WESTBROOK & CO., P.C.
Certified Public Accountants
"Consistently Exceeding Expectations"

749 Driskill Drive
Richmond, MO 64085

306 North Mason
Carrollton, MO 64633

REQUIRED COMMUNICATIONS

September 23, 2023

To the Board of Education
Liberty Public School District No. 53

We have audited the modified cash basis financial statements of the governmental activities and each major fund of Liberty Public School District No. 53 for the year ended June 30, 2023. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, *Government Auditing Standards* and the Uniform Guidance, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated January 9, 2023. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by Liberty School District No. 53 are described in Note A to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the year ended June 30, 2023. We noted no transactions entered into by the District during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Difficulties Encountered in Performing the Audit

We encountered no difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. We noted no such misstatements during our audit.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated September 23, 2023.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the District's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

Although not considered material weaknesses or significant deficiencies in internal control over financial reporting, during our audit, we noted the following matters involving internal control, compliance and other operational matters that are presented for your consideration:

> **TRANSPORTATION** - During our audit, we noted that the ridership information reported on the Application for State Transportation Aid did not reconcile to the supporting documentation. DESE requires that all ridership information be tracked and reported on the Application for State Transportation Aid. We recommend that the District implement review procedures to ensure that all ridership information is reported accurately on the Application for State Transportation Aid.

Other Matters

We were engaged to report on the supplementary information which accompanies the financial statements. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with the modified cash basis of accounting, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

We were not engaged to report on the management's discussion and analysis, which accompanies the financial statements and is also not required supplementary information. We did not audit or perform other procedures on this other information and we do not express an opinion or provide any assurance on it.

Restriction on Use

This information is intended solely for the use of the administration and the Board of Education and is not intended to be and should not be used by anyone other than these specified parties.

Westbrook & Co., P.C.

Westbrook & Co., P.C.

LIBERTY PUBLIC SCHOOL DISTRICT NO. 53
LIBERTY, MISSOURI

FINANCIAL STATEMENTS TOGETHER
WITH INDEPENDENT AUDITORS' REPORT

FOR THE YEAR ENDED JUNE 30, 2023

LIBERTY PUBLIC SCHOOL DISTRICT NO. 53
TABLE OF CONTENTS

Independent Auditors' Report 1

Management's Discussion and Analysis 4

Basic Financial Statements:

Statement of Net Position - Modified Cash Basis 12

Statement of Activities - Modified Cash Basis 13

Balance Sheet - Modified Cash Basis - Governmental Funds 14

Statement of Revenues, Expenditures and Changes in Fund Balances - Modified Cash Basis - Governmental Funds 15

Notes to the Basic Financial Statements 16

Supplementary Information:

Budgetary Comparison Schedule - Modified Cash Basis:

General Fund 28

Special Revenue Fund 29

Debt Service Fund 30

Capital Projects Fund 31

Notes to the Budgetary Comparison Schedule 32

Schedule of Revenues Collected by Source 33

Schedule of Expenditures of Federal Awards 34

Internal Control and Compliance:

Independent Accountants' Report on the Administration's Assertion About Compliance With Specified Requirements of Missouri Laws and Regulations 36

Schedule of Selected Statistics - Unaudited 37

Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards* 42

Independent Auditors' Report on Compliance for each Major Program and on Internal Control Over Compliance Required by the Uniform Guidance 44

Schedule of Findings and Questioned Costs 47

WESTBROOK & CO., P.C.
Certified Public Accountants
"Consistently Exceeding Expectations"

749 Driskill Drive
Richmond, MO 64085

306 North Mason
Carrollton, MO 64633

INDEPENDENT AUDITORS' REPORT

To the Board of Education
Liberty Public School District No. 53

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying modified cash basis financial statements of the governmental activities and each major fund of Liberty Public School District No. 53 as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective modified cash basis financial position of the governmental activities and each major fund of Liberty Public School District No. 53 as of June 30, 2023, and the respective changes in modified cash basis financial position for the year then ended in accordance with the basis of accounting described in Note A.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Liberty Public School District No. 53, 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.

Emphasis of Matter - Basis of Accounting

We draw attention to Note A of the financial statements that describes the basis of accounting. The financial statements are prepared on the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the modified cash basis of accounting described in Note A; this includes determining that the modified cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the 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 District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' 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 auditors' 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 and *Government Auditing Standards* 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 and *Government Auditing Standards*, 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 District'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 District'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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The supplementary information, as listed in the table of contents, including the schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is 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

supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole, on the basis of accounting described in Note A.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the management's discussion and analysis, on pages 4 through 11, but does not include the basic financial statements and our auditors' 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.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 23, 2023 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Westbrook & Co., P.C.

Richmond, Missouri
September 23, 2023

MANAGEMENT'S DISCUSSION AND ANALYSIS
(UNAUDITED)

The discussion and analysis of the Liberty Public School District No. 53 financial performance provides an overview of the District's financial activities for the fiscal year that ended on June 30, 2023. The intent of this discussion and analysis is to look at the District's financial performance as a whole; readers should review the basic financial statements, notes to the financial statements and other supplemental information to enhance their understanding of the District's financial performance.

Financial Highlights

Key financial highlights for the 2023 fiscal year are as follows:

- Operating fund balances for the District (General Fund and Special Revenue Fund) increased by $4,018,361 from $42,903,615 to $46,921,976.

- District operating fund revenues increased by $15,175,777 from $159,685,447 to $174,861,224. Local revenue increased $11,248,908 primarily as a result of increased collections of current and delinquent property taxes.

- District operating fund expenditures increased by $10,798,774 from $157,044,089 to $167,842,863.

- The net increase to the District's long-term debt was $88,242,278 where total long-term debt changed from $144,808,429 to $233,050,707.

- The Capital Projects Fund balance increased by $106,553,181 from $2,580,366 to $109,133,547, mainly due to proceeds from the sale of bonds.

Using this Annual Report

This annual report consists of two distinct series of financial statements: the district-wide reports and fund financials.

- Government-wide Financial Reports: Provide both *short-term* and *long-term* information about the District's overall financial status. Government-wide statements include the Statement of Net Position and the Statement of Activities.

- Fund Financial Statements: Focus on *individual funds* of the District, reporting activities in *more detail*. These statements show how services were financed in the short-term as well as what remains for future spending.

8 Victory Lane Liberty, Missouri 64068 816-736-5300 Fax 816-736-5306

Reporting the District as a Whole

The Statement of Net Position and the Statement of Activities

The view of the District as a whole looks at all financial transactions and asks the questions, "Are we in a better financial position this year than last?" and "Why?" or "Why not?" The Statement of Net Position and the Statement of Activities provide the basis for answering these questions. The statements include *all assets* and *liabilities* using the *modified cash basis of accounting*.

Basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. The financial statements are presented on the modified cash basis of accounting, under which revenues are recorded when received rather than when susceptible to accrual, and expenditures are recorded when paid rather than when the fund liability is incurred. Also, benefits are recorded as expenditures paid in the fiscal year in which the obligation under salary contracts are fulfilled, even though a portion of these benefits are not paid until July of the following fiscal year.

These two statements report the District's *net position* and change in net position. The change in net position is important because it tells the reader that, for the District as a whole, the *financial position* of the District has improved or diminished. The causes of this change may be the result of many factors, some financial, some not. Non-financial factors include the District's property tax base, facility conditions, required educational programs and other factors.

In the Statement of Net Position and the Statement of Activities, the District reports governmental activities. Governmental activities are the activities where most of the District's programs and services are reported including, but not limited to, instruction, support services, operation and maintenance of plant, pupil transportation, food service and extracurricular activities.

Reporting the District's Most Significant Funds

Fund financial reports provide detailed information about the District's major funds. District resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The following fund types are used by the District:

Governmental Funds:

General Fund: Accounts for and reports all financial resources not accounted for and reported in another fund.

Special Revenue Fund: Accounts for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects.

Debt Service Fund: Accounts for and reports financial resources that are restricted, committed, or assigned to expenditures for principal and interest.

Capital Projects Fund: Accounts for and reports financial resources that are restricted, committed, or assigned to expenditures for capital outlay, including the acquisition or construction of capital facilities and other capital assets.

The District as A Whole

The Statement of Net Position provides the perspective of the District as a whole. Table 1 provides a summary and comparison of the District's net position for 2023 and 2022:

TABLE 1	Governmental Activities	
	2023	2022
ASSETS		
Cash and cash equivalents	$ 197,489,783	$ 72,686,387
NET POSITION		
Restricted for:		
Scholarships	$ 55,885	$ 55,876
Debt service	41,434,260	27,202,406
Capital outlay	109,133,547	2,580,366
Unrestricted	46,866,091	42,847,739
Total Net Position	$ 197,489,783	$ 72,686,387

Total assets at June 30, 2023 were reported at $197,489,783.

Unrestricted net position that can be used to finance day-to-day activities without constraints established by grants or legal requirements was $46,866,091. The District has restricted net position of $41,434,260 for debt service, $109,133,547 for capital outlay and $55,885 for scholarships.

Table 2 shows the change in net position for fiscal years 2023 and 2022.

