CITY OF LIBERAL, KANSAS
Liberal, Kansas

FINANCIAL STATEMENTS
For the year ended December 31, 2024

CITY OF LIBERAL, KANSAS

FINANCIAL STATEMENTS
For the year ended December 31, 2024

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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, 2024 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, 2024, 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, 2024, 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 July 22, 2025, 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

July 22, 2025

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, 2024, 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 July 22, 2025, 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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We identified certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as item 2024-001 that we consider to be a significant deficiency.

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*.

City of Liberal's Response to Findings

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

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

July 22, 2025

CITY OF LIBERAL, KANSAS

Statement 1

SUMMARY STATEMENT OF RECEIPTS, EXPENDITURES
AND UNENCUMBERED CASH – REGULATORY BASIS
For the year ended December 31, 2024

Funds	Beginning Unencumbered Cash Balance	Receipts	Expenditures	Ending Unencumbered Cash Balance	Add Encumbrances & Accounts Payable	Ending Cash Balance
General Fund	$ 2,389,076	$18,217,966	$19,269,791	$ 1,337,251	$ 666,132	$ 2,003,383
Special Purpose Funds:						
Special Fire Equipment	176,230	132,111	224,982	83,359	-	83,359
Communications Center	201,405	1,159,962	1,210,717	150,650	101,983	252,633
Special Parks and Recreation	38,979	56,003	69,000	25,982	-	25,982
Special Alcoholic Treatment	193,194	56,003	50,606	198,591	-	198,591
Library	-	633,558	633,558	-	-	-
Convention and Tourism	282,908	517,480	448,663	351,725	15,321	367,046
Special Highway	1,045,553	766,858	895,169	917,242	3,805	921,047
Economic Incentives	41,081	1,436,193	1,322,460	154,814	-	154,814
Educational Sales Tax	216,384	2,551,290	2,605,377	162,297	-	162,297
Street Drainage and Other Capital Improvements	4,280,431	4,900,289	2,350,961	6,829,759	17,407	6,847,166
Special Economic Development	1,888,287	1,389,982	1,977,364	1,300,905	188,158	1,489,063
Special Crime Prevention	760,093	286,491	114,338	932,246	38,613	970,859
Special Housing	1,618,405	905,189	1,393,834	1,129,760	42,328	1,172,088
Special Beautification	724,090	275,358	247,263	752,185	11,787	763,972
Air Museum	242,302	532,377	462,580	312,099	22,044	334,143
Equipment Reserve	843,030	8,152	450,000	401,182	-	401,182
Gifts and Donations	697,375	268,726	278,342	687,759	226	687,985
Snow Removal Reserve	240,885	-	-	240,885	-	240,885
Diversion Program	235,236	67,714	80,190	222,760	80,190	302,950
Communications Reserve	28,519	559	-	29,078	-	29,078
Cemetery Perpetual	35,356	6,001	-	41,357	-	41,357
Fire Insurance Proceeds	1,630	20,472	-	22,102	-	22,102
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, 2024

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	(41,137)	170,275	181,132	(51,994)	11,924	(40,070)
Police Step Grant	-	5,394	5,394	-	-	-
ARPA	258,727	14,805	273,532	-	-	-
Debt Service Funds:						
Bond and Interest	3,509,182	425,187	1,052,471	2,881,898	-	2,881,898
Water Rev Bond and Interest	166,010	-	-	166,010	-	166,010
Capital Projects Funds:						
Improvement Projects	(375,611)	6,675,315	8,495,270	(2,195,566)	4,887	(2,190,679)
Business Funds – Enterprise Type Funds:						
Airport:						
Airport Utility	741,319	476,147	732,545	484,921	22,901	507,822
Airport Land Sale	254,871	81,793	68,637	268,027	-	268,027
Airport Improvement	(18,853)	901,929	730,843	152,233	60,467	212,700
Solid Waste System:						
Solid Waste Utility	107,700	2,513,552	2,562,216	59,036	63,991	123,027
Solid Waste Equipment Reserve	1,095,040	-	471,588	623,452	-	623,452
Wastewater System:						
Wastewater Utility	2,533,978	4,173,928	5,570,958	1,136,948	93,608	1,230,556
Wastewater Equipment Reserve	260,993	-	-	260,993	-	260,993
Water System:						
Water Utility	5,380,770	6,508,160	5,873,876	6,015,054	241,809	6,256,863
Water Equipment Reserve	2,382,541	-	-	2,382,541	-	2,382,541
Total Reporting Entity (Excluding Agency Funds)	$32,437,678	$56,135,219	$60,103,657	$28,469,240	$1,687,581	$30,156,821

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, 2024

Ending Cash Balance		$30,156,821
Composition of Cash:		
Cash on hand	$ 34,940	
Deposits in Local Depositories:		
Bank Accounts:		
Sunflower Bank:		
Operating account	3,155,271	
Sweep account	4,906,479	
Health insurance account	193,715	
Savings account	7,990,452	
Municipal court account	19,250	
Community Bank:		
Economic development account	356,440	
City treasurer account	9,985	
Evidence account	27,256	
State Investment Pool	10,515,305	
State Agency Fund	106	
Certificates of Deposit:		
Bank of the Plains	3,245,331	
Total Cash		$30,454,530
Agency Funds per Schedule 3		(297,709)
Total Reporting Entity (Excluding Agency Funds)		$30,156,821

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

CITY OF LIBERAL, KANSAS

NOTES TO THE FINANCIAL STATEMENTS
December 31, 2024

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 2024:

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 the public hearing is adjusted to no sooner than August 20th and no later than September 20th, but at least ten days after all statutory notification and publication requirements have been met. Municipal budgets requiring a hearing to exceed the revenue neutral rate should be adopted on or before October 1st, but may not be adopted prior to the revenue neutral rate hearing. The City of Liberal did hold a revenue neutral rate hearing for this year.

Note 1: Summary of Significant Accounting Policies (Continued)

Budgetary Information (Continued)

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.

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.

Note 1: Summary of Significant Accounting Policies (Continued)

Budgetary Information (Continued)

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.

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:

	2024 Unencumbered Cash Balance	2025 Budgeted Unencumbered Cash Carryover
General	$1,337,251	$3,865,260
Solid Waste Utility	59,036	457,200
Waste Water Utility	1,136,948	1,176,252

Note 3: Deposits and Investments

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

Investment Type	Cost	Investment Maturities (in Years) Less than 1	1-2	Rating U.S.
Kansas Municipal Investment Pool:				
General Government	$10,344,499	$10,344,499	-	N/A
Health Insurance Reserve	170,806	170,806	-	N/A
Total Cost	$10,515,305	$10,515,305	-	

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. The rating of the City of Liberal's investments is noted above.

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. The City of Liberal's allocation of investments as of December 31, 2024, is as follows:

Investments	Percentage of Investments
Kansas Municipal Investment Pool	100.00%

Note 3: Deposits and Investments (Continued)

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, 2024.

At December 31, 2024, the City of Liberal's carrying amount of deposits was $30,430,048 and the bank balance was $31,976,949. Of the bank balance, $1,027,256 was covered by federal depository insurance and $30,949,693 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.

