CITY OF LIBERAL, KANSAS
Liberal, Kansas

FINANCIAL STATEMENTS
For the year ended December 31, 2023

CITY OF LIBERAL, KANSAS

FINANCIAL STATEMENTS
For the year ended December 31, 2023

TABLE OF CONTENTS

	Page Number
FINANCIAL SECTION	
Independent Auditor's Report	1
Independent Auditor's 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	5
Statement 1	
Summary Statement of Receipts, Expenditures and Unencumbered Cash – Regulatory Basis	7
Notes to the Financial Statements	10
REGULATORY–REQUIRED SUPPLEMENTARY INFORMATION	
Schedule 1	
Summary of Expenditures – Actual and Budget – Regulatory Basis	27
Schedules of Receipts and Expenditures – Actual and Budget – Regulatory Basis	
Schedule 2-1: General Fund	29
Schedule 2-2: Special Fire Equipment Fund	32
Schedule 2-3: Communications Center Fund	33
Schedule 2-4: Special Parks and Recreation Fund	34
Schedule 2-5: Special Alcoholic Treatment Fund	35
Schedule 2-6: Library Fund	36
Schedule 2-7: Convention and Tourism Fund	37
Schedule 2-8: Special Highway Fund	38
Schedule 2-9: Employee Benefits Fund	39
Schedule 2-10: Economic Incentives Fund	40
Schedule 2-11: Educational Sales Tax Fund	41
Schedule 2-12: Street Drainage and Other Capital Improvements Fund	42
Schedule 2-13: Special Economic Development Fund	43
Schedule 2-14: Special Crime Prevention Fund	44
Schedule 2-15: Special Housing Fund	45

CITY OF LIBERAL, KANSAS

FINANCIAL STATEMENTS
For the year ended December 31, 2023

TABLE OF CONTENTS
(Continued)

	Page Number
REGULATORY–REQUIRED SUPPLEMENTARY INFORMATION (Continued)	
Schedules of Receipts and Expenditures – Actual and Budget – Regulatory Basis (Cont.)	
Schedule 2-16: Special Beautification Fund	46
Schedule 2-17: Bond and Interest Fund	47
Schedule 2-18: Water Bond and Interest Fund	48
Schedule 2-19: Airport Utility Fund	49
Schedule 2-20: Air Museum Fund	50
Schedule 2-21: Solid Waste Utility Fund	51
Schedule 2-22: Wastewater Utility Fund	52
Schedule 2-23: Water Utility Fund	53
Schedule of Receipts and Expenditures – Regulatory Basis	
Schedule 2-24: Equipment Reserve Fund	55
Schedule 2-25: Gifts and Donations Fund	56
Schedule 2-26: Snow Removal Reserve Fund	57
Schedule 2-27: Diversion Program Fund	58
Schedule 2-28: Communications Reserve Fund	59
Schedule 2-29: Improvement Projects Fund	60
Schedule 2-30: Airport Land Sale Fund	61
Schedule 2-31: Airport Improvement Fund	62
Schedule 2-32: Solid Waste Equipment Reserve Fund	63
Schedule 2-33: Wastewater Equipment Reserve Fund	64
Schedule 2-34: Water Equipment Reserve Fund	65
Schedule 2-35: Cemetery Perpetual Fund	66
Schedule 2-36: Fire Insurance Proceeds Fund	67
Schedule 2-37: Edward Byrne Memorial Fund	68
Schedule 2-38: BJA Drug Court Grant Fund	69
Schedule 2-39: Police Step Grant Fund	70
Schedule 2-40: ARPA Fund	71
Schedule 3	
Agency Funds – Summary of Receipts and Disbursements – Regulatory Basis	72

CITY OF LIBERAL, KANSAS

FINANCIAL STATEMENTS
For the year ended December 31, 2023

TABLE OF CONTENTS
(Continued)

	Page Number
SUPPLEMENTARY INFORMATION	
Independent Auditor's Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by the Uniform Guidance	74
Schedule 4	
Schedule of Expenditures of Federal Awards	77
Notes to Schedule of Expenditures of Federal Awards	78
Schedule 5	
Schedule of Findings and Questioned Costs	80

CITY OF LIBERAL, KANSAS

FINANCIAL SECTION

HAY·RICE & ASSOCIATES
CERTIFIED PUBLIC ACCOUNTANTS
CHARTERED

INDEPENDENT AUDITOR'S REPORT

To the City Commission
City of Liberal, Kansas

Adverse and Unmodified Opinions

We have audited the accompanying fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances of the City of Liberal, Kansas, as of and for the year ended December 31, 2023 and the related notes to the financial statement.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the Basis for Adverse and Unmodified Opinions section of our report, the accompanying financial statement referred to above does not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the City of Liberal, Kansas as of December 31, 2023, or changes in financial position and cash flows thereof for the year then ended.

Unmodified Opinion on Regulatory Basis of Accounting

In our opinion, the accompanying financial statement referred to above presents fairly, in all material respects, the aggregate cash and unencumbered cash balance of the City of Liberal, Kansas as of December 31, 2023, and the aggregate receipts and expenditures for the year then ended in accordance with the financial reporting provisions of the *Kansas Municipal Audit and Accounting Guide* described in Note 1.

Basis for Adverse and Unmodified Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS), the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and the *Kansas Municipal Audit and Accounting Guide*. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statement section of our report. We are required to be independent of the City of Liberal, Kansas, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our adverse and unmodified audit opinions.

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Matter Giving Rise to Adverse Opinion on U.S. Generally Accepted Accounting Principles

As discussed in Note 1 of the financial statement, the financial statement is prepared by the City of Liberal, Kansas on the basis of the financial reporting provisions of the *Kansas Municipal Audit and Accounting Guide*, which is a basis of accounting other than accounting principles generally accepted in the United States of America. The effects on the financial statement of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

Responsibilities of Management for the Financial Statement

Management is responsible for the preparation and fair presentation of this financial statement in accordance with the *Kansas Municipal Audit and Accounting Guide* as described in Note 1; this includes determining that the regulatory basis of accounting is an acceptable basis for the preparation of the financial statement in the circumstances. Management is also responsible for the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of the financial statement that is free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Statement

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

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

- exercise professional judgment and maintain professional skepticism throughout the audit.

- identify and assess the risks of material misstatement of the financial statement, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statement.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City of Liberal's internal control. Accordingly, no such opinion is expressed.
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statement.
- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City of Liberal's ability to continue as a going concern for a reasonable period of time.

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

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances (basic financial statement) as a whole. The summary of regulatory basis expenditures-actual and budget, individual fund schedules of regulatory basis receipts and expenditures-actual and budget, schedule of regulatory basis receipts and expenditures-agency funds (Schedules 1, 2 and 3 as listed in the table of contents) are presented for purposes of additional analysis and are not a required part of the basic financial statement, however are required to be presented under the provisions of the *Kansas Municipal Audit and Accounting Guide*. The schedule of expenditures of federal awards (Schedule 4 as listed in the table of contents), as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), is presented for purposes of additional analysis and is also not a required part of the basic financial statement. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statement. The information has been subjected to the auditing procedures applied in the audit of the basic financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statement or to the basic financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying supplementary information is fairly stated in all material respects, in relation to the basic financial statement as a whole, on the basis of accounting described in Note 1.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated September 13, 2024, on our consideration of the City of Liberal, Kansas' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City of Liberal, Kansas' internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Liberal, Kansas' internal control over financial reporting and compliance.

Hay•Rice & Associates, Chartered

Hay•Rice & Associates, Chartered

September 13, 2024

HAY·RICE & ASSOCIATES
CERTIFIED PUBLIC ACCOUNTANTS
CHARTERED

INDEPENDENT AUDITOR'S 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 City Commission
City of Liberal, Kansas

We have audited, in accordance with the auditing standards generally accepted in the United States of America, the *Kansas Municipal Audit and Accounting Guide*, and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statement of the City of Liberal, Kansas, as of and for the year ended December 31, 2023, and the related notes to the financial statement, which comprise the City of Liberal, Kansas' basic financial statement, and have issued our report thereon dated September 13, 2024, which was qualified because the City of Liberal, Kansas prepares its financial statement to meet the requirements of the State of Kansas on the basis of the financial reporting provisions of the *Kansas Municipal Audit and Accounting Guide*, which is a basis of accounting other than accounting principles generally accepted in the United States of America.

Report on Internal Control Over Financial Reporting

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statement 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.

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Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

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

Purpose of this Report

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

Hay•Rice & Associates, Chartered

Hay•Rice & Associates, Chartered

September 13, 2024

CITY OF LIBERAL, KANSAS

Statement 1

SUMMARY STATEMENT OF RECEIPTS, EXPENDITURES
AND UNENCUMBERED CASH – REGULATORY BASIS
For the year ended December 31, 2023

Funds	Beginning Unencumbered Cash Balance	Receipts	Expenditures	Ending Unencumbered Cash Balance	Add Encumbrances & Accounts Payable	Ending Cash Balance
General Fund	$ 4,003,796	$17,343,645	$18,958,365	$ 2,389,076	$448,200	$ 2,837,276
Special Purpose Funds:						
Special Fire Equipment	147,311	47,604	18,685	176,230	-	176,230
Communications Center	310,383	914,766	1,023,744	201,405	25,151	226,556
Special Parks and Recreation	38,539	64,440	64,000	38,979	-	38,979
Special Alcoholic Treatment	199,128	64,440	70,374	193,194	-	193,194
Library	-	601,388	601,388	-	-	-
Convention and Tourism	297,375	476,134	490,601	282,908	13,339	296,247
Special Highway	1,127,824	767,685	849,956	1,045,553	3,323	1,048,876
Employee Benefits	345,939	245,054	590,993	-	-	-
Economic Incentives	96,354	1,299,492	1,354,765	41,081	-	41,081
Educational Sales Tax	202,173	2,583,512	2,569,301	216,384	-	216,384
Street Drainage and Other Capital Improvements	3,933,342	3,202,407	2,855,318	4,280,431	6,597	4,287,028
Special Economic Development	1,995,154	1,273,300	1,380,167	1,888,287	22,413	1,910,700
Special Crime Prevention	909,680	277,360	426,947	760,093	332	760,425
Special Housing	1,471,299	819,088	671,982	1,618,405	36,777	1,655,182
Special Beautification	745,720	282,042	303,672	724,090	15,799	739,889
Air Museum	185,132	448,389	391,219	242,302	14,021	256,323
Equipment Reserve	982,316	685	139,971	843,030	-	843,030
Gifts and Donations	592,961	316,158	211,744	697,375	1,234	698,609
Snow Removal Reserve	240,885	-	-	240,885	-	240,885
Diversion Program	194,849	57,671	17,284	235,236	-	235,236
Communications Reserve	27,766	753	-	28,519	-	28,519
Cemetery Perpetual	32,263	7,968	4,875	35,356	-	35,356
Fire Insurance Proceeds	780	850	-	1,630	-	1,630
Edward Byrne Memorial	1,699	-	-	1,699	-	1,699

The notes to the financial statement are an integral part of this statement.