TABLE 2

REVENUES	2023	2022
Program Revenues:		
Charges for services	$ 8,574,781	$ 5,428,084
Operating grants and contributions	27,621,288	24,013,669
Capital grants and contributions	249,252	2,428,295
Total Program Revenues	36,445,321	31,870,048
General Revenues:		
Property taxes	86,712,909	79,540,682
Basic formula	56,331,529	56,201,061
Sales tax	15,863,110	14,975,007
Earnings on investments	10,831,001	512,705
State assessed utilities	3,015,853	2,870,261
M & M surtax	1,820,301	1,600,565
In lieu of tax	925,838	1,154,082
Fines and escheats	251,083	182,380
Financial institution tax	134,591	168,138
Other revenue	2,213,948	178,739
Total General Revenues	178,100,163	157,383,620
Special item - proceeds from bonds	120,000,000	-
Total General Revenues and Special Item	298,100,163	157,383,620
Total Revenues	334,545,484	189,253,668
PROGRAM EXPENSES		
Instruction	80,202,294	77,004,505
Student activities	6,188,959	5,371,791
Student services	14,256,942	13,421,056
Instructional staff support	6,282,347	5,756,704
General administration and central services	16,096,681	15,162,287
Building level administration	7,945,564	7,407,110
Operation of plant	19,737,246	17,584,900
Transportation	9,591,134	7,374,367
Food service	6,441,395	6,824,717
Community services	3,305,922	2,644,812
Facility acquisition and construction	1,709,583	2,901,213
Debt Service:		
Principal retirement	31,615,918	12,187,980
Interest and fees	6,368,103	5,838,871
Total Governmental Activities Expenses	209,742,088	179,480,313
CHANGE IN NET POSITION	124,803,396	9,773,355
Net Position Beginning of Year	72,686,387	62,913,032
Net Position End of Year	$ 197,489,783	$ 72,686,387

Governmental Activities

Revenues

General revenues and special item totaled $298,100,163. The three largest sources of general revenue for Liberty Public School District No. 53 are generated from the local property taxes $86,712,909, Basic Foundation Formula $56,331,529 and Proposition C sales tax $15,863,110. The special item for proceeds sale of bonds totaled $120,000,000. Program specific revenues in the form of operating grants totaled $27,621,288. State and federal reimbursement for transportation and food service were $5,023,473 and $3,567,725, respectively. Charges for services, including student activities and food service, totaled $8,574,781.

Expenditures

Expenditures for governmental activities totaled $209,742,088 and $36,445,321 was offset by program specific charges for services, grants or contributions. General revenues, primarily property taxes, sales tax, the basic formula and to a lesser extent state assessed utilities, fines and earnings on investments were adequate to provide for program activities.

The Statement of Activities shows the costs of program services and the charges for services and grants offsetting those services. Table 3 shows the total cost of services and the net cost of services. That is, it identifies the costs of these services supported by tax revenue and unrestricted State entitlements.

TABLE 3

	2023		2022	
	Total Cost of Services	Net Costs of Services	Total Cost of Services	Net Costs of Services
Instruction	$ 80,202,294	$ 66,652,750	$ 77,004,505	$ 66,643,667
Student activities	6,188,959	3,466,033	5,371,791	3,055,191
Student services	14,256,942	10,819,409	13,421,056	10,332,913
Instructional staff support	6,282,347	5,075,155	5,756,704	5,012,061
General administration and central services	16,096,681	15,867,814	15,162,287	14,573,529
Building level administration	7,945,564	7,945,564	7,407,110	7,406,338
Operation of plant	19,737,246	19,408,669	17,584,900	14,792,898
Transportation	9,591,134	4,567,661	7,374,367	5,603,056
Food service	6,441,395	(743,416)	6,824,717	(1,051,762)
Community services	3,305,922	792,776	2,644,812	515,729
Facility acquisition & construction	1,709,583	1,460,331	2,901,213	2,699,794
Debt service:				
Principal retirement	31,615,918	31,615,918	12,187,980	12,187,980
Interest and fees	6,368,103	6,368,103	5,838,871	5,838,871
Total Governmental Activities Expense	$ 209,742,088	$ 173,296,767	$ 179,480,313	$ 147,610,265

Instruction includes activities directly dealing with the teaching of pupils and the interaction between teacher and pupil.

Student activities include expenditures related to activities and services associated with extracurricular activities.

Student services include guidance and counseling, health services, as well as the costs of student attendance reporting.

Instructional staff support includes the activities involved with assisting staff with the content and process of teaching pupils.

General administration and central services includes the expenses associated with administrative and financial supervision of the District and office support staff. It also includes expenses related to planning, research, development and evaluation of instructional and support services, as well as the reporting of this information internally and to the public.

Building level administration includes the cost of salaries and benefits for building level principals and office support staff.

Operation of plant activities involves keeping the school grounds, buildings, and equipment in an effective working condition.

Transportation includes activities involved with the conveyance of students to and from school, as well as to and from school activities, as provided by state law.

Food service includes the preparation, delivery, and servicing of lunches, snacks, and other incidental meals to students and school staff in connection with school activities.

Community services include expenses related to student activities provided by the District which are designed to provide opportunities for pupils to participate in school events, public events, or a combination of these for the purpose of motivation, enjoyment and skill improvement.

Facility acquisition and construction includes expenditures for land or existing buildings; improvement of grounds; construction of buildings; remodeling of buildings; initial equipment; additional equipment; and replacement of equipment.

Debt service involves the transactions associated with the payment of principal, interest and other related charges for debt of the District.

The District's Funds

The District's funds are accounted for using the modified cash basis of accounting. All governmental funds had total revenues of $334,545,484 and total expenditures of $209,742,088. The net change in fund balances for the year was significant in the Debt Service Fund, which increased by $14,231,854, mainly as a result of anticipated debt and lease restructuring, and the Capital Projects Fund which increased by $106,553,181, mainly due to proceeds from the sale of bonds.

General Fund Budgeting Highlights

Missouri statutes establish funds which must be used in the accounting process and place certain limits upon the use of revenue and expenditure transactions allowed in these funds. The District's budget is prepared according to Missouri law and is based on accounting for certain transactions on the modified cash basis.

The General Fund actual revenue was $115,766,244 representing a $7,555,271 increase from the original budget estimate of $108,210,973. Total actual General Fund expenditures were $75,353,677 representing a $321,528 increase from the original budget estimate of $75,032,149.

Debt Administration

As of June 30, 2023, the District had $233,050,707 in debt. This represents an increase of $88,242,278 from the $144,808,429 in outstanding debt that existed as of June 30, 2022.

TABLE 4

Outstanding Debt	2023	2022
Series 2010A Taxable General Obligation Qualified Const Bonds	$ 4,631,000	$ 4,631,000
Series 2014 General Obligation Refunding Bonds	625,000	1,225,000
Series 2015 General Obligation Refunding Bonds	2,950,000	6,000,000
Series 2016 General Obligation Refunding Bonds	43,620,000	46,420,000
Series 2018 General Obligation Building Bonds	49,000,000	49,000,000
Series 2023 General Obligation Building Bonds	120,000,000	-
Series 2014 Lease Participation Certificates	-	17,350,000
Series 2015 Lease Participation Certificates	-	4,775,000
Series 2016 Refunding Lease Participation Certificates	5,690,000	6,715,000
2020 Technology Equipment Lease	1,912,511	3,801,451
2020 Transportation Lease	736,719	878,523
2020 Copier Lease	295,134	422,112
2022 Technology Equipment Lease	3,590,343	3,590,343
	$ 233,050,707	$ 144,808,429

The Series 2010A Bond issue in the amount of $4,631,000 provided funds for the purpose of acquiring, constructing, improving, furnishing, and equipping school facilities, including in particular constructing, furnishing, and equipping a new field house and a new auditorium at Liberty North High School.

The Series 2014 Bond issue in the amount of $6,520,000 represents refunding the remaining balance of the 2004 bond issue and resulted in $872,646 net present value savings.

The Series 2014 Lease Participation Certificates in the amount of $24,150,000 provided funds to pay the costs of certain improvements to District facilities.

The Series 2015 Lease Participation Certificates in the amount of $6,440,000 provided funds to pay the costs of certain improvements to District facilities.

The Series 2015 Bond issue in the amount of $8,940,000 represents refunding the remaining balance of the 2006 bond issue and resulted in $1,399,650 net present value savings.

The Series 2016 Bonds in the amount of $51,820,000 represents refunding the remaining balance of the 2008 bond issue and resulted in $4,829,013 net present value savings.

The Series 2016 Refunding Lease Participation Certificates in the amount of $10,700,000 represents refunding of the 2007 certificates of participation and resulted in $1,545,251 net present value savings.

The Series 2018 Bond issue in the amount of $49,000,000 represents new money for the purpose of acquiring, constructing, furnishing and equipping elementary and secondary school facilities, support service facilities and related sites to allow for safety and security enhancements, accessibility upgrades and educational improvements.

The Series 2023 Bond issue in the amount of $120,000,000 represents new money for the purpose of constructing, improving, repairing, renovating, furnishing, equipping and acquiring new and existing District facilities and related sites in order to increase efficiencies and make enhancements related to safety, security, accessibility and student learning, and to acquire school facilities currently leased by the District.

The 2020 Technology Equipment Lease allowed for various Apple computer equipment requiring four annual payments with $2,128,503 for the first year and then $1,936,515 for the remaining three years with interest at 1.2515%.

The 2020 Transportation Lease is for the financing of ten school buses for the District. The lease requires eight annual installments of $153,050, interest at 1.40%.

The 2020 Copier Lease is for the financing of copier machines for the entire District. The lease require sixty monthly installments of $11,839, interest at 4.3833%.

The 2022 Technology Equipment Lease allowed for various Apple computer equipment requiring four annual payments with $2,186,000 for the first year and then $1,245,089 for the remaining three years with interest at 1.89574%.

Growth, Economic Factors and Future Focus

The operating budget (which excludes debt service, capital and bond funds) presented to the Board of Education for approval for fiscal year 2023-2024 includes operating revenues of $184,686,595, operating expenditures of $184,906,300 and a transfer to capital projects of $2,000,000. The result is an anticipated operating fund balance decrease for fiscal year 2023-2024 of $2,219,705.

As part of the normal budgeting process, long-range projections are developed and continually updated. This process allows the District to determine how much of the available resources can be used for on-going projects, such as new programs or initiatives, versus one-time projects, such as facility repairs.

The District operating reserve is projected to be 24.15% at the end of fiscal year 2023-2024. Due to the cyclical nature of District revenues and expenditures, this reserve is designed to cover cash flow needs during the period of October thru December, just prior to the collection of the property tax revenues in late December and January. This reduces the need to do short-term borrowing to cover cash requirements.

The District's largest source of revenue is property taxes. Property tax revenue is expected to be higher by almost $14 million in 2023-2024 due to the passage of a $0.50 levy transfer from the Debt Service Levy to the Operating Levy in April 2023. This additional revenue into District operating funds will be used for staff compensation and additional safety and security needs. In 2023-2024 the District will experience a decrease of one time federal grant revenue related to the CARES/ESSER Act. Expenditures of these funds were structured in a way that minimized on-going expenditures to avoid a "fiscal cliff" as grant funding ended.

