WESTBROOK & CO., P.C.
Certified Public Accountants

749 Driskill Drive
Richmond, MO 64085

18 North Folger
Carrollton, MO 64633

REQUIRED COMMUNICATIONS

September 21, 2016

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

We have audited the 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, 2016. 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 August 21, 2013. 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, 2016. 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. Management has corrected all such misstatements included on the attached schedule.

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 21, 2016.

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

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the District's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

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 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.

Client: *1499 - Liberty Public School District No. 53*
Engagement: *1499 - LIBERTY PUBLIC SCHOOL DISTRICT NO. 53*
Period Ending: *6/30/2016*
Trial Balance: *TB*
Workpaper: *160.1 - AJE report*

Account	Description	W/P Ref	Debit	Credit
Adjusting Journal Entries JE # 1		**160.1.1**		
to add back held check				
11-0000-1111-000-	CASH IN BANK		293,117.50	
11-2573-6411-999-	ALL DIST WAREHOUSE CSMR			293,117.50
Total			**293,117.50**	**293,117.50**
Adjusting Journal Entries JE # 2		**160.1.2**		
To reallocate additional salaries to Fund 2				
11-2552-6151-816-00	TRNS SALARIES		56,499.80	
11-2552-6221-816-00	TRNS NON-TCHR RETIREMENT		3,875.89	
11-2552-6231-816-00	TRNS SOC SEC		4,322.24	
11-2552-6241-816-00	TRNS HEALTH INS		2,882.70	
12-2552-6111-816-00	TRNS SALARIES		46,345.60	
12-2552-6211-816-00	TEACHER RETIREMENT		6,720.11	
12-2552-6232-816-00	TRNS MEDICARE		672.02	
12-2552-6241-816-00	INSURANCE, HEALTH		1,921.80	
11-2321-6151-999-00	ALL DIST SUPT SALARIES			35,346.00
11-2321-6221-999-00	ALL DIST SUPT NTCHR RETIR			2,424.74
11-2321-6231-999-00	ALL DIST SOC SEC			2,703.97
11-2321-6241-999-00	ALL DIST SUPT HEALTH INS			1,601.50
11-2521-6151-999-00	ALL DIST BUSINESS SALARIE			13,543.80
11-2521-6221-999-00	ALL DIST BUS NTCHR RETIRE			929.10
11-2521-6231-999-00	ALL DIST BUS SOC SEC			1,036.10
11-2521-6241-999-00	ALL DIST BUS HEALTH INS			640.60
11-2640-6151-999-00	ALL DIST HR SALARIES			7,610.00
11-2640-6221-999-00	ALL DIST HR NTCHR RETIRE			522.05
11-2640-6231-999-00	ALL DIST HR SOC SEC			582.17
11-2640-6241-999-00	ALL DIST HR HEALTH INS			640.60
12-2321-6111-999-00	ALL DIST SUPT SALARIES			35,820.30
12-2321-6211-999-00	ALL DIST SUPT TCHR RETIRE			5,193.94
12-2321-6232-999-00	ALL DIST SUPT MEDICARE			519.40
12-2321-6241-999-00	ALL DIST SUPT HEALTH INS			1,281.20
12-2640-6111-999-00	ALL DIST HR SALARIES			10,525.30
12-2640-6211-999-00	ALL DIST HR TCHR RETIRE			1,526.17
12-2640-6232-999-00	ALL DIST HR MEDICARE			152.62
12-2640-6241-999-00	ALL DIST HR HEALTH INS			640.60
Total			**123,240.16**	**123,240.16**

LIBERTY PUBLIC SCHOOL DISTRICT NO. 53
LIBERTY, MISSOURI

FINANCIAL STATEMENTS TOGETHER
WITH INDEPENDENT AUDITORS' REPORT

FOR THE YEAR ENDED JUNE 30, 2016

LIBERTY PUBLIC SCHOOL DISTRICT NO. 53
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WESTBROOK & CO., P.C.
Certified Public Accountants

749 Driskill Drive
Richmond, MO 64085

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Carrollton, MO 64633

INDEPENDENT AUDITORS' REPORT

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

Report on the Financial Statements

We have audited the accompanying 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, 2016, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the cash basis of accounting described in Note A. This includes determining that the 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 financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to the financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the District's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective cash basis financial position of the governmental activities and each major fund of Liberty Public School District No. 53 as of June 30, 2016, and the respective changes in cash basis financial position for the year then ended in accordance with the basis of accounting described in Note A.

Supplementary and Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements as a whole 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 is 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 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 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.

Management's discussion and analysis on pages 3 through 11 has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated September 21, 2016 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 and grant agreements. The purpose of that report is 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 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.

Basis of Accounting

We draw attention to Note A of the financial statements, which describes the basis of accounting. The financial statements are prepared on the 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.

Westbrook & Co., P.C.

Richmond, Missouri
September 21, 2016

Liberty
PUBLIC SCHOOLS

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, 2016. 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 2016 fiscal year are as follows:

- Operating fund balances for the District (General Fund and Special Revenue Fund) increased by $5,817,622 from $23,964,744 to $29,782,366. Additionally, the General Fund balance provided for fund transfers of $5,246,981 to the Capital Projects Fund which included $4,934,504 for the purpose of funding capital projects expenditures which were incurred in the 2015-2016 year.

- District operating fund revenues increased by $9,052,068 from $125,486,327 to $134,538,395. Local revenue increased $2,853,408 primarily as a result of increased revenue from current taxes and payments in lieu of taxes, overall state funding increased $5,306,577 as a result of increased student enrollment and increased revenue from the High Need Fund, and federal revenues increased $781,493 as a result of an increase in individuals with disabilities funding.

- District operating fund expenditures increased by $4,481,364 from $118,992,428 to $123,473,792.

- The net increase to the District's long-term debt was $44,014,448 where total long-term debt changed from $161,085,686 to $205,100,134.

- The Capital Projects Fund balance decreased by $1,441,571 from $9,362,671 to $7,921,100 due to the purchase of furniture and fixtures and renovations in multiple district buildings.

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
"Empowering Excellence"

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 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 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.

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 2016 and 2015:

TABLE 1	Governmental Activities	
	2016	2015
ASSETS		
Cash and cash equivalents	$102,801,805	$ 38,610,303
NET POSITION		
Restricted for:		
Capital outlay	$ 7,921,100	$ 9,362,671
Scholarships	55,757	55,745
Debt service	65,098,339	5,282,888
Unrestricted	29,726,609	23,908,999
Total Net Position	$ 102,801,805	$ 38,610,303

Total assets at June 30, 2016 were reported at $102,801,805.

Unrestricted net position that can be used to finance day-to-day activities without constraints established by grants or legal requirements was $29,726,609. The District has restricted net position of $65,098,339 for debt service and $7,921,100 restricted for capital outlay.

Table 2 shows the change in net position for fiscal years 2016 and 2015.