At December 31, 2024, the City of Liberal had invested $10,515,305 in the State's municipal investment pool. The municipal investment pool is under the oversight of the Pooled Money Investment Board. The board is comprised of the State Treasurer and four additional members appointed by the State Governor. The board reports annually to the Kansas legislature. State pooled monies may be invested in direct obligations of, or obligations that are insured as to principal and interest, by the U.S. government or any agency thereof, with maturities up to four years. No more than ten percent of those funds may be invested in mortgage-backed securities. In addition, the State pool may invest in repurchase agreements with Kansas banks or with primary government securities dealers.

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	$1,921,810
Waterline Project	4,068,038	353,833
Holly Housing Addition	1,600,000	1,758,544
Mahuron Park Splash Pad	250,000	283,296
McCray Park Splash Pad	250,000	281,026
Ortuno Housing Addition	1,600,000	245,698
Willowtree Pro Shop Remodel	100,000	-
Blue Bonnet Park Pickleball Courts	50,000	11,051

Note 5: Interfund Transfers

Operating transfers were as follows:

From	To	Regulatory Authority	Amount
General Fund	Bond and Interest	KSA 79-2934	$ 113,781
	Communications Center	KSA 12-1106	776,960
Equipment Reserve	General Fund	KSA 79-2958	450,000
Street Drainage and Other Capital Improvements	General Fund	KSA 12-6a16	175,000
	Bond and Interest	KSA 12-6a16	228,089
	Improvement Projects	KSA 12-6a16	1,413,371
Economic Development	Air Utility	KSA 79-2934	190,428
Crime/Drug Prevention	Improvement Projects	KSA 12-6a16	992
Housing and Community Development	Improvement Projects	KSA 12-6a16	575,374
Improvement Projects	Housing and Community Development	KSA 12-6a16	108,630
	Crime/Drug Prevention	KSA 12-6a16	16,590
	Economic Development	KSA 12-6a16	65,747
	Street Drainage and Other Capital Improvements	KSA 12-6a16	1,807,053

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 9.26% for KPERS and 23.10% for KP&F for the fiscal year ended December 31, 2024. Contributions to the pension plan from the City of Liberal were $950,298 for KPERS and $894,832 for KP&F for the year ended December 31, 2024.

Note 6: Defined Benefit Pension Plan (Continued)

Net Pension Liability

At December 31, 2024, the City of Liberal's proportionate share of the collective net pension liability reported by KPERS was $8,315,212 and $8,150,116 for KP&F. The net pension liability was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2023, which was rolled forward to June 30, 2024. 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, 2024.

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, 2024.

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, 2024, there were a series of four Industrial Revenue Bonds outstanding, with an aggregate principal amount payable of $79,425,049.

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 July 22, 2025, 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, 2024 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	$ 1,000,000	-	$ 90,000	$ 910,000	$ 31,615
2020 A & B	3.00%	01/28/20	830,000	12/01/26	295,000	-	140,000	155,000	8,850
2020 C & D	.24-1.00%	12/29/20	1,880,000	08/01/30	995,000	-	410,000	585,000	4,534
2021 A	1.00-1.15%	05/18/21	1,150,000	10/01/31	935,000	-	115,000	820,000	9,770
2021 B	1.00-2.00%	05/18/21	3,620,000	02/01/39	3,290,000	-	185,000	3,105,000	56,203
Total GO Bonds					$ 6,515,000	-	$ 940,000	$ 5,575,000	$110,972
General Obligation Temporary Notes:									
2024	3.10%	10/03/24	3,280,000	10/01/27	-	$3,280,000	-	$ 3,280,000	-
Revolving Fund Loans:									
KDHE – Bureau of Water:									
Loan draw	2.20%	02/02/15	4,274,042	09/01/36	$ 2,917,508	$ -	$ 206,468	$ 2,711,040	$ 63,055
Loan draw	2.11%	04/22/15	38,028,590	09/01/37	32,440,785	1,334,811	2,139,695	31,635,901	673,273
Total Revolving Fund Loans					$35,358,293	$1,334,811	$2,346,163	$34,346,941	$736,328
Finance Leases:									
Commerce Bank – Fire pumper truck	2.29%	04/30/15	279,271	04/30/25	$ 46,050	-	$ 30,525	$ 15,525	$ 881
Street sweeper	2.72%	09/08/16	211,500	09/05/26	69,550	-	22,560	46,990	1,739
Street loader	4.13%	04/30/18	149,892	10/30/24	24,347	-	24,347	-	26
Radio communications equipment	2.77%	12/01/19	585,973	01/01/25	237,458	-	117,107	120,351	6,578
Rosenbauer pumper truck	5.92%	05/01/24	361,958	07/01/28	-	361,958	78,036	283,922	3,572
Total Finance Leases					$ 377,405	$ 361,958	$ 272,575	$ 466,788	$ 12,796
Total Contractual Indebtedness					$42,250,698	$4,976,769	$3,558,738	$43,668,729	$860,096

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:

	2025	2026	2027	2028	2029	2030-2034	2035-2039	Total
Principal:								
General obligation bonds	$ 685,000	$ 570,000	$ 385,000	$ 580,000	$ 495,000	$ 1,820,000	$1,040,000	$ 5,575,000
General obligation temporary notes	-	-	3,280,000	-	-	-	-	3,280,000
Revolving fund loans	2,360,943	2,411,211	2,462,550	2,514,982	2,568,530	13,686,650	8,342,076	34,346,942
Finance leases	224,126	92,674	72,872	77,116	-	-	-	466,788
Total principal	$3,270,069	$3,073,885	$6,200,422	$3,172,098	$3,063,530	$15,506,650	$9,382,076	$43,668,730
Interest:								
General obligation bonds	$ 98,632	$ 88,613	$ 78,018	$ 73,412	$ 61,365	$ 182,057	$ 59,575	$ 641,672
General obligation temporary notes	101,115	101,680	101,680	-	-	-	-	304,475
Revolving fund loans	721,548	671,280	619,941	567,509	513,961	1,725,804	317,548	5,137,591
Finance leases	21,169	13,232	8,735	4,492	-	-	-	47,628
Total interest	$ 942,464	$ 874,805	$ 808,374	$ 645,413	$ 575,326	$ 1,907,861	$ 377,123	$ 6,131,366
Total Principal and Interest	$4,212,533	$3,948,690	$7,008,796	$3,817,511	$3,638,856	$17,414,511	$9,759,199	$49,800,096

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, 2024

Funds	Total Budget for Comparison	Expenditures Chargeable to Current Year	Variance Over (Under)
General Fund	$21,837,200	$19,269,791	$ (2,567,409)
Special Purpose Funds:			
Special Fire Equipment	238,700	224,982	(13,718)
Communications Center	1,356,000	1,210,717	(145,283)
Special Parks and Recreation	69,000	69,000	-
Special Alcoholic Treatment	69,000	50,606	(18,394)
Library	651,200	633,558	(17,642)
Convention and Tourism	508,600	448,663	(59,937)
Special Highway	925,200	895,169	(30,031)
Economic Incentives	1,546,000	1,322,460	(223,540)
Educational Sales Tax	2,700,000	2,605,377	(94,623)
Street Drainage and Other Capital Improvements	4,470,000	2,350,961	(2,119,039)
Special Economic Development	2,826,600	1,977,364	(849,236)
Special Crime Prevention	392,000	114,338	(277,662)
Special Housing	1,473,000	1,393,834	(79,166)
Special Beautification	318,000	247,263	(70,737)
Air Museum	769,000	462,580	(306,420)
Debt Service Fund:			
Bond and Interest	1,288,000	1,052,471	(235,529)
Business Funds:			
Enterprise Funds:			
Airport:			
Airport Utility	763,500	732,545	(30,955)
Solid Waste System:			
Solid Waste Utility	2,905,000	2,562,216	(342,784)
Wastewater System:			
Wastewater Utility	6,421,000	5,570,958	(850,042)
Water System:			
Water Utility	7,603,800	5,873,876	(1,729,924)

