-
Animal Shelter Attendant	1	1	1	-	1	1	1	-	1	0.5
Animal Shelter Coordinator	1	1	1	1	-	-	-	-	-	-
Assistant City Administrator		1	1	1	1	1	1	1	1	1
Assistant Deputy City Clerk		-	-	-	-	-	1	1	1	1
Assistant to the City Administrator		-	-	-	1	1	1	-	1	1
Chief Strategic Operations Officer		1	1	1	-	-	-	-	-	-
City Administrator	1	1	1	1	1	1	1	1	1	1
City Prosecutor	1									
Communication Manager		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	1
HR/Admin Specialist	1	-	-	-	1	1	-	-	-	-
Marketing & Special Events Supervisor		-	-	-	1	1	1	1	-	-
Municipal Court Cashier	1	1	1	-	-	-	-	-	-	-
Municipal Court Technician	1	1	1	1	1	1	2	2	2	2
Prosecutors Assistant	1	1	1	1	1	1	-	-	-	-
Public Relations Coordinator		1	1	-	-	-	-	-	-	-
Recruitment Coordinator		-	-	1	1	-	-	-	-	-
Public Relations										
Assistant Director	1	1	1	1	1	1	1	1	1	1
Chief Strategic Communication Officer	1	1	1	1	-	-	-	-	-	-
Public Relations Coordinator	1	1	1	-	-	-	-	-	-	-
Recruitment Coordinator	-	-	-	1	1	-	-	-	-	-
Information Services										
GIS Manager	2	2	2	2	2	-	-	-	-	-
GIS Specialist I		-	-	-	-	-	1	1	1	1
GIS Specialist II		-	-	-	-	1	-	-	-	-
GIS Specialist III		-	-	-	-	1	1	1	1	1
Information Security Officer		-	-	-	-	1	1	1	1	1
Information Systems Analyst I		-	-	1	1	-	-	-	-	-
Information Systems Analyst II		-	-	1	1	-	-	-	-	-
Information Systems Analyst III		-	-	1	1	-	-	-	-	-
Information Systems Specialist I		-	-	2	2	2	2	2	1.5	1
Information Systems Specialist II		-	-	1	1	1	1	2	1	1
Information Systems Specialist III		-	-	-	-	1	1	-	1	1
Information Technology Services Director	1	1	1	1	1	1	1	1	1	1
Operations Manager - Tech & Logistics	1	1	0.5	0.5	-	-	-	-	-	-
Payroll Specialist		-	1	-	-	-	-	-	-	-
Senior Information System Specialist		-	-	1	-	1	1	1	1	1
Systems Administrator I	1	1	-	-	-	-	-	-	-	-
Systems Administrator II	1	3	2	-	-	-	-	-	-	-
Systems Administrator III	2	-	-	-	-	-	-	-	-	-
Tech Support Specialist I	-	1	1	-	-	-	-	-	-	-
Tech Support Specialist II	2	1	2	-	-	-	-	-	-	-
Human Resources										
Administrative Assistant	-	-	-	-	-	-	-	-	-	-
Asst Director HR & Risk Mgmt.	1	1	1	1	1	-	1	1	-	-
Human Resources Coordinator	-	-	-	-	-	-	-	-	-	-
Human Resources Director	1	1	1	1	1	1	1	1	1	1
Human Resources Manager	1	-	-	-	-	-	-	-	1	1
Payroll Coordinator	-	1	1	1	0.5	-	-	-	-	-

CITY OF LIBERTY, MISSOURI
FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTIONS/PROGRAMS
Last Ten Fiscal Years
(Unaudited)