TABLE 2

REVENUES	2016	2015
Program Revenues:		
Charges for services	$ 8,522,313	$ 8,660,948
Operating grants and contributions	10,301,725	8,165,543
Capital grants and contributions	-	-
Total Program Revenues	18,824,038	16,826,491
General Revenues:		
Basic formula	55,350,359	51,401,856
Property taxes	53,618,570	50,898,985
Sales tax	10,870,475	10,399,684
Earnings on investments	7,611,552	1,457,055
State assessed utilities	2,221,066	1,995,228
M & M surtax	1,045,629	977,205
Financial institution tax	85,495	75,990
In lieu of tax	7,210,469	5,827,813
Fines and escheats	257,153	217,592
Other revenue	429,722	1,067,004
Special item - proceeds from bonds	51,820,000	8,940,000
Total General Revenues and Special Item	190,520,490	133,258,412
Total Revenues	209,344,528	150,084,903
PROGRAM EXPENSES		
Instruction	68,955,328	66,222,257
Student services	6,728,459	6,378,838
Instructional staff support	6,813,874	6,772,201
General administration and central services	9,198,581	9,037,315
Building level administration	6,304,469	5,997,946
Operation of plant	12,809,734	12,240,483
Transportation	6,173,997	5,399,887
Food service	4,947,522	4,556,509
Community services	2,803,124	2,898,194
Facility acquisition and construction	4,052,975	952,659
Debt Service:		
Principal retirement	9,269,700	17,891,828
Interest and fees	7,095,263	6,818,989
Total Governmental Activities Expenses	145,153,026	145,167,106
CHANGE IN NET POSITION	64,191,502	4,917,797
Net Position Beginning of Year	38,610,303	33,692,506
Net Position End of Year	$ 102,801,805	$ 38,610,303

Governmental Activities

Revenues

General revenues and special item totaled $190,520,490. The three largest sources of general revenue for Liberty Public School District No. 53 are generated from local property taxes $53,618,570, the Basic Foundation Formula $55,350,359 and Proposition C sales tax $10,870,475. Program specific revenues in the form of operating grants totaled $10,301,725. The largest portion of this revenue was from the Individuals with Disabilities (IDEA) program and the Early Childhood Special Education Program. State and federal reimbursement for transportation and food service were $1,218,629 and $1,513,670, respectively. Charges for services, including student activities and food service, totaled $8,522,313.

Expenditures

Expenditures for governmental activities totaled $145,153,026 and $18,824,038 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. End-of-year fund balances in the General and Special Revenue Funds increased $5,817,622, from $23,964,744 to $29,782,366.

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

	2016		2015	
	Total Cost of Services	Net Cost of Services	Total Cost of Services	Net Cost of Services
Instruction	$ 68,955,328	$ 59,499,172	$ 66,222,257	$ 59,043,265
Student services	6,728,459	6,728,459	6,378,838	6,378,838
Instructional staff support	6,813,874	6,813,874	6,772,201	6,772,201
General administration and central services	9,198,581	9,198,581	9,037,315	9,037,315
Building level administration	6,304,469	6,304,469	5,997,946	5,997,946
Operation of plant	12,809,734	12,713,246	12,240,483	12,147,215
Transportation	6,173,997	4,955,368	5,399,887	4,199,527
Food service	4,947,522	(158,603)	4,556,509	(527,634)
Community services	2,803,124	(143,516)	2,898,194	(371,534)
Facility acquisition and construction	4,052,975	4,052,975	952,659	952,659
Debt Service:				
Principal retirement	9,269,700	9,269,700	17,891,828	17,891,828
Interest and fees	7,095,263	7,095,263	6,818,989	6,818,989
Total Governmental Activities	$ 145,153,026	$ 126,328,988	$ 145,167,106	$ 128,340,615

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

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 cash basis of accounting. All governmental funds had total revenues of $209,344,528, which includes $51,820,000 of debt proceeds, and total expenditures of $145,153,026. The net change in fund balances for the year was significant in the Debt Service Fund which increased $59,815,451 as a result of the issuance of the Series 2016 Refunding 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 cash basis.

The General Fund actual revenue was $85,145,496 representing a $5,520,432 increase over the original budget estimate of $79,625,064. Total actual General Fund expenditures were $52,412,402 representing a $208,867 decrease from the original budget estimate of $52,621,269.

During the course of the 2016 fiscal year, the District amended its budget on a monthly basis using the most accurate information available at the time. Amendments totaling $3.3 million were made to increase the original revenue budgets for unexpected increases in payments in lieu of taxes, high needs fund

reimbursements, and property tax revenue as a result of higher than expected increase in assessed valuation. These additional revenues were received late in the fiscal year and as a result the District's operating fund balance ended slightly over 23%. 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 available resources can be used for on-going projects, such as new programs or initiatives, versus one-time projects such as facility repairs. Through this process the fund balance will fall back into the 18%-20% range as desired by the Board of Education. Due to the cyclical nature of School District revenues and expenditures, this reserve is designed to cover cash flow needs during the period of October through December, just prior to the collection of property tax revenues in late December and January, eliminating the need to utilize short-term borrowing to cover District cash requirements.

Debt Administration

As of June 30, 2016, the District had $205,100,133 in debt. This represents an increase of $44,014,448 from the $161,085,685 in outstanding debt that existed as of June 30, 2015.

TABLE 4
Outstanding Debt

	2016	2015
Series 2007 Lease Participation Certificates	$ -	$ 11,580,000
2008 General Obligation Building Bonds	57,500,000	58,000,000
2010A Taxable General Obligation Qualified Const Bonds	4,631,000	4,631,000
2010B Taxable General Obligation Build America Bonds	3,369,000	3,369,000
2011 General Obligation Refunding Bonds	11,650,000	12,990,000
2012 General Obligation Refunding Bonds	8,475,000	10,200,000
2013 General Obligation Refunding Bonds	9,860,000	9,860,000
2014 General Obligation Refunding Bonds	3,675,000	5,300,000
2013 Technology Equipment Lease	833,344	1,645,854
Series 2013 Energy Performance Contract	876,797	1,656,125
2014 Technology Equipment Lease	671,858	997,970
Series 2014 Lease Participation Certificates	22,550,000	23,050,000
Series 2015 Lease Participation Certificates	6,225,000	6,440,000
2015 General Obligation Refunding Bonds	8,940,000	8,940,000
2015 Technology Equipment Leases	1,633,986	2,425,736
2016 General Obligation Refunding Bonds	51,820,000	-
Series 2016 Refunding Lease Participation Certificates	10,700,000	-
2016 Transportation Lease	1,689,149	-
Total	$ 205,100,134	$ 161,085,685

The Series 2007 Lease Participation Certificates in the amount of $15,225,000 provided funds to retire the Series 2007 Project Lease Agreement in the amount of $4,500,000, to purchase real estate for an Early Childhood Preschool facility in the amount of $4,500,000 and to purchase $6,225,000 in equipment.

The Series 2008 Bond issue approved April 2008 in the amount of $58,000,000 represents new money for the purpose of acquiring, constructing, improving, furnishing and equipping school facilities, including: (1) constructing, furnishing and equipping Phase I of the second high school, (2) constructing, furnishing, and equipping a new elementary school, (3) acquiring and installing technology equipment, (4) acquiring and installing safety and security improvements and (5) acquiring land for future school sites.

The Series 2010A and 2010B Bond issues in the amount of $4,631,000 and $3,369,000, respectively, 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 2011 Bond issue in the amount of $16,290,000 represents refunding of the 2001C and 2002B bond issues and resulted in $1,812,709 net present value savings.

The Series 2012 Bond issue in the amount of $14,785,000 represents refunding of the 2001A bond issue and resulted in $2,520,334 net present value savings.

The Series 2013 Bond issue in the amount of $9,860,000 represents refunding a portion of the 2004 bond issue and resulted in $1,273,380 net present value savings.

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 2013 technology equipment lease allowed for various Apple computer equipment requiring four annual payments of $854,711 at an interest rate of 2.56%.

The Series 2013 Energy Performance contract in the amount of $3,176,843 provided funds for expenditures related to district-wide energy performance services.

The 2014 technology equipment lease allowed for various Apple computer equipment requiring four annual payments of $346,008 at an interest rate of 1.99%.

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 2015 technology equipment leases allowed for various Apple computer equipment requiring four annual payments of $800,965 at interest rates ranging from 0.53% to 2.89%.

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.

For the Future

Liberty Public School District No. 53 is financially stable; however, we must continually monitor the national, state, and local economic trends in order to maintain that stability. The District's Audit and Finance Committee is comprised of highly-qualified patrons of the District, and works with administration in assisting the Board of Education in reviewing financial documentation, policies and procedures.