CITY OF LIBERAL, KANSAS

Schedule 2

SCHEDULES OF RECEIPTS AND EXPENDITURES
ACTUAL AND BUDGET – REGULATORY BASIS
For the year ended December 31, 2024

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, 2024
(with comparative actual totals for the prior year ended December 31, 2023)

	Current Year			
	Actual	Budget	Variance Over (Under)	Prior Year Actual
Receipts				
Taxes and Shared Receipts:				
Ad valorem property tax	$ 5,784,322	$ 6,250,167	$ (465,845)	$ 5,986,107
Delinquent tax	134,521	100,000	34,521	112,359
Franchise tax	1,913,414	2,529,000	(615,586)	2,039,837
Motor vehicle tax	839,009	786,848	52,161	525,125
Commercial vehicle tax	52,033	46,665	5,368	19,483
Total taxes	$ 8,723,299	$ 9,712,680	$ (989,381)	$ 8,682,911
Intergovernmental:				
Local sales tax	$ 3,531,768	$ 3,300,000	$ 231,768	$ 3,734,179
Private club liquor tax	56,003	69,000	(12,997)	64,440
Highway connecting links	64,404	43,500	20,904	58,738
Administrative fees	2,420,700	2,418,200	2,500	1,975,244
Total intergovernmental	$ 6,072,875	$ 5,830,700	$ 242,175	$ 5,832,601
Licenses, Permits, and Fees:				
Building permits	$ 86,776	$ -	$ 86,776	$ 104,177
Occupational licenses	28,958	-	28,958	35,528
Other licenses and fees	36,790	37,500	(710)	32,608
Vehicle inspections	27,515	-	27,515	25,360
Total licenses, permits, and fees	$ 180,039	$ 37,500	$ 142,539	$ 197,673
Charges for Services:				
Cemetery	$ 59,325	$ 49,900	$ 9,425	$ 62,640
Park fees, concessions	43,960	48,500	(4,540)	48,587
Swimming pool, concessions	162,820	147,500	15,320	144,744
Vehicle service charges	-	500	(500)	-
Recreation	240,009	262,100	(22,091)	181,440
Arkalon Park revenues	21,518	100,600	(79,082)	19,451
Golf course fees and other	460,765	346,000	114,765	429,972
Police	5,505	34,000	(28,495)	4,164
Animal shelter	76,093	39,100	36,993	43,311
Building Inspection Department:				
Mowing and demolition	119,342	230,000	(110,658)	19,560
Zoning and planning fees	1,925	-	1,925	-
Total charges for services	$ 1,191,262	$ 1,258,200	$ (66,938)	$ 953,869

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, 2024
(with comparative actual totals for the prior year ended December 31, 2023)

	Current Year			
	Actual	Budget	Variance Over (Under)	Prior Year Actual
Receipts (Continued)				
Fines and Fees:				
Municipal Court	$ 641,097	$ 693,700	$ (52,603)	$ 625,867
Use of Money and Property:				
Interest	$ 493,223	$ 310,000	$ 183,223	$ 134,776
Royalties and leases	101,028	86,500	14,528	72,700
Raw water sales	103,377	-	103,377	77,440
Total use of money and property	$ 697,628	$ 396,500	$ 301,128	$ 284,916
Miscellaneous:				
Other	$ 86,746	$ 126,977	$ (40,231)	$ 143,037
Contributions	20	-	20	-
Operating Transfers:				
Street Drainage and Other Capital Improvements	175,000	175,000	-	175,000
Employee Benefits	-	-	-	447,771
Equipment Reserve	450,000	-	450,000	-
Total miscellaneous	$ 711,766	$ 301,977	$ 409,789	$ 765,808
Total Receipts	$18,217,966	$18,231,257	$ (13,291)	$17,343,645
Expenditures				
General Government:				
Administration	$ 2,629,698	$ 3,071,843	$ (442,145)	$ 3,269,454
Planning commission	3,933	10,000	(6,067)	2,949
Building inspection	643,390	730,000	(86,610)	618,307
Legislative	102,176	142,000	(39,824)	100,502
Building maintenance	321,549	360,300	(38,751)	323,532
Utility billing	89,453	-	89,453	77,857
Total general government	$ 3,790,199	$ 4,314,143	$ (523,944)	$ 4,392,601

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, 2024
(with comparative actual totals for the prior year ended December 31, 2023)

	Current Year			
	Actual	Budget	Variance Over (Under)	Prior Year Actual
Expenditures (Continued)				
Public Safety:				
Police	$ 5,534,914	$ 6,353,457	$ (818,543)	$ 4,869,583
Fire	2,709,990	2,577,500	132,490	3,108,742
Municipal court	1,080,889	1,185,000	(104,111)	989,539
Animal control	542,534	547,100	(4,566)	417,242
Total public safety	$ 9,868,327	$10,663,057	$ (794,730)	$ 9,385,106
Economic Development	-	-	-	$ 38
Public Works:				
Transportation	$ 1,303,847	$ 1,657,100	$ (353,253)	$ 957,773
Engineering	1,681	30,500	(28,819)	6,292
Recreation	652,328	1,096,400	(444,072)	1,253,610
Arkalon	157,555	76,800	80,755	51,380
Street lighting	343,815	365,000	(21,185)	309,861
Total public works	$ 2,459,226	$ 3,225,800	$ (766,574)	$ 2,578,916
Community Service:				
Golf course	$ 931,244	$ 1,001,000	$ (69,756)	$ 799,814
Parks	900,962	1,028,000	(127,038)	782,770
Swimming pool	249,243	328,000	(78,757)	251,271
Cemetery	179,849	190,200	(10,351)	147,158
Total community service	$ 2,261,298	$ 2,547,200	$ (285,902)	$ 1,981,013
Operating Transfers:				
Communications Center	$ 776,960	$ 987,000	$ (210,040)	$ 503,700
Bond and Interest	113,781	100,000	13,781	116,991
Total operating transfers	$ 890,741	$ 1,087,000	$ (196,259)	$ 620,691
Total Expenditures	$19,269,791	$21,837,200	$ (2,567,409)	$18,958,365
Receipts Over (Under) Expenditures	$ (1,051,825)			$ (1,614,720)
Unencumbered Cash, Beginning	2,389,076			4,003,796
Unencumbered Cash, Ending	$ 1,337,251			$ 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, 2024
(with comparative actual totals for the prior year ended December 31, 2023)

	Current Year			
	Actual	Budget	Variance Over (Under)	Prior Year Actual
Receipts				
Taxes and Shared Receipts:				
Ad valorem property tax	$124,886	$133,060	$ (8,174)	$ 40,731
Delinquent tax	1,184	-	1,184	1,019
Motor vehicle tax	5,688	5,324	364	5,644
Commercial vehicle tax	353	316	37	210
Total Receipts	$132,111	$138,700	$ (6,589)	$ 47,604
Expenditures				
Public Safety:				
Capital outlay	224,982	$238,700	$ (13,718)	18,685
Receipts Over (Under) Expenditures	$ (92,871)			$ 28,919
Unencumbered Cash, Beginning	176,230			147,311
Unencumbered Cash, Ending	$ 83,359			$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, 2024
(with comparative actual totals for the prior year ended December 31, 2023)