CITY OF LIBERAL, KANSAS

Statement 1
(Continued)

SUMMARY STATEMENT OF RECEIPTS, EXPENDITURES
AND UNENCUMBERED CASH – REGULATORY BASIS
For the year ended December 31, 2023

Funds	Beginning Unencumbered Cash Balance	Receipts	Expenditures	Ending Unencumbered Cash Balance	Add Encumbrances & Accounts Payable	Ending Cash Balance
Special Purpose Funds (Continued):						
BJA Drug Court Grant	(69,269)	191,971	163,839	(41,137)	4,148	(36,989)
Police Step Grant	-	2,869	2,869	-	-	-
ARPA	1,839,960	-	1,581,233	258,727	7,179	265,906
Debt Service Funds:						
Bond and Interest	4,512,838	527,644	1,531,300	3,509,182	-	3,509,182
Water Rev Bond and Interest	166,010	644,553	644,553	166,010	-	166,010
Capital Projects Funds:						
Improvement Projects	(5,410,674)	8,603,083	3,568,020	(375,611)	18,967	(356,644)
Business Funds – Enterprise Type Funds:						
Airport:						
Airport Utility	237,804	1,402,641	899,126	741,319	12,769	754,088
Airport Land Sale	193,120	61,751	-	254,871	-	254,871
Airport Improvement	89,586	561,967	670,406	(18,853)	121,169	102,316
Solid Waste System:						
Solid Waste Utility	32,713	2,460,635	2,385,648	107,700	91,709	199,409
Solid Waste Equipment Reserve	1,095,040	-	-	1,095,040	-	1,095,040
Wastewater System:						
Wastewater Utility	2,113,428	3,681,427	3,260,877	2,533,978	44,597	2,578,575
Wastewater Equipment Reserve	260,993	-	-	260,993	-	260,993
Water System:						
Water Utility	4,258,271	6,276,810	5,154,311	5,380,770	90,462	5,471,232
Water Equipment Reserve	2,319,682	62,859	-	2,382,541	-	2,382,541
Total Reporting Entity (Excluding Agency Funds)	$29,722,170	$55,573,041	$52,857,533	$32,437,678	$978,186	$33,415,864

The notes to the financial statement are an integral part of this statement.

CITY OF LIBERAL, KANSAS

Statement 1
(Continued)

SUMMARY STATEMENT OF RECEIPTS, EXPENDITURES
AND UNENCUMBERED CASH – REGULATORY BASIS
For the year ended December 31, 2023

Ending Cash Balance		$33,415,864
Composition of Cash:		
Cash on hand	$ 34,840	
Deposits in Local Depositories:		
Bank Accounts:		
Sunflower Bank:		
Operating account	3,546,301	
Sweep account	10,459,623	
Health insurance account	193,676	
Savings account	5,785,968	
Municipal court account	15,470	
Community Bank:		
Economic development account	342,224	
City treasurer account	9,587	
Evidence account	26,261	
State Investment Pool	10,117,132	
State Agency Fund	106	
Certificates of Deposit:		
Bank of the Plains	2,047,662	
Equity Bank	1,104,834	
Total Cash		$33,683,684
Agency Funds per Schedule 3		(267,820)
Total Reporting Entity (Excluding Agency Funds)		$33,415,864

The notes to the financial statement are an integral part of this statement.

CITY OF LIBERAL, KANSAS

NOTES TO THE FINANCIAL STATEMENTS
December 31, 2023

Note 1: Summary of Significant Accounting Policies

Municipal Financial Reporting Entity

The City of Liberal, Kansas is a municipal corporation governed by an elected five-member commission. This regulatory financial statement presents the City of Liberal (the municipality). A related municipal entity is defined as an entity legally separate from the City, which has a significant dependence on, or relationship with, the City. Based on the criteria used to evaluate potential related municipal entities, it was determined that there were no related municipal entities to present with the municipality's financial statement.

Related Municipal Entities not Presented

Housing Authority – An appointed City board operates the City's housing projects. The authority can sue and be sued, and can buy, sell or lease real property. Bond issuances must be approved by the City. The authority has a year end of September 30. Copies of the financial statements may be obtained from the Housing Authority located at Parklane Towers, 1401 N. New York Ave., Liberal, Kansas.

Library Board – An appointed City board operates the municipal library. The City Commissioners must approve acquisition or disposition of real property. Bond issuances must also be approved by the City's governing body. Copies of the financial statements may be obtained from the Library located at 519 N. Kansas, Liberal, Kansas.

Fund Descriptions

In governmental accounting, a fund is defined as an independent fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources, together with all related liabilities and residual equities or balances, and changes therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations.

Regulatory Basis Fund Types

The following types of funds comprise the financial activities of the City for the year of 2023:

Governmental Funds:

General Fund – The Chief Operating Fund – used to account for all resources except those required to be accounted for in another fund.

Note 1: Summary of Significant Accounting Policies (Continued)

Governmental Funds (Continued):

Special Purpose Funds – used to account for the proceeds of specific tax levies and other specific regulatory receipt sources (other than Capital Project and tax levies for long-term debt) that are intended for specified purposes.

Bond and Interest Funds – used to account for the accumulation of resources, including tax levies, transfers from other funds and payment of general long-term debt.

Capital Project Funds – used to account for the debt proceeds and other financial resources to be used for acquisition or construction of major capital facilities or equipment.

Business Funds:

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

Fiduciary Funds:

Agency Fund – used to report assets held by the municipal reporting entity in a purely custodial capacity.

Note 1: Summary of Significant Accounting Policies (Continued)

Basis of Accounting

Regulatory Basis of Accounting and Departure from Accounting Principles Generally Accepted in the United States of America

The KMAAG regulatory basis of accounting involves the recognition of cash, cash equivalents, marketable investments, and certain accounts payable and encumbrance obligations to arrive at a net unencumbered cash and investments balance on a regulatory basis for each fund, and the reporting of changes in unencumbered cash and investments of a fund resulting from the difference in regulatory basis receipts and regulatory basis expenditures for the fiscal year. All recognized assets and liabilities are measured and reported at cost, unless they have been permanently impaired and have no future cash value or represent no future obligation against cash. The KMAAG regulatory basis does not recognize capital assets, long-term debt, accrued receivables and payables, or any other assets, liabilities or deferred inflows or outflows, other than those mentioned above.

The municipality has approved a resolution that is in compliance with K.S.A. 75-1120a(c), waiving the requirement for application of generally accepted accounting principles and allowing the municipality to use the regulatory basis of accounting.

The basis of accounting described above results in a financial statement presentation which shows cash receipts, cash disbursements, cash and unencumbered cash balances, and expenditures compared to budget. Balance sheets that would have shown noncash assets such as receivables, inventories and prepaid expense, liabilities such as deferred revenue and matured principal and interest payable, and reservations of the fund balance are not presented. Under accounting principles generally accepted in the United States of America, encumbrances are only recognized as a reservation of fund balance; encumbrances outstanding at year end do not constitute expenditures or liabilities. Consequently, the expenditures as reported do not present the cost of goods and services received during the fiscal year in accordance with generally accepted accounting principles. General capital assets that account for the land, buildings and equipment owned by the municipality are not presented in the financial statements. Also, general long-term debt such as general obligation bonds, revenue bonds, finance leases, temporary notes, and compensated absences are not presented in the financial statements.

Note 1: Summary of Significant Accounting Policies (Continued)

Other Accounting Policies

Cash and Time Deposits

These liquid assets are shown in aggregate. K.S.A. 12-1671 and 12-1672 allow these assets to be shown in aggregate. Deposits are carried at cost.

In accordance with K.S.A. 9-1402 and K.S.A. 12-1675, the City of Liberal, Kansas, deposited and/or invested all funds with the Community Bank, Sunflower Bank, Bank of the Plains, Equity Bank, and the state investment pool.

State statutes and local bond ordinances authorize the City to invest in obligations of the U.S. Treasury and certificates of deposit at local financial institutions.

Special Assessments

Projects financed in part by special assessments are financed through general obligation bonds of the City and are retired from the bond and interest fund. Special assessments paid prior to the issuance of bonds are recorded as revenue in the appropriate project. Special assessments received after the issuance of bonds are recorded as revenue in the bond and interest fund.

Temporary Notes

Upon authorization for the issuance of general obligation bonds for certain improvements, Kansas law permits the temporary financing of such improvements by the issuance of temporary notes. Temporary notes issued may not exceed the aggregate amount of bonds authorized, are interest bearing and have a maturity date not later than four years from the date of issuance of such temporary notes. Temporary notes outstanding are retired from the proceeds of the sale of general obligation bonds.

Vouchers Payable

Vouchers payable are classified on the basis of a claim for payment resulting from legal title to property.

Note 1: Summary of Significant Accounting Policies (Continued)

Encumbrances

Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of funds are recorded in order to reserve that portion of the applicable appropriation, is employed in the governmental funds.

In addition, encumbrances do constitute expenditures of a fund.

Unencumbered Cash Balance

The unencumbered cash balance is the unobligated resources of cash and time deposits of a fund.

Budgetary Information

Kansas statutes require that an annual operating budget be legally adopted for the general fund, special purpose funds (unless specifically exempted by statute), bond and interest funds, and business funds. Although directory rather than mandatory, the statutes provide for the following sequence and timetable in the adoption of the legal annual operating budget:

1. Preparation of the budget for the succeeding calendar year on or before August 1st.
2. Publication in local newspaper on or before August 5th of the proposed budget and notice of public hearing on the budget.
3. Public hearing on or before August 15th, but at least ten days after publication of notice of hearing.
4. Adoption of the final budget on or before August 25th.