The District continues to experience growth making it one of the fastest growing school districts in Missouri. It is anticipated that the student population will exceed 12,200 in the 2016-2017 school year. This significant growth of the District's enrollment will continue to guide long-range financial planning. Creative use of resources is essential for the District given rapid student enrollment increases coupled with underfunding of the Missouri Foundation Formula. As the state economy is uncertain it remains to be seen what additional resources will be directed to this important revenue stream. Efficiencies throughout the District will continue to be identified that will maximize instruction for our students while reducing overall costs.

In conclusion, Liberty Public School District No. 53 is committed to maintaining sound financial practices that protect the stability of the District and promote the academic excellence of the students. The District's systems for financial planning, budgeting and internal control are well regarded. The District will continue to be prudent in financial management in order to meet the challenges of the future.

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 - CASH BASIS
JUNE 30, 2016

	GOVERNMENTAL ACTIVITIES
ASSETS	
Cash and cash equivalents	$ 102,801,805
NET POSITION	
Restricted for:	
Scholarships	$ 55,757
Debt service	65,098,339
Capital outlay	7,921,100
Unrestricted	29,726,609
Total net position	$ 102,801,805

See accompanying notes to the basic financial statements.

LIBERTY PUBLIC SCHOOL DISTRICT NO. 53
STATEMENT OF ACTIVITIES - CASH BASIS
FOR THE YEAR ENDED JUNE 30, 2016

		PROGRAM REVENUES			Net (Expenditures) Revenues and Change in Net Position
	Expenditures	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental
GOVERNMENTAL ACTIVITIES					
Instruction	$ 68,955,328	$ 2,511,752	$ 6,944,404	$ -	$ (59,499,172)
Student services	6,728,459	-	-	-	(6,728,459)
Instructional staff support	6,813,874	-	-	-	(6,813,874)
General administration and central services	9,198,581	-	-	-	(9,198,581)
Building administration	6,304,469	-	-	-	(6,304,469)
Operation of plant	12,809,734	96,488	-	-	(12,713,246)
Transportation	6,173,997	-	1,218,629	-	(4,955,368)
Food service	4,947,522	3,592,455	1,513,670	-	158,603
Community services	2,803,124	2,321,618	625,022	-	143,516
Facility acquisition and construction	4,052,975	-	-	-	(4,052,975)
Debt service:					
Principal retirement	9,269,700	-	-	-	(9,269,700)
Interest and fees	7,095,263	-	-	-	(7,095,263)
Total Governmental Activities	$ 145,153,026	$ 8,522,313	$ 10,301,725	$ -	(126,328,988)
General Revenues:					
Basic formula					55,350,359
Property taxes					53,618,570
Sales tax					10,870,475
Earnings on investments					7,611,552
State assessed utilities					2,221,066
M & M surtax					1,045,629
Financial institution tax					85,495
In lieu of tax					7,210,469
Fines and escheats					257,153
Other revenue					429,722
Special item - proceeds from bonds					51,820,000
Total General Revenues and Special Item					190,520,490
Change in net position					64,191,502
Net Position Beginning of year					38,610,303
Net Position End of year					$ 102,801,805

See accompanying notes to the basic financial statements.

LIBERTY PUBLIC SCHOOL DISTRICT NO. 53
BALANCE SHEET - CASH BASIS
GOVERNMENTAL FUNDS
JUNE 30, 2016

	GENERAL FUND	SPECIAL REVENUE FUND	DEBT SERVICE FUND	CAPITAL PROJECTS FUND	TOTAL GOVERNMENTAL FUNDS
ASSETS					
Cash and cash equivalents	$ 29,782,366	$ -	$ 65,098,339	$ 7,921,100	$ 102,801,805
FUND BALANCES					
Fund balances					
Nonspendable	$ 55,000	$ -	$ -	$ -	$ 55,000
Restricted	757	-	65,098,339	-	65,099,096
Committed	-	-	-	3,199,198	3,199,198
Assigned	3,287,052	-	-	4,721,902	8,008,954
Unassigned	26,439,557	-	-	-	26,439,557
Total fund balances	$ 29,782,366	$ -	$ 65,098,339	$ 7,921,100	$ 102,801,805

See accompanying notes to the basic financial statements.

LIBERTY PUBLIC SCHOOL DISTRICT NO. 53
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
CASH BASIS - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2016

	GENERAL FUND	SPECIAL REVENUE FUND	DEBT SERVICE FUND	CAPITAL PROJECTS FUND	TOTAL GOVERNMENTAL FUNDS
REVENUES:					
Local	$ 57,644,184	$ 10,870,475	$ 17,696,299	$ 3,028,613	$ 89,239,571
County	1,778,024	257,153	362,491	80,551	2,478,219
State	20,803,776	38,176,789	-	1,527,456	60,508,021
Federal	4,819,463	-	272,259	-	5,091,722
Other	100,049	88,482	-	18,464	206,995
Total Revenues	85,145,496	49,392,899	18,331,049	4,655,084	157,524,528
EXPENDITURES:					
Instruction	10,543,862	58,370,086	-	41,380	68,955,328
Student services	3,920,361	2,796,408	-	11,690	6,728,459
Instructional staff support	3,404,149	3,395,178	-	14,547	6,813,874
General administration & central services	7,565,952	1,076,786	-	555,843	9,198,581
Building level administration	1,661,575	4,642,894	-	-	6,304,469
Operation of plant	12,551,548	-	-	258,186	12,809,734
Pupil transportation	5,838,661	55,660	-	279,676	6,173,997
Food service	4,847,548	-	-	99,974	4,947,522
Community services	2,078,746	724,378	-	-	2,803,124
Facility acquisition and construction	-	-	-	4,052,975	4,052,975
Debt service:					
Principal retirement	-	-	5,190,000	4,079,700	9,269,700
Interest and fees	-	-	5,145,598	1,949,665	7,095,263
Total Expenditures	52,412,402	71,061,390	10,335,598	11,343,636	145,153,026
Revenues Over (Under) Expenditures	32,733,094	(21,668,491)	7,995,451	(6,688,552)	12,371,502
Other Financing Sources (Uses):					
Proceeds from sale of bonds	-	-	51,820,000	-	51,820,000
Transfers	(26,915,472)	21,668,491	-	5,246,981	-
Total Other Financing Sources (Uses)	(26,915,472)	21,668,491	51,820,000	5,246,981	51,820,000
Net change in fund balances	5,817,622	-	59,815,451	(1,441,571)	64,191,502
Fund balance, beginning	23,964,744	-	5,282,888	9,362,671	38,610,303
Fund balance, ending	$ 29,782,366	$ -	$ 65,098,339	$ 7,921,100	$ 102,801,805

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:

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Major 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 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 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 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 cash basis of accounting. This basis recognizes assets, liabilities, net position/fund equity, revenues and expenditures when they result from cash transactions. This basis is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

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.

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Vacation and Sick Leave: Vacation time, personal days, and sick leave are considered as expenditures in the year paid. Sick leave amounts unused and which are vested may accumulate up to a maximum of 90 days. Sick leave amounts unused and which are vested in the employee are payable upon retirement or separation at $25 to $100 per day depending on length of service. Vacation time may be requested by employees on a twelve month contract.

OPEB Liabilities: As the District uses the 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, 2016, the bank balances of the District's deposits totaled $33,786,865. Of this amount $250,000 was covered by FDIC insurance and $33,536,865 was supported by collateral, held by banks in the District's name that do not hold the collateralized deposit.

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 District is participating in the program created by Senate Bill 301 administered by the Missouri Health and Educational Authority (MOHEFA). The program intercepts a portion of state aid and places those funds in escrow to pay the debt service requirement of the District's outstanding bonds. The District's investments in MOHEFA are not rated by any of the nationally recognized statistical rating organizations. The District had $1,434,125 invested with MOHEFA at June 30, 2016.

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, 2016, the certificates of deposit totaled $14,030,757. Of this amount $305,757 was covered by FDIC insurance and $13,725,000 was supported by collateral, held by banks in the District's name that do not hold the collateralized deposit.