	Full-Time Equivalent Employees as of December 31, 2024									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Human Resources (continued)										
Administrative Assistant	-	-	-	-	-	-	-	-	-	-
Asst Director HR & Risk Mgmt.	1	1	1	1	1	-	1	1	-	-
Human Resources Coordinator	-	-	-	-	-	-	-	-	-	-
Human Resources Director	1	1	1	1	1	1	1	1	1	1
Human Resources Manager	1	-	-	-	-	-	-	-	1	1
Payroll Coordinator	-	1	1	1	0.5	-	-	-	-	-
Recruitment Coordinator	-	-	-	0.5	-	-	-	-	-	-
Recruitment Manager	1	1	1	-	-	-	-	-	-	-
Finance										
Accountant	2	2	1	2	2	2	-	-	1	1
Accounting Manager	1	1	1	2	2	1	2	2	1	1
Accounting Specialist	2	2	2	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	1	1	1	1	1	1	1	1	1	1
Finance Manager	-	-	-	-	-	-	1	-	-	-
Finance Specialist - Licensing	-	-	-	-	-	-	1	-	-	-
Finance Technician	3	3	3	3	3	1	2	3	3	3
Lead Finance Technician	-	-	-	-	-	1	1	-	1	1
Lead Meter Technician	-	-	-	-	-	-	-	1	1	1
Meter Service Technician	-	-	-	-	-	-	2	2	2	2
Office Supervisor	-	-	-	-	-	-	1	1	1	1
Operations Supervisor	1	1	1	1	1	1	-	-	-	-
Payroll Specialist	1	1	1	1	1	1	1	1	1	1
Fire										
Administrative Assistant	1	1	1	0.5	0.5	0.5	0.5	0.5	0.5	0.5
Assistant Chief - Shift Commanders	3	3	3	3	3	3	3	3	3	3
Division Chief - EMS	1	1	1	-	-	-	-	-	-	-
Division Chief-Fire Marshal	1	1	1	1	1	1	1	1	1	1
Division Chief-Training	1	1	1	1	1	1	1	1	1	1
Fire Captain	9	9	9	9	9	9	9	9	9	9
Fire Chief	1	1	1	1	1	1	1	1	1	1
Firefighter/EMT	9	14	11	8	8	10	10	12	12	8
Firefighter/EMT-PSST	3	-	-	-	-	-	-	-	-	-
Firefighter/Paramedic	37	34	34	31	31	29	29	24	21	28
Aging Services										
Administrative Assistant	-	-	-	-	1	1	1	1	1	1
Bus Driver	1	1	1	1	1	1	1	1	1	1
Recreation Program Coordinator	1	1	2	2	2	2	2	2	1	1
Senior Center Technician	-	-	-	-	-	-	-	-	1	1
Senior Services Manager	-	1	1	1	-	-	-	-	1	1
Police										
Administrative Assistant	1	1	1	0.5	0.5	0.5	0.5	0.5	0.5	1
Animal Control Officer	-	-	-	-	-	-	-	-	-	-
Animal Control Shelter Attendant	-	-	-	-	-	-	-	-	-	-
Communications Officer	9	9	9	9	7	9	9	9	9	9
Communications Supervisor	1	1	1	1	1	1	1	1	1	1
Evidence & Property Technician	-	-	-	-	-	-	-	-	0.5	0.5
Parking Control Officer	-	-	-	-	-	-	-	0.5	0.5	-
Police Captain	3	3	2	2	2	2	2	2	2	2
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	1	2	2	2	2	2

CITY OF LIBERTY, MISSOURI
FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTIONS/PROGRAMS
Last Ten Fiscal Years
(Unaudited)