	Current Year			
	Actual	Budget	Variance Over (Under)	Prior Year Actual
Receipts				
Intergovernmental:				
Seward County	$ 377,540	$ 510,500	$ (132,960)	$ 405,900
Use of Money and Property:				
Interest	5,462	1,500	3,962	5,166
Operating Transfers:				
General	776,960	744,000	32,960	503,700
Total Receipts	$1,159,962	$1,256,000	$ (96,038)	$ 914,766
Expenditures				
Public Safety:				
Personal services	$ 943,398	$1,081,600	$ (138,202)	$ 863,516
Contractual services	116,992	111,600	5,392	84,477
Commodities	93,540	97,800	(4,260)	68,732
Capital outlay	56,787	65,000	(8,213)	7,019
Total Expenditures	$1,210,717	$1,356,000	$ (145,283)	$1,023,744
Receipts Over (Under) Expenditures	$ (50,755)			$ (108,978)
Unencumbered Cash, Beginning	201,405			310,383
Unencumbered Cash, Ending	$ 150,650			$ 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, 2024
(with comparative actual totals for the prior year ended December 31, 2023)

	Current Year			
	Actual	Budget	Variance Over (Under)	Prior Year Actual
Receipts				
Intergovernmental:				
Private club liquor tax	$ 56,003	$ 69,000	$ (12,997)	$ 64,440
Expenditures				
Public Works:				
Contractual services	$ 63,314	$ 54,000	$ 9,314	$ 58,576
Commodities	5,686	15,000	(9,314)	5,424
Total Expenditures	$ 69,000	$ 69,000	-	$ 64,000
Receipts Over (Under) Expenditures	$ (12,997)			$ 440
Unencumbered Cash, Beginning	38,979			38,539
Unencumbered Cash, Ending	$ 25,982			$ 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, 2024
(with comparative actual totals for the prior year ended December 31, 2023)

	Current Year			
	Actual	Budget	Variance Over (Under)	Prior Year Actual
Receipts				
Intergovernmental:				
Private club liquor tax	$ 56,003	$ 69,000	$ (12,997)	$ 64,440
Expenditures				
Contractual services	50,606	$ 69,000	$ (18,394)	70,374
Receipts Over (Under) Expenditures	$ 5,397			$ (5,934)
Unencumbered Cash, Beginning	193,194			199,128
Unencumbered Cash, Ending	$198,591			$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, 2024
(with comparative actual totals for the prior year ended December 31, 2023)

	Current Year			
	Actual	Budget	Variance Over (Under)	Prior Year Actual
Receipts				
Taxes and Shared Receipts:				
Ad valorem property tax	$544,820	$579,396	$ (34,576)	$517,617
Delinquent tax	11,968	-	11,968	12,743
Motor vehicle tax	72,287	67,784	4,503	68,476
Commercial vehicle tax	4,483	4,020	463	2,552
Total Receipts	$633,558	$651,200	$ (17,642)	$601,388
Expenditures				
Appropriations	633,558	$651,200	$ (17,642)	601,388
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, 2024
(with comparative actual totals for the prior year ended December 31, 2023)

	Current Year			
	Actual	Budget	Variance Over (Under)	Prior Year Actual
Receipts				
Intergovernmental:				
Local transient guest tax	$507,104	$475,000	$ 32,104	$458,594
Charges for sales and services	10,376	15,000	(4,624)	17,408
Other:				
Miscellaneous	-	-	-	132
Total Receipts	$517,480	$490,000	$ 27,480	$476,134
Expenditures				
Community Services:				
Personal services	$196,138	$210,200	$ (14,062)	$204,467
Contractual services	249,082	293,400	(44,318)	280,334
Commodities	3,443	5,000	(1,557)	5,800
Total Expenditures	$448,663	$508,600	$ (59,937)	$490,601
Receipts Over (Under) Expenditures	$ 68,817			$ (14,467)
Unencumbered Cash, Beginning	282,908			297,375
Unencumbered Cash, Ending	$351,725			$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, 2024
(with comparative actual totals for the prior year ended December 31, 2023)

	Current Year			
	Actual	Budget	Variance Over (Under)	Prior Year Actual
Receipts				
Intergovernmental:				
Gasoline tax	$ 519,999	$518,810	$ 1,189	$ 526,078
Other:				
Miscellaneous	246,859	200,000	46,859	241,607
Total Receipts	$ 766,858	$718,810	$ 48,048	$ 767,685
Expenditures				
Public Works:				
Personal services	$ 115,876	$272,700	$ (156,824)	$ 114,479
Contractual services	14,226	15,200	(974)	17,951
Commodities	765,067	637,300	127,767	717,526
Total Expenditures	$ 895,169	$925,200	$ (30,031)	$ 849,956
Receipts Over (Under) Expenditures	$ (128,311)			$ (82,271)
Unencumbered Cash, Beginning	1,045,553			1,127,824
Unencumbered Cash, Ending	$ 917,242			$1,045,553

CITY OF LIBERAL, KANSAS

Schedule 2-9

ECONOMIC INCENTIVES FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES
ACTUAL AND BUDGET – REGULATORY BASIS
For the year ended December 31, 2024
(with comparative actual totals for the prior year ended December 31, 2023)

	Current Year			
	Actual	Budget	Variance Over (Under)	Prior Year Actual
Receipts				
Intergovernmental:				
Community Imp District (CID)	$ 589,754	$ 546,000	$ 43,754	$ 590,274
Rural Housing Inc District (RHID)	132,609	300,000	(167,391)	118,385
Transient Guest Tax Rebate (TGT)	200,945	250,000	(49,055)	206,738
Tax Increment Financing District (TIFD)	252,885	450,000	(197,115)	384,095
Housing grant	260,000	-	260,000	-
Total Receipts	$1,436,193	$1,546,000	$ (109,807)	$1,299,492
Expenditures				
CID payments	$ 605,134	$ 546,000	$ 59,134	$ 645,858
RHID payments	132,609	300,000	(167,391)	118,385
TGT rebate payments	200,944	250,000	(49,056)	208,760
TIF payments	253,773	450,000	(196,227)	381,762
Housing grant payments	130,000	-	130,000	-
Total Expenditures	$1,322,460	$1,546,000	$ (223,540)	$1,354,765
Receipts Over (Under) Expenditures	$ 113,733			$ (55,273)
Unencumbered Cash, Beginning	41,081			96,354
Unencumbered Cash, Ending	$ 154,814			$ 41,081

CITY OF LIBERAL, KANSAS

Schedule 2-10

EDUCATIONAL SALES TAX FUND
(1/2% SALES TAX)
SCHEDULE OF RECEIPTS AND EXPENDITURES
ACTUAL AND BUDGET – REGULATORY BASIS
For the year ended December 31, 2024
(with comparative actual totals for the prior year ended December 31, 2023)

	Current Year			
	Actual	Budget	Variance Over (Under)	Prior Year Actual
Receipts				
Intergovernmental:				
Local sales tax	$2,551,290	$2,700,000	$ (148,710)	$2,583,512
Expenditures				
Appropriations	$2,605,377	$2,699,900	$ (94,523)	$2,569,301
Contractual services	-	100	(100)	-
Total Expenditures	$2,605,377	$2,700,000	$ (94,623)	$2,569,301
Receipts Over (Under) Expenditures	$ (54,087)			$ 14,211
Unencumbered Cash, Beginning	216,384			202,173
Unencumbered Cash, Ending	$ 162,297			$ 216,384