The District's largest expense is salaries and that is followed by benefits. Salary and benefits account for over 77.7% of the District operating expenditures. Those expenses are directly tied to enrollment which is remaining fairly static. The District is slightly increasing the District paid portion of health insurance in the 2024 fiscal year.

Contacting the School District's Financial Management

This financial report is designed to provide our taxpayers, investors and creditors with a general overview of the Liberty Public School District No. 53 finances and to show the District's accountability for the money it receives. If you have questions about this report or need additional financial information contact Cindy Sullivant, Chief Financial Officer, Liberty Public School District No. 53, 8 Victory Lane, Liberty, MO 64068 or by phone at 816-736-5300.

LIBERTY PUBLIC SCHOOL DISTRICT NO. 53
STATEMENT OF NET POSITION - MODIFIED CASH BASIS
JUNE 30, 2023

	GOVERNMENTAL ACTIVITIES
ASSETS	
Cash and cash equivalents	$ 197,489,783
NET POSITION	
Restricted for:	
Scholarships	$ 55,885
Debt service	41,434,260
Capital outlay	109,133,547
Unrestricted	46,866,091
Total net position	$ 197,489,783

See accompanying notes to the basic financial statements.

LIBERTY PUBLIC SCHOOL DISTRICT NO. 53
STATEMENT OF ACTIVITIES - MODIFIED CASH BASIS
FOR THE YEAR ENDED JUNE 30, 2023

		PROGRAM REVENUES			Net (Expenditures)
	Expenditures	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Revenues and Change in Net Position Governmental
GOVERNMENTAL ACTIVITIES					
Instruction	$ 80,202,294	$ 278,238	$ 13,271,306	$ -	$ (66,652,750)
Student activities	6,188,959	2,715,042	7,884	-	(3,466,033)
Student services	14,256,942	-	3,437,533	-	(10,819,409)
Instructional staff support	6,282,347	-	1,207,192	-	(5,075,155)
General administration and central services	16,096,681	-	228,867	-	(15,867,814)
Building level administration	7,945,564	-	-	-	(7,945,564)
Operation of plant	19,737,246	40,324	288,253	-	(19,408,669)
Transportation	9,591,134	-	5,023,473	-	(4,567,661)
Food service	6,441,395	3,617,086	3,567,725	-	743,416
Community services	3,305,922	1,924,091	589,055	-	(792,776)
Facility acquisition and construction	1,709,583	-	-	249,252	(1,460,331)
Debt service:					
Principal retirement	31,615,918	-	-	-	(31,615,918)
Interest and fees	6,368,103	-	-	-	(6,368,103)
Total Governmental Activities	$ 209,742,088	$ 8,574,781	$ 27,621,288	$ 249,252	(173,296,767)

General Revenues:	
Property taxes	86,712,909
Basic formula	56,331,529
Sales tax	15,863,110
Earnings on investments	10,831,001
State assessed utilities	3,015,853
M & M surtax	1,820,301
In lieu of tax	925,838
Fines and escheats	251,083
Financial institution tax	134,591
Other revenue	2,213,948
Total General Revenues	178,100,163
Special Item - proceeds from sale of bonds	120,000,000
Total General Revenues and Special Item	298,100,163
Change in net position	124,803,396
Net Position Beginning of year	72,686,387
Net Position End of year	$ 197,489,783

See accompanying notes to the basic financial statements.

LIBERTY PUBLIC SCHOOL DISTRICT NO. 53
BALANCE SHEET - MODIFIED CASH BASIS
GOVERNMENTAL FUNDS
JUNE 30, 2023

	GENERAL FUND	SPECIAL REVENUE FUND	DEBT SERVICE FUND	CAPITAL PROJECTS FUND	TOTAL GOVERNMENTAL FUNDS
ASSETS					
Cash and cash equivalents	$ 46,921,976	$ -	$ 41,434,260	$ 109,133,547	$ 197,489,783
FUND BALANCES					
Fund balances					
Nonspendable	$ 55,000	$ -	$ -	$ -	$ 55,000
Restricted	885	-	41,434,260	98,004,220	139,439,365
Assigned	3,947,157	-	-	11,129,327	15,076,484
Unassigned	42,918,934	-	-	-	42,918,934
Total fund balances	$ 46,921,976	$ -	$ 41,434,260	$ 109,133,547	$ 197,489,783

See accompanying notes to the basic financial statements.

LIBERTY PUBLIC SCHOOL DISTRICT NO. 53
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
MODIFIDED CASH BASIS - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2023

	GENERAL FUND	SPECIAL REVENUE FUND	DEBT SERVICE FUND	CAPITAL PROJECTS FUND	TOTAL GOVERNMENTAL FUNDS
REVENUES:					
Local	$ 74,619,979	$ 15,863,110	$ 24,033,782	$ 12,937,063	$ 127,453,934
County	2,193,279	251,083	680,512	142,062	3,266,936
State	28,057,984	42,781,767	-	-	70,839,751
Federal	10,625,936	124,125	216,980	-	10,967,041
Other	269,066	74,895	-	1,673,861	2,017,822
Total Revenues	115,766,244	59,094,980	24,931,274	14,752,986	214,545,484
EXPENDITURES:					
Instruction	10,614,676	69,587,618	-	-	80,202,294
Student activities	3,783,531	2,361,088	-	44,340	6,188,959
Student services	8,175,809	6,081,133	-	-	14,256,942
Instructional staff support	2,500,994	3,781,353	-	-	6,282,347
General administration & central services	11,530,755	3,647,899	-	918,027	16,096,681
Building level administration	1,738,910	6,206,654	-	-	7,945,564
Operation of plant	19,379,500	-	-	357,746	19,737,246
Pupil transportation	8,771,048	59,887	-	760,199	9,591,134
Food service	6,316,086	-	-	125,309	6,441,395
Community services	2,542,368	763,554	-	-	3,305,922
Facility acquisition and construction	-	-	-	1,709,583	1,709,583
Debt service:					
Principal retirement	-	-	6,450,000	25,165,918	31,615,918
Interest and fees	-	-	4,249,420	2,118,683	6,368,103
Total Expenditures	75,353,677	92,489,186	10,699,420	31,199,805	209,742,088
Revenues Over (Under) Expenditures	40,412,567	(33,394,206)	14,231,854	(16,446,819)	4,803,396
Other Financing Sources (Uses):					
Proceeds from sale of bonds	-	-	-	120,000,000	120,000,000
Transfers	(36,394,206)	33,394,206	-	3,000,000	-
Total Other Financing Sources (Uses)	(36,394,206)	33,394,206	-	123,000,000	120,000,000
Net change in fund balances	4,018,361	-	14,231,854	106,553,181	124,803,396
Fund balance, beginning	42,903,615	-	27,202,406	2,580,366	72,686,387
Fund balance, ending	$ 46,921,976	$ -	$ 41,434,260	$ 109,133,547	$ 197,489,783

See accompanying notes to the basic financial statements.

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Principles Used to Determine Scope of Entity: The District's reporting entity includes the District's governing board and all related organizations.

The combined financial statements of the District include all organizations that raise and hold economic resources for the direct benefit of the District. The District has implemented GASB Statement No. 61, *The Financial Reporting Entity: Omnibus an amendment of GASB Statements No. 14 and 34.* GASB Statement No. 61 amended GASB Statement No. 14. GASB Statement 61 modifies certain requirements for inclusion of component units in the financial reporting entity.

The District has determined that no other outside agency meets the criteria set forth in GASB Statement No. 61 and, therefore, no other agency has been included as a component unit in the District's financial statements.

Basis of Presentation

The District's basic financial statements consist of government-wide statements, including a statement of net position and a statement of activities, and fund financial statements which provide a more detailed level of financial information.

Government-wide Financial Statements - The Statement of Net Position and the Statement of Activities display information about the School District as a whole. These statements include the financial activities of the primary government.

The Statement of Net Position presents the financial condition of the governmental activities of the District at year-end. The Statement of Activities presents a comparison between direct expenditures and program revenues for each program or function of the District's governmental activities. Direct expenditures are those that are specifically associated with a service, program, or department and therefore clearly identifiable to a particular function. Program revenues include amounts paid by the recipient of goods or services offered by the program and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues which are not classified as program revenues are presented as general revenues of the District. The comparison of direct expenditures with program revenues identifies the extent to which each governmental function is self-financing or draws from the general revenues of the District.

Fund-Financial Statements - During the year, the District segregates transactions related to certain District functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the District at this more detailed level. The focus of governmental fund financial statements is on major funds. Each major fund is presented in a separate column.

Fund Accounting

The accounts of the District are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund balance, revenues and expenditures. District resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The following funds are used by the District:

Major Governmental Funds:

General Fund: Accounts for and reports all financial resources not accounted for and reported in another fund.

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Special Revenue Fund: Accounts for and reports the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects.

Debt Service Fund: Accounts for and reports financial resources that are restricted, committed, or assigned to expenditures for principal and interest.

Capital Projects Fund: Accounts for and reports financial resources that are restricted, committed, or assigned to expenditures for capital outlay, including the acquisition or construction of capital facilities and other capital assets.

Measurement Focus

Government-wide Financial Statements: The statement of net position and the statement of activities display information about the District as a whole. The government-wide financial statements are prepared using the total economic resources measurement focus within the limitations of the modified cash basis of accounting as defined below.

Fund Financial Statements: All governmental funds are accounted for using a flow of current financial resources measurement focus within the limitations of modified cash basis of accounting as defined below. With this measurement of focus, only current assets and current liabilities generally are included on the balance sheet. The Statement of Revenues, Expenditures, and Changes in Fund Balances reports on the sources (revenues and other financing sources) and uses (expenditures and other financing uses) of current financial resources. This approach does not differ from the manner in which the governmental activities of the District-wide financial statements are prepared.