	Full-Time Equivalent Employees as of December 31, 2024									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Police (continued)										
Police Detective	4	-	-	-	-	-	-	-	-	-
Police Officer	25	33	29	29	30	29	29	25	25	25
Police Officer-PSST	4									
Police Officer-SRO	1									
Police Sergeant	7	6	6	6	5	6	6	6	6	6
Records Technician		4	4	3	1	3	3	3	3	3
Records Technician II	3									
Support Services Supervisor	1	1	1	1	1	1	1	1	1	1
Public Works										
Administrative Assistant	1	1	1	1	1	1	2	1	2	2
Assistant Public Works Director	1	1	1	0.5	0.5	0.5	0.5	0.5	0.5	0.5
Building Maintenance Technician		-	-	-	-	-	-	-	-	-
Building Maintenance Coordinator	1									
Capital Review Engineer	1	1	1	1	1	1	1	1	1	1
City Engineer		1	1							
City Engineer/Assistant Public Works Director		-	-	0.5	0.5	0.5	0.5	0.5	0.5	0.5
Facilities Management Supervisor	1	1	1	1	1	1	1	1	1	1
Project Inspector	1	2	2	2	1	2	2	2	1	1
Public Works Crew Chief		-	-	2	2	2	2	2	2	2
Public Works Director	1	1	1	1	1	1	1	1	1	1
Public Works Maintenance Crew Manager	1	1	1	-	1	1	1	1	-	-
Public Works Maintenance Worker I	2	4	2	4	4	4	4	6	-	-
Public Works Maintenance Worker II	7	5	5	4	4	4	4	4	9	9
Public Works Maintenance Worker III	4	3	3	-	-	-	-	-	-	-
Public Works Mechanic	1	1	1	1	1	1	1	1	1	1
Public Works Operations Manager	1	1	-	-	-	-	-	-	1	1
Public Works Superintendent	-	-	-	1	1	1	1	-	-	-
Senior Project Inspector	1	-	-	-	-	-	-	-	1	1
Planning & Development Services										
Administrative Assistant	1	1	1	1	1	1	1	1	1	1
Assistant Director	1	-	-	-	-	-	-	-	1	1
Building Inspector	1	1	2	2	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	1
Code Enforcement Officer	1	1	1	1	1	1	1	1	1	1
Code Enforcement Officer II	1									
Community Development Manager	1	1	1	1	1	1	1	1	1	1
Development Director	1	1	1	1	1	1	-	1	-	-
Planning and Economic Development Manager	1	-	-	-	-	-	1	-	-	-
Rental Inspector	1	-	-	-	-	-	-	-	1	0.5
Senior Building Inspector	1	2	-	-	1	1	1	1	1	1
Parks & Recreation										
Assistant Parks & Recreation Director	1	2	2	2	2	2	2	-	1	1
Athletic Fields Ground Keeper	1	3	2	2	2	2	2	2	2	2
Building Maintenance Technician	1	1	1	1	1	1	1	2	1	1
Cemetery Sexton	1									
Community Engagement Manager	1	1	1	-	-	-	-	-	-	-
Community Center Manager	1	-	-	-	-	-	-	1	1	1
Crew Manager - Parks	1	1	1	-	-	-	-	-	-	-
Crew Manager - Sports Complex	1	1	1	-	-	-	-	-	-	-
Custodian	-	-	-	-	-	-	-	-	-	-
Customer Care Team Supervisor	-	-	-	-	-	1	1	1	-	-
Events Coordinator	-	-	-	-	-	-	-	-	-	-
Facility Maintenance Supervisor	-	-	-	-	1	2	1	1	-	-
Horticulturist	1	1	1	1	1	1	1	1	1	1
Horticulturist Assistant		1	1	1	-	-	-	-	-	-

CITY OF LIBERTY, MISSOURI
FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTIONS/PROGRAMS
Last Ten Fiscal Years
(Unaudited)

	Full-Time Equivalent Employees as of December 31, 2024									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Parks & Recreation (continued)										
Landscaper	1	-	-	-	1	1	1	1	1	1
Lead Theater Technician	-	-	-	-	-	-	-	-	1	1
Maintenance Supervisor	-	-	-	-	-	-	-	-	1	1
Marketing/Special Events Coordinator	-	1	1	1	1	1	1	1	1	1
Mechanic	1	1	1	1	1	1	1	1	1	1
Mechanical Systems Specialist	-	-	-	-	-	-	-	-	-	-
Office Assistant	-	-	-	-	-	-	-	-	1	1
Office Supervisor	-	-	-	-	1	1	1	1	1	1
Operations Coordinator	3	3	3	3	-	-	-	-	-	-
Parks & Natural Resources Manager	-	-	-	-	-	1	1	1	1	1
Parks and Recreation Director	1	1	1	1	1	1	1	1	1	1
Parks Construction Crew Chief	1	1	1	-	-	-	-	-	-	-
Parks Crew Chief	-	-	-	2	2	1	2	2	1	1
Parks Maintenance Worker I	3	3	3	3	3	2	3	4	1	1
Parks Maintenance Worker II	1	1	1	1	1	3	1	1	3	3
Parks Manager - Operations	1	1	1	1	1	1	1	1	-	-
Parks Supervisor	-	-	-	-	-	1	-	2	2	2
Recreation Coordinator	8	6	5	5	3	3	2	2	2	2
Recreation Program (Sports Complex) Manager	5	4	4	4	4	3	4	1	1	1
Recreation Supervisor	-	-	-	-	-	-	-	1	-	-
Recreation Transportation Coordinator	-	1	-	-	-	-	-	1	-	-
Senior Recreation Coordinator	-	-	-	-	-	3	3	3	3	3
Special Projects Manager	-	-	-	1	1	1	1	1	-	-
Theater Coordinator	-	-	-	-	1	1	1	-	-	-
Theater Productions/Facility Rental Supervisor	-	-	-	-	-	-	-	1	1	1
Utilities										
Administrative Assistant	1	1	1	1	1	1	1	-	-	-
Collection Maintenance I	-	-	-	-	-	-	-	1	-	-
Construction Manager-Sewer	1	1	1	1	1	1	1	1	1	1
Construction Manager-Water	1	1	1	1	1	1	1	1	1	1
Crew Chief	-	-	-	-	-	-	-	-	-	-
Crew Chief - Collections	1	1	1	1	1	-	-	-	-	-
Crew Chief - Distribution	1	1	1	1	-	-	-	-	-	-
Crew Chief - Meter Services	1	1	1	1	1	-	-	-	-	-
Lead Operator-Water Treatment Operations	-	-	-	-	-	-	-	-	-	-
Maintenance Mechanic-Water Treatment Operations	-	-	-	-	-	-	-	-	-	-
Maintenance Supervisor-Water Treatment Operations	-	-	-	-	-	-	-	-	-	-
Maintenance Worker I	-	-	-	-	-	-	-	-	-	-
Maintenance Worker II	-	-	-	-	-	-	-	-	-	-
Operations Manager - MTCE & Construction	1	1	1	1	-	-	-	-	-	-
Operations Manager - Production	1	1	1	-	-	-	-	-	-	-
Operations Manager - Treatment	1	1	1	-	-	-	-	-	-	-
Operator-Water Treatment Operations	-	-	-	-	-	-	-	-	-	-
Production Crew Manager	1	1	1	-	-	-	-	-	-	-
Production Plant Mechanic	1	1	1	-	-	-	-	-	-	-
Production Technician I	4	3	3	-	-	-	-	-	6	6
Production Technician II	1	1	1	-	-	-	-	-	-	-
Treatment Crew Manager	1	1	1	-	-	-	-	-	-	-
Treatment Technician I	3	2	2	-	-	-	-	-	-	-
Treatment Technician II	1	1	1	1	-	-	-	1	-	-
Utilities Assistant Director Operations & Construction	1	1	1	1	1	1	1	1	1	1
Utilities Assistant Director Production & Treatment	1	-	-	-	1	1	1	1	1	1
Utilities Collection Worker I	3	4	4	4	5	5	5	5	3	3
Utilities Collection Worker II	3	1	2	2	2	1	1	1	1	1
Utilities Collection Worker III	1	1	-	-	-	-	-	-	-	-