If the municipality is holding a revenue neutral rate hearing, the budget timeline for adoption of the final budget has been adjusted to on or before September 20th. The City of Liberal did hold a revenue neutral rate hearing for this year.

The statutes allow for the governing body to increase the originally adopted budget for previously unbudgeted increases in regulatory receipts other than ad valorem property taxes. To do this, a notice of public hearing to amend the budget must be published in the local newspaper. At least ten days after publication, the hearing may be held and the governing body may amend the budget at that time. There were no such budget amendments for this year.

Note 1: Summary of Significant Accounting Policies (Continued)

Budgetary Information (Continued)

The statutes permit transferring budgeted amounts between line items within an individual fund. However, such statutes prohibit expenditures in excess of the total amount of the adopted budget of expenditures of individual funds. Budget comparison schedules are presented for each fund showing actual receipts and expenditures compared to legally budgeted receipts and expenditures.

All legal annual operating budgets are prepared using the regulatory basis of accounting, in which regulatory receipts are recognized when cash is received and expenditures include disbursements, accounts payable, and encumbrances, with disbursements being adjusted for the prior year's accounts payable and encumbrances. Encumbrances are commitments by the municipality for future payments and are supported by a document evidencing the commitment, such as a purchase order or contract. Any unused budgeted expenditure authority lapses at year end.

A legal operating budget is not required for capital project funds, trust funds, and the following special purpose funds:

Equipment Reserve Fund
Gifts and Donations Fund
Snow Removal Reserve Fund
Diversion Program Fund
Communications Reserve Fund
Cemetery Perpetual Fund
Fire Insurance Proceeds Fund
Edward Byrne Memorial Fund
BJA Drug Court Grant Fund
Police Step Grant Fund
ARPA Fund

Spending in funds which are not subject to the legal annual operating budget requirement is controlled by federal regulations, other statutes, or by using internal spending limits established by the governing body.

All budgets must be filed with the County Clerk by August 25th. The County Clerk must calculate the final tax levy rates necessary to finance the budget subject to any legal limitations. After all budgets have been received and tax rates calculated, the Clerk certifies the tax roll to the County Treasurer, who prepares tax statements and receives payments.

Note 1: Summary of Significant Accounting Policies (Continued)

Budgetary Information (Continued)

These taxes become a lien against all property November 1st. Taxpayers have the option of paying in full or in two installments. The delinquency dates are December 20th and May 10th. Delinquent taxes are assessed interest at 12% per annum. This interest is retained by Seward County.

Taxes levied to finance the budget are made available to the City of Liberal, Kansas after the first of the year and are distributed by the County Treasurer approximately every month and a half. At least 50% of the taxes levied are available in January. Delinquent tax collections are distributed annually.

Note 2: Stewardship, Compliance and Accountability

Compliance with Kansas Statutes

No statutory violations were noted during the audit.

Fund Balances – Designated for Subsequent Year's Budget

Actual cash carryover was not sufficient for the following funds:

	2023 Unencumbered Cash Balance	2024 Budgeted Unencumbered Cash Carryover
General	$2,388,272	$3,635,765
Air Museum	242,302	243,000
Solid Waste Utility	107,701	297,000

Note 3: Deposits and Investments

K.S.A. 9-1401 establishes the depositories which may be used by the City of Liberal. The statute requires banks eligible to hold the City of Liberal's funds have a main or branch bank in the county in which the City of Liberal is located, or in an adjoining county if such institution has been designated as an official depository, and the banks provide an acceptable rate of return on funds. In addition, K.S.A. 9-1402 requires the banks to pledge securities for deposits in excess of FDIC coverage. The City of Liberal has no other policies that would further limit interest rate risk.

K.S.A. 12-1675 limits the City of Liberal's investment of idle funds to time deposits, open accounts, and certificates of deposit with allowable financial institutions; U.S. government securities; temporary notes; no-fund warrants; repurchase agreements; and the Kansas Municipal Investment Pool. The City of Liberal has no investment policy that would further limit its investment choices.

Concentration of Credit Risk – State statutes place no limit on the amount the City of Liberal may invest in any one issuer as long as the investments are adequately secured under K.S.A. 9-1402 and 9-1405.

Custodial Credit Risk – Deposits – Custodial credit risk is the risk that in the event of a bank failure, the City of Liberal's deposits may not be returned to it. State statutes require the City of Liberal's deposits in financial institutions to be entirely covered by federal depository insurance or by collateral held under a joint custody receipt issued by a bank within the State of Kansas, the Federal Reserve Bank of Kansas City, or the Federal Home Loan Bank of Topeka, except during designated "peak periods" when required coverage is 50%. All deposits were legally secured at December 31, 2023.

At December 31, 2023, the City of Liberal's carrying amount of deposits was $27,621,156 and the bank balance was $24,677,980. Of the bank balance, $1,250,000 was covered by federal depository insurance and $23,427,980 was collateralized with securities held by the pledging financial institution's agents in the City of Liberal's name.

Custodial Credit Risk – Investments – For an investment, this is the risk that, in the event of the failure of the issuer or counterparty, the City of Liberal will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. State statutes require investments to be adequately secured.

Note 4: Capital Projects

Capital project authorizations with approved change orders compared with expenditures from inception are as follows:

	Project Authorization	Expenditures to Date
Liberal Community Center	$1,000,000	$ 1,688,879
Grier House Improvement	400,000	349,849
Waterline Project	4,068,038	321,870
Holly Housing Addition	1,600,000	1,613,078

Note 5: Interfund Transfers

Operating transfers were as follows:

From	To	Regulatory Authority	Amount
General Fund	Bond and Interest	KSA 79-2934	$ 116,991
	Communications Center	KSA 12-1106	503,700
Employee Benefits	General Fund	KSA 79-2958	447,771
Street Drainage and Other Capital Improvements	General Fund	KSA 12-6a16	175,000
	Bond and Interest	KSA 12-6a16	225,393
	Improvement Projects	KSA 12-6a16	1,574,000
Special Economic Development	Airport Utility	KSA 79-2934	184,203
Special Crime Prevention	Improvement Projects	KSA 12-6a16	75,000
Special Housing	Improvement Projects	KSA 12-6a16	235,000
Bond and Interest	Improvement Projects	KSA 12-6a16	1,127,456
Water Utility	Water Revenue Bond and Interest	KSA 12-825d	644,553

Note 6: Defined Benefit Pension Plan

General Information about the Pension Plan

Plan Description

The City of Liberal, Kansas participates in the Kansas Public Employees Retirement System (KPERS), a cost-sharing multiple-employer defined benefit pension plan as provided by K.S.A. 74-4901, et seq. Kansas law establishes and amends benefit provisions. KPERS issues a publicly available financial report that includes financial statements and required supplementary information. KPERS' financial statements are included in its Annual Comprehensive Financial Report which can be found on the KPERS website at www.kpers.org or by writing to KPERS (611 South Kansas, Suite 100, Topeka, KS 66603) or by calling 1-888-275-5737.

Contributions

K.S.A. 74-4919 and K.S.A. 74-49,210 establish the KPERS member-employee contribution rates. KPERS has multiple benefit structures and contribution rates depending on whether the employee is a KPERS 1, KPERS 2 or KPERS 3 member. KPERS 1 members are active and contributing members hired before July 1, 2009. KPERS 2 members were first employed in a covered position on or after July 1, 2009, and KPERS 3 members were first employed in a covered position on or after January 1, 2015. Effective January 1, 2015, Kansas law established the KPERS member-employee contribution rate at 6% of covered salary for KPERS 1, KPERS 2 and KPERS 3 members. K.S.A. 74-4975 establishes KP&F member-employee contribution rate at 7.15% of covered salary. Member contributions are withheld by their employer and paid to KPERS according to the provisions of Section 414(h) of the Internal Revenue Code.

State law provides that the employer contribution rates for KPERS 1, KPERS 2 and KPERS 3 and KP&F be determined based on the results of each annual actuarial valuation. Kansas law sets a limitation on annual increases in the employer contribution rates. The actuarially determined employer contribution rate (not including the 1% contribution rate for the Death and Disability Program) and the statutory contribution rate was 8.43% for KPERS and 22.86% for KP&F for the fiscal year ended December 31, 2023. Contributions to the pension plan from the City of Liberal were $1,309,647 for KPERS and $986,966 for KP&F for the year ended December 31, 2023.

Note 6: Defined Benefit Pension Plan (Continued)

Net Pension Liability

At December 31, 2023, the City of Liberal's proportionate share of the collective net pension liability reported by KPERS was $7,846,962 and $7,398,440 for KP&F. The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2022, which was rolled forward to June 30, 2023. The City of Liberal's proportion of the net pension liability was based on the ratio of the City of Liberal's contributions to KPERS, relative to the total employer and non-employer contributions of the Local subgroup within KPERS. Since the KMAAG regulatory basis of accounting does not recognize long-term debt, this liability is not reported in this financial statement.

The complete actuarial valuation report including all actuarial assumptions and methods, and the report on the allocation of the KPERS collective net pension liability to all participating employers are publicly available on the website at www.kpers.org or can be obtained as described above.

Note 7: Other Long-Term Obligations from Operations

Compensated Absences

Vacations

Vacations for full-time City employees shall be as follows:

a. All employees shall be allowed two weeks paid vacation, or ten working days, after completing one complete year's service with the City.
b. Three weeks, or 15 days, paid vacation shall be allowed to each employee completing 10 full years of service with the City.
c. Four weeks, or 20 days, paid vacation shall be allowed after completing 20 years of service with the City.
d. All City employees entitled to vacations as provided in (a), (b), or (c) of this section shall be required to take their vacations within the calendar year. No employee shall be paid additionally for working during his/her vacation time.

Note 7: Other Long-Term Obligations from Operations (Continued)

Compensated Absences (Continued)

Sick Leave

a. Each full-time employee shall be allowed 2.77 hours sick leave for every pay period of continuous employment. Such sick leave shall be accumulative from year to year to a maximum of 480 hours.

Other Post Employment Benefits

As provided by K.S.A. 12-5040, the City of Liberal, Kansas allows retirees to participate in the group health insurance plan. While each retiree pays the full amount of the applicable premium, conceptually, the City of Liberal, Kansas is subsidizing the retirees because each participant is charged a level of premium regardless of age. However, the cost of this subsidy has not been quantified in this financial statement.