CITY OF LIBERAL, KANSAS

Schedule 2-11

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, 2024
(with comparative actual totals for the prior year ended December 31, 2023)

	Current Year			
	Actual	Budget	Variance Over (Under)	Prior Year Actual
Receipts				
Intergovernmental:				
Local sales tax	$3,049,751	$2,500,000	$ 549,751	$3,082,696
Use of Money and Property:				
Interest	43,485	10,000	33,485	119,711
Operating Transfers:				
Improvement projects	1,807,053	-	1,807,053	-
Total Receipts	$4,900,289	$2,510,000	$ 2,390,289	$3,202,407
Expenditures				
Contractual services	$ 48,366	$ 125,000	$ (76,634)	$ 243,304
Commodities	410,427	1,206,900	(796,473)	637,621
Capital outlay	75,708	135,000	(59,292)	-
Operating Transfers:				
General	175,000	175,000	-	175,000
Bond and Interest	228,089	228,100	(11)	225,393
Improvement Projects	1,413,371	2,600,000	(1,186,629)	1,574,000
Total Expenditures	$2,350,961	$4,470,000	$ (2,119,039)	$2,855,318
Receipts Over (Under) Expenditures	$2,549,328			$ 347,089
Unencumbered Cash, Beginning	4,280,431			3,933,342
Unencumbered Cash, Ending	$6,829,759			$4,280,431

CITY OF LIBERAL, KANSAS

Schedule 2-12

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, 2024
(with comparative actual totals for the prior year ended December 31, 2023)

	Current Year			
	Actual	Budget	Variance Over (Under)	Prior Year Actual
Receipts				
Intergovernmental:				
Local sales tax	$ 762,438	$ 550,000	$ 212,438	$ 770,674
Charges for services	14,053	22,000	(7,947)	14,148
Grant proceeds	514,333	1,313,900	(799,567)	438,362
Other income	29	-	29	450
Use of Money and Property:				
Interest	33,382	5,000	28,382	49,666
Operating Transfers:				
Improvement projects	65,747	-	65,747	-
Total Receipts	$1,389,982	$1,890,900	$ (500,918)	$1,273,300
Expenditures				
Personal services	$ 734,202	$ 799,600	$ (65,398)	$ 551,661
Contractual services	701,581	648,600	52,981	529,409
Commodities	109,705	360,400	(250,695)	114,894
Capital outlay	241,448	818,000	(576,552)	-
Operating Transfers:				
Airport Utility	190,428	200,000	(9,572)	184,203
Total Expenditures	$1,977,364	$2,826,600	$ (849,236)	$1,380,167
Receipts Over (Under) Expenditures	$ (587,382)			$ (106,867)
Unencumbered Cash, Beginning	1,888,287			1,995,154
Unencumbered Cash, Ending	$1,300,905			$1,888,287

CITY OF LIBERAL, KANSAS

Schedule 2-13

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, 2024
(with comparative actual totals for the prior year ended December 31, 2023)

	Current Year			
	Actual	Budget	Variance Over (Under)	Prior Year Actual
Receipts				
Intergovernmental:				
Local sales tax	$254,146	$200,000	$ 54,146	$ 256,891
Use of Money and Property:				
Interest	15,755	2,000	13,755	20,469
Operating Transfers:				
Improvement projects	16,590	-	16,590	-
Total Receipts	$286,491	$202,000	$ 84,491	$ 277,360
Expenditures				
Personal services	$ -	$169,000	$ (169,000)	$ -
Contractual services	74,433	208,000	(133,567)	129,194
Commodities	38,913	5,000	33,913	28,854
Capital outlay	-	-	-	193,899
Operating Transfers:				
Improvement Projects	992	10,000	(9,008)	75,000
Total Expenditures	$114,338	$392,000	$ (277,662)	$ 426,947
Receipts Over (Under) Expenditures	$172,153			$ (149,587)
Unencumbered Cash, Beginning	760,093			909,680
Unencumbered Cash, Ending	$932,246			$ 760,093

CITY OF LIBERAL, KANSAS

Schedule 2-14

SPECIAL HOUSING FUND
(15% OF 1% SALES TAX)
SCHEDULE OF RECEIPTS AND EXPENDITURES
ACTUAL AND BUDGET – REGULATORY BASIS
For the year ended December 31, 2024
(with comparative actual totals for the prior year ended December 31, 2023)

	Current Year			
	Actual	Budget	Variance Over (Under)	Prior Year Actual
Receipts				
Intergovernmental:				
Local sales tax	$ 762,438	$ 550,000	$ 212,438	$ 770,674
Other income	2,067	5,000	(2,933)	3,163
Use of Money and Property:				
Interest	32,054	3,000	29,054	45,251
Operating Transfers:				
Improvement projects	108,630	-	108,630	-
Total Receipts	$ 905,189	$ 558,000	$ 347,189	$ 819,088
Expenditures				
Personal services	$ 113,646	$ 110,300	$ 3,346	$ 4,715
Contractual services	634,594	1,316,700	(682,106)	376,015
Commodities	2,155	18,500	(16,345)	2,733
Capital outlay	68,065	-	68,065	53,519
Operating Transfers:				
Improvement Projects	575,374	27,500	547,874	235,000
Total Expenditures	$1,393,834	$1,473,000	$ (79,166)	$ 671,982
Receipts Over (Under) Expenditures	$ (488,645)			$ 147,106
Unencumbered Cash, Beginning	1,618,405			1,471,299
Unencumbered Cash, Ending	$1,129,760			$1,618,405

CITY OF LIBERAL, KANSAS

Schedule 2-15

SPECIAL BEAUTIFICATION FUND
(5% OF 1% SALES TAX)
SCHEDULE OF RECEIPTS AND EXPENDITURES
ACTUAL AND BUDGET – REGULATORY BASIS
For the year ended December 31, 2024
(with comparative actual totals for the prior year ended December 31, 2023)

	Current Year			
	Actual	Budget	Variance Over (Under)	Prior Year Actual
Receipts				
Intergovernmental:				
Local sales tax	$254,146	$200,000	$ 54,146	$256,891
Other income	6,600	5,000	1,600	5,050
Use of Money and Property:				
Interest	14,612	1,000	13,612	20,101
Total Receipts	$275,358	$206,000	$ 69,358	$282,042
Expenditures				
Contractual services	$ 34,447	$ 98,500	$ (64,053)	$ 95,057
Commodities	181,352	181,500	(148)	208,615
Capital outlay	31,464	28,000	3,464	-
Operating transfers	-	10,000	(10,000)	-
Total Expenditures	$247,263	$318,000	$ (70,737)	$303,672
Receipts Over (Under) Expenditures	$ 28,095			$ (21,630)
Unencumbered Cash, Beginning	724,090			745,720
Unencumbered Cash, Ending	$752,185			$724,090

CITY OF LIBERAL, KANSAS

Schedule 2-16

BOND AND INTEREST FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES
ACTUAL AND BUDGET – REGULATORY BASIS
For the year ended December 31, 2024
(with comparative actual totals for the prior year ended December 31, 2023)