CITY OF LIBERTY, MISSOURI
FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTIONS/PROGRAMS
Last Ten Fiscal Years
(Unaudited)

table
 FT%20Equivalent%20City%20Gov%20Employees
 %20Table%20111 center

	Full-Time Equivalent Employees as of December 31, 2024									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Utilities										
Utilities Collection Worker I	3	4	4	4	5	5	5	5	3	3
Utilities Collection Worker II	3	1	2	2	2	1	1	1	1	1
Utilities Collection Worker III	1	1	-	-	-	-	-	-	-	-
Utilities Construction Worker I	1	1	-	1	1	1	1	1	1	1
Utilities Construction Worker II	-	-	1	1	1	2	2	1	1	1
Utilities Construction Worker III	1	1	-	-	-	-	-	-	-	-
Utilities Director	1	1	1	1	1	1	1	1	1	1
Utilities Distribution Worker I	3	4	4	4	4	5	5	5	5	5
Utilities Distribution Worker II	1	2	2	2	2	2	2	2	2	2
Utilities Distribution Worker III	1									
Utilities Manager - Collections	1	-	-	-	1	1	1	1	1	1
Utilities Manager - Distribution	1	-	-	-	1	1	1	1	1	1
Utilities Manager - Production		-	1	1	1	1	1	1	1	1
Utilities Meter Service Technician	1	1	1	1	2	2	2	-	-	-
Utilities Meter Service Technician II	1	1	-	-	-	-	-	-	-	-
Utilities Prod/Treatment Technician I		-	-	9	9	10	10	7	2	2
Utilities Treatment Manager		-	-	1	1	1	1	1	1	1
Utilities UDF Service Technician		-	1	1	-	-	-	-	-	-
Utilities Water Service Specialist		1	-	-	-	1	1	-	-	-
Utilities Worker - Production & Treatment		-	1	1	1	1	2	-	-	-
Utilities Locator	2									
WWTP-IPP Coordinator	1	1	1	1	1	1	1	1	-	-
Totals City-Wide	294	280	265	254	249	256	261	247	237	237