Under the Consolidated Omnibus Budget Reconciliation Act (COBRA), the City of Liberal, Kansas makes health care benefits available to eligible former employees and eligible dependents. Certain requirements are outlined by the federal government for this coverage. The premium is paid in full by the insured.

Death and Disability Other Post Employment Benefits

As provided by K.S.A. 74-4927, disabled members in the Kansas Public Employees Retirement System (KPERS) receive long-term disability benefits and life insurance benefits. The plan is administered through a trust held by KPERS that is funded to pay annual benefit payments. The employer contribution rate is set at 1% for the year ended December 31, 2023.

Note 8: Risk Management

The City of Liberal, Kansas is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters for which the City carries commercial insurance.

Note 8: Risk Management (Continued)

The City of Liberal, Kansas has established a health benefit plan for active full time employees who are working full normal work-weeks (not less than 30 hours) and are receiving full compensation. The City participates in a fully-insured benefit plan where claims are administered and processed through Blue Cross/Blue Shield of Kansas. The benefit year is a period of 12 months starting on January 1 and ending December 31.

Note 9: Contingencies

Federal Assistance

The City of Liberal, Kansas participates in a number of federally assisted grant programs. These programs are subject to program compliance audits by the grantors or their representatives for audits of these programs for or including the year ending December 31, 2023.

It is possible that the City of Liberal's compliance with applicable grant agreements may be established at some future date. The amount of expenditures which may be disallowed by the grantor agencies cannot be determined at this date, although the City expects such amounts, if any, to be immaterial.

Environmental Issues

Environmental issues pertaining to the City of Liberal are subject to state and federal requirements. The amount of expenditures required, if any, is not presently ascertainable.

Note 10: Conduit Debt Obligations

From time to time, the City of Liberal has issued Industrial Revenue Bonds to provide financial assistance to private-sector entities for the acquisition and construction of industrial and commercial facilities deemed to be in the public interest. The bonds are secured by the property financed and are payable solely from payments received on the underlying mortgage loans. Upon repayment of the bonds, ownership of the acquired facilities transfers to the private-sector entity served by the bond issuance. Neither the City, the State, nor any political subdivision thereof is obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statement.

Note 10: Conduit Debt Obligations (Continued)

As of December 31, 2023, there were a series of four Industrial Revenue Bonds outstanding, with an aggregate principal amount payable of $79,681,607.

Note 11: Airport Leases

The City of Liberal, Kansas leases space at the municipal airport to individuals and businesses. The lease contracts are for one year terms. The revenue is reported in the Airport Utility Fund.

Note 12: Litigation

The City of Liberal, Kansas is a party to various claims, none of which is expected to have a material financial impact on the financial statement.

Note 13: Subsequent Events

The City of Liberal's management has evaluated events and transactions through September 13, 2024, the date which the financial statement was available to be issued.

Note 14: Long-Term Debt

Changes in long-term liabilities for the City for the year ended December 31, 2023 were as follows:

Issue	Interest Rates	Date of Issue	Amount of Issue	Date of Final Maturity	Balance Beginning of Year	Additions	Reductions/ Payments	Balance End of Year	Interest Paid
General Obligation Bonds:									
2018	2.00%-3.5%	08/29/18	$ 1,400,000	12/01/33	$ 1,085,000	-	$ 85,000	$ 1,000,000	$ 33,698
2020 A & B	3.00%	01/28/20	830,000	12/01/26	435,000	-	140,000	295,000	13,050
2020 C & D	.24-1.00%	12/29/20	1,880,000	08/01/30	1,400,000	-	405,000	995,000	5,879
2021 A	1.00-1.15%	05/18/21	1,150,000	10/01/31	1,045,000	-	110,000	935,000	10,870
2021 B	1.00-2.00%	05/18/21	3,620,000	02/01/39	3,475,000	-	185,000	3,290,000	59,902
Total GO Bonds					$ 7,440,000	-	$ 925,000	$ 6,515,000	$123,399
Revolving Fund Loans:									
KDHE – Bureau of Water:									
Loan draw	2.20%	02/02/15	4,274,042	09/01/36	$ 3,119,488	$ -	$ 201,980	$ 2,917,508	$ 67,524
Loan draw	2.11%	04/22/15	38,028,590	09/01/37	26,849,358	5,591,628	200	32,440,786	639,932
Total Revolving Fund Loans					$29,968,846	$5,591,628	$ 202,180	$35,358,294	$707,456
Finance Leases:									
Commerce Bank – Fire pumper truck	2.29%	04/30/15	279,271	04/30/25	$ 75,887	-	$ 29,837	$ 46,050	$ 1,568
Street sweeper	2.72%	09/08/16	211,500	09/05/26	91,508	-	21,958	69,550	2,341
Street loader	4.13%	04/30/18	149,892	10/30/24	47,719	-	23,372	24,347	1,001
Radio communications equipment	2.77%	12/01/19	585,973	01/01/25	351,409	-	113,951	237,458	9,734
Total Finance Leases					$ 566,523	-	$ 189,118	$ 377,405	$ 14,644
Total Contractual Indebtedness					$37,975,369	$5,591,628	$1,316,298	$42,250,699	$845,499

Note 14: Long-Term Debt (Continued)

Current maturities of long-term debt and interest for the next five years and in five year increments through maturity are as follows:

	2024	2025	2026	2027	2028	2029-2033	2034-2038	2039-2043	Total
Principal:									
General obligation bonds	$ 940,000	$ 685,000	$ 570,000	$ 385,000	$ 580,000	$ 2,095,000	$ 905,000	$ 355,000	$ 6,515,000
Revolving fund loans	2,346,163	2,396,115	2,447,132	2,499,235	2,552,448	13,600,944	9,516,257	-	35,358,294
Finance leases	194,539	159,054	23,812	-	-	-	-	-	377,405
Total principal	$3,480,702	$3,240,169	$3,040,944	$2,884,235	$3,132,448	$15,695,944	$10,421,257	$ 355,000	$42,250,699
Interest:									
General obligation bonds	$ 110,971	$ 98,532	$ 88,613	$ 77,017	$ 71,413	$ 228,473	$ 74,300	$ 7,100	$ 756,419
Revolving fund loans	736,328	686,375	635,359	583,255	530,043	1,811,510	370,939	-	5,353,809
Finance leases	9,932	4,633	487	-	-	-	-	-	15,052
Total interest	$ 857,231	$ 789,540	$ 724,459	$ 660,272	$ 601,456	$ 2,039,983	$ 445,239	$ 7,100	$ 6,125,280
Total Principal and Interest	$4,337,933	$4,029,709	$3,765,403	$3,544,507	$3,733,904	$17,735,927	$10,866,496	$ 362,100	$48,375,979

CITY OF LIBERAL, KANSAS

REGULATORY–REQUIRED
SUPPLEMENTARY INFORMATION

CITY OF LIBERAL, KANSAS

Schedule 1

SUMMARY OF EXPENDITURES – ACTUAL AND BUDGET
REGULATORY BASIS
For the year ended December 31, 2023

Funds	Total Budget for Comparison	Expenditures Chargeable to Current Year	Variance Over (Under)
General Fund	$19,159,969	$18,958,365	$ (201,604)
Special Purpose Funds:			
Special Fire Equipment	50,000	18,685	(31,315)
Communications Center	1,050,000	1,023,744	(26,256)
Special Parks and Recreation	64,000	64,000	-
Special Alcoholic Treatment	75,000	70,374	(4,626)
Library	626,531	601,388	(25,143)
Convention and Tourism	525,000	490,601	(34,399)
Special Highway	1,100,000	849,956	(250,044)
Employee Benefits	600,000	590,993	(9,007)
Economic Incentives	1,450,000	1,354,765	(95,235)
Educational Sales Tax	2,570,000	2,569,301	(699)
Street Drainage and Other Capital Improvements	3,658,000	2,855,318	(802,682)
Special Economic Development	1,385,000	1,380,167	(4,833)
Special Crime Prevention	432,000	426,947	(5,053)
Special Housing	822,000	671,982	(150,018)
Special Beautification	428,000	303,672	(124,328)
Air Museum	498,000	391,219	(106,781)
Debt Service Fund:			
Bond and Interest	2,664,000	1,531,300	(1,132,700)
Water Rev Bond and Interest	646,000	644,553	(1,447)
Business Funds:			
Enterprise Funds:			
Airport:			
Airport Utility	990,000	899,126	(90,874)
Solid Waste System:			
Solid Waste Utility	2,597,000	2,385,648	(211,352)
Wastewater System:			
Wastewater Utility	4,340,000	3,260,877	(1,079,123)
Water System:			
Water Utility	6,581,000	5,154,311	(1,426,689)

CITY OF LIBERAL, KANSAS

Schedule 2

SCHEDULES OF RECEIPTS AND EXPENDITURES
ACTUAL AND BUDGET – REGULATORY BASIS
For the year ended December 31, 2023

CITY OF LIBERAL, KANSAS

Schedule 2-1

GENERAL FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES
ACTUAL AND BUDGET – REGULATORY BASIS
For the year ended December 31, 2023

	Actual	Budget	Variance Over (Under)
Receipts			
Taxes and Shared Receipts:			
Ad valorem property tax	$ 5,986,107	$ 6,250,667	$ (264,560)
Delinquent tax	112,359	130,000	(17,641)
Franchise tax	2,039,837	1,807,500	232,337
Motor vehicle tax	525,125	779,545	(254,420)
Commercial vehicle tax	19,483	47,089	(27,606)
Total taxes	$ 8,682,911	$ 9,014,801	$ (331,890)
Intergovernmental:			
Local sales tax	$ 3,734,179	$ 3,000,000	$ 734,179
Private club liquor tax	64,440	64,000	440
Highway connecting links	58,738	41,000	17,738
Administrative fees	1,975,244	1,533,000	442,244
Total intergovernmental	$ 5,832,601	$ 4,638,000	$1,194,601
Licenses, Permits, and Fees:			
Building permits	$ 104,177	$ -	$ 104,177
Occupational licenses	35,528	-	35,528
Other licenses and fees	32,608	28,000	4,608
Vehicle inspections	25,360	-	25,360
Total licenses, permits, and fees	$ 197,673	$ 28,000	$ 169,673
Charges for Services:			
Cemetery	$ 62,640	$ 49,900	$ 12,740
Park fees, concessions	48,587	44,500	4,087
Swimming pool, concessions	144,744	150,000	(5,256)
Vehicle service charges	-	500	(500)
Recreation	181,440	359,900	(178,460)
Arkalon Park revenues	19,451	101,600	(82,149)
Golf course fees and other	429,972	322,000	107,972
Police	4,164	45,300	(41,136)
Animal shelter	43,311	31,500	11,811
Building Inspection Department:			
Mowing and demolition	19,560	176,000	(156,440)
Total charges for services	$ 953,869	$ 1,281,200	$ (327,331)