Escrow Funds: The District has an escrow fund established with the proceeds of the 2016 Refunding Bonds for the purpose of refunding the 2008 General Obligation Building Bonds which are callable on March 1, 2018. At June 30, 2016, this escrow fund balance was $58,682,605 which was invested in U.S. Treasury notes.

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. Additionally, the District carries excess liability coverage with a per occurrence limit of liability of $4,000,000.

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 2015.

The assessed valuation of the tangible taxable property for the calendar year 2015 for purposes of local taxation was:

Real Estate:	
Residential	$ 650,195,180
Agricultural	2,462,510
Commercial	21,795,480
Personal Property	171,383,685
Total	$ 845,836,855

The tax levy per $100 of the assessed valuation of tangible taxable property for the calendar year 2015 for purposes of local taxation was:

	Unadjusted	Adjusted
General Fund	$ 4.8456	$ 4.8456
Special Revenue Fund	-	-
Debt Service Fund	1.2494	1.2494
Capital Projects Fund	0.3600	0.3600
	$ 6.4550	$ 6.4550

The receipts of current and delinquent property taxes during the fiscal year ended June 30, 2016, aggregated approximately 98 percent of the current assessment computed on the basis of the levy as shown above.

NOTE E - 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. A Comprehensive Annual Financial Report ("CAFR") 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 2016. 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, 2016 were $8,413,116. The District's contributions to S-PSRS, the "2/3's statute", for the year ended June 30, 2016 were $115,593.

NOTE E - RETIREMENT PLAN (continued)

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 RSMo. The statutes place responsibility for the operation of PEERS on the Board of Trustees of the Public School Retirement System of Missouri. A Comprehensive Annual Financial Report ("CAFR") 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 6o 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 2016. 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, 2016 were $1,598,274.

NOTE F - INTERFUND TRANSFERS

During the year, the District made a $4,934,504 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). The District also transferred $312,477 from the General Fund to the Capital Projects Fund for transportation capital outlay.

Also, as allowed by DESE, the District transferred $21,668,491 from the General Fund to the Special Revenue Fund to avoid deficit spending in the Special Revenue Fund.

NOTE G - LITIGATION

As of June 30, 2016, the District had several unsettled claims of various natures. These claims are at various stages of litigation and at this time, outcomes cannot be predicted. The District is vigorously defending against each claim.

NOTE H - COMMITMENTS

As of June 30, 2016, the District had $442,000 of remaining construction costs on executed contracts for the rooftop overlay and repair at Lillian Schumacher Elementary; $362,800 of remaining construction costs on executed contracts for rooftop replacements and roof access ladder at Liberty Middle School; $19,000 of remaining construction costs on executed contract for roof repair at Alexander Doniphan Elementary; and $113,846 of remaining costs on the purchase of roofing supplies.

On June 30, 2016, the District had $1,154,304 of remaining construction costs on executed contracts for turf installation at Liberty High School and Liberty North High School and $547,710 of remaining costs on the purchase of turf materials.

On June 30, 2016, the District had $274,875 of remaining construction costs on executed contracts for HVAC upgrades at Lillian Schumacher Elementary and $284,663 of remaining construction costs on executed contracts for rooftop unit replacement at Heritage Middle School.

NOTE I - OPERATING LEASES

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 varying annual installments ending July 1, 2022.

In September 2009, the District entered into a 60-month lease agreement for a facility for bus storage and maintenance. The lease requires monthly payments of $8,000 beginning September 2009. Per the terms of the agreement, beginning with the twenty-fifth month of the term, and annually thereafter, the monthly payment will be increased by three percent per year.

On July 15, 2014 the District entered into a 36-month lease arrangement for 4,680 Samsung Chromebooks requiring annual lease payments of $454,990.

The future minimum lease payments (assuming non-cancellation) are:

Year Ending June 30,	Fiber Optic Lease	Samsung Lease	Total
2017	$ 426,076	$ 454,990	$ 881,066
2018	426,076	-	426,076
2019	426,076	-	426,076
2020	426,076	-	426,076
2021	426,076	-	426,076
2022	426,076	-	426,076
Total	$ 2,556,456	$ 454,990	$ 3,011,446

NOTE J - LONG-TERM DEBT

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

	Balance July 1, 2015	Additions	Retirements	Balance June 30, 2016	Amount Due Within One Year
Bonds payable	$ 113,290,000	$ 51,820,000	$ 5,190,000	$ 159,920,000	$ 6,060,000
Capital leases	47,795,686	12,668,825	15,284,377	45,180,134	3,882,290
Total	$ 161,085,686	$ 64,488,825	$ 20,474,377	$ 205,100,134	$ 9,942,290

NOTE K - CAPITAL LEASE OBLIGATIONS

On August 23, 2007 the District entered into a lease purchase agreement to finance the cost of acquiring two buildings and making energy and other improvements in various District buildings. The lease is for twenty years requiring varying annual installments through March 1, 2028; interest at 4.00 to 5.25%. The lessor issued $15,225,000 Series 2007 Certificates of Participation which were used to pay costs of acquiring the buildings, funding the energy and other improvements and paying costs of issuance of the certificates. On March 17, 2016 the lease purchase agreement was refinanced as discussed below.

On May 21, 2013 the District entered into a refunding lease agreement for the cost of acquiring and installing energy conservation equipment in various District buildings. The lease is for 50 months requiring varying monthly installments through July 2017, interest at 1.20%.

On June 24, 2013 the District entered into a lease purchase agreement to finance the cost of acquiring computer equipment for the District. The lease is for four years requiring annual installments, of $854,711 through July 2016; interest at 2.5641%.

On March 1, 2014, the District entered into a lease purchase agreement to finance the cost of construction 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 2.00 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 April 25, 2014, the District entered into a lease purchase agreement to finance the cost of acquiring computer equipment for the District. The lease is for four years requiring annual installments of $346,008 through July 15, 2017, interest at 1.99%.

On July 15, 2014 the District entered into a lease purchase agreement to finance the cost of acquiring computer equipment for the District. The lease is for four years requiring annual installments, of $27,432 through July 2017; interest at 2.69%.

On July 15, 2014 the District entered into a lease purchase agreement to finance the cost of acquiring computer equipment for the District. The lease is for three years requiring annual installments, of $55,227 through July 2016; interest at 2.89%.

NOTE K - CAPITAL LEASE OBLIGATIONS (continued)

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 2.00% 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 4, 2015 the District entered into a lease purchase agreement to finance the cost of acquiring computer equipment for the District. The lease is for four years requiring annual installments, of $117,818 through July 2017; interest at 2.55%.

On May 13, 2015 the District entered into a lease purchase agreement to finance the cost of acquiring computer equipment for the District. The lease is for three years requiring annual installments, of $600,449 through July 2017; interest at 0.53%.

On July 1, 2015, the District entered into a lease purchase agreement to finance the cost of acquiring nineteen school buses for the District. The lease is for seven years requiring annual installments of $303,369 through March 2022; interest at 1.9%.

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.