Basis of Accounting: In the government-wide Statement of Net Position and Statement of Activities and the fund financial statements, governmental activities are presented using the modified cash basis of accounting. This basis recognizes assets, liabilities, net position/fund equity, revenues and expenditures when they result from cash transactions. Also, benefits are recorded as expenditures paid in the fiscal year in which the obligation under salary contracts are fulfilled, even though a portion of these benefits are not paid until July of the following fiscal year.

Pooled Cash and Temporary Investments: The District maintains a cash and temporary investment pool that is available for use by all funds except the Debt Service Fund (state law requires that all deposits of the Debt Service Fund be kept separate and apart from all other funds of the District). Investments of the pooled accounts may consist primarily of certificates of deposit and U.S. Government securities, carried at cost. Interest income received is allocated to contributing funds based on cash and temporary investment balances.

Payroll Withholding: Payroll withholding checks written and held at June 30, 2023 for July 2023 payrolls from 2022-2023 contracts in the amount of $736,769 are included in the financial statements as an expenditure paid in the month of June. This practice has been consistently followed in previous years.

Vacation and PTO: Vacation time and PTO are considered as expenditures in the year paid. PTO earned but unused will be paid at rates based on years of eligibility upon retirement or separation at $25 to $100 per day depending on length of service. Vacation days accrued in a fiscal year from July 1 through June 30 must be used by June 30 of the following year or forfeited. At termination, earned but unused vacation days will be paid to the full-time employee at their current rate of pay.

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

OPEB Liabilities: As the District uses the modified cash basis of accounting, OPEB liabilities are not reported in these financial statements. The District has not provided for an estimate of this liability to be performed.

NOTE B - DEPOSITS AND INVESTMENTS

Custodial credit risk: For deposits, custodial credit risk is the risk that in the event of bank failure, the District's deposits may not be returned to it. At June 30, 2023, the bank balances of the District's deposits totaled $20,897,512. Of this amount $250,000 was covered by FDIC insurance and $20,647,512 was supported by collateral, held by banks in the District's name that do not hold the collateralized deposit, as well as repurchase agreements that are secured by collateral held at Federal Reserve Bank.

Interest rate risk: Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The District has a formal investment policy that minimize the risk that the market value of securities in the portfolio will fall due to changes in general interest rates by structuring the investment portfolio so that securities mature to meet cash requirement for ongoing operation, thereby avoiding the need to sell securities on the open market prior to maturity and investing operating funds primarily in shorter term securities.

Credit risk: Credit risk is defined as the risk that an issuer or other counterparties to an investment in debt securities will not fulfill its obligation.

The Missouri Securities Investment Program (MOSIP) is professionally managed by PFM Asset Management LLC, a registered investment adviser, who is one of the nations' largest administrators of local government investment programs. All investments in the MOSIP pool are rated AAAm by Standard and Poor's and meet the permitted investments statutes for Missouri Schools. The District has a total of $716,565 invested with MOSIP at June 30, 2023.

The Missouri Capital Asset Advantage Treasury (MOCAAT) is professionally managed by PMA Finanical Network, LLC, PMA Securities LLC and PMA Asset Management, registered investment advisers, who are one of the midwest's largest administrators of local government investment programs. All investments in the MOCAAT pool are rated AAAm by Standard and Poor's and meet the permitted investments statutes for Missouri Schools. The District has a total of $177,661,937 invested with MOCAAT at June 30, 2023.

Concentration of credit risk: Concentration of credit risk is the risk loss attributed to the magnitude of a government's investment in a single user. The District's investment policy places limits on the amount of investments in certain issuers including U.S. Government agencies, collateralized repurchase agreements, U.S. Government securities, commercial paper and bankers' acceptances.

Certificates of Deposit: Certificates of deposit with maturities in excess of three months are considered deposits for custodial risk determination. As of June 30, 2023, the certificates of deposit totaled $55,885 which were covered by FDIC insurance.

NOTE C - INSURANCE

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; injuries to employees; and natural disasters. The District maintains commercial insurance to protect itself from such risks.

NOTE D - TAXES

Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied on November 1 and payable by December 31. Clay County collects the property tax and remits it to the District. The District also receives sales tax collected and remitted by the state based on weighted average daily attendance. The District is required to reduce its total operating levy by one-half the amount of sales tax received in the previous fiscal year. The District's voters have approved a waiver of the rollback and, therefore, the District was not required to reduce its levy for the calendar year 2022.

The assessed valuation of the tangible taxable property for the calendar year 2022 for purposes of local taxation was:

Real Estate:	
Residential	$ 969,325,000
Agricultural	2,708,290
Commercial	253,142,529
Personal Property	268,949,495
Total	$ 1,494,125,314

The tax levy per $100 of the assessed valuation of tangible taxable property for the calendar year 2022 for purposes of local taxation was:

	Unadjusted	Adjusted
General Fund	$ 4.0200	$ 4.0200
Special Revenue Fund	-	-
Debt Service Fund	1.5477	1.5477
Capital Projects Fund	0.3600	0.3600
	$ 5.9277	$ 5.9277

The receipts of current and delinquent property taxes during the fiscal year ended June 30, 2023, aggregated approximately 98 percent of the current assessment computed on the basis of the levy as shown above.

NOTE E - TAX ABATEMENTS AND INCENTIVES

The District's property tax revenues were reduced by $6,798,118 under agreements entered into by the City of Liberty. This amount is comprised of $6,647,675 of Chapter 100 Abatements and $150,443 of Chapter 353 Abatements. Information was provided by the City of Liberty Finance Department

The Tax Increment Financing Commissions of Kansas City, Missouri and of Liberty, Missouri have entered into agreements with developers to stimulate economic growth. The District's property tax revenue was reduced by $651,695 for 2022 under these agreements from the City of Kansas City and $1,407,179 from the City of Liberty. The District also received payments in lieu of tax for the 2022 tax year in the amount of $925,838 from Clay County. This amount is comprised of $670,936 associated with the Kansas City abated property taxes and $254,396 associated with the City of Liberty abated property taxes and $506 associated with the Port Authority of Kansas City. Information was provided by the City of Liberty Finance Department and Clay County Assessor's Office.

NOTE F - RETIREMENT PLAN

PSRS is a mandatory cost-sharing multiple employer retirement system for all full-time certificated employees and certain part-time certificated employees of all public school districts in Missouri (except the school districts of St. Louis and Kansas City) and all public community colleges. PSRS also includes certificated employees of PSRS, Missouri State Teachers' Association, Missouri State High School Activities Association, and certain employees of the state of Missouri who elected to remain covered by PSRS under legislation enacted in 1986, 1987 and 1989. The majority of PSRS members are exempt from Social Security contributions. In some instances, positions may be determined not to be exempt from Social Security contributions.

Any PSRS member who is required to contribute to Social Security comes under the requirements of Section 169.070 (9) RSMo, known as the "2/3's statute." PSRS members required to contribute to Social Security are required to contribute two-thirds of the approved PSRS contribution rate and their employer is required to match the contribution. The members' benefits are further calculated at two-thirds the normal benefit amount. An Annual Comprehensive Financial Report ("ACFR") can be obtained at www.psrs-peers.org.

PSRS is a defined benefit plan providing retirement, disability, and death/survivor benefits. Members are vested for service retirement benefits after accruing five years of service. Individuals who (a) are at least age 60 and have a minimum of 5 years of service, (b) have 30 years of service or (c) qualify for benefits under the "Rule of 80" (service and age total at least 80) are entitled to a monthly benefit for life, which is calculated using a 2.5% benefit factor. Beginning July 1, 2001, and ending July 1, 2014, a 2.55% benefit factor is used to calculate benefits for members who have 31 or more years of service. Actuarially age-reduced benefits are available for members with five to 24.9 years of service at age 55. Members who are younger than age 55 and who do not qualify under the "Rule of 80" but have between 25 and 29.9 years of service may retire with a lesser benefit factor. Members that are three years beyond normal retirement can elect to have their lifetime monthly benefits actuarially reduced in exchange for the right to also receive a one-time partial lump sum (PLSO) payment at retirement equal to 12, 24, or 36 times the Single Life benefit amount. A Summary Plan Description detailing the provisions of the plan can be found on PSRS' website at www.psrs-peers.org. Since the prior valuation date the benefit provisions were amended to make permanent an early retirement benefit allowing members to retire at any age after 25 years of service.

PSRS members were required to contribute 14.5% of their annual covered salary during fiscal year 2023. Employers were required to match the contributions made by employees. The contribution rate is set each year by the PSRS Board of Trustees upon the recommendation of the independent actuary within the contribution restrictions set in Section 169.030 RSMo. The annual statutory increase in the total contribution rate may not exceed 1% of pay. Contributions for employees of the State of Missouri were made by the state in accordance with the actuarially determined contribution rate needed to fund current costs and prior service costs of state employees as authorized in Section 104.342.8 RSMo.

The District's contributions to PSRS for the year ended June 30, 2023 were $10,987,295. The District's contributions to S-PSRS, the "2/3's statute", for the year ended June 30, 2023 were $135,771.

PEERS is a mandatory cost-sharing multiple employer retirement system for all public school district employees (except the school districts of St. Louis and Kansas City), employees of the Missouri Association of School Administrators, and community college employees (except the Community College of St. Louis). Employees of covered districts who work 20 or more hours per week on a regular basis and who are not contributing members of the Public School Retirement System of Missouri (PSRS) must contribute to PEERS. Employees of PSRS who do not hold Missouri educator certificates also contribute to PEERS. PEERS was established as a trust fund by an Act of the Missouri General Assembly effective October 13, 1965. Statutes governing the System are found in Sections 169.600-169.715 and Sections 169.560-169.595

NOTE F - RETIREMENT PLAN (continued)

RSMo. The statutes place responsibility for the operation of PEERS on the Board of Trustees of the Public School Retirement System of Missouri. An Annual Comprehensive Financial Report ("ACFR") can be obtained at www.psrs-peers.org.