CITY OF LIBERAL, KANSAS

Schedule 2-1
(Continued)

GENERAL FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES
ACTUAL AND BUDGET – REGULATORY BASIS
For the year ended December 31, 2023

	Actual	Budget	Variance Over (Under)
Receipts (Continued)			
Fines and Fees:			
Municipal Court	$ 625,867	$ 694,200	$ (68,333)
Use of Money and Property:			
Interest	$ 134,776	$ 25,000	$ 109,776
Royalties and leases	72,700	15,000	57,700
Raw water sales	77,440	-	77,440
Total use of money and property	$ 284,916	$ 40,000	$ 244,916
Miscellaneous:			
Other	$ 143,037	$ 115,000	$ 28,037
Operating Transfers:			
Street Drainage and Other Capital Improvements	175,000	-	175,000
Employee Benefits	447,771	175,000	272,771
Total miscellaneous	$ 765,808	$ 290,000	$ 475,808
Total Receipts	$17,343,645	$15,986,201	$1,357,444
Expenditures			
General Government:			
Administration	$ 3,269,454	$ 2,951,069	$ 318,385
Planning commission	2,949	10,000	(7,051)
Building inspection	618,307	636,200	(17,893)
Legislative	100,502	142,000	(41,498)
Building maintenance	323,532	316,800	6,732
Utility billing	77,857	-	77,857
Total general government	$ 4,392,601	$ 4,056,069	$ 336,532
Public Safety:			
Police	$ 4,869,583	$ 5,220,500	$ (350,917)
Fire	3,108,742	3,199,700	(90,958)
Municipal court	989,539	1,068,100	(78,561)
Animal control	417,242	373,700	43,542
Total public safety	$ 9,385,106	$ 9,862,000	$ (476,894)

CITY OF LIBERAL, KANSAS

Schedule 2-1
(Continued)

GENERAL FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES
ACTUAL AND BUDGET – REGULATORY BASIS
For the year ended December 31, 2023

	Actual	Budget	Variance Over (Under)
Expenditures (Continued)			
Economic Development	$ 38	-	$ 38
Public Works:			
Transportation	$ 957,773	$ 1,240,400	$ (282,627)
Engineering	6,292	30,500	(24,208)
Recreation	1,253,610	998,500	255,110
Arkalon	51,380	44,000	7,380
Street lighting	309,861	345,000	(35,139)
Total public works	$ 2,578,916	$ 2,658,400	$ (79,484)
Community Service:			
Golf course	$ 799,814	$ 829,500	$ (29,686)
Parks	782,770	722,600	60,170
Swimming pool	251,271	235,000	16,271
Cemetery	147,158	192,700	(45,542)
Total community service	$ 1,981,013	$ 1,979,800	$ 1,213
Operating Transfers:			
Communications Center	$ 503,700	$ 503,700	$ -
Bond and Interest	116,991	100,000	16,991
Total operating transfers	$ 620,691	$ 603,700	$ 16,991
Total Expenditures	$18,958,365	$19,159,969	$ (201,604)
Receipts Over (Under) Expenditures	$ (1,614,720)		
Unencumbered Cash, Beginning	4,003,796		
Unencumbered Cash, Ending	$ 2,389,076		

CITY OF LIBERAL, KANSAS

Schedule 2-2

SPECIAL FIRE EQUIPMENT FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES
ACTUAL AND BUDGET – REGULATORY BASIS
For the year ended December 31, 2023

	Actual	Budget	Variance Over (Under)
Receipts			
Taxes and Shared Receipts:			
Ad valorem property tax	$ 40,731	$ 42,288	$ (1,557)
Delinquent tax	1,019	1,547	(528)
Motor vehicle tax	5,644	5,814	(170)
Commercial vehicle tax	210	351	(141)
Total Receipts	$ 47,604	$ 50,000	$ (2,396)
Expenditures			
Public Safety:			
Capital outlay	18,685	$ 50,000	$ (31,315)
Receipts Over (Under) Expenditures	$ 28,919		
Unencumbered Cash, Beginning	147,311		
Unencumbered Cash, Ending	$176,230		

CITY OF LIBERAL, KANSAS

Schedule 2-3

COMMUNICATIONS CENTER FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES
ACTUAL AND BUDGET – REGULATORY BASIS
For the year ended December 31, 2023

	Actual	Budget	Variance Over (Under)
Receipts			
Intergovernmental:			
Seward County	$ 405,900	$ 350,300	$ 55,600
Use of Money and Property:			
Interest	5,166	-	5,166
Operating Transfers:			
General	503,700	503,700	-
Total Receipts	$ 914,766	$ 854,000	$ 60,766
Expenditures			
Public Safety:			
Personal services	$ 863,516	$ 801,500	$ 62,016
Contractual services	84,477	142,300	(57,823)
Commodities	68,732	97,200	(28,468)
Capital outlay	7,019	9,000	(1,981)
Total Expenditures	$1,023,744	$1,050,000	$ (26,256)
Receipts Over (Under) Expenditures	$ (108,978)		
Unencumbered Cash, Beginning	310,383		
Unencumbered Cash, Ending	$ 201,405		

CITY OF LIBERAL, KANSAS

Schedule 2-4

SPECIAL PARKS AND RECREATION FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES
ACTUAL AND BUDGET – REGULATORY BASIS
For the year ended December 31, 2023

	Actual	Budget	Variance Over (Under)
Receipts			
Intergovernmental:			
Private club liquor tax	$ 64,440	$ 64,000	$ 440
Expenditures			
Public Works:			
Contractual services	$ 58,576	$ 64,000	$ (5,424)
Commodities	5,424	-	5,424
Total Expenditures	$ 64,000	$ 64,000	-
Receipts Over (Under) Expenditures	$ 440		
Unencumbered Cash, Beginning	38,539		
Unencumbered Cash, Ending	$ 38,979		

CITY OF LIBERAL, KANSAS

Schedule 2-5

SPECIAL ALCOHOLIC TREATMENT FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES
ACTUAL AND BUDGET – REGULATORY BASIS
For the year ended December 31, 2023

	Actual	Budget	Variance Over (Under)
Receipts			
Intergovernmental:			
Private club liquor tax	$ 64,440	$ 64,000	$ 440
Expenditures			
Contractual services	70,374	$ 75,000	$ (4,626)
Receipts Over (Under) Expenditures	$ (5,934)		
Unencumbered Cash, Beginning	199,128		
Unencumbered Cash, Ending	$193,194		

CITY OF LIBERAL, KANSAS

Schedule 2-6

LIBRARY FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES
ACTUAL AND BUDGET – REGULATORY BASIS
For the year ended December 31, 2023

	Actual	Budget	Variance Over (Under)
Receipts			
Taxes and Shared Receipts:			
Ad valorem property tax	$517,617	$538,433	$ (20,816)
Delinquent tax	12,743	13,482	(739)
Motor vehicle tax	68,476	70,366	(1,890)
Commercial vehicle tax	2,552	4,250	(1,698)
Total Receipts	$601,388	$626,531	$ (25,143)
Expenditures			
Appropriations	601,388	$626,531	$ (25,143)
Receipts Over (Under) Expenditures	-		
Unencumbered Cash, Beginning	-		
Unencumbered Cash, Ending	-		

CITY OF LIBERAL, KANSAS

Schedule 2-7

CONVENTION AND TOURISM FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES
ACTUAL AND BUDGET – REGULATORY BASIS
For the year ended December 31, 2023

	Actual	Budget	Variance Over (Under)
Receipts			
Intergovernmental:			
Local transient guest tax	$458,594	$350,000	$108,594
Charges for sales and services	17,408	15,000	2,408
Other:			
Miscellaneous	132	-	132
Total Receipts	$476,134	$365,000	$111,134
Expenditures			
Community Services:			
Personal services	$204,467	$183,800	$ 20,667
Contractual services	280,334	334,300	(53,966)
Commodities	5,800	6,900	(1,100)
Total Expenditures	$490,601	$525,000	$ (34,399)
Receipts Over (Under) Expenditures	$ (14,467)		
Unencumbered Cash, Beginning	297,375		
Unencumbered Cash, Ending	$282,908		

CITY OF LIBERAL, KANSAS

Schedule 2-8

SPECIAL HIGHWAY FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES
ACTUAL AND BUDGET – REGULATORY BASIS
For the year ended December 31, 2023

	Actual	Budget	Variance Over (Under)
Receipts			
Intergovernmental:			
Gasoline tax	$ 526,078	$ 533,100	$ (7,022)
Other:			
Miscellaneous	241,607	155,900	85,707
Total Receipts	$ 767,685	$ 689,000	$ 78,685
Expenditures			
Public Works:			
Personal services	$ 114,479	$ 343,300	$ (228,821)
Contractual services	17,951	28,200	(10,249)
Commodities	717,526	728,500	(10,974)
Total Expenditures	$ 849,956	$1,100,000	$ (250,044)
Receipts Over (Under) Expenditures	$ (82,271)		
Unencumbered Cash, Beginning	1,127,824		
Unencumbered Cash, Ending	$1,045,553		

CITY OF LIBERAL, KANSAS

Schedule 2-9

EMPLOYEE BENEFITS FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES
ACTUAL AND BUDGET – REGULATORY BASIS
For the year ended December 31, 2023