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

Function/Program	Calendar Year									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Police:										
Calls for service	26,815	31,324	26,556	26,703	24,509	22,558	29,970	19,051	20,666	29,240
Adult arrest	1,138	888	741	741	738	805	659	500	721	806
Speeding citations only	955	622	132	545	945	802	535	423	609	538
Traffic citations	4,672	2,823	3,634	3,013	3,832	3,125	3,552	2,272	2,829	3,409
Fire:										
Total fire runs	3,330	3,358	3,997	1,176	1,229	1,157	1,358	1,482	6,444	1,472
Total rescue runs	2,896	2,817	3,034	3,405	3,401	3,290	4,283	4,587	4,991	5,005
Property loss	4,152,500	887,000	663,400	1,004,200	6,963,001	1,265,650	1,470,005	943,800	745,360	2,056,100
Property saved	76,485,900	4,318,000	2,611,300	138,547,100	15,280,199	14,971,350	3,696,495	9,836,800	1,775,400	24,527,100
Building permits:										
Commercial:										
Total building permits	11	18	16	5	143	98	157	82	153	387
Total value all permits	17,180,155	46,411,213	60,126,964	14,094,881	18,920,264	38,133,287	76,932,347	25,805,686	52,163,258	56,739,837
Residential:										
Total building permits	24	42	55	47	186	213	257	222	321	698
Total value all permits	6,508,954	22,954,229	18,555,027	14,696,086	14,678,045	22,143,879	21,359,344	12,248,998	22,212,291	29,581,717
Parks and Recreation:										
Recreation program attendance										
Sports	6,443	5,366	4,399	8,671	7,068	1,873	6,334	7,964	7,986	7,986
Community Programs	271	-	3,342	4,582	4,858	2,369	5,142	5,338	4,775	3,517
Camps	-	381	810	1,010	852	409	464	237	132	182
Aquatics program attendance	3,315	2,733	3,045	3,537	2,803	1,393	2,647	3,073	4,707	4,547
Fitness	3,591	-	38,471	50,662	51,354	25,677	27,763	34,351	36,858	42,885
Community Center Memberships	4,620	5,196	5,642	5,548	5,325	4,682	4,239	5,142	5,491	5,536
Rentals										
Meeting Rooms **										
# of Reservations **	3,539	4,856	-	-	-	-	-	293	365	277
# of Hours**	7,588	7,997	-	-	-	-	-	-	1,371	2,537
Theater										
# of Reservations	265	293	265	288	280	201	282	129	352	352
# of Hours	2,099	2,540	2,250	2,649	2,504	1,219	1,741	2,286	2,311	2,311
Street trees maintained (1)										
# of Trees**	1,810	280	1,022	-	-	-	-	-	-	-
# of Hours	-	-	-	3,000	3,000	3,000	3,000	2,750	927	927

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 ASSETS STATISTICS BY FUNCTION/PROGRAM
Last Ten Fiscal Years (Continued)
(Unaudited)

Function/Program	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Debt Service/Lease Payments	\$ 2,682,551	\$ 2,392,830	\$ 1,522,696	\$ 2,460,636	\$ 2,460,269	\$ 3,736,940	\$ 10,740,752	\$ 3,529,804	\$ 2,777,899	\$ 2,370,673
Street and Major Roadway Improvements	-	-	-	-	-	94,581	1,852,264	1,166,145	408,492	1,068,262
Storm Water Improvements	404,472	553,786	244,362	1,274,258	496,952	437,469	583,040	349,363	118,445	458,541
Capital Equipment	708,041	818,809	837,262	1,898,576	534,917	466,442	337,847	263,109	1,334,837	771,156
Fire Equipment	1,906,893	82,353	36,683	1,073,864	4,983	24,149	30,209	-	-	-
Fire Improvements	-	-	-	-	-	-	-	-	-	934,739
Neighborhood Improvements	-	-	-	-	-	-	-	30,660	-	-
Water System Upgrades	490,970	910,107	437,010	1,397,842	902,940	1,564,255	1,370,759	709,387	1,443,753	1,391,228
Sewer System Upgrades	741,859	381,072	258,513	513,287	1,494,304	2,151,539	352,670	390,677	1,233,064	3,028,954
WasteWater System	16,534,500	50,728,915	6,933,767	-	-	-	-	-	-	-

Source: City records

APPENDIX C

PROPOSED FORM OF OPINION OF BOND COUNSEL

City of Liberty, Missouri
Liberty, Missouri

[Underwriter]
[Underwriter City, State]

Re: \$23,065,000* City of Liberty, Missouri Special Obligation Bonds, Series 2025

Ladies and Gentlemen:

We have served as bond counsel to the City of Liberty, Missouri (the “City”) in connection with the issuance of the above-captioned bonds (the “Bonds”). In this capacity, we have examined the law and such certified proceedings, certifications and other documents that we deem necessary to give the opinions below.

Regarding questions of fact material to the opinions below, we have relied on the representations of the City, on the certified proceedings and other certifications of representatives of the City and the certifications of others furnished to us without undertaking to verify them by independent investigation.