PEERS is a defined benefit plan providing service retirement and disability benefits to its members. Members are vested for service retirement benefits after accruing five years of service. Individuals who (a) are at least age 60 and have a minimum of five years of service, (b) have 30 years of service, or (c) qualify for benefits under the "Rule of 80" (service and age total at least 80) are entitled to a monthly benefit for life, which is calculated using a 1.61% benefit factor. Members qualifying for "Rule of 80" or "30-and-out" are entitled to an additional temporary .8% benefit multiplier until reaching minimum Social Security age (currently age 62). Actuarially age-reduced retirement benefits are available with five years of service at age 55. Members who are younger than age 55 and who do not qualify under the "Rule of 80" but have between 25 and 29.9 years of service may retire with a lesser benefit factor.

Members that are three years beyond normal retirement can elect to have their lifetime monthly benefits actuarially reduced in exchange for the right to also receive a one-time partial lump sum (PLSO) payment at retirement equal to 12, 24, or 36 times the Single Life benefit amount. A Summary Plan Description detailing the provisions of the plan can be found on PSRS' website at www.psrs-peers.org.

PEERS members were required to contribute 6.86% of their annual covered salary during fiscal year 2023. Employers were required to match the contributions made by employees. The contribution rate is set each year by the PSRS Board of Trustees upon the recommendation of the independent actuary within the contribution restrictions set in Section 169.030 RSMo. The annual statutory increase in the total contribution rate may not exceed 0.5% of pay.

The District's contributions to PEERS for the year ended June 30, 2023 were $2,322,544

NOTE G - LEASE COMMITMENT

The District has a non-cancelable lease agreement which provides the District's buildings with the use of a fiber optic system for the District's wide area network. The service will provide fiber optic access and all maintenance. The lease is for ten years requiring annual installments of $175,140 through July 1, 2031.

The District has a non-cancelable lease agreement which provides the District's buildings with the use of a fiber optic system for the District's dark fiber network. The service will provide fiber optic access and all maintenance. The lease is for ten years requiring annual installments of $4,284 through July 1, 2031.

Lease expense for year ended June 30, 2023 was $179,424.

NOTE H - LONG-TERM DEBT

Changes in long-term debt during the fiscal year were as follows:

	Balance July 1, 2022	Additions	Retirements	Balance June 30, 2023	Amount Due Within One Year
Bonds Payable	$107,276,000	$ 120,000,000	$ 6,450,000	$220,826,000	$ 32,855,000
Lease Participation Certificates	28,840,000	-	23,150,000	5,690,000	1,065,000
Direct Borrowings	8,692,429	-	2,157,722	6,534,707	3,358,416
Total	$144,808,429	$ 120,000,000	$31,757,722	$233,050,707	$ 37,278,416

NOTE I - BONDS PAYABLE

Bonds payable outstanding at June 30, 2023 are as follows:

Series 2010A taxable general obligation qualified school construction bonds, interest payable semi-annually, principal due March 2027 interest at 5.15%	$ 4,631,000
Series 2014 general obligation refunding bonds due in varying annual installments through March 2024 interest at 5.00%	625,000
Series 2015 general obligation refunding bonds due in varying annual installments through March 2024 interest at 4.00%	2,950,000
Series 2016 general obligation refunding bonds due in varying annual installments through March 2036 interest at 4.00%	43,620,000
Series 2018 general obligation building bonds due in varying annual installments through March 2038 interest at 3.10% to 4.00%	49,000,000
Series 2023 general obligation building bonds due in varying annual installments through March 2043 interest at 4.00% to 5.00%	120,000,000
Total	$ 220,826,000

Debt service requirements to maturity are:

Year Ending June 30,	Principal	Interest	Total
2024	$ 32,855,000	$ 8,381,558	$ 41,236,558
2025	8,295,000	8,132,247	16,427,247
2026	9,195,000	7,746,947	16,941,947
2027	16,466,000	7,317,197	23,783,197
2028	12,855,000	6,516,950	19,371,950
2029	5,545,000	5,905,200	11,450,200
2030	6,375,000	5,659,950	12,034,950
2031	7,260,000	5,375,200	12,635,200
2032	7,835,000	5,108,950	12,943,950
2033	8,435,000	4,820,200	13,255,200
2034	9,035,000	4,477,200	13,512,200
2035	9,655,000	4,109,950	13,764,950
2036	10,435,000	3,717,700	14,152,700
2037	10,695,000	3,298,450	13,993,450
2038	11,200,000	2,868,700	14,068,700
2039	10,215,000	2,459,950	12,674,950
2040	10,900,000	1,949,200	12,849,200
2041	6,120,000	1,404,200	7,524,200
2042	13,185,000	1,098,200	14,283,200
2043	14,270,000	570,800	14,840,800
Total	$ 220,826,000	$ 90,918,749	$ 311,744,749

NOTE J - LEASE PARTICIPATION CERTIFICATES

On March 1, 2014, the District entered into a lease purchase agreement to finance the cost of constructing additional classrooms at various locations, constructing a gymnasium at Liberty High School, constructing security upgrades throughout District facilities and installing technology infrastructure and related improvements to various school facilities throughout the District. The lease is for twenty years requiring varying annual installments through April 1, 2034, interest at 3.00% to 5.00%. The lessor issued $24,150,000 Series 2014 Certificates of Participation which were used to pay costs of issuance of the certificates as well as the projects described above.

On February 25, 2015 the District entered into a lease purchase agreement to finance the costs of acquiring, constructing, improving, furnishing and equipping school facilities. The lease is for twenty years requiring varying annual installments through April 1, 2034, interest at 4.00% to 5.00%. The lessor issued $6,440,000 Series 2015 Lease Participation Certificates which were used to pay costs of issuance of the certificates as well as the projects described above.

On March 17, 2016 the District entered into a lease purchase agreement to refinance an outstanding lease obligation on computer equipment and to refund Series 2007 Lease Certificates of Participation. The lease is for twelve years requiring varying annual installments through April 1, 2028, interest at 3.00% to 4.00%. The lessor issued $10,700,000 Series 2016 Refunding Lease Participation Certificates which were used to pay costs of issuance of the certificates as well as the projects described above.

Debt service requirements to maturity are as follows:

Year Ending June 30,	Principal	Interest	Total
2024	$ 1,065,000	$ 181,350	$ 1,246,350
2025	1,100,000	138,750	1,238,750
2026	1,140,000	105,750	1,245,750
2027	1,175,000	71,550	1,246,550
2028	1,210,000	36,300	1,246,300
Total	$ 5,690,000	$ 533,700	$ 6,223,700

NOTE K - DIRECT BORROWINGS

On April 6, 2020 the District entered into a lease purchase agreement to finance the cost of acquiring technology equipment for the District. The lease requires a payment of $2,128,503 on July 5, 2020, then three annual payments of $1,936,515 through July 2023, interest at 1.2515%

On July 1, 2020 the District entered into a lease purchase agreement to finance the cost of acquiring copiers for the District. This lease is for sixty months requiring monthly installments of $11,839 through August 20, 2025, interest at 4.38%. On November 18, 2020, the District updated this lease purchase with an addendum for an additional copier. This lease is for fifty-six months requiring monthly installments of $76 through October 2025, interest at 5.88%.

On September 15, 2020 the District entered into a lease purchase agreement to finance the cost of acquiring ten school buses for the District. The lease is for eight years requiring annual installments of $153,050 through December 2027, interest at 1.28%.

On February 20, 2022 the District entered into a lease purchase agreement to finance the cost of acquiring technology equipment for the District. The lease requires a payment of $2,186,000 on June 1, 2022, then three annual payments of $1,245,090 through July 2025, interest at 1.8957%.

NOTE K - DIRECT BORROWINGS (continued)

Debt service requirements to maturity are as follows:

Year Ending June 30,	Principal	Interest	Total
2024	$ 3,358,416	$ 119,156	$ 3,477,572
2025	1,483,272	57,853	1,541,125
2026	1,392,698	29,425	1,422,123
2027	149,206	3,844	153,050
2028	151,115	1,934	153,049
Total	$ 6,534,707	$ 212,212	$ 6,746,919

All outstanding leases from direct borrowings contain an event of default that changes the timing of the repayment of outstanding amounts to become immediately due if the District is unable to make payments.

NOTE L - INTERFUND TRANSFERS

During the year, the District made a $3,000,000 transfer from the General Fund to the Capital Projects Fund for necessary capital outlay expenditures. This revenue transfer is capped by an amount calculated annually by the Missouri Department of Elementary and Secondary Education (DESE).

Also, as allowed by DESE, the District transferred $33,394,206 from the General Fund to the Special Revenue Fund to avoid deficit spending in the Special Revenue Fund.

NOTE M - LITIGATION

As of June 30, 2023, the District had several unsettled claims at various stages of litigation. At this time, outcomes cannot be predicted, however, the District is vigorously defending against each claim.

NOTE N - FUND BALANCES - GOVERNMENTAL FUNDS

Statement No. 54 of the Governmental Accounting Standards Board (GASB 54) establishes accounting and financial reporting standards for all governments that report governmental funds. GASB 54 establishes criteria for classifying fund balances and clarifies definitions for governmental fund types.

GASB 54 establishes five (5) fund balance categories: Nonspendable, Restricted, Committed, Assigned and Unassigned:

Nonspendable fund balance: Funds that cannot be spent due to their form (e.g., inventories and prepaid) or funds that legally or contractually must be maintained intact.

Restricted fund balance: Funds that are mandated for a specific purpose by external parties, constitutional provisions or enabling legislation.

Committed fund balance: Funds that are set aside for a specific purpose by the District's highest level of decision-making authority. Formal action must be taken prior to the end of the fiscal year. The same formal action must be taken to remove or change the limitations placed on the funds.

Assigned fund balance: Funds that are set aside with the intent to be used for a specific purpose. Intent is expressed by a governing body, a body (budget or finance committee) or an official that has been given the authority to assign funds. Assigned funds cannot cause a deficit in unassigned fund balance.

NOTE N - FUND BALANCES - GOVERNMENTAL FUNDS (continued)

Unassigned fund balance: Excess funds that have not been classified in the previous four (4) categories. All funds in this category are considered spendable resources. This category also provides the resources necessary to meet unexpected expenditures and revenue shortfalls. The General Fund should be the only fund that reports a positive unassigned fund balance amount. In other governmental funds, if expenditures incurred for specific purposes exceeded the amounts restricted, committed or assigned to those purposes, it may be necessary to report a negative fund balance.