	Current Year			
	Actual	Budget	Variance Over (Under)	Prior Year Actual
Receipts				
Taxes and Shared Receipts:				
Ad valorem property tax	$ (1,382)	$ -	$ (1,382)	$ 98,149
Delinquent tax	1,395	-	1,395	2,062
Motor vehicle tax	13,652	12,794	858	14,420
Commercial vehicle tax	846	759	87	566
Special assessments	68,806	63,000	5,806	70,063
Other:				
Miscellaneous	-	100	(100)	-
Operating Transfers:				
General	113,781	-	113,781	116,991
Street Drainage and Other Capital Improvements	228,089	228,100	(11)	225,393
Total Receipts	$ 425,187	$ 304,753	$ 120,434	$ 527,644
Expenditures				
Principal	$ 940,000	$1,116,900	$ (176,900)	$ 359,012
Interest	110,971	169,500	(58,529)	44,832
Contractual services	1,500	1,600	(100)	-
Operating Transfers:				
Improvement Projects	-	-	-	1,127,456
Total Expenditures	$1,052,471	$1,288,000	$ (235,529)	$ 1,531,300
Receipts Over (Under) Expenditures	$ (627,284)			$ (1,003,656)
Unencumbered Cash, Beginning	3,509,182			4,512,838
Unencumbered Cash, Ending	$2,881,898			$ 3,509,182

CITY OF LIBERAL, KANSAS

Schedule 2-17

AIRPORT UTILITY DISTRICT FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES
ACTUAL AND BUDGET – REGULATORY BASIS
For the year ended December 31, 2024
(with comparative actual totals for the prior year ended December 31, 2023)

	Current Year			
	Actual	Budget	Variance Over (Under)	Prior Year Actual
Receipts				
Charges for services	$ 18,443	$ 19,000	$ (557)	$ 24,331
Use of Money and Property:				
Royalties and leases	221,073	15,000	206,073	261,666
Interest on time deposits	12,966	1,000	11,966	21,208
Other:				
Reimbursements	33,237	32,000	1,237	34,058
Grant proceeds	-	230,000	(230,000)	877,175
Miscellaneous	-	4,000	(4,000)	-
Operating Transfers:				
Special Economic Development	190,428	200,000	(9,572)	184,203
Total Receipts	$ 476,147	$501,000	$ (24,853)	$1,402,641
Expenditures				
Personal services	$ 247,067	$251,500	$ (4,433)	$ 245,711
Contractual services	374,729	248,500	126,229	60,100
Commodities	110,749	103,500	7,249	593,315
Capital outlay	-	160,000	(160,000)	-
Total Expenditures	$ 732,545	$763,500	$ (30,955)	$ 899,126
Receipts Over (Under) Expenditures	$ (256,398)			$ 503,515
Unencumbered Cash, Beginning	741,319			237,804
Unencumbered Cash, Ending	$ 484,921			$ 741,319

CITY OF LIBERAL, KANSAS

Schedule 2-18

AIR MUSEUM FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES
ACTUAL AND BUDGET – REGULATORY BASIS
For the year ended December 31, 2024
(with comparative actual totals for the prior year ended December 31, 2023)

	Current Year			
	Actual	Budget	Variance Over (Under)	Prior Year Actual
Receipts				
Intergovernmental:				
Local transient guest tax	$ 30,000	$ 30,000	$ -	$ 30,000
Appropriations	432,000	430,000	2,000	350,000
Charges for services	70,377	66,000	4,377	68,389
Total Receipts	$532,377	$526,000	$ 6,377	$448,389
Expenditures				
Community Services:				
Personal services	$290,809	$402,200	$ (111,391)	$234,575
Contractual services	87,712	100,100	(12,388)	89,617
Commodities	84,059	66,700	17,359	67,027
Capital outlay	-	200,000	(200,000)	-
Total Expenditures	$462,580	$769,000	$ (306,420)	$391,219
Receipts Over (Under) Expenditures	$ 69,797			$ 57,170
Unencumbered Cash, Beginning	242,302			185,132
Unencumbered Cash, Ending	$312,099			$242,302

CITY OF LIBERAL, KANSAS

Schedule 2-19

SOLID WASTE UTILITY FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES
ACTUAL AND BUDGET – REGULATORY BASIS
For the year ended December 31, 2024
(with comparative actual totals for the prior year ended December 31, 2023)

	Current Year			
	Actual	Budget	Variance Over (Under)	Prior Year Actual
Receipts				
Charges for services	$2,478,786	$2,575,000	$ (96,214)	$2,428,132
Other sales or services	23,316	27,000	(3,684)	23,280
Use of Money and Property:				
Interest on time deposits	8,121	6,000	2,121	7,982
Operating Receipts:				
Miscellaneous	3,329	-	3,329	1,241
Total Receipts	$2,513,552	$2,608,000	$ (94,448)	$2,460,635
Expenditures				
Refuse Expense:				
Personal services	$1,086,208	$1,149,400	$ (63,192)	$ 906,377
Contractual services	1,071,377	1,251,200	(179,823)	1,081,126
Commodities	326,420	421,600	(95,180)	332,155
Capital outlay	1,362	-	1,362	-
Recycle Center Expense:				
Personal services	76,849	77,300	(451)	65,892
Contractual services	-	500	(500)	98
Commodities	-	5,000	(5,000)	-
Total Expenditures	$2,562,216	$2,905,000	$ (342,784)	$2,385,648
Receipts Over (Under) Expenditures	$ (48,664)			$ 74,987
Unencumbered Cash, Beginning	107,700			32,713
Unencumbered Cash, Ending	$ 59,036			$ 107,700

CITY OF LIBERAL, KANSAS

Schedule 2-20

WASTEWATER UTILITY FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES
ACTUAL AND BUDGET – REGULATORY BASIS
For the year ended December 31, 2024
(with comparative actual totals for the prior year ended December 31, 2023)

	Current Year			
	Actual	Budget	Variance Over (Under)	Prior Year Actual
Receipts				
Charges for services	$ 4,115,710	$4,085,500	$ 30,210	$3,622,085
Use of Money and Property:				
Interest on time deposits	57,041	5,000	52,041	55,936
Other Receipts:				
Miscellaneous	1,177	2,000	(823)	3,406
Total Receipts	$ 4,173,928	$4,092,500	$ 81,428	$3,681,427
Expenditures				
Administrative Expense:				
Personal services	$ 584,012	$ 573,400	$ 10,612	$ 392,883
Contractual services	672,476	720,000	(47,524)	722,008
Commodities	78,643	94,100	(15,457)	57,364
Capital outlay	13,200	291,600	(278,400)	-
Line Cleaning Expense:				
Personal services	859	84,600	(83,741)	1,378
Contractual services	18,915	18,200	715	10,560
Commodities	101,871	329,000	(227,129)	95,995
Capital outlay	1,662	-	1,662	-
Sewer Plant Expense:				
Personal services	568,650	558,000	10,650	468,490
Contractual services	245,143	342,500	(97,357)	272,921
Commodities	198,645	282,000	(83,355)	319,275
Capital outlay	4,391	45,000	(40,609)	10,347
Debt Service Expense:				
Principal	2,346,163	2,311,800	34,363	202,200
Interest	736,328	770,800	(34,472)	707,456
Total Expenditures	$ 5,570,958	$6,421,000	$ (850,042)	$3,260,877
Receipts Over (Under) Expenditures	$ (1,397,030)			$ 420,550
Unencumbered Cash, Beginning	2,533,978			2,113,428
Unencumbered Cash, Ending	$ 1,136,948			$2,533,978