	Actual	Budget	Variance Over (Under)
Receipts			
Taxes and Shared Receipts:			
Ad valorem property tax	$ (22,608)	-	$ (22,608)
Delinquent tax	30,160	-	30,160
Motor vehicle tax	228,987	-	228,987
Commercial vehicle tax	8,515	-	8,515
Total Receipts	$ 245,054	-	$ 245,054
Expenditures			
Personal services	$ 36,716	$600,000	$ (563,284)
Capital outlay	106,506	-	106,506
Operating Transfers:			
General	447,771	-	447,771
Total Expenditures	$ 590,993	$600,000	$ (9,007)
Receipts Over (Under) Expenditures	$ (345,939)		
Unencumbered Cash, Beginning	345,939		
Unencumbered Cash, Ending	-		

CITY OF LIBERAL, KANSAS

Schedule 2-10

ECONOMIC INCENTIVES FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES
ACTUAL AND BUDGET – REGULATORY BASIS
For the year ended December 31, 2023

	Actual	Budget	Variance Over (Under)
Receipts			
Intergovernmental:			
Community Imp District (CID)	$ 590,274	$ 300,000	$ 290,274
Rural Housing Inc District (RHID)	118,385	250,000	(131,615)
Transient Guest Tax Rebate (TGT)	206,738	250,000	(43,262)
Tax Increment Financing District (TIFD)	384,095	450,000	(65,905)
Total Receipts	$1,299,492	$1,250,000	$ 49,492
Expenditures			
CID payments	$ 645,858	$ 500,000	$ 145,858
RHID payments	118,385	250,000	(131,615)
TGT rebate payments	208,760	250,000	(41,240)
TIF payments	381,762	450,000	(68,238)
Total Expenditures	$1,354,765	$1,450,000	$ (95,235)
Receipts Over (Under) Expenditures	$ (55,273)		
Unencumbered Cash, Beginning	96,354		
Unencumbered Cash, Ending	$ 41,081		

CITY OF LIBERAL, KANSAS

Schedule 2-11

EDUCATIONAL SALES TAX FUND
(1/2% SALES TAX)
SCHEDULE OF RECEIPTS AND EXPENDITURES
ACTUAL AND BUDGET – REGULATORY BASIS
For the year ended December 31, 2023

	Actual	Budget	Variance Over (Under)
Receipts			
Intergovernmental:			
Local sales tax	$2,583,512	$ 240,000	$2,343,512
Expenditures			
Appropriations	$2,569,301	$2,569,900	$ (599)
Contractual services	-	100	(100)
Total Expenditures	$2,569,301	$2,570,000	$ (699)
Receipts Over (Under) Expenditures	$ 14,211		
Unencumbered Cash, Beginning	202,173		
Unencumbered Cash, Ending	$ 216,384		

CITY OF LIBERAL, KANSAS

Schedule 2-12

STREET DRAINAGE AND OTHER CAPITAL IMPROVEMENTS FUND
(60% OF 1% SALES TAX)
SCHEDULE OF RECEIPTS AND EXPENDITURES
ACTUAL AND BUDGET – REGULATORY BASIS
For the year ended December 31, 2023

	Actual	Budget	Variance Over (Under)
Receipts			
Intergovernmental:			
Local sales tax	$3,082,696	$2,400,000	$ 682,696
Use of Money and Property:			
Interest	119,711	10,000	109,711
Total Receipts	$3,202,407	$2,410,000	$ 792,407
Expenditures			
Contractual services	$ 243,304	$ 960,600	$ (717,296)
Commodities	637,621	1,469,400	(831,779)
Operating Transfers:			
General	175,000	175,000	-
Bond and Interest	225,393	53,000	172,393
Improvement Projects	1,574,000	1,000,000	574,000
Total Expenditures	$2,855,318	$3,658,000	$ (802,682)
Receipts Over (Under) Expenditures	$ 347,089		
Unencumbered Cash, Beginning	3,933,342		
Unencumbered Cash, Ending	$4,280,431		

CITY OF LIBERAL, KANSAS

Schedule 2-13

SPECIAL ECONOMIC DEVELOPMENT FUND
(15% OF 1% SALES TAX)
SCHEDULE OF RECEIPTS AND EXPENDITURES
ACTUAL AND BUDGET – REGULATORY BASIS
For the year ended December 31, 2023

	Actual	Budget	Variance Over (Under)
Receipts			
Intergovernmental:			
Local sales tax	$ 770,674	$ 525,000	$ 245,674
Charges for services	14,148	22,000	(7,852)
Grant proceeds	438,362	486,700	(48,338)
Other income	450	-	450
Use of Money and Property:			
Interest	49,666	5,000	44,666
Total Receipts	$1,273,300	$1,038,700	$ 234,600
Expenditures			
Personal services	$ 551,661	$ 533,800	$ 17,861
Contractual services	529,409	352,050	177,359
Commodities	114,894	299,150	(184,256)
Operating Transfers:			
Airport Utility	184,203	200,000	(15,797)
Total Expenditures	$1,380,167	$1,385,000	$ (4,833)
Receipts Over (Under) Expenditures	$ (106,867)		
Unencumbered Cash, Beginning	1,995,154		
Unencumbered Cash, Ending	$1,888,287		

CITY OF LIBERAL, KANSAS

Schedule 2-14

SPECIAL CRIME PREVENTION FUND
(5% OF 1% SALES TAX)
SCHEDULE OF RECEIPTS AND EXPENDITURES
ACTUAL AND BUDGET – REGULATORY BASIS
For the year ended December 31, 2023

	Actual	Budget	Variance Over (Under)
Receipts			
Intergovernmental:			
Local sales tax	$ 256,891	$175,000	$ 81,891
Use of Money and Property:			
Interest	20,469	2,000	18,469
Total Receipts	$ 277,360	$177,000	$100,360
Expenditures			
Contractual services	$ 129,194	$130,500	$ (1,306)
Commodities	28,854	30,000	(1,146)
Capital outlay	193,899	271,500	(77,601)
Operating Transfers:			
Improvement Projects	75,000	-	75,000
Total Expenditures	$ 426,947	$432,000	$ (5,053)
Receipts Over (Under) Expenditures	$ (149,587)		
Unencumbered Cash, Beginning	909,680		
Unencumbered Cash, Ending	$ 760,093		

CITY OF LIBERAL, KANSAS

Schedule 2-15

SPECIAL HOUSING FUND
(15% OF 1% SALES TAX)
SCHEDULE OF RECEIPTS AND EXPENDITURES
ACTUAL AND BUDGET – REGULATORY BASIS
For the year ended December 31, 2023

	Actual	Budget	Variance Over (Under)
Receipts			
Intergovernmental:			
Local sales tax	$ 770,674	$525,000	$ 245,674
Other income	3,163	5,000	(1,837)
Use of Money and Property:			
Interest	45,251	3,000	42,251
Total Receipts	$ 819,088	$533,000	$ 286,088
Expenditures			
Personal services	$ 4,715	$ 68,700	$ (63,985)
Contractual services	376,015	652,050	(276,035)
Commodities	2,733	101,250	(98,517)
Capital outlay	53,519	-	53,519
Operating Transfers:			
Improvement Projects	235,000	-	235,000
Total Expenditures	$ 671,982	$822,000	$ (150,018)
Receipts Over (Under) Expenditures	$ 147,106		
Unencumbered Cash, Beginning	1,471,299		
Unencumbered Cash, Ending	$1,618,405		

CITY OF LIBERAL, KANSAS

Schedule 2-16

SPECIAL BEAUTIFICATION FUND
(5% OF 1% SALES TAX)
SCHEDULE OF RECEIPTS AND EXPENDITURES
ACTUAL AND BUDGET – REGULATORY BASIS
For the year ended December 31, 2023

	Actual	Budget	Variance Over (Under)
Receipts			
Intergovernmental:			
Local sales tax	$256,891	$175,000	$ 81,891
Other income	5,050	5,000	50
Use of Money and Property:			
Interest	20,101	-	20,101
Total Receipts	$282,042	$180,000	$ 102,042
Expenditures			
Contractual services	$ 95,057	$136,250	$ (41,193)
Commodities	208,615	291,750	(83,135)
Total Expenditures	$303,672	$428,000	$ (124,328)
Receipts Over (Under) Expenditures	$ (21,630)		
Unencumbered Cash, Beginning	745,720		
Unencumbered Cash, Ending	$724,090		

CITY OF LIBERAL, KANSAS

Schedule 2-17

BOND AND INTEREST FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES
ACTUAL AND BUDGET – REGULATORY BASIS
For the year ended December 31, 2023

	Actual	Budget	Variance Over (Under)
Receipts			
Taxes and Shared Receipts:			
Ad valorem property tax	$ 98,149	$ 101,631	$ (3,482)
Delinquent tax	2,062	2,077	(15)
Motor vehicle tax	14,420	13,572	848
Commercial vehicle tax	566	820	(254)
Special assessments	70,063	61,400	8,663
Operating Transfers:			
General	116,991	-	116,991
Street Drainage and Other Capital Improvements	225,393	225,500	(107)
Total Receipts	$ 527,644	$ 405,000	$ 122,644
Expenditures			
Principal	$ 359,012	$ 359,200	$ (188)
Interest	44,832	45,800	(968)
Operating Transfers:			
Improvement Projects	1,127,456	2,259,000	(1,131,544)
Total Expenditures	$ 1,531,300	$2,664,000	$ (1,132,700)
Receipts Over (Under) Expenditures	$ (1,003,656)		
Unencumbered Cash, Beginning	4,512,838		
Unencumbered Cash, Ending	$ 3,509,182		

CITY OF LIBERAL, KANSAS

Schedule 2-18

WATER BOND AND INTEREST FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES
ACTUAL AND BUDGET – REGULATORY BASIS
For the year ended December 31, 2023

	Actual	Budget	Variance Over (Under)
Receipts			
Operating Transfers:			
Water Utility	$644,553	$642,000	$ 2,553
Expenditures			
Principal	$565,987	$566,000	$ (13)
Interest	78,566	80,000	(1,434)
Total Expenditures	$644,553	$646,000	$ (1,447)
Receipts Over (Under) Expenditures	$ -		
Unencumbered Cash, Beginning	166,010		
Unencumbered Cash, Ending	$166,010		

CITY OF LIBERAL, KANSAS

Schedule 2-19

AIRPORT UTILITY FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES
ACTUAL AND BUDGET – REGULATORY BASIS
For the year ended December 31, 2023