NOTE K - CAPITAL LEASE OBLIGATIONS (continued)

Future minimum lease payments on the above leases are as follows:

Year Ending June 30,	Principal	Interest	Total
2017	$ 3,882,290	$ 1,654,733	$ 5,537,023
2018	2,645,125	1,570,383	4,215,508
2019	2,420,966	1,506,602	3,927,568
2020	2,396,446	1,428,804	3,825,250
2021	2,477,010	1,355,315	3,832,325
2022	2,518,297	1,262,140	3,780,437
2023	2,375,000	1,157,006	3,532,006
2024	2,490,000	1,072,506	3,562,506
2025	2,600,000	984,156	3,584,156
2026	2,715,000	901,437	3,616,437
2027	2,850,000	813,425	3,663,425
2028	2,960,000	717,675	3,677,675
2029	1,825,000	616,438	2,441,438
2030	1,975,000	547,000	2,522,000
2031	2,075,000	452,500	2,527,500
2032	2,200,000	348,750	2,548,750
2033	2,325,000	238,750	2,563,750
2034	2,450,000	122,500	2,572,500
Total	$ 45,180,134	$ 16,750,120	$ 61,930,254

NOTE L - BONDS PAYABLE

Bonds payable outstanding at June 30, 2016 are as follows:

Series 2008 general obligation school building bonds due in varying annual installments through March 2028 interest at 3.75% to 5.00%	$	57,500,000
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 2010B taxable general obligation Build America bonds interest payable semi-annually, due in annual installments March 2028 through March 2030 interest at 5.4%		3,369,000
Series 2011 general obligation refunding bonds due in varying annual installments through March 2022 interest at 2.00% to 4.00%		11,650,000
Series 2012 general obligation refunding bonds due in varying annual installments through March 2020 interest at 2.00% to 3.75%		8,475,000
Series 2013 general obligation refunding bonds due in varying annual installments through March 2021 interest at 2.00% to 3.00%		9,860,000
Series 2014 general obligation refunding bonds due in varying annual installments through March 2024 interest at 3.00% to 5.00%		3,675,000
Series 2015 general obligation refunding bonds due in varying annual installments through March 2026 interest at 3.00% to 4.00%		8,940,000
Series 2016 general obligation refunding bonds due in varying annual installments through March 2036 interest at 2.00% to 4.00%		51,820,000
Total	$	159,920,000

During the year, the District issued $51,820,000 Series 2016 General Obligation Refunding Bonds to advance refund the Series 2008 bonds on March 1, 2018. This refunding was undertaken to obtain an economic gain of $4,829,013.

NOTE L - BONDS PAYABLE (continued)

Debt service requirements to maturity are:

Year Ending June 30,	Principal	Interest	Total
2017	$ 6,060,000	$ 6,020,328	$ 12,080,328
2018	6,675,000	6,462,004	13,137,004
2019	62,515,000	3,491,723	66,006,723
2020	7,050,000	3,284,473	10,334,473
2021	7,705,000	3,046,723	10,751,723
2022	7,220,000	2,832,073	10,052,073
2023	4,450,000	2,568,473	7,018,473
2024	4,425,000	2,314,473	6,739,473
2025	4,995,000	2,053,223	7,048,223
2026	5,950,000	1,935,423	7,885,423
2027	7,631,000	1,815,423	9,446,423
2028	4,219,000	1,456,926	5,675,926
2029	4,325,000	1,151,000	5,476,000
2030	3,400,000	1,023,000	4,423,000
2031	3,500,000	887,000	4,387,000
2032	3,550,000	747,000	4,297,000
2033	3,625,000	605,000	4,230,000
2034	3,700,000	460,000	4,160,000
2035	4,925,000	433,500	5,358,500
2036	4,000,000	220,750	4,220,750
Total	$ 159,920,000	$ 42,808,515	$ 202,728,515

NOTE M - 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 M - 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 Director of Finance.

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, 2016, fund balances are composed of the following:

	General Fund	Special Revenue Fund	Debt Service Fund	Capital Projects Fund
Nonspendable				
Scholarships	$ 55,000	$ -	$ -	$ -
Restricted				
Scholarships	757	-	-	-
Debt Service	-	-	65,098,339	-
Total restricted	757	-	65,098,339	-
Committed				
Construction projects	-	-	-	3,199,198
Assigned				
Student activities	771,144	-	-	-
Insurance repayment	625,766	-	-	-
Food service	1,890,142	-	-	-
Capital projects	-	-	-	4,721,902
Total assigned	3,287,052	-	-	4,721,902
Unassigned	26,439,557	-	-	-
Total	$ 29,782,366	$ -	$ 65,098,339	$ 7,921,100

SUPPLEMENTAL INFORMATION

LIBERTY PUBLIC SCHOOL DISTRICT NO. 53
BUDGETARY COMPARISON SCHEDULE - CASH BASIS
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2016

	BUDGET			
	ORIGINAL	FINAL	ACTUAL	VARIANCE
REVENUES:				
Local	$ 55,042,942	$ 57,474,966	$ 57,644,184	$ 169,218
County	1,659,481	1,778,024	1,778,024	-
State	19,008,975	20,738,586	20,803,776	65,190
Federal	3,858,666	4,658,717	4,819,463	160,746
Other	55,000	95,720	100,049	4,329
Total Revenues	79,625,064	84,746,013	85,145,496	399,483
EXPENDITURES:				
Instruction	9,863,760	10,260,256	10,543,862	(283,606)
Student services	3,761,169	3,751,167	3,920,361	(169,194)
Instructional staff support	5,880,364	6,409,788	3,404,149	3,005,639
General administration & central services	7,387,435	7,754,965	7,565,952	189,013
Building level administration	1,680,689	1,681,128	1,661,575	19,553
Operation of plant	12,030,428	11,873,391	12,551,548	(678,157)
Pupil transportation	4,971,759	4,956,419	5,838,661	(882,242)
Food service	4,816,626	4,817,262	4,847,548	(30,286)
Community services	2,229,039	2,228,996	2,078,746	150,250
Facility acquisition and construction	-	-	-	-
Debt service:				
Principal retirement	-	-	-	-
Interest and fees	-	-	-	-
Total Expenditures	52,621,269	53,733,372	52,412,402	1,320,970
Revenues Over (Under) Expenditures	27,003,795	31,012,641	32,733,094	1,720,453
Other Financing Sources (Uses):				
Transfers	(26,632,337)	(27,155,929)	(26,915,472)	240,457
Net change in fund balance	371,458	3,856,712	5,817,622	1,960,910
Fund balance, beginning	23,964,744	23,964,744	23,964,744	-
Fund balance, ending	$ 24,336,202	$ 27,821,456	$ 29,782,366	$ 1,960,910

LIBERTY PUBLIC SCHOOL DISTRICT NO. 53
BUDGETARY COMPARISON SCHEDULE - CASH BASIS
SPECIAL REVENUE FUND
FOR THE YEAR ENDED JUNE 30, 2016

	BUDGET			
	ORIGINAL	FINAL	ACTUAL	VARIANCE
REVENUES:				
Local	$ 10,421,662	$ 10,707,972	$ 10,870,475	$ 162,503
County	212,473	257,153	257,153	-
State	38,704,072	38,108,440	38,176,789	68,349
Federal	-	-	-	-
Other	120,000	88,574	88,482	(92)
Total Revenues	49,458,207	49,162,139	49,392,899	230,760
EXPENDITURES:				
Instruction	54,172,179	54,405,960	58,370,086	(3,964,126)
Student services	2,703,441	2,703,441	2,796,408	(92,967)
Instructional staff support	8,305,458	7,807,165	3,395,178	4,411,987
General administration & central services	1,117,732	1,117,732	1,076,786	40,946
Building level administration	4,369,025	4,369,025	4,642,894	(273,869)
Operation of plant	-	-	-	-
Pupil transportation	-	-	55,660	(55,660)
Food service	-	-	-	-
Community services	697,709	667,764	724,378	(56,614)
Facility acquisition and construction	-	-	-	-
Debt service:				
Principal retirement	-	-	-	-
Interest and fees	-	-	-	-
Total Expenditures	71,365,544	71,071,087	71,061,390	9,697
Revenues Over (Under) Expenditures	(21,907,337)	(21,908,948)	(21,668,491)	240,457
Other Financing Sources (Uses):				
Transfers	21,907,337	21,908,948	21,668,491	(240,457)
Net change in fund balance	-	-	-	-
Fund balance, beginning	-	-	-	-
Fund balance, ending	$ -	$ -	$ -	$ -

LIBERTY PUBLIC SCHOOL DISTRICT NO. 53
BUDGETARY COMPARISON SCHEDULE - CASH BASIS
DEBT SERVICE FUND
FOR THE YEAR ENDED JUNE 30, 2016