The Board of Education has the authority to set aside funds for a specific purpose. Commitments are authorized by formal Board resolution. The passage of a resolution must take place prior to June 30 of the applicable fiscal year. If the actual amount of the commitment is not available by June 30, the resolution must state the process or format necessary to calculate the actual amount as soon as information is available. Assignments are authorized by fund placement in the Special Revenue, Capital Projects and Debt Service Funds in the original, adopted and later revised budget.

The Board delegates the authority to assign amounts for specific purpose(s) to the Chief Financial Officer.

When both restricted and unrestricted funds are available for expenditure, restricted funds should be spent first unless legal requirements disallow it.

When committed, assigned and unassigned funds are available for expenditure, unassigned funds should be spent first, assigned funds second and committed funds last.

As of June 30, 2023, fund balances are composed of the following:

	General Fund	Special Revenue Fund	Debt Service Fund	Capital Projects Fund
Nonspendable				
Scholarships	$ 55,000	$ -	$ -	$ -
Restricted				
Scholarships	885	-	-	-
Debt service	-	-	41,434,260	-
Unspent bond proceeds	-	-	-	98,004,220
Total restricted	885	-	41,434,260	98,004,220
Assigned				
Capital projects	-	-	-	11,129,327
Food service	2,565,163	-	-	-
Student activities	1,381,994	-	-	-
Total assigned	3,947,157	-	-	11,129,327
Unassigned	42,918,934	-	-	-
Total	$ 46,921,976	$ -	$ 41,434,260	$ 109,133,547

NOTE O - CONSTRUCTION COMMITMENTS

As of June 30, 2023, the District had $4,903,437 of remaining construction costs on executed contracts for the Liberty High School tennis courts and concessions, Liberty North baseball and softball field renovations, technology remodel, Discovery Middle School gym and LED lighting, South Valley gym and lighting, facilities center building and LED lighting, and EPIC gym and LED lighting.

SUPPLEMENTAL INFORMATION

LIBERTY PUBLIC SCHOOL DISTRICT NO. 53
BUDGETARY COMPARISON SCHEDULE - MODIFIED CASH BASIS
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2023

	BUDGET			
	ORIGINAL	FINAL	ACTUAL	VARIANCE
REVENUES:				
Local	$ 73,318,830	$ 74,361,143	$ 74,619,979	$ 258,836
County	2,140,814	2,193,279	2,193,279	-
State	25,455,050	28,033,397	28,057,984	24,587
Federal	7,226,279	9,447,677	10,625,936	1,178,259
Other	70,000	236,915	269,066	32,151
Total Revenues	108,210,973	114,272,411	115,766,244	1,493,833
EXPENDITURES:				
Instruction	11,973,020	11,021,353	10,614,676	406,677
Student activities	3,213,602	3,216,745	3,783,531	(566,786)
Student services	9,112,530	8,890,364	8,175,809	714,555
Instructional staff support	4,650,092	5,013,156	2,500,994	2,512,162
General administration & central services	11,445,953	11,710,391	11,530,755	179,636
Building level administration	2,031,936	2,032,210	1,738,910	293,300
Operation of plant	17,301,415	18,038,092	19,379,500	(1,341,408)
Pupil transportation	5,682,265	7,326,385	8,771,048	(1,444,663)
Food service	6,961,312	6,961,312	6,316,086	645,226
Community services	2,660,024	2,683,869	2,542,368	141,501
Facility acquisition and construction	-	-	-	-
Debt service:				
Principal retirement	-	-	-	-
Interest and fees	-	-	-	-
Total Expenditures	75,032,149	76,893,877	75,353,677	1,540,200
Revenues Over (Under) Expenditures	33,178,824	37,378,534	40,412,567	3,034,033
Other Financing Sources (Uses):				
Transfers	(37,197,621)	(37,937,032)	(36,394,206)	1,542,826
Net change in fund balance	(4,018,797)	(558,498)	4,018,361	4,576,859
Fund balance, beginning	42,903,615	42,903,615	42,903,615	-
Fund balance, ending	$ 38,884,818	$ 42,345,117	$ 46,921,976	$ 4,576,859

See accompanying notes to the budgetary comparison schedule.

LIBERTY PUBLIC SCHOOL DISTRICT NO. 53
BUDGETARY COMPARISON SCHEDULE - MODIFIED CASH BASIS
SPECIAL REVENUE FUND
FOR THE YEAR ENDED JUNE 30, 2023

	BUDGET			
	ORIGINAL	FINAL	ACTUAL	VARIANCE
REVENUES:				
Local	$ 15,466,915	$ 15,466,915	$ 15,863,110	$ 396,195
County	180,000	251,083	251,083	-
State	42,472,908	42,595,551	42,781,767	186,216
Federal	127,000	124,125	124,125	-
Other	35,000	74,895	74,895	-
Total Revenues	58,281,823	58,512,569	59,094,980	582,411
EXPENDITURES:				
Instruction	68,318,575	68,592,957	69,587,618	(994,661)
Student activities	2,157,719	2,157,719	2,361,088	(203,369)
Student services	5,901,268	5,901,268	6,081,133	(179,865)
Instructional staff support	6,996,208	6,301,064	3,781,353	2,519,711
General administration & central services	3,518,713	3,528,001	3,647,899	(119,898)
Building level administration	6,300,437	6,300,437	6,206,654	93,783
Operation of plant	-	-	-	-
Pupil transportation	-	-	59,887	(59,887)
Food service	-	-	-	-
Community services	786,524	668,155	763,554	(95,399)
Facility acquisition and construction	-	-	-	-
Debt service:				
Principal retirement	-	-	-	-
Interest and fees	-	-	-	-
Total Expenditures	93,979,444	93,449,601	92,489,186	960,415
Revenues Over (Under) Expenditures	(35,697,621)	(34,937,032)	(33,394,206)	1,542,826
Other Financing Sources (Uses):				
Transfers	35,697,621	34,937,032	33,394,206	(1,542,826)
Net change in fund balance	-	-	-	-
Fund balance, beginning	-	-	-	-
Fund balance, ending	$ -	$ -	$ -	$ -

See accompanying notes to the budgetary comparison schedule.

LIBERTY PUBLIC SCHOOL DISTRICT NO. 53
BUDGETARY COMPARISON SCHEDULE - MODIFIED CASH BASIS
DEBT SERVICE FUND
FOR THE YEAR ENDED JUNE 30, 2023

	BUDGET			
	ORIGINAL	FINAL	ACTUAL	VARIANCE
REVENUES:				
Local	$ 22,876,044	$ 23,512,086	$ 24,033,782	$ 521,696
County	600,000	680,512	680,512	-
State	-	-	-	-
Federal	220,000	220,000	216,980	(3,020)
Other	-	-	-	-
Total Revenues	23,696,044	24,412,598	24,931,274	518,676
EXPENDITURES:				
Instruction	-	-	-	-
Student activities	-	-	-	-
Student services	-	-	-	-
Instructional staff support	-	-	-	-
General administration & central services	-	-	-	-
Building level administration	-	-	-	-
Operation of plant	-	-	-	-
Pupil transportation	-	-	-	-
Food service	-	-	-	-
Community services	-	-	-	-
Facility acquisition and construction	-	-	-	-
Debt service:				
Principal retirement	6,450,000	6,450,000	6,450,000	-
Interest and fees	4,251,547	4,251,547	4,249,420	2,127
Total Expenditures	10,701,547	10,701,547	10,699,420	2,127
Revenues Over (Under) Expenditures	12,994,497	13,711,051	14,231,854	520,803
Other Financing Sources (Uses):				
Transfers	-	-	-	-
Net change in fund balance	12,994,497	13,711,051	14,231,854	520,803
Fund balance, beginning	27,202,406	27,202,406	27,202,406	-
Fund balance, ending	$ 40,196,903	$ 40,913,457	$ 41,434,260	$ 520,803

See accompanying notes to the budgetary comparison schedule.

LIBERTY PUBLIC SCHOOL DISTRICT NO. 53
BUDGETARY COMPARISON SCHEDULE - MODIFIED CASH BASIS
CAPITAL PROJECTS FUND
FOR THE YEAR ENDED JUNE 30, 2023

	BUDGET			
	ORIGINAL	FINAL	ACTUAL	VARIANCE
REVENUES:				
Local	$ 5,482,076	$ 12,664,786	$ 12,937,063	$ 272,277
County	200,000	142,063	142,062	(1)
State	-	-	-	-
Federal	2,186,000	-	-	-
Other	1,500,000	1,664,468	1,673,861	9,393
Total Revenues	9,368,076	14,471,317	14,752,986	281,669
EXPENDITURES:				
Instruction	-	-	-	-
Student activities	50,000	56,558	44,340	12,218
Student services	-	-	-	-
Instructional staff support	-	-	-	-
General administration & central services	892,071	949,847	918,027	31,820
Building level administration	-	-	-	-
Operation of plant	346,738	393,834	357,746	36,088
Pupil transportation	587,827	881,811	760,199	121,612
Food service	150,000	150,000	125,309	24,691
Community services	-	-	-	-
Facility acquisition and construction	1,920,009	1,938,921	1,709,583	229,338
Debt service:				
Principal retirement	4,390,918	25,165,918	25,165,918	-
Interest and fees	1,237,336	2,120,560	2,118,683	1,877
Total Expenditures	9,574,899	31,657,449	31,199,805	457,644
Revenues Over (Under) Expenditures	(206,823)	(17,186,132)	(16,446,819)	739,313
Other Financing Sources (Uses):				
Proceeds from sale of bonds	-	120,000,000	120,000,000	-
Transfers	1,500,000	3,000,000	3,000,000	-
Total Other Financing Sources (Uses)	1,500,000	123,000,000	123,000,000	-
Net change in fund balance	1,293,177	105,813,868	106,553,181	739,313
Fund balance, beginning	2,580,366	2,580,366	2,580,366	-
Fund balance, ending	$ 3,873,543	$ 108,394,234	$ 109,133,547	$ 739,313

See accompanying notes to the budgetary comparison schedule.