CITY OF LIBERAL, KANSAS

Schedule 2-21

WATER UTILITY FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES
ACTUAL AND BUDGET – REGULATORY BASIS
For the year ended December 31, 2024
(with comparative actual totals for the prior year ended December 31, 2023)

	Current Year			
	Actual	Budget	Variance Over (Under)	Prior Year Actual
Receipts				
Water sales	$5,689,450	$5,652,190	$ 37,260	$5,328,634
Other sales or services	800,797	-	800,797	787,324
Miscellaneous	3,513	8,000	(4,487)	5,784
Use of Money and Property:				
Interest on time deposits	-	7,000	(7,000)	139,468
Lease	14,400	-	14,400	15,600
Total Receipts	$6,508,160	$5,667,190	$ 840,970	$6,276,810
Expenditures				
Administrative Expense:				
Personal services	$ 602,868	$ 563,500	$ 39,368	$ 336,322
Contractual services	2,033,639	2,121,500	(87,861)	1,608,034
Commodities	122,687	76,200	46,487	44,461
Capital outlay	-	1,026,500	(1,026,500)	31
Utility Expense:				
Personal services	127,070	270,500	(143,430)	127,066
Contractual services	730,579	953,500	(222,921)	732,505
Commodities	344,535	700,800	(356,265)	352,379
Capital outlay	6,764	-	6,764	-
Distribution Expense:				
Personal services	893,832	801,400	92,432	786,172
Contractual services	97,997	22,400	75,597	21,957
Commodities	705,923	822,500	(116,577)	388,280
Capital outlay	94,178	115,000	(20,822)	-
Non-Operating Expense:				
Contractual services	113,804	130,000	(16,196)	112,551
Operating Transfers:				
Water Bond and Interest	-	-	-	644,553
Total Expenditures	$5,873,876	$7,603,800	$ (1,729,924)	$5,154,311
Receipts Over (Under) Expenditures	$ 634,284			$1,122,499
Unencumbered Cash, Beginning	5,380,770			4,258,271
Unencumbered Cash, Ending	$6,015,054			$5,380,770

CITY OF LIBERAL, KANSAS

Schedule 2
(Continued)

SCHEDULES OF RECEIPTS AND EXPENDITURES
REGULATORY BASIS
For the year ended December 31, 2024

CITY OF LIBERAL, KANSAS

Schedule 2-22

EMPLOYEE BENEFITS FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES
REGULATORY BASIS
For the year ended December 31, 2024
(with comparative actual totals for the prior year ended December 31, 2023)

	2024	2023
Receipts		
Taxes and Shared Receipts:		
Ad valorem property tax	-	$ (22,608)
Delinquent tax	-	30,160
Motor vehicle tax	-	228,987
Commercial vehicle tax	-	8,515
Total Receipts	-	$ 245,054
Expenditures		
Personal services	-	$ 36,716
Capital outlay	-	106,506
Operating Transfers:		
General	-	447,771
Total Expenditures	-	$ 590,993
Receipts Over (Under) Expenditures	-	$ (345,939)
Unencumbered Cash, Beginning	-	345,939
Unencumbered Cash, Ending	-	-

CITY OF LIBERAL, KANSAS

Schedule 2-23

WATER BOND AND INTEREST FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES
REGULATORY BASIS
For the year ended December 31, 2024
(with comparative actual totals for the prior year ended December 31, 2023)

	2024	2023
Receipts		
Operating Transfers:		
Water Utility	-	$644,553
Expenditures		
Principal	-	$565,987
Interest	-	78,566
Total Expenditures	-	$644,553
Receipts Over (Under) Expenditures	$ -	$ -
Unencumbered Cash, Beginning	166,010	166,010
Unencumbered Cash, Ending	$166,010	$166,010

CITY OF LIBERAL, KANSAS

Schedule 2-24

EQUIPMENT RESERVE FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES
REGULATORY BASIS
For the year ended December 31, 2024
(with comparative actual totals for the prior year ended December 31, 2023)

	2024	2023
Receipts		
Insurance proceeds	$ 8,152	$ 685
Expenditures		
Capital outlay	$ -	$ 139,971
Operating Transfers:		
General Fund	450,000	-
Total Expenditures	$ 450,000	$ 139,971
Receipts Over (Under) Expenditures	$ (441,848)	$ (139,286)
Unencumbered Cash, Beginning	843,030	982,316
Unencumbered Cash, Ending	$ 401,182	$ 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, 2024
(with comparative actual totals for the prior year ended December 31, 2023)

	2024	2023
Receipts		
Donations	$268,726	$316,158
Expenditures		
Personal services	$202,633	$ 85,500
Contractual services	22,810	36,770
Commodities	7,325	22,919
Capital outlay	45,574	66,555
Total Expenditures	$278,342	$211,744
Receipts Over (Under) Expenditures	$ (9,616)	$104,414
Unencumbered Cash, Beginning	697,375	592,961
Unencumbered Cash, Ending	$687,759	$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, 2024
(with comparative actual totals for the prior year ended December 31, 2023)

	2024	2023
Receipts	-	-
Expenditures	-	-
Receipts Over (Under) Expenditures	$ -	$ -
Unencumbered Cash, Beginning	240,885	240,885
Unencumbered Cash, Ending	$240,885	$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, 2024
(with comparative actual totals for the prior year ended December 31, 2023)

	2024	2023
Receipts		
Charges for services	$ 67,714	$ 57,671
Expenditures		
Commodities	80,190	17,284
Receipts Over (Under) Expenditures	$ (12,476)	$ 40,387
Unencumbered Cash, Beginning	235,236	194,849
Unencumbered Cash, Ending	$222,760	$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, 2024
(with comparative actual totals for the prior year ended December 31, 2023)

	2024	2023
Receipts		
Use of Money and Property:		
Interest on time deposits	$ 559	$ 753
Expenditures	-	-
Receipts Over (Under) Expenditures	$ 559	$ 753
Unencumbered Cash, Beginning	28,519	27,766
Unencumbered Cash, Ending	$ 29,078	$ 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, 2024
(with comparative actual totals for the prior year ended December 31, 2023)

	2024	2023
Receipts		
Loan proceeds	$ 4,601,363	$ 5,591,627
Grant proceeds	75,215	-
Use of Money and Property:		
Interest	9,000	-
Operating Transfers:		
Street Drainage and Other Capital Improvements	1,413,371	1,574,000
Special Crime Prevention	992	75,000
Special Housing	575,374	235,000
Bond and Interest	-	1,127,456
Total Receipts	$ 6,675,315	$ 8,603,083
Expenditures		
Contractual services	$ 270,109	$ 824,361
Commodities	2,685,173	2,528,278
Capital outlay	3,541,968	215,381
Operating Transfers:		
Street Drainage and Other Capital Improvements	1,807,053	-
Special Crime Prevention	16,590	-
Special Housing	108,630	-
Special Economic Development	65,747	-
Total Expenditures	$ 8,495,270	$ 3,568,020
Receipts Over (Under) Expenditures	$ (1,819,955)	$ 5,035,063
Unencumbered Cash, Beginning	(375,611)	(5,410,674)
Unencumbered Cash, Ending	$ (2,195,566)	$ (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, 2024
(with comparative actual totals for the prior year ended December 31, 2023)