	BUDGET			
	ORIGINAL	FINAL	ACTUAL	VARIANCE
REVENUES:				
Local	$ 9,759,514	$ 17,715,942	$ 17,696,299	$ (19,643)
County	295,970	362,491	362,491	-
State	-	-	-	-
Federal	271,673	272,259	272,259	-
Total Revenues	10,327,157	18,350,692	18,331,049	(19,643)
EXPENDITURES:				
Instruction	-	-	-	-
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	5,190,000	5,190,000	5,190,000	-
Interest and fees	4,801,103	5,145,834	5,145,598	236
Total Expenditures	9,991,103	10,335,834	10,335,598	236
Revenues Over (Under) Expenditures	336,054	8,014,858	7,995,451	(19,407)
Other Financing Sources (Uses):				
Proceeds from sale of bonds	-	51,820,000	51,820,000	-
Net change in fund balance	336,054	59,834,858	59,815,451	(19,407)
Fund balance, beginning	5,282,888	5,282,888	5,282,888	-
Fund balance, ending	$ 5,618,942	$ 65,117,746	$ 65,098,339	$ (19,407)

LIBERTY PUBLIC SCHOOL DISTRICT NO. 53
BUDGETARY COMPARISON SCHEDULE - CASH BASIS
CAPITAL PROJECTS FUND
FOR THE YEAR ENDED JUNE 30, 2016

	BUDGET			
	ORIGINAL	FINAL	ACTUAL	VARIANCE
REVENUES:				
Local	$ 2,939,876	$ 3,032,850	$ 3,028,613	$ (4,237)
County	39,777	80,551	80,551	-
State	1,527,456	1,527,456	1,527,456	-
Federal	-	-	-	-
Other	-	9,877	18,464	8,587
Total Revenues	4,507,109	4,650,734	4,655,084	4,350
EXPENDITURES:				
Instruction	15,500	44,750	41,380	3,370
Student services	-	15,590	11,690	3,900
Instructional staff support	730,763	14,547	14,547	-
General administration & central services	551,681	562,185	555,843	6,342
Building level administration	-	-	-	-
Operation of plant	38,500	260,774	258,186	2,588
Pupil transportation	265,338	279,677	279,676	1
Food service	84,000	99,954	99,974	(20)
Community services	-	-	-	-
Facility acquisition and construction	3,185,562	4,034,951	4,052,975	(18,024)
Debt service:				
Principal retirement	4,079,700	4,079,700	4,079,700	-
Interest and fees	1,966,034	1,951,695	1,949,665	2,030
Total Expenditures	10,917,078	11,343,823	11,343,636	187
Revenues Over (Under) Expenditures	(6,409,969)	(6,693,089)	(6,688,552)	4,537
Other Financing Sources (Uses):				
Transfers	4,725,000	5,246,981	5,246,981	-
Net change in fund balance	(1,684,969)	(1,446,108)	(1,441,571)	4,537
Fund balance, beginning	9,362,671	9,362,671	9,362,671	-
Fund balance, ending	$ 7,677,702	$ 7,916,563	$ 7,921,100	$ 4,537

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.

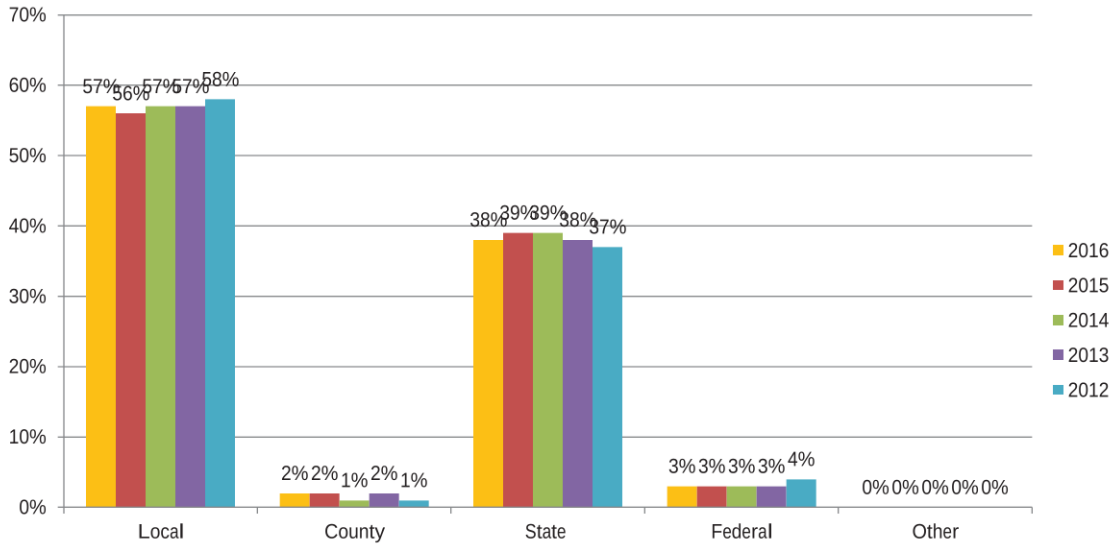
6. Budgets for District funds are prepared and adopted on the cash basis (budget basis), recognizing revenues when collected and expenditures when paid.

LIBERTY PUBLIC SCHOOL DISTRICT NO. 53
SCHEDULE OF REVENUES COLLECTED BY SOURCE
FOR THE YEAR ENDED JUNE 30, 2016

	GENERAL FUND	SPECIAL REVENUE FUND	DEBT SERVICE FUND	CAPITAL PROJECTS FUND	TOTAL
LOCAL:					
Property tax	$ 40,250,067	$ -	$ 10,378,142	$ 2,990,361	$ 53,618,570
Sales tax	-	10,870,475	-	-	10,870,475
Financial institution tax	64,179	-	16,548	4,768	85,495
M & M surtax	1,045,629	-	-	-	1,045,629
In lieu of tax	7,210,469	-	-	-	7,210,469
Tuition	36,895	-	-	-	36,895
Earnings on investments	284,254	-	7,301,609	25,689	7,611,552
Food service	3,592,455	-	-	-	3,592,455
Student activities	2,312,363	-	-	-	2,312,363
Community services	2,321,618	-	-	-	2,321,618
Other local revenue	526,255	-	-	7,795	534,050
Total Local	57,644,184	10,870,475	17,696,299	3,028,613	89,239,571
COUNTY:					
Fines and escheats	-	257,153	-	-	257,153
State assessed utilities	1,778,024	-	362,491	80,551	2,221,066
Total County	1,778,024	257,153	362,491	80,551	2,478,219
STATE:					
Basic formula	12,721,733	38,165,200	-	-	50,886,933
Transportation	1,118,629	-	-	-	1,118,629
Early Childhood Special Ed.	1,872,439	-	-	-	1,872,439
Basic formula - Classroom trust fund	2,935,970	-	-	1,527,456	4,463,426
Career education	4,980	11,589	-	-	16,569
Food service	43,954	-	-	-	43,954
Educational Screening/PAT	147,585	-	-	-	147,585
Residential placement/Excess cost	27,154	-	-	-	27,154
High need fund	1,895,183	-	-	-	1,895,183
Other state revenue	36,149	-	-	-	36,149
Total State	20,803,776	38,176,789	-	1,527,456	60,508,021
FEDERAL:					
Title I	634,604	-	-	-	634,604
Title II, A	153,364	-	-	-	153,364
Title III	55,815	-	-	-	55,815
Medicaid	124,540	-	-	-	124,540
Career education	86,108	-	-	-	86,108
Individuals with Disabilities	1,750,088	-	-	-	1,750,088
IDEA grants	189,619	-	-	-	189,619
Early Childhood Special Education	255,609	-	-	-	255,609
Child Nutrition	1,469,716	-	-	-	1,469,716
Other federal revenue	100,000	-	272,259	-	372,259
Total Federal	4,819,463	-	272,259	-	5,091,722
OTHER:					
Payments from other districts	74,012	88,482	-	-	162,494
Proceeds from bonds	-	-	51,820,000	-	51,820,000
Proceeds from sale of property	26,037	-	-	18,464	44,501
Total Other	100,049	88,482	51,820,000	18,464	52,026,995
Total Revenues Collected	$ 85,145,496	$ 49,392,899	$ 70,151,049	$ 4,655,084	$ 209,344,528