Based on the foregoing, we are of the opinion that:

1. The Bonds have been duly authorized and executed by the City and are valid and legally binding special obligations of the City.

2. The Bonds are special obligations of the City payable solely from amounts pledged or appropriated therefor in each Fiscal Year (i) out of the income and revenues provided for such Fiscal Year plus (ii) any unencumbered balances for previous years. The Bonds do not constitute general obligations or indebtedness of the City within the meaning of any constitutional, charter or statutory debt limitation or restriction, and the City does not pledge its full faith and credit and is not obligated to levy taxes or resort to any other moneys or property of the City to pay the principal of and interest on the Bonds.

3. The interest on the Bonds (including any original issue discount properly allocable to an owner thereof) (i) is excludable from gross income for federal income tax purposes, (ii) is exempt from income taxation by the State of Missouri, and (iii) is not an item of tax preference for purposes of computing the federal alternative minimum tax. The opinions set forth in this paragraph are subject to the condition that the City complies with all requirements of the Code that must be satisfied subsequent to the issuance of the Bonds in order that interest thereon be, or continue to be, excludable from gross income for federal income tax purposes. The City has covenanted to comply with all of these requirements. Failure to comply with certain of these requirements may cause the interest on the Bonds to be included in gross income for federal and Missouri income tax purposes retroactive to the date of issuance of the Bonds. The Bonds have not been designated as “qualified tax-exempt obligations” for purposes of Section 265(b)(3) of the Code.

The rights of the owners of the Bonds and the enforceability of the Bonds may be limited by bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting the rights and remedies of creditors, and by equitable principles, whether considered at law or in equity.

* Preliminary, subject to change.

We express no opinion regarding the accuracy, adequacy, or completeness of the Official Statement or other offering material relating to the Bonds (except to the extent, if any, stated in the Official Statement), or the tax consequences arising with respect to the Bonds other than as expressly set forth in this opinion letter.

The opinions given in this opinion letter are given as of the date set forth above, and we assume no obligation to revise or supplement them to reflect any facts or circumstances that may later come to our attention, or any changes in law that may later occur.

This opinion is limited to the laws of the State of Missouri and applicable laws of the United States.

Very truly yours,

APPENDIX D

FORM OF CONTINUING DISCLOSURE CERTIFICATE

CONTINUING DISCLOSURE CERTIFICATE

Dated as of December 15, 2025

By

CITY OF LIBERTY, MISSOURI

relating to

**\$23,065,000
CITY OF LIBERTY, MISSOURI
SPECIAL OBLIGATION BONDS
SERIES 2025**

CONTINUING DISCLOSURE CERTIFICATE

This Continuing Disclosure Certificate dated as of December 15, 2025 (the “**Continuing Disclosure Certificate**”), is executed and delivered by the **CITY OF LIBERTY, MISSOURI** (the “**Issuer**”).

RECITALS

1. This Continuing Disclosure Certificate is executed and delivered by the Issuer in connection with the issuance by the Issuer of \$23,065,000 original principal amount of Special Obligation Bonds, Series 2025 (the “**Bonds**”), pursuant to an ordinance adopted by the governing body of the Issuer on November 24, 2025 (the “**Ordinance**”).

2. The Issuer is entering into this Continuing Disclosure Certificate for the benefit of the Beneficial Owners of the Bonds and in order to assist the Participating Underwriter in complying with Rule 15c2-12 of the Securities and Exchange Commission (the “**Rule**”). The Issuer is the only “**obligated person**” (as defined by the Rule) with responsibility for continuing disclosure hereunder.

In consideration of the covenants and agreements herein, the Issuer covenants and agrees as follows:

Section 1. Definitions. In addition to the definitions set forth in the Ordinance, which apply to any capitalized term used in this Continuing Disclosure Certificate unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

“**Annual Report**” means any Annual Report filed by the Issuer pursuant to, and as described in, **Section 2** of this Continuing Disclosure Certificate.

“**Beneficial Owner**” means any registered owner of any Bonds and any person who (a) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Bonds (including persons holding Bonds through nominees, depositories or other intermediaries), or (b) is treated as the owner of any Bonds for federal income tax purposes.

“**EMMA**” means the Electronic Municipal Market Access system for municipal securities disclosures established and maintained by the MSRB, which can be accessed at www.emma.msrb.org.

“**Financial Obligation**” means a (a) debt obligation; (b) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (c) guarantee of (a) or (b) in this definition; *provided however*, the term Financial Obligation shall not include municipal securities as to which a final official statement has been provided to the MSRB consistent with the Rule.