	2024	2023
Receipts		
Sale of land	$ 77,457	$ 55,409
Use of Money and Property:		
Interest on time deposits	4,336	6,342
Total Receipts	$ 81,793	$ 61,751
Expenditures		
Capital outlay	68,637	-
Receipts Over (Under) Expenditures	$ 13,156	$ 61,751
Unencumbered Cash, Beginning	254,871	193,120
Unencumbered Cash, Ending	$268,027	$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, 2024
(with comparative actual totals for the prior year ended December 31, 2023)

	2024	2023
Receipts		
Grant proceeds	$901,929	$ 561,967
Expenditures		
Contractual services	730,843	670,406
Receipts Over (Under) Expenditures	$171,086	$ (108,439)
Unencumbered Cash, Beginning	(18,853)	89,586
Unencumbered Cash, Ending	$152,233	$ (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, 2024
(with comparative actual totals for the prior year ended December 31, 2023)

	2024	2023
Receipts	$ -	-
Expenditures		
Capital outlay	471,588	-
Receipts Over (Under) Expenditures	$ (471,588)	$ -
Unencumbered Cash, Beginning	1,095,040	1,095,040
Unencumbered Cash, Ending	$ 623,452	$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, 2024
(with comparative actual totals for the prior year ended December 31, 2023)

	2024	2023
Receipts	-	-
Expenditures	-	-
Receipts Over (Under) Expenditures	$ -	$ -
Unencumbered Cash, Beginning	260,993	260,993
Unencumbered Cash, Ending	$260,993	$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, 2024
(with comparative actual totals for the prior year ended December 31, 2023)

	2024	2023
Receipts		
Use of Money and Property:		
Interest on time deposits	-	$ 62,859
Expenditures	-	-
Receipts Over (Under) Expenditures	$ -	$ 62,859
Unencumbered Cash, Beginning	2,382,541	2,319,682
Unencumbered Cash, Ending	$2,382,541	$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, 2024
(with comparative actual totals for the prior year ended December 31, 2023)

	2024	2023
Receipts		
Lot and crypt sales	$ 6,001	$ 5,935
Miscellaneous	-	2,033
Total Receipts	$ 6,001	$ 7,968
Expenditures		
Commodities	-	4,875
Receipts Over (Under) Expenditures	$ 6,001	$ 3,093
Unencumbered Cash, Beginning	35,356	32,263
Unencumbered Cash, Ending	$ 41,357	$ 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, 2024
(with comparative actual totals for the prior year ended December 31, 2023)

	2024	2023
Receipts		
Insurance proceeds	$ 20,192	$ -
Use of Money and Property:		
Interest on time deposits	280	850
Total Receipts	$ 20,472	$ 850
Expenditures	-	-
Receipts Over (Under) Expenditures	$ 20,472	$ 850
Unencumbered Cash, Beginning	1,630	780
Unencumbered Cash, Ending	$ 22,102	$ 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, 2024
(with comparative actual totals for the prior year ended December 31, 2023)

	2024	2023
Receipts	-	-
Expenditures	-	-
Receipts Over (Under) Expenditures	$ -	$ -
Unencumbered Cash, Beginning	1,699	1,699
Unencumbered Cash, Ending	$ 1,699	$ 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, 2024
(with comparative actual totals for the prior year ended December 31, 2023)

	2024	2023
Receipts		
Grant proceeds	$119,669	$121,597
Miscellaneous	50,606	70,374
Total Receipts	$170,275	$191,971
Expenditures		
Personal services	$ 76,607	$ 71,169
Contractual services	99,062	92,239
Commodities	5,463	431
Total Expenditures	$181,132	$163,839
Receipts Over (Under) Expenditures	$ (10,857)	$ 28,132
Unencumbered Cash, Beginning	(41,137)	(69,269)
Unencumbered Cash, Ending	$ (51,994)	$ (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, 2024
(with comparative actual totals for the prior year ended December 31, 2023)

	2024	2023
Receipts		
Reimbursement	$ 5,394	$ 2,869
Expenditures		
Personal services	5,394	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, 2024
(with comparative actual totals for the prior year ended December 31, 2023)

	2024	2023
Receipts		
Reimbursement	$ 14,805	-
Expenditures		
Personal services	$ -	$ 236,479
Contractual services	84,301	127,040
Commodities	64,333	452,968
Capital outlay	124,898	764,746
Total Expenditures	$ 273,532	$ 1,581,233
Receipts Over (Under) Expenditures	$ (258,727)	$ (1,581,233)
Unencumbered Cash, Beginning	258,727	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, 2024

Funds	Beginning Cash Balance	Receipts	Disbursements	Ending Cash Balance
Payroll Clearing Fund	$ (134,017)	$4,404,498	$4,383,892	$ (113,411)
City Cafeteria Employee	1,448	-	-	1,448
Health Insurance Reserve	358,658	4,508	-	363,166
Municipal Court	15,470	61,818	58,038	19,250
Evidence Fund	26,261	1,575	580	27,256
Total	$ 267,820	$4,472,399	$4,442,510	$ 297,709

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, 2024. 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, 2024.

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. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, as discussed below, we did identify certain deficiencies in internal control over compliance that we consider to be a significant deficiency.

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. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2024-001 to be a significant deficiency.

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

July 22, 2025

CITY OF LIBERAL, KANSAS

Schedule 4

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the year ended December 31, 2024

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	$ 791,544
Covid-19 Airport Improvement Program	20.106	N/A	1,214
U.S. Department of Transportation Passed Through Kansas Department of Transportation:			
State and Community Highway Safety	20.600	2024	5,394
Public Transportation Assistance Project	20.509	2024	82,614
U.S. Department of Transportation Passed Through Southwest Kansas Regional Transportation Council, Inc.:			
Public Transportation Assistance Project	20.509	2024	421,392
U.S. Department of Treasury Passed Through Kansas Governor's Office:			
Covid-19 Coronavirus State and Local Fiscal Recovery Funds	21.027	COVID-19	272,741
U.S. Department of Justice:			
Treatment Court Discretionary Grant Program	16.585	N/A	133,545
Total Expenditures of Federal Awards			$1,708,444

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, 2024

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, 2024. 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, 2024.

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, 2024.

Note F: Federal Loan or Loan Guarantee Programs

For the year 2024, 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, 2024
(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, 2024

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

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

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

5. 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.

6. The programs tested as major programs include:
   Covid-19 Airport Improvement Program #20.106
   Airport Improvement Program #20.106

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

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

B. FINDINGS – FINANCIAL STATEMENT

Significant Deficiencies

2024-001. Airport Land Sales

Condition: Internal controls over the sales of land located at the airport do not meet expected performance because proper control is not maintained over the sales process.

Criteria: Internal controls should be in place to provide reasonable assurance that there is sufficient oversight in place.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the year ended December 31, 2024

B. FINDINGS – FINANCIAL STATEMENT (Continued)

Significant Deficiencies (Continued)

2024-001. Airport Land Sales (Continued)

Cause: Proper procedures are not in place to train personnel as to the importance of proper control over the sales process.

Effect: The internal controls over the airport land sales process may not prevent a misstatement or a noncompliance issue from occurring.

Recommendation: Procedures should be implemented to strengthen internal controls over the airport land sales process.

Views of Responsible Officials and Planned Corrective Action: City of Liberal, Kansas agrees with the finding and proper procedures have been put in place.

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

None.