LIBERTY PUBLIC SCHOOL DISTRICT NO. 53
COMPARISON OF REVENUES COLLECTED BY SOURCE
FOR THE YEARS ENDED JUNE 30, 2016, 2015, 2014, 2013 AND 2012

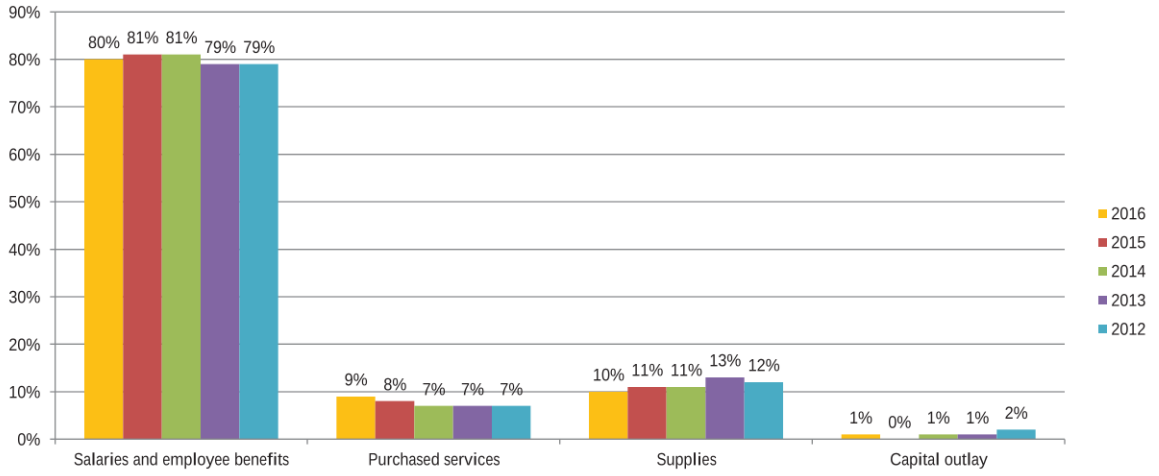
	2016	2015	2014	2013	2012
Local	$ 89,239,571	$ 79,164,980	$ 74,925,197	$ 74,008,040	$ 72,930,352
County	2,478,219	2,212,820	1,860,915	1,963,239	1,845,601
State	60,508,021	55,201,444	52,632,681	49,303,294	46,289,123
Federal	5,091,722	4,309,643	4,452,400	3,912,854	5,514,062
Other	206,995	256,016	231,886	169,676	221,525
Total	$ 157,524,528	$ 141,144,903	$ 134,103,079	$ 129,357,103	$ 126,800,663



NOTE: The above graphs do not include proceeds from the sale of bonds.

LIBERTY PUBLIC SCHOOL DISTRICT NO. 53
SCHEDULE OF EXPENDITURES PAID BY OBJECT
FOR THE YEARS ENDED JUNE 30, 2016, 2015, 2014, 2013 AND 2012

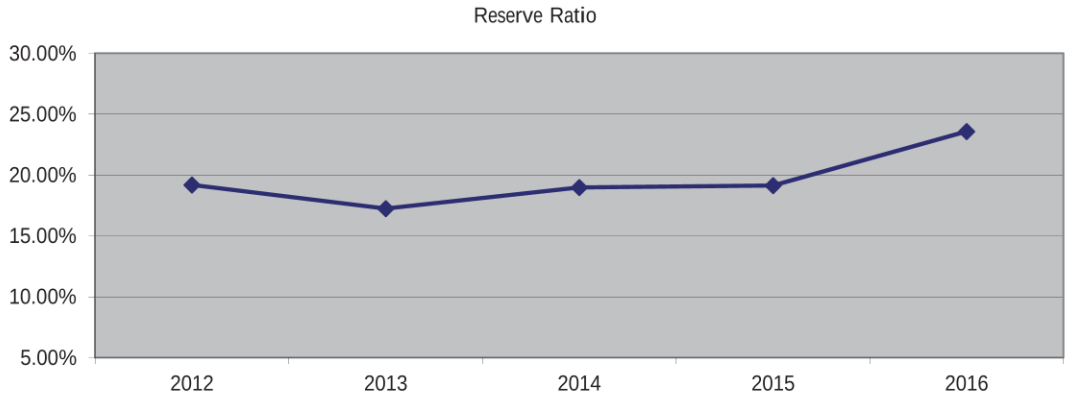
	GENERAL FUND	SPECIAL REVENUE FUND	DEBT SERVICE FUND	CAPITAL PROJECTS FUND	2016 TOTALS	2015 TOTALS	2014 TOTALS	2013 TOTALS	2012 TOTALS
Salaries	$22,531,177	$53,921,281	$ -	$ -	$ 76,452,458	$ 73,885,662	$ 71,358,867	$ 71,067,716	$ 68,286,807
Employee benefits	7,982,652	15,686,980	-	-	23,669,632	21,945,211	21,020,823	19,736,511	20,228,075
Purchased services	9,151,716	1,453,129	-	-	10,604,845	9,955,453	8,571,884	8,226,073	7,376,817
Supplies	12,746,857	-	-	-	12,746,857	13,206,102	12,573,301	14,801,673	13,431,829
Capital outlay	-	-	-	5,314,271	5,314,271	1,463,861	1,808,535	1,729,625	9,994,607
Principal	-	-	5,190,000	4,079,700	9,269,700	17,891,828	34,148,629	5,249,772	37,308,797
Interest and fees	-	-	5,145,598	1,949,665	7,095,263	6,818,989	6,712,006	6,621,968	8,091,053
	$52,412,402	$71,061,390	$10,335,598	$11,343,636	$ 145,153,026	$ 145,167,106	$ 156,194,045	$ 127,433,338	$ 164,717,985

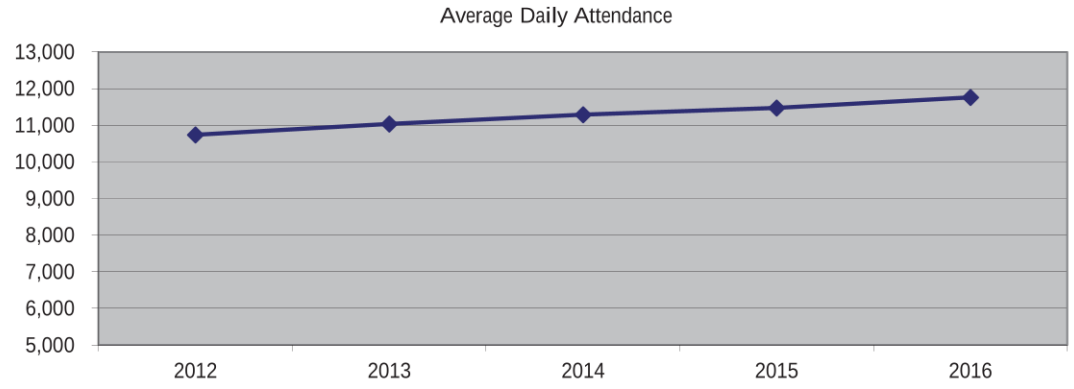


Note: The above graphs do not include expenditures for debt service or for capital improvements related to facility construction.