Budgets and Budgetary Accounting

The District follows these procedures in establishing the budgetary data reflected in the financial statements:

1. In accordance with Chapter 67, RSMo, the District adopts a budget for each fund.

2. Prior to July, the Chief Financial Officer, who serves as the budget officer, submits to the Board of Education a proposed budget for the fiscal year beginning on the following July 1. The proposed budget includes estimated revenues and proposed expenditures for all funds. Budgeted expenditures cannot exceed beginning available monies plus estimated revenues for the year.

3. A public hearing is conducted to obtain taxpayer comments. Prior to its approval by the Board of Education, the budget document is available for public inspection.

4. Prior to July 1, the budget is legally enacted by a vote of the Board of Education.

5. Subsequent to its formal approval of the budget, the Board of Education has the authority to make necessary adjustments to the budget by formal vote of the Board. Adjustments made during the year are reflected in the final budget information included in the financial statements.

6. Budgets for District funds are prepared and adopted on the modified cash basis (budget basis), recognizing revenues when collected and expenditures when paid.

LIBERTY PUBLIC SCHOOL DISTRICT NO. 53
SCHEDULE OF REVENUES COLLECTED BY SOURCE
FOR THE YEAR ENDED JUNE 30, 2023

	GENERAL FUND	SPECIAL REVENUE FUND	DEBT SERVICE FUND	CAPITAL PROJECTS FUND	TOTAL
LOCAL:					
Property tax	$ 58,806,267	$ -	$ 22,640,394	$ 5,266,248	$ 86,712,909
Sales tax	-	15,863,110	-	-	15,863,110
Financial institution tax	91,276	-	35,141	8,174	134,591
M & M surtax	1,820,301	-	-	-	1,820,301
In lieu of tax	925,838	-	-	-	925,838
Tuition	47,520	-	-	-	47,520
Earnings on investments	2,136,399	-	1,358,247	7,336,355	10,831,001
Food service	3,617,086	-	-	-	3,617,086
Student activities	2,638,008	-	-	77,034	2,715,042
Community services	1,924,091	-	-	-	1,924,091
Other local revenue	2,613,193	-	-	249,252	2,862,445
Total Local	74,619,979	15,863,110	24,033,782	12,937,063	127,453,934
COUNTY:					
Fines and escheats	-	251,083	-	-	251,083
State assessed utilities	2,193,279	-	680,512	142,062	3,015,853
Total County	2,193,279	251,083	680,512	142,062	3,266,936
STATE:					
Basic formula	14,172,663	42,727,871	-	-	56,900,534
Transportation	4,288,479	-	-	-	4,288,479
Early Childhood Special Ed.	2,613,455	-	-	-	2,613,455
Basic formula - Classroom trust fund	5,250,295	-	-	-	5,250,295
Career education	-	53,896	-	-	53,896
Food service	27,632	-	-	-	27,632
Educational Screening/PAT	222,226	-	-	-	222,226
Residential placement/Excess cost	24,069	-	-	-	24,069
High need fund	1,459,165	-	-	-	1,459,165
Total State	28,057,984	42,781,767	-	-	70,839,751
FEDERAL:					
Title I	1,000,924	-	-	-	1,000,924
Title II.A	210,266	-	-	-	210,266
Title III	20,772	-	-	-	20,772
Title IV	67,471	-	-	-	67,471
Medicaid	226,426	-	-	-	226,426
Perkins Career Education grant	-	124,125	-	-	124,125
Individuals with Disabilities	2,724,740	-	-	-	2,724,740
IDEA grants	32,003	-	-	-	32,003
Early Childhood Special Education	297,799	-	-	-	297,799
Child Nutrition Programs	3,540,093	-	-	-	3,540,093
Education Stabilization Fund	2,495,515	-	-	-	2,495,515
Other federal revenue	9,927	-	216,980	-	226,907
Total Federal	10,625,936	124,125	216,980	-	10,967,041
OTHER:					
Payments from other districts	155,823	74,895	-	-	230,718
Proceeds from bonds	-	-	-	120,000,000	120,000,000
Net insurance recovery	92,000	-	-	-	92,000
Proceeds from sale of property	21,243	-	-	1,673,861	1,695,104
Total Other	269,066	74,895	-	121,673,861	122,017,822
Total Revenues Collected	$ 115,766,244	$ 59,094,980	$ 24,931,274	$ 134,752,986	$ 334,545,484

LIBERTY PUBLIC SCHOOL DISTRICT NO. 53
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2023

FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/ PROGRAM TITLE	FEDERAL ASSISTANCE LISTING	PASS-THROUGH GRANTOR NUMBER	EXPENDITURES
U.S. Department of Agriculture			
Passed-through Missouri Department of Elementary and Secondary Education:			
Child Nutrition Cluster:			
School Breakfast Program	10.553	024-090	$ 460,222
National School Lunch Program	10.555	024-090	3,079,871
Non cash: Food Distribution Program	10.555	024-090	660,879
Total Child Nutrition Cluster			4,200,972
Federal Communications Commission			
Direct:			
COVID-19 - Emergency Connectivity Fund	32.009		6,944
U.S. Department of Education			
Passed-through Missouri Department of Elementary and Secondary Education:			
Special Education Cluster:			
Special Education - Grants to States	84.027A	024-090	2,280,071
COVID-19 - Special Education - Grants to States	84.027X	024-090	4,750
Special Education - Preschool Grants	84.173A	024-090	49,135
Total Special Education Cluster			2,333,956
Title I - Grants to Local Educational Agencies	84.010	024-090	614,691
Career and Technical Education - Basic Grants to States	84.048	024-090	124,125
English Language Acquisition Grants	84.365	024-090	32,693
Improving Teacher Quality State Grants	84.367	024-090	86,325
Education Stabilization Fund:			
COVID-19 - Elementary and Secondary School Emergency Relief (ESSER) Fund	84.425D	024-090	175,561
COVID-19 - Elementary and Secondary School Emergency Relief (ARP ESSER) Fund	84.425U	024-090	144,985
COVID-19 - Elementary and Secondary School Emergency Relief (ARP HCY) Fund	84.425W	024-090	18,701
Total Education Stabilization Fund			339,247
Total U.S. Department of Education			3,531,037
U.S. Department of Health and Human Services			
Passed-through Missouri Department of Elementary and Secondary Education:			
Improving Student Health and Academic Achievement through Nutrition Physical Activity and the Management of Chronic Conditions in Schools	93.981	024-090	2,983
Total Expenditures of Federal Awards			$ 7,741,936

Note 1. Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the modified cash basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Liberty Public School District No. 53 has elected not to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

Note 2. Basis of Presentation

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal award activity of Liberty Public School District No. 53 under programs of the federal government for the year ended June 30, 2023. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of Liberty Public School District No. 53, it is not intended to and does not present the financial position, change in net position or cash flows of Liberty Public School District No. 53.

INTERNAL CONTROL AND COMPLIANCE

WESTBROOK & CO., P.C.
Certified Public Accountants
"Consistently Exceeding Expectations"
749 Driskill Drive
Richmond, MO 64085
306 North Mason
Carrollton, MO 64633

INDEPENDENT ACCOUNTANTS' REPORT ON ADMINISTRATION'S ASSERTION ABOUT COMPLIANCE WITH SPECIFIED REQUIREMENTS OF MISSOURI LAWS AND REGULATIONS

To the Board of Education
Liberty Public School District No. 53

We have examined the administration's assertion, included in its representation letter dated September 23, 2023, that Liberty Public School District No. 53 complied with the requirements of Missouri Laws and Regulations regarding budgetary and disbursement procedures; accurate disclosure by the District's attendance records of average daily attendance, resident membership on the last Wednesday of September 2022 and the number of students eligible to receive free or reduced price lunches on the last Wednesday of January 2023; and accurate disclosure by the District's pupil transportation records of the average students scheduled to be transported eligible and ineligible for state aid, the number of miles eligible and ineligible for state aid and the allowable costs for pupil transportation during the year ended June 30, 2023. As discussed in that representation letter, the administration is responsible for the District's assertion. Our responsibility is to express an opinion on the administration's assertion about the District's compliance with the specified requirements based on our examination.

Our examination was conducted in accordance with attestation standards established by the AICPA. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the administration's assertion about compliance with the specified requirements is fairly stated, in all material respects. An examination involves performing procedures to obtain evidence about whether the administration's assertion is fairly stated, in all material respects. The nature, timing, and extent of the procedures selected depend on our judgement, including an assessment of the risks of material misstatement of the administration's assertion, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion. We are required to be independent and to meet our other ethical responsibilities in accordance with relevant ethical requirements relating to the examination engagement.

Our examination does not provide a legal determination on the District's compliance with specified requirements.

In our opinion, the administration's assertion that the District complied with the aforementioned requirements for the year ended June 30, 2023 is fairly stated, in all material respects.

This report is intended solely for the information and use of the Board of Education, the administration and the Missouri Department of Elementary and Secondary Education and is not intended to be, and should not be, used by anyone other than these specified parties.

Westbrook & Co., P.C.

Richmond, Missouri
September 23, 2023

Member, American Institute of Certified Public Accountants; Missouri Society of Certified Public Accountants

Telephone: Richmond: (816) 776-3584 KC Line: (816) 470-3584 Carrollton: (660) 542-0102
Fax: Richmond: (816) 470-7100 Carrollton: (660) 542-3959
Website: www.westbrookcpa.com

LIBERTY PUBLIC SCHOOL DISTRICT NO. 53
SCHEDULE OF SELECTED STATISTICS - UNAUDITED
FOR THE YEAR ENDED JUNE 30, 2023

County District Number 024-090

1. CALENDAR (SECTIONS 160.041, 171.029, 171.031, AND 171.033 RSMO)

Report each unique calendar the district/charter school has as defined by Sections 160.041, 171.029, 171.031, and 171.033, RSMo.