	Actual	Budget	Variance Over (Under)
Receipts			
Charges for services	$ 24,331	$ 19,000	$ 5,331
Use of Money and Property:			
Royalties and leases	261,666	265,000	(3,334)
Interest on time deposits	21,208	1,000	20,208
Miscellaneous:			
Reimbursements	34,058	30,000	4,058
Grant proceeds	877,175	4,000	873,175
Operating Transfers:			
Special Economic Development	184,203	173,000	11,203
Total Receipts	$1,402,641	$492,000	$910,641
Expenditures			
Personal services	$ 245,711	$275,000	$ (29,289)
Contractual services	60,100	154,500	(94,400)
Commodities	593,315	560,500	32,815
Total Expenditures	$ 899,126	$990,000	$ (90,874)
Receipts Over (Under) Expenditures	$ 503,515		
Unencumbered Cash, Beginning	237,804		
Unencumbered Cash, Ending	$ 741,319		

CITY OF LIBERAL, KANSAS

Schedule 2-20

AIR MUSEUM FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES
ACTUAL AND BUDGET – REGULATORY BASIS
For the year ended December 31, 2023

	Actual	Budget	Variance Over (Under)
Receipts			
Intergovernmental:			
Local transient guest tax	$ 30,000	$ 30,000	$ -
Appropriations	350,000	350,000	-
Charges for services	68,389	118,000	(49,611)
Total Receipts	$448,389	$498,000	$ (49,611)
Expenditures			
Community Services:			
Personal services	$234,575	$320,200	$ (85,625)
Contractual services	89,617	110,500	(20,883)
Commodities	67,027	63,300	3,727
Capital outlay	-	4,000	(4,000)
Total Expenditures	$391,219	$498,000	$ (106,781)
Receipts Over (Under) Expenditures	$ 57,170		
Unencumbered Cash, Beginning	185,132		
Unencumbered Cash, Ending	$242,302		

CITY OF LIBERAL, KANSAS

Schedule 2-21

SOLID WASTE UTILITY FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES
ACTUAL AND BUDGET – REGULATORY BASIS
For the year ended December 31, 2023

	Actual	Budget	Variance Over (Under)
Receipts			
Charges for services	$2,428,132	$2,500,000	$ (71,868)
Other sales or services	23,280	27,000	(3,720)
Use of Money and Property:			
Interest on time deposits	7,982	6,000	1,982
Operating Receipts:			
Miscellaneous	1,241	2,000	(759)
Total Receipts	$2,460,635	$2,535,000	$ (74,365)
Expenditures			
Refuse Expense:			
Personal services	$ 906,377	$ 798,600	$ 107,777
Contractual services	1,081,126	1,167,600	(86,474)
Commodities	332,155	382,600	(50,445)
Recycle Center Expense:			
Personal services	65,892	42,700	23,192
Contractual services	98	500	(402)
Commodities	-	5,000	(5,000)
Operating transfers	-	200,000	(200,000)
Total Expenditures	$2,385,648	$2,597,000	$ (211,352)
Receipts Over (Under) Expenditures	$ 74,987		
Unencumbered Cash, Beginning	32,713		
Unencumbered Cash, Ending	$ 107,700		

CITY OF LIBERAL, KANSAS

Schedule 2-22

WASTEWATER UTILITY FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES
ACTUAL AND BUDGET – REGULATORY BASIS
For the year ended December 31, 2023

	Actual	Budget	Variance Over (Under)
Receipts			
Charges for services	$3,622,085	$3,964,500	$ (342,415)
Use of Money and Property:			
Interest on time deposits	55,936	5,000	50,936
Other Receipts:			
Miscellaneous	3,406	2,000	1,406
Total Receipts	$3,681,427	$3,971,500	$ (290,073)
Expenditures			
Administrative Expense:			
Personal services	$ 392,883	$ 438,500	$ (45,617)
Contractual services	722,008	763,800	(41,792)
Commodities	57,364	139,000	(81,636)
Line Cleaning Expense:			
Personal services	1,378	98,000	(96,622)
Contractual services	10,560	35,700	(25,140)
Commodities	95,995	332,500	(236,505)
Sewer Plant Expense:			
Personal services	468,490	522,500	(54,010)
Contractual services	272,921	333,000	(60,079)
Commodities	319,275	351,000	(31,725)
Capital outlay	10,347	30,000	(19,653)
Debt Service Expense:			
Principal	202,200	210,400	(8,200)
Interest	707,456	790,800	(83,344)
Operating transfers	-	294,800	(294,800)
Total Expenditures	$3,260,877	$4,340,000	$ (1,079,123)
Receipts Over (Under) Expenditures	$ 420,550		
Unencumbered Cash, Beginning	2,113,428		
Unencumbered Cash, Ending	$2,533,978		

CITY OF LIBERAL, KANSAS

Schedule 2-23

WATER UTILITY FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES
ACTUAL AND BUDGET – REGULATORY BASIS
For the year ended December 31, 2023

	Actual	Budget	Variance Over (Under)
Receipts			
Water sales	$5,328,634	$4,771,000	$ 557,634
Other sales or services	787,324	758,000	29,324
Miscellaneous	5,784	10,000	(4,216)
Use of Money and Property:			
Interest on time deposits	139,468	7,000	132,468
Lease	15,600	35,000	(19,400)
Total Receipts	$6,276,810	$5,581,000	$ 695,810
Expenditures			
Administrative Expense:			
Personal services	$ 336,322	$ 286,700	$ 49,622
Contractual services	1,608,034	1,214,200	393,834
Commodities	44,461	61,100	(16,639)
Capital outlay	31	-	31
Utility Expense:			
Personal services	127,066	186,200	(59,134)
Contractual services	732,505	844,000	(111,495)
Commodities	352,379	511,800	(159,421)
Distribution Expense:			
Personal services	786,172	536,800	249,372
Contractual services	21,957	158,200	(136,243)
Commodities	388,280	615,000	(226,720)
Non-Operating Expense:			
Contractual services	112,551	120,000	(7,449)
Debt Service Expense:			
Principal	-	246,800	(246,800)
Interest	-	70,000	(70,000)
Operating Transfers:			
Water Bond and Interest	644,553	1,730,200	(1,085,647)
Total Expenditures	$5,154,311	$6,581,000	$ (1,426,689)
Receipts Over (Under) Expenditures	$1,122,499		
Unencumbered Cash, Beginning	4,258,271		
Unencumbered Cash, Ending	$5,380,770		

CITY OF LIBERAL, KANSAS

Schedule 2
(Continued)

SCHEDULES OF RECEIPTS AND EXPENDITURES
REGULATORY BASIS
For the year ended December 31, 2023

CITY OF LIBERAL, KANSAS

Schedule 2-24

EQUIPMENT RESERVE FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES
REGULATORY BASIS
For the year ended December 31, 2023

Receipts	
Insurance proceeds	$ 685
Expenditures	
Capital outlay	139,971
Receipts Over (Under) Expenditures	$ (139,286)
Unencumbered Cash, Beginning	982,316
Unencumbered Cash, Ending	$ 843,030

CITY OF LIBERAL, KANSAS

Schedule 2-25

GIFTS AND DONATIONS FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES
REGULATORY BASIS
For the year ended December 31, 2023

Receipts	
Donations	$316,158
Expenditures	
Personal services	$ 85,500
Contractual services	36,770
Commodities	22,919
Capital outlay	66,555
Total Expenditures	$211,744
Receipts Over (Under) Expenditures	$104,414
Unencumbered Cash, Beginning	592,961
Unencumbered Cash, Ending	$697,375

CITY OF LIBERAL, KANSAS

Schedule 2-26

SNOW REMOVAL RESERVE FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES
REGULATORY BASIS
For the year ended December 31, 2023

Receipts	-
Expenditures	-
Receipts Over (Under) Expenditures	$ -
Unencumbered Cash, Beginning	240,885
Unencumbered Cash, Ending	$240,885

CITY OF LIBERAL, KANSAS

Schedule 2-27

DIVERSION PROGRAM FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES
REGULATORY BASIS
For the year ended December 31, 2023

Receipts	
Charges for services	$ 57,671
Expenditures	
Commodities	17,284
Receipts Over (Under) Expenditures	$ 40,387
Unencumbered Cash, Beginning	194,849
Unencumbered Cash, Ending	$235,236

CITY OF LIBERAL, KANSAS

Schedule 2-28

COMMUNICATIONS RESERVE FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES
REGULATORY BASIS
For the year ended December 31, 2023

Receipts	
Use of Money and Property:	
Interest on time deposits	$ 753
Expenditures	-
Receipts Over (Under) Expenditures	$ 753
Unencumbered Cash, Beginning	27,766
Unencumbered Cash, Ending	$ 28,519

CITY OF LIBERAL, KANSAS

Schedule 2-29

IMPROVEMENT PROJECTS FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES
REGULATORY BASIS
For the year ended December 31, 2023

Receipts	
Loan proceeds	$ 5,591,627
Operating Transfers:	
Street Drainage and Other Capital Improvements	1,574,000
Special Crime Prevention	75,000
Special Housing	235,000
Bond and Interest	1,127,456
Total Receipts	$ 8,603,083
Expenditures	
Contractual services	$ 824,361
Commodities	2,528,278
Capital outlay	215,381
Total Expenditures	$ 3,568,020
Receipts Over (Under) Expenditures	$ 5,035,063
Unencumbered Cash, Beginning	(5,410,674)
Unencumbered Cash, Ending	$ (375,611)

CITY OF LIBERAL, KANSAS

Schedule 2-30

AIRPORT LAND SALE FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES
REGULATORY BASIS
For the year ended December 31, 2023

Receipts	
Sale of land	$ 55,409
Use of Money and Property:	
Interest on time deposits	6,342
Total Receipts	$ 61,751
Expenditures	-
Receipts Over (Under) Expenditures	$ 61,751
Unencumbered Cash, Beginning	193,120
Unencumbered Cash, Ending	$254,871

CITY OF LIBERAL, KANSAS

Schedule 2-31

AIRPORT IMPROVEMENT FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES
REGULATORY BASIS
For the year ended December 31, 2023

Receipts	
Grant proceeds	$ 561,967
Expenditures	
Contractual services	670,406
Receipts Over (Under) Expenditures	$ (108,439)
Unencumbered Cash, Beginning	89,586
Unencumbered Cash, Ending	$ (18,853)