LIBERTY PUBLIC SCHOOL DISTRICT NO. 53
SELECTED TRENDS
FOR THE YEARS ENDED JUNE 30, 2012 THROUGH 2016

General and Special Revenue Fund	2012	2013	2014	2015	2016
Total Unrestricted Fund Balances	$ 20,968,851	$ 19,650,097	$ 21,555,630	$ 22,758,182	$ 29,100,843
Total Revenues	115,313,609	119,206,741	120,509,208	125,486,327	134,538,395
Total Expenditures	109,323,527	113,831,973	113,524,875	118,992,428	123,473,792
Reserve Ratio	19.18%	17.26%	18.99%	19.13%	23.57%
Average Daily Attendance	10,734.87	11,039.71	11,290.01	11,470.07	11,759.25





LIBERTY PUBLIC SCHOOL DISTRICT NO. 53
SCHEDULE OF SELECTED STATISTICS
FOR THE YEAR ENDED JUNE 30, 2016

County Code 024-090

1. CALENDAR

A. Standard day length (SDL) - The Total number of hours between the starting time of the first class and the dismissal time of the last class, minus the time allowed for lunch and one passing time, and minus Channel One time. Reported with 4 decimal places.

Grades K - 5	6.6666
Grades K - 5 Epic Elementary	6.2500
Grades 6 - 12	6.7500

B. The number of hours classes were in session and pupils were under the direction of teachers during this school year was as follows:

Alexander Doniphan Elementary	1,151.33
South Valley Middle School	1,165.83
Liberty Middle School	1,165.83
Discovery Middle School	1,165.83
Heritage Middle School	1,165.83
Liberty High School Grades 9-11	1,141.83
Liberty High School Grade 12	1,141.83
Liberty North High School Grades 9 - 11	1,142.50
Liberty North High School Grade 12	1,142.50
Franklin Elementary	1,151.33
Lewis and Clark Elementary	1,151.33
Manor Hill Elementary	1,151.33
Ridgeview Elementary	1,151.33
Lillian Schumacher Elementary	1,151.33
Shoal Creek Elementary	1,151.33
Liberty Oaks Elementary	1,151.33
Warren Hills Elementary	1,151.33
KellyBrook Elementary	1,151.33
Epic Elementary	1,060.75

C. The number of days classes were in session and pupils were under the direction of teachers during this school year was 171 days for EPIC Elementary and 174 days for all other buildings.

2. AVERAGE DAILY ATTENDANCE (ADA)

Alexander Doniphan Elementary	338.75
South Valley Middle School	668.67
Liberty Middle School	672.35
Discover Middle School	634.95
Heritage Middle School	689.45
Liberty High School	1,580.61
Liberty North High School	1,606.78
Franklin Elementary	291.25
Lewis and Clark Elementary	578.44
Manor Hill Elementary	384.63
Ridgeview Elementary	432.59
Lillian Schumacher Elementary	570.47
Shoal Creek Elementary	802.48
Liberty Oaks Elementary	526.38
Warren Hills Elementary	652.56
KellyBrook Elementary	586.88
Epic Elementary	284.94
Subtotal	11,302.18
Summer School	457.07
Total ADA	11,759.25

3. SEPTEMBER MEMBERSHIP

September Membership FTE Count: 11,960.21

4. FREE AND REDUCED PRICE LUNCH FTE COUNT (Section 163.011(6), RSMo)

State FTE Total: Free: 1,842.34
Reduced: 467.10

5. FINANCE

A. As required by Section 162.401, RSMo. a bond has been purchased for the District's treasurer in the amount of: $500,000

B. The District's deposits were secured during the year as required by Section 110.010 and 110.020, RSMo. True

C. The District maintained a separate bank account for its Debt Service Fund in accordance with Section 165.011, RSMo. True

D. Salaries reported for educators in the October Core Data cycle are supported by payroll/contract records. True

E. If a $162,326 or 7% x SAT x WADA transfer was made in excess of adjusted expenditures, did the Board approve 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? True

5. FINANCE (continued)

F. The District 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

G. 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. True

H. The amount spent for approved professional development committee plan activities was: $510,032

6. TRANSPORTATION (Section 163.161, RSMo.)

A. The District's transportation allowable costs substantially conform to 5 CSR 30-261.040, Allowable Costs for State Transportation Aid. True

B. The District's school transportation ridership records are maintained in a manner to accurately disclose in all material respects the average number of regular riders transported. True

C. 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: 6,357.50
Ineligible ADT: 266.50

D. The District's transportation odometer mileage records are maintained in a manner to accurately disclose in all material respects the eligible and ineligible miles for the year. True

E. Actual odometer records, the total district-operated and contracted mileage for the year was: 1,170,607

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: 935,317
Ineligible miles (non-route/disapproved): 235,290

F. Number of days the District operated the school transportation system during the regular school year: 174

LIBERTY PUBLIC SCHOOL DISTRICT NO. 53
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2016

FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/ PROGRAM TITLE	FEDERAL CFDA NUMBER	PASS-THROUGH GRANTOR NUMBER	EXPENDITURES
U.S. Department of Agriculture			
Passed-through Missouri Department of Elementary and Secondary Education:			
Child Nutrition Cluster:			
National School Breakfast Program	10.553	024-090	$ 172,411
National School Lunch Program	10.555	024-090	1,292,944
National After School Snack	10.555	024-090	4,361
Non cash: Food Distribution	10.555	024-090	353,434
Total Child Nutrition Cluster			1,823,150
U.S. Department of Education			
Passed-through Missouri Department of Elementary and Secondary Education:			
IDEA, Part B	84.027A	024-090	1,999,900
IDEA Preschool Grants	84.173A	024-090	47,299
Total Special Education Cluster			2,047,199
Title I	84.010A	024-090	609,527
Title II.A	84.367A	024-090	139,329
Title III	84.365A	024-090	40,026
Carl D. Perkins Vocational	84.048A	024-090	86,108
			$ 4,745,339

Note 1. 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, 2016. 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.

Note 2. Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the 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.

INTERNAL CONTROL AND COMPLIANCE

WESTBROOK & CO., P.C.
Certified Public Accountants

749 Driskill Drive
Richmond, MO 64085

18 North Folger
Carrollton, MO 64633

REPORT ON THE ADMINISTRATION'S ASSERTIONS ABOUT COMPLIANCE WITH SPECIFIED REQUIREMENTS OF MISSOURI LAWS AND REGULATIONS

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

We have audited the administration's assertions, included in its representation letter dated September 21, 2016, 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, 2015 and the number of students eligible to receive free or reduced price lunches on the last Wednesday of January, 2016; 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 actual odometer miles eligible and ineligible for state aid and the allowable costs for pupil transportation during the year ended June 30, 2016. As discussed in that representation letter, the administration is responsible for the District's compliance with those requirements. Our responsibility is to express an opinion on the administration's assertions about the District's compliance based on our audit.

Our audit was made in accordance with standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our opinion does not provide a legal determination on the District's compliance with specified requirements.

In our opinion, the administration's assertions that the District complied with the aforementioned requirements for the year ended June 30, 2016, are fairly stated in all material respects.

This report is intended solely for the information and use of the Board of Education, 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 21, 2016

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

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None

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Certified Public Accountants

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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 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, 2016, 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 21, 2016.

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) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the 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 District'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 may exist that have not been identified.

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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 determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

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 District'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 District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Westbrook & Co., P.C.

Richmond, Missouri
September 21, 2016

WESTBROOK & CO., P.C.
Certified Public Accountants

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INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND 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

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, 2016. The District's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the District's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; 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). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination on the District's compliance.

Opinion on Each Major Federal Program

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, 2016.

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Report on Internal Control Over Compliance

Management of the District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program 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 internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District's 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 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 first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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 upon the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purposes.

Westbrook & Co., P.C.

Richmond, Missouri
September 21, 2016

LIBERTY PUBLIC SCHOOL DISTRICT NO. 53
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2016

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 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 federal 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:				
Title II, Part A	CFDA No. 84.367A			
Child Nutrition Cluster	CFDA No. 10.553 and 10.555			
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

The prior audit included no audit findings.