School Code	Begin Grade	End Grade	Half Day Indicator	Standard Day Length	Days	Hours in Session
7500	PK	PK		6.6830	171	1,097.8443
4220	K	05		6.4833	169	1,050.6377
	K	05		6.6833	171	1,097.8475
	06	08		6.7500	171	1,109.2500
1050	09	12		6.7500	171	1,109.2500
1070	09	12		6.7500	171	1,109.2500

2. ATTENDANCE HOURS

Report the total number of PK-12 student attendance hours allowed to be claimed for the calculation of Average Daily Attendance.

School Code	Grade Level	Full-Time	Part-Time	Remedial Hours	Other	Summer School	Total
7500	PK	40,198.58					40,198.58
4220	K-05	287,555.51				29,584.78	317,140.29
	K-05	4,966,479.52	4,091.77			213,513.10	5,184,084.39
	06-08	2,936,353.12	4,493.18			45,115.02	2,985,961.32
1050	09-12	1,936,045.83				118,490.90	2,054,536.73
1070	09-12	2,263,562.32	149.92				2,263,712.24
Grand Total		12,430,194.88	8,734.87			406,703.80	12,845,633.55

3. SEPTEMBER MEMBERSHIP

Report the FTE count of resident students in grades PK-12 taken the last Wednesday in September who are enrolled on the count day **and** in attendance at least 1 of the 10 previous school days, by grade at each attendance center. This count should only include PK students marked as being eligible to be claimed for state aid in the October MOSIS Student Core File.

County District Number 024-090

School Code	Grade Level	Full-Time	Part-Time	Other	Total
7500	PK	36.00	0.00		36.00
4220	K-05	290.00	0.00		290.00
	K-05	4,840.00	4.31		4,844.31
	06-08	2,850.00	2.29		2,852.29
1050	09-12	1,990.00	0.00		1,990.00
1070	09-12	2,321.00	0.00		2,321.00
Grand Total		**12,327.00**	**6.60**		**12,333.60**

4. FREE AND REDUCED PRICED LUNCH FTE COUNT (SECTION 163.011(6), RSMO)

Report the FTE count taken the last Wednesday in January of resident students enrolled in grades K-12 and in attendance at least 1 of the 10 previous school days whose eligibility for free or reduced lunch is documented through the application process using federal eligibility guidelines or through the direct certification process. Desegregation students are considered residents of the district in which the students are educated.

School Code	Free Lunch	Reduced Lunch	Deseg In Free	Deseg In Reduced	Total
7500	0.00	0.00			0.00
4220	10.00	5.00			15.00
	907.39	286.50			1,193.89
	422.09	175.00			597.09
1050	255.00	98.00			353.00
1070	241.00	107.00			348.00
Grand Total	**1,835.48**	**671.50**			**2,506.98**

5. FINANCE

Answer the following questions with an appropriate response of true, false, or N/A unless otherwise noted.

Section	Question	Answer
5.1	The district/charter school maintained a calendar in accordance with 160.041, 171.029, 171.031, and 171.033, RSMo and all attendance hours were reported.	True
5.2	The district/charter school maintained complete and accurate attendance records allowing for the accurate calculation of Average Daily Attendance,	True

County District Number 024-090

	which includes the reporting of calendar and attendance horus, for all students in accordance with all applicable state rules and regulations. Sampling of records included those students receiving instruction in the following categories:	
	Academic Programs Off-Campus	True
	Career Exploration Program – Off Campus	True
	Cooperative Occupational Education (COE) or Supervised Occupational Experience Program	True
	Dual enrollment	True
	Homebound instruction	True
	Missouri Options	True
	Prekindergarten eligible to be claimed for state aid	True
	Remediation	N/A
	Sheltered Workshop participation	True
	Students participating in the school flex program	True
	Traditional instruction (full and part-time students)	True
	Virtual instruction (MOCAP or other option)	True
	Work Experience for Students with Disabilities	True
5.3	The district/charter school maintained complete and accurate attendance records allowing for the accurate calculation of September Membership for all students in accordance with all applicable state rules and regulations.	True
5.4	The district/charter school maintained complete and accurate attendance and other applicable records allowing for the accurate reporting of the State FTE count for Free and Reduced Lunch for all students in accordance with all applicable state rules and regulations.	True
5.5	As required by Section 162.401, RSMo, a bond was purchased for the district's/charter school's treasurer or as required by Section 160.405, RSMo, a bond was purchased for the charter schools chief financial officer or an insurance policy issued by an insurance company that proves coverage in the event of employee theft in the total amount of:	$500,000
5.6	The district's/charter school's deposits were secured during the year as required by Sections 110.010 and 110.020, RSMo., and the Missouri Financial Accounting Manual.	True
5.7	The district maintained a separate bank account for all Debt Service Fund monies in accordance with Section 108.180 and 165.011, RSMo. (Not applicable to charter schools)	True
5.8	Salaries reported for educators in the October MOSIS Educator Core and Educator School files are supported by complete and accurate payroll and contract records. This includes payments for the Teacher Baseline Salary Grants and Career Ladder if applicable.	True

County District Number 024-090

5.9	If a $162,326 or 7% x SAT x WADA transfer was made in excess of adjusted expenditures, the board approved a resolution to make the transfer, which identified the specific projects to be funded by the transfer and an expected expenditure date for the projects to be undertaken. (Not applicable to charter schools)	N/A
5.10	The district/charter school published a summary of the prior year's audit report within thirty days of the receipt of the audit pursuant to Section 165.121, RSMo.	True
5.11	The district has a professional development committee plan adopted by the board with the professional development committee plan identifying the expenditure of seventy-five percent (75%) of one percent (1%) of the current year basic formula apportionment. Remaining 25% of 1% if not spent must be restricted and spent on appropriate expenditures in the future. (Not applicable to charter schools.)	True
5.12	The amount spent for approved professional development committee plan activities was:	$687,440
5.13	The district/charter school has posted, at least quarterly, a searchable expenditure and revenue document or database detailing actual income, expenditures, and disbursement for the current calendar or fiscal year on the district or school website or other form of social media as required by Section 160.066, RSMo.	True

6. TRANSPORTATION (SECTION 163.161, RSMO)

Answer the following questions with an appropriate response of true, false, or N/A unless otherwise noted.

Section	Question	Answer
6.1	The school transportation allowable costs substantially conform to 5 CSR 30-261.040, Allowable Costs for State Transportation Aid.	True
6.2	The district's/charter school's pupil transportation ridership records are maintained in a manner to accurately disclose in all material respects the average number of regular riders transported.	True
6.3	Based on the ridership records, the average number of students (non-disabled K-12, K-12 students with disabilities and career education) transported on a regular basis (ADT) was:	
	Eligible ADT	6,200.5
	Ineligible ADT	175.5
6.4	The district's/charter school's transportation odometer mileage records are maintained in a manner to accurately disclose in all material respects the eligible and ineligible mileage for the year.	True
6.5	Actual odometer records show the total district/charter-operated and contracted mileage for the year was:	1,176,882

County District Number 024-090

6.6	Of this total, the eligible non-disabled and students with disabilities route miles and the ineligible non-route and disapproved miles (combined) was:	
	Eligible Miles	918,580
	Ineligible Miles (Non-Route/Disapproved)	258,302
6.7	Number of days the district/charter school operated the school transportation system during the regular school year:	171

WESTBROOK & CO., P.C.
Certified Public Accountants
"Consistently Exceeding Expectations"
749 Driskill Drive
Richmond, MO 64085
306 North Mason
Carrollton, MO 64633

INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the Board of Education
Liberty Public School District No. 53

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the modified cash basis financial statements of the governmental activities and each major fund of Liberty Public School District No. 53 as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated September 23, 2023.

Report on Internal Control over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Member, American Institute of Certified Public Accountants; Missouri Society of Certified Public Accountants

Telephone: Richmond: (816) 776-3584 KC Line: (816) 470-3584 Carrollton: (660) 542-0102
Fax: Richmond: (816) 470-7100 Carrollton: (660) 542-3959
Website: www.westbrookcpa.com

Report on Compliance and Other Matters

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

Purpose of This Report

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

Westbrook & Co., P.C.

Richmond, Missouri
September 23, 2023

WESTBROOK & CO., P.C.
Certified Public Accountants
"Consistently Exceeding Expectations"

749 Driskill Drive
Richmond, MO 64085

306 North Mason
Carrollton, MO 64633

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

To the Board of Education
Liberty Public School District No. 53

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Liberty Public School District No. 53's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2023. The District's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, the District complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2023.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with 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 opinion on compliance for each major federal program. Our audit does not provide a legal determination of the District's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the District's federal programs.

Member, American Institute of Certified Public Accountants; Missouri Society of Certified Public Accountants

Telephone: Richmond: (816) 776-3584 KC Line: (816) 470-3584 Carrollton: (660) 542-0102
Fax: Richmond: (816) 470-7100 Carrollton: (660) 542-3959
Website: www.westbrookcpa.com

Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the District's compliance based on our audit. 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, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the District's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 District's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Westbrook & Co., P.C.

Richmond, Missouri
September 23, 2023

LIBERTY PUBLIC SCHOOL DISTRICT NO. 53
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2023

A. SUMMARY OF AUDITORS' RESULTS

Financial Statements

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with the modified cash basis:	Unmodified			
Internal control over financial reporting:				
• Material weakness(es) identified?		Yes	X	No
• Significant deficiency(ies) identified?		Yes	X	None reported
Noncompliance material to financial statements noted?		Yes	X	No

Federal Awards

Internal control over major programs:				
• Material weakness(es) identified?		Yes	X	No
• Significant deficiency(ies) identified?		Yes	X	None reported
Type of auditors' report issued on compliance for major federal programs:	Unmodified			
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)		Yes	X	No

Identification of major federal programs:

Special Education Cluster	AL No. 84.027 and 84.173
Title I - Grants to Local Educational Agencies	AL No. 84.010
Education Stabilization Fund	AL No. 84.425

Dollar threshold used to distinguish between type A and type B programs:	$ 750,000			
Auditee qualified as low-risk auditee?		Yes	X	No

B. FINDINGS - FINANCIAL STATEMENT AUDIT

None

C. FINDINGS AND QUESTIONED COSTS - MAJOR FEDERAL AWARD PROGRAMS AUDIT

None