CITY OF LIBERAL, KANSAS

Schedule 2-32

SOLID WASTE EQUIPMENT RESERVE FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES
REGULATORY BASIS
For the year ended December 31, 2023

Receipts	-
Expenditures	-
Receipts Over (Under) Expenditures	$ -
Unencumbered Cash, Beginning	1,095,040
Unencumbered Cash, Ending	$1,095,040

CITY OF LIBERAL, KANSAS

Schedule 2-33

WASTEWATER EQUIPMENT RESERVE FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES
REGULATORY BASIS
For the year ended December 31, 2023

Receipts	-
Expenditures	-
Receipts Over (Under) Expenditures	$ -
Unencumbered Cash, Beginning	260,993
Unencumbered Cash, Ending	$260,993

CITY OF LIBERAL, KANSAS

Schedule 2-34

WATER EQUIPMENT RESERVE FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES
REGULATORY BASIS
For the year ended December 31, 2023

Receipts	
Use of Money and Property:	
Interest on time deposits	$ 62,859
Expenditures	-
Receipts Over (Under) Expenditures	$ 62,859
Unencumbered Cash, Beginning	2,319,682
Unencumbered Cash, Ending	$2,382,541

CITY OF LIBERAL, KANSAS

Schedule 2-35

CEMETERY PERPETUAL FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES
REGULATORY BASIS
For the year ended December 31, 2023

Receipts	
Lot and crypt sales	$ 5,935
Miscellaneous	2,033
Total Receipts	$ 7,968
Expenditures	
Commodities	4,875
Receipts Over (Under) Expenditures	$ 3,093
Unencumbered Cash, Beginning	32,263
Unencumbered Cash, Ending	$ 35,356

CITY OF LIBERAL, KANSAS

Schedule 2-36

FIRE INSURANCE PROCEEDS FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES
REGULATORY BASIS
For the year ended December 31, 2023

Receipts	
Use of Money and Property:	
Interest on time deposits	$ 850
Expenditures	-
Receipts Over (Under) Expenditures	$ 850
Unencumbered Cash, Beginning	780
Unencumbered Cash, Ending	$ 1,630

CITY OF LIBERAL, KANSAS

Schedule 2-37

EDWARD BYRNE MEMORIAL FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES
REGULATORY BASIS
For the year ended December 31, 2023

Receipts	-
Expenditures	-
Receipts Over (Under) Expenditures	$ -
Unencumbered Cash, Beginning	1,699
Unencumbered Cash, Ending	$ 1,699

CITY OF LIBERAL, KANSAS

Schedule 2-38

BJA DRUG COURT GRANT FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES
REGULATORY BASIS
For the year ended December 31, 2023

Receipts	
Grant proceeds	$121,597
Miscellaneous	70,374
Total Receipts	$191,971
Expenditures	
Personal services	$ 71,169
Contractual services	92,239
Commodities	431
Total Expenditures	$163,839
Receipts Over (Under) Expenditures	$ 28,132
Unencumbered Cash, Beginning	(69,269)
Unencumbered Cash, Ending	$ (41,137)

CITY OF LIBERAL, KANSAS

Schedule 2-39

POLICE STEP GRANT FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES
REGULATORY BASIS
For the year ended December 31, 2023

Receipts	
Reimbursement	$ 2,869
Expenditures	
Personal services	2,869
Receipts Over (Under) Expenditures	-
Unencumbered Cash, Beginning	-
Unencumbered Cash, Ending	-

CITY OF LIBERAL, KANSAS

Schedule 2-40

ARPA FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES
REGULATORY BASIS
For the year ended December 31, 2023

Receipts	-
Expenditures	
Personal services	$ 236,479
Contractual services	127,040
Commodities	452,968
Capital outlay	764,746
Total Expenditures	$ 1,581,233
Receipts Over (Under) Expenditures	$ (1,581,233)
Unencumbered Cash, Beginning	1,839,960
Unencumbered Cash, Ending	$ 258,727

CITY OF LIBERAL, KANSAS

Schedule 3

AGENCY FUNDS
SUMMARY OF RECEIPTS AND DISBURSEMENTS
REGULATORY BASIS
For the year ended December 31, 2023

Funds	Beginning Cash Balance	Receipts	Disbursements	Ending Cash Balance
Payroll Clearing Fund	$ (150,011)	$4,061,484	$4,045,490	$ (134,017)
City Cafeteria Employee	1,448	-	-	1,448
Health Insurance Reserve	352,657	6,001	-	358,658
Municipal Court	17,100	66,024	67,654	15,470
Evidence Fund	24,754	7,885	6,378	26,261
Total	$ 245,948	$4,141,394	$4,119,522	$ 267,820

CITY OF LIBERAL, KANSAS

SUPPLEMENTARY INFORMATION

HAY·RICE & ASSOCIATES
CERTIFIED PUBLIC ACCOUNTANTS
CHARTERED

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

To the City Commission
City of Liberal, Kansas

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the City of Liberal, Kansas' compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of the City of Liberal, Kansas' major federal programs for the year ended December 31, 2023. The City of Liberal, Kansas' major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the City of Liberal, Kansas 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 December 31, 2023.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with the *Kansas Municipal Audit and Accounting Guide*; 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). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the City of Liberal, Kansas and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the City of Liberal, Kansas' compliance with the compliance requirements referred to above.

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Members of the American Institute and of the Kansas Society of Certified Public Accountants
Member of Private Practice Section

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the City of Liberal, Kansas' compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the City of Liberal, Kansas' internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the City of Liberal, Kansas' internal control over compliance. Accordingly, no such opinion is expressed.

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

Report on Internal Control Over Compliance

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we did identify certain deficiencies in internal control over compliance that we consider to be material weaknesses.

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

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

Government Auditing Standards requires the auditor to perform limited procedures on the City of Liberal, Kansas' response to the internal control over compliance findings identified in our compliance audit described in the accompanying schedule of findings and questioned costs. The City of Liberal, Kansas' response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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

Hay•Rice & Associates, Chartered

Hay•Rice & Associates, Chartered

September 13, 2024

CITY OF LIBERAL, KANSAS

Schedule 4

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the year ended December 31, 2023

Federal Grantor/Pass-Through Program Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Federal Expenditures
U.S. Department of Transportation Federal Aviation Administration:			
Airport Improvement Program	20.106	N/A	$ 549,238
Covid-19 Airport Improvement Program	20.106	N/A	877,175
U.S. Department of Transportation Passed Through Kansas Department of Transportation:			
State and Community Highway Safety	20.600	2023	2,869
U.S. Department of Transportation Passed Through Southwest Kansas Regional Transportation Council, Inc.:			
Public Transportation Assistance Project	20.509	2023	438,362
U.S. Department of Treasury Passed Through Kansas Governor's Office:			
Covid-19 Coronavirus State and Local Fiscal Recovery Funds	21.027	COVID-19	1,581,234
U.S. Department of Justice:			
Treatment Court Discretionary Grant Program	16.585	N/A	121,597
Total Expenditures of Federal Awards			$3,570,475

See accompanying notes to schedule of expenditures of federal awards.

CITY OF LIBERAL, KANSAS

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the year ended December 31, 2023

Note A: Basis of Presentation

The accompanying schedule of expenditures of federal awards includes the federal award activity of the City of Liberal, Kansas under programs of the federal government for the year ended December 31, 2023. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the City of Liberal, Kansas, it is not intended to and does not present the aggregate cash and unencumbered cash balances and receipts and expenditures of the City of Liberal, Kansas.

Note B: Summary of Significant Accounting Policies

Expenditures reported on the accompanying Schedule of Expenditures of Federal Awards are reported on the regulatory basis of accounting, which are accounting practices prescribed by the State of Kansas and are described in Note 1 to the City of Liberal, Kansas' regulatory basis financial statement.

Note C: Subrecipient Grant Agreement

There were no subrecipient agreements at December 31, 2023.

Note D: Indirect Cost Rate

The City of Liberal, Kansas has elected not to use the 10% de minimis indirect cost rate allowed under the Uniform Guidance.

Note E: Noncash Assistance and Cumulative Endowment Funds

The City of Liberal, Kansas received no federal noncash assistance and no cumulative endowment funds for the year ended December 31, 2023.

Note F: Federal Loan or Loan Guarantee Programs

For the year 2023, the following loan was outstanding at year end:

Kansas Water Pollution Control Revolving Loan Fund	$32,440,785

There were no loan guarantees outstanding at year end.

CITY OF LIBERAL, KANSAS

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the year ended December 31, 2023
(Continued)

Note G: There was no interest subsidy received by the City of Liberal, Kansas under a federal loan or loan guarantee program.

Note H: No awards were passed through to subrecipients.

CITY OF LIBERAL, KANSAS

Schedule 5

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the year ended December 31, 2023

A. SUMMARY OF AUDITOR'S RESULTS

1. The auditor's report expresses an unmodified opinion on the regulatory basis financial statement of the City of Liberal, Kansas.

2. One material weakness relating to the audit of the financial statement is reported.

3. No instances of noncompliance material to the financial statement of the City of Liberal, Kansas were disclosed during the audit.

4. There were no significant deficiencies relating to the audit of the major federal awards that were considered material weaknesses.

5. The auditor's report on compliance for the major federal award programs for the City of Liberal, Kansas expresses an unmodified opinion.

6. There were no audit findings relative to the major federal award programs for the City of Liberal, Kansas as reported in Part C. of this schedule.

7. The programs tested as major programs include:
   Covid-19 Coronavirus State and Local Fiscal Recovery Funds Assistance Listing #21.027
   Covid-19 Airport Improvement Program #20.106

8. The threshold used for distinguishing between type A and B programs was $750,000.

9. The City of Liberal, Kansas was not determined to be a low-risk auditee.

B. FINDINGS – FINANCIAL STATEMENT

None.

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

None.

CITY OF LIBERAL, KANSAS

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
For the year ended December 31, 2023

Finding 2022-001. Financial Statement Preparation

Condition: This finding was a material weakness stating that there was a lack of adequate internal control to prepare the financial statements in a timely manner.

Recommendation: The auditor recommended that procedures should be implemented to ensure that the financial statements could be prepared in a timely manner.

Current Status: This finding has been improved.