“**Fiscal Year**” means the 12-month period beginning on January 1 and ending on December 31 or any other 12-month period selected by the Issuer as the Fiscal Year of the Issuer for financial reporting purposes.

“**Material Events**” means any of the events listed in **Section 3** of this Continuing Disclosure Certificate.

“**MSRB**” means the Municipal Securities Rulemaking Board, or any successor repository designated as such by the Securities and Exchange Commission in accordance with the Rule.

“**Participating Underwriter**” means any of the original underwriters of the Bonds required to comply with the Rule in connection with the offering of the Bonds.

“**Rule**” means Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

Section 2. Provision of Annual Reports.

- (a) The Issuer shall, not later than six months after the end of the Issuer’s Fiscal Year, commencing with the Fiscal Year ending December 31, 2025, provide to the MSRB, through EMMA, the following financial information and operating data (the “**Annual Report**”):
- (1) The audited financial statements of the Issuer for the prior Fiscal Year. If audited financial statements are not available by the time the Annual Report is required to be filed pursuant to this Section, the Annual Report shall contain unaudited financial statements in a format similar to the financial statements contained in the final Official Statement relating to the Bonds, and the audited financial statements shall be filed in the same manner as the Annual Report promptly after they become available. The audited financial statements of the City are currently prepared in conformity with accounting principles generally accepted in the United States of America as applied to government units. If the City changes the format of its financial statements, (1) notice of such change shall be given in the same manner as for a Material Event, and (2) the Annual Report for the year in which the change is made should present a comparison (in narrative form and also, if feasible, in quantitative form) between the financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.
 - (2) Updates as of the end of the Fiscal Year of certain financial information and operating data contained in the final Official Statement, as described in **Exhibit A**, in substantially the same format contained in the final Official Statement.

Any or all of the items listed above may be included by specific reference to other documents, including official statements of debt issues with respect to which the Issuer is an “**obligated person**” (as defined by the Rule), which have been filed with the MSRB and are available through EMMA or to the Securities and Exchange Commission. If the document included by reference is a final official statement, it must be available from the MSRB on EMMA. The Issuer shall clearly identify each such other document so included by reference.

In each case, the Annual Report may be filed as a single document or as separate documents comprising a package, and may cross-reference other information as provided in this Section; provided that the audited financial statements of the Issuer may be filed separately from the balance of the Annual Report and later than the date required above

for the filing of the Annual Report if they are not available by that date. If the Issuer's Fiscal Year changes, it shall give notice of such change in the same manner as for a Material Event under **Section 3**.

- (b) The Annual Report shall be filed with the MSRB in such manner and format as is prescribed by the MSRB.

Section 3. Reporting of Material Events. No later than 10 business days after the occurrence of any of the following events, the Issuer shall give, or cause to be given to the MSRB, through EMMA, notice of the occurrence of any of the following events with respect to the Bonds ("**Material Events**"):

- (1) principal and interest payment delinquencies;
- (2) non-payment related defaults, if material;
- (3) unscheduled draws on debt service reserves reflecting financial difficulties;
- (4) unscheduled draws on credit enhancements reflecting financial difficulties;
- (5) substitution of credit or liquidity providers, or their failure to perform;
- (6) adverse tax opinions; the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;
- (7) modifications to rights of bondholders, if material;
- (8) bond calls, if material, and tender offers;
- (9) defeasances;
- (10) release, substitution or sale of property securing repayment of the Bonds, if material;
- (11) rating changes;
- (12) bankruptcy, insolvency, receivership or similar event of the Issuer;
- (13) the consummation of a merger, consolidation, or acquisition involving the Issuer or the sale of all or substantially all of the assets of the Issuer, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;
- (14) appointment of a successor or additional trustee or the change of name of the trustee, if material;
- (15) incurrence of a Financial Obligation of the Issuer, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the Issuer, any of which affect security holders, if material; and;
- (16) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the Issuer, any of which reflect financial difficulties.

If the Issuer has not filed the Annual Report to the MSRB by the date required in **Section 2(a)**, the Issuer shall send a notice to the MSRB of the failure of the Issuer to file on a timely basis the Annual Report, which notice shall be given by the Issuer in accordance with this **Section 3**.

Section 4. Termination of Reporting Obligation. The Issuer's obligations under this Continuing Disclosure Certificate shall terminate upon the legal defeasance, prior redemption or payment

in full of all of the Bonds. If the Issuer's obligations under this Continuing Disclosure Certificate are assumed in full by some other entity, such person shall be responsible for compliance with this Continuing Disclosure Certificate in the same manner as if it were the Issuer, and the Issuer shall have no further responsibility hereunder. If such termination or substitution occurs prior to the final maturity of the Bonds, the Issuer shall give notice of such termination or substitution in the same manner as for a Material Event under **Section 3**.

Section 5. Dissemination Agents. The Issuer may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Continuing Disclosure Certificate, and may discharge any such Agent, with or without appointing a successor Dissemination Agent. The Dissemination Agent shall not be responsible in any manner for the content of any notice or report (including without limitation the Annual Report) prepared by the Issuer pursuant to this Continuing Disclosure Certificate.

Section 6. Amendment; Waiver. Notwithstanding any other provision of this Continuing Disclosure Certificate, the Issuer may amend this Continuing Disclosure Certificate and any provision of this Continuing Disclosure Certificate may be waived, provided that Bond Counsel or other counsel experienced in federal securities law matters provides the Issuer with its written opinion that the undertaking of the Issuer contained herein, as so amended or after giving effect to such waiver, is in compliance with the Rule and all current amendments thereto and interpretations thereof that are applicable to this Continuing Disclosure Certificate.

In the event of any amendment or waiver of a provision of this Continuing Disclosure Certificate, the Issuer shall describe such amendment or waiver in the next Annual Report, and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type (or, in the case of a change of accounting principles, on the presentation) of financial information or operating data being presented by the Issuer. In addition, if the amendment relates to the accounting principles to be followed in preparing financial statements, (1) notice of such change shall be given in the same manner as for a Material Event under **Section 3**, and (2) the Annual Report for the year in which the change is made should present a comparison (in narrative form and also, if feasible, in quantitative form) between the financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

Section 7. Additional Information. Nothing in this Continuing Disclosure Certificate shall be deemed to prevent the Issuer from disseminating any other information, using the means of dissemination set forth in this Continuing Disclosure Certificate or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Material Event, in addition to that which is required by this Continuing Disclosure Certificate. If the Issuer chooses to include any information in any Annual Report or notice of occurrence of a Material Event, in addition to that which is specifically required by this Continuing Disclosure Certificate, the Issuer shall have no obligation under this Continuing Disclosure Certificate to update such information or include it in any future Annual Report or notice of occurrence of a Material Event.

Section 8. Default. If the Issuer fails to comply with any provision of this Continuing Disclosure Certificate, any Participating Underwriter or any Beneficial Owner of the Bonds may take such actions as may be necessary and appropriate, including seeking mandamus or specific performance by court order, to cause the Issuer to comply with its obligations under this Continuing Disclosure Certificate. A default under this Continuing Disclosure Certificate shall not be deemed an event of default under the Ordinance or the Bonds, and the sole remedy under this Continuing Disclosure Certificate in the

event of any failure of the Issuer to comply with this Continuing Disclosure Certificate shall be an action to compel performance.

Section 9. Beneficiaries. This Continuing Disclosure Certificate shall inure solely to the benefit of the Issuer, the Participating Underwriter, and Beneficial Owners from time to time of the Bonds, and shall create no rights in any other person or entity.

Section 10. Severability. If any provision in this Continuing Disclosure Certificate, the Ordinance or the Bonds shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

Section 11. Electronic Transactions. The arrangement described herein may be conducted and related documents may be stored, received and delivered by electronic means. Copies, telecopies, facsimiles, electronic files and other reproductions of original documents shall be deemed to be authentic and valid counterparts of such original documents for all purposes, including the filing of any claim, action or suit in the appropriate court of law.

Section 12. Governing Law. This Continuing Disclosure Certificate shall be governed by and construed in accordance with the laws of the State of Missouri.

Section 13. Counterparts. This Continuing Disclosure Certificate may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

CITY OF LIBERTY, MISSOURI

By: _____
Title: Mayor

EXHIBIT A

FINANCIAL INFORMATION AND OPERATING DATA TO BE INCLUDED IN ANNUAL REPORT

The financial information and operating data contained in the following sections of the final Official Statement:

DEBT STRUCTURE OF THE CITY

- Current General Obligation Indebtedness of the City
- History of General Obligation Indebtedness
- Other Long-Term Indebtedness of the City
- Legal Debt Capacity

FINANCIAL INFORMATION CONCERNING THE CITY

- Sources of Revenue
- Property Valuations
 - History of Property Valuation*
- Tax Rates
 - The table showing the City's tax levies
- Tax Collection Record