CITY OF LYONS, KANSAS

Independent Auditor's Report and
Financial Statement with
Supplementary Information

For the Year Ended December 31, 2024

CITY OF LYONS, KANSAS

December 31, 2024

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JARRED, GILMORE & PHILLIPS, PA
CERTIFIED PUBLIS ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and City Council
City of Lyons, 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 Lyons, 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 Opinion 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 Lyons 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 Lyons 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) 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, 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.

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 Lyons 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'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 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, 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'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'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, schedules of receipts and expenditures – actual and budget – regulatory basis for each individual fund, and summary of receipts and disbursements – agency funds, regulatory basis (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*. 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.



JARRED, GILMORE & PHILLIPS, PA
Certified Public Accountants

July 19, 2025
Chanute, Kansas

CITY OF LYONS, KANSAS
Summary Statement of Receipts, Expenditures, and Unencumbered Cash
Regulatory Basis
For the Year Ended December 31, 2024

Funds	Beginning Unencumbered Cash Balances	Cancelled Encumbrance	Receipts	Expenditures	Ending Unencumbered Cash Balances	Add Encumbrances and Accounts Payable	Ending Cash Balance December 31, 2024
General Fund	$ 146,146.00	$ -	$ 3,540,606.40	$ 3,392,005.53	$ 294,746.87	$ 118,247.24	$ 412,994.11
Special Purpose Funds:							
Library	1,850.50	-	107,632.20	107,632.20	1,850.50	2,422.69	4,273.19
Special Highway	403,035.99	-	181,862.51	27,269.30	557,629.20	13,001.00	570,630.20
Special Parks and Recreation	23,867.30	-	9,040.25	-	32,907.55	-	32,907.55
Special Alcohol DUI	514.45	-	-	-	514.45	-	514.45
Municipal Equipment Reserve	391,839.86	-	89,697.90	-	481,537.76	-	481,537.76
Capital Improvement	113,706.32	-	305,000.00	285,900.00	132,806.32	-	132,806.32
Eternal Flame	6,925.01	-	-	-	6,925.01	-	6,925.01
VIN Inspection	-	-	29,976.50	-	29,976.50	-	29,976.50
Debt Service							
Quivira Housing Bond and Interest	91,214.43	-	42,000.00	35,895.00	97,319.43	-	97,319.43
Gas Line Project Bond and Interest	361,141.93	-	304,000.00	219,778.00	445,363.93	-	445,363.93
Business Funds:							
Water Utility	355,338.00	-	1,035,704.87	809,847.45	581,195.42	25,114.47	606,309.89
Water Line Capital Project Reserve	365,111.00	6,100.00	125,000.00	123,999.16	372,211.84	-	372,211.84
Wastewater Treatment	29,691.00	-	522,012.85	467,096.24	84,607.61	7,469.51	92,077.12
Stormwater Utility	86,707.55	-	23,445.17	651.86	109,500.86	-	109,500.86
Gas Utility	302,264.00	-	2,146,200.63	2,013,364.63	435,100.00	36,241.81	471,341.81
Gas Line Replacement Reserve	150,270.96	-	118,235.40	106,900.06	161,606.30	-	161,606.30
Sewer Replacement Reserve	285,866.34	-	198,527.66	24,675.24	459,718.76	-	459,718.76
Sewer Line Replacement Reserve	59,657.08	-	-	-	59,657.08	-	59,657.08
Water Well Reserve	59,162.11	-	-	25,249.00	33,913.11	-	33,913.11
Trust Funds:							
Special Law Enforcement	1,865.51	-	-	-	1,865.51	-	1,865.51
Cemetery Endowment	159,980.43	-	-	-	159,980.43	-	159,980.43
Total Reporting Entity (Excluding Agency Funds)	$ 3,396,155.77	$ 6,100.00	$ 8,778,942.34	$ 7,640,263.67	$ 4,540,934.44	$ 202,496.72	$ 4,743,431.16

Composition of Cash:	
Cash on Hand	$ 400.00
Checking Accounts	4,328,467.57
Certificates of Deposit	430,000.00
Less:	
Public Building Commission Cash Balances	(5,406.40)
Total Cash	4,753,461.17
Agency Funds Per Schedule 3	(10,030.01)
Total Reporting Entity (Excluding Agency Funds)	$ 4,743,431.16

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Lyons, Kansas (the City) was incorporated in 1880, and operates as a second class city under the provisions of the Kansas Constitution, Article 12, Section 5 and K.S.A. 15-101 *et seq*. The City operates under a Council-Mayor form of government and provides the following services as authorized by its charter: public safety (police and fire), highways and streets, water, electric, gas, stormwater, trash, and sewer, health and social services, culture-recreation, education, public improvements, and general administrative services.

The financial statement and schedules of the City of Lyons, Kansas have been prepared in order to show compliance with the cash basis and budget laws of the State of Kansas. The Governmental Accounting Standards Board is the principle standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the City's accounting policies follow. Note 1 describes how the City's accounting policies differ from accounting principles generally accepted in the United States of America.

Reporting Entity
The City of Lyons is a municipal corporation governed by an elected eight-member council. This financial statement presents the City of Lyons.

Related Municipal Entities: A related municipal entity is determined by the following criteria. Whether the City exercises oversight responsibility on financial interdependency, selection of governing authority, designation of management, ability to significantly influence operations and accountability for fiscal matters, scope of the public service, and significant operational or financial relationships with the City. Related municipal entities are not required to be included in the City's audit by the Kansas Municipal Audit and Accounting Guide (KMAAG). Based upon the application of this criterion, the following is a brief review of potential related municipal entities:

Lyons Public Library – The City of Lyons Library Board operates the City's public library. Acquisition or disposition of real property or bond issuances must be approved by the City. Bond issuances must also be approved by the City. The City levies taxes for the library and appoints the board members. Separate internal financial statements are available at the Lyons Public Library.

Lyons Public Building Commission – The City of Lyons Public Building Commission was formed in 2010 under K.S.A. 12-1757. The Commission can sue and be sued, and can buy, sell, or lease real property. The Commission can issue revenue bonds with City approval for the purpose of providing funds to acquire, erect, equip, repair, maintain, and operate buildings and other facilities maintained and operated by the City. Separate internal financial statements are available at the City of Lyons. The City is acting as the fiduciary agent for the Commission.

Housing Authority of the City of Lyons, Kansas – The City's Housing Authority operates the City's housing projects. The Housing Authority can sue and be sued, and can buy, sell, or lease real property. Bond issuances must be approved by the City. Audited financial statements can be obtained by contacting the housing authority's office.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Regulatory Basis Fund Types

The accounts of the City are organized on the basis of funds, each of which is considered to be a separate accounting entity. The operations of each fund are accounted for by providing a separate set of self-balancing accounts which comprise its cash, liabilities, fund equity, regulatory receipts and expenditures. The various funds are grouped by type in the financial statements. The types of funds maintained by the City are as follows:

General fund – the chief operating fund. Used to account for all resources except those required to be accounted for in another fund.

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

Business fund – funds financed in whole or in part by fees charged to users of the goods or services (i.e. enterprise and internal service fund etc.)

Trust fund – fund used to report assets held in trust for the benefit of the municipal financial reporting entity (i.e. pension funds, investment trust funds, private purpose trust funds which benefit the municipal reporting entity, scholarship funds, etc.).

Agency fund – funds used to report assets held by the municipal reporting entity in a purely custodial capacity (payroll clearing fund, county treasurer tax collection accounts, etc.).

Basis of Presentation – Regulatory 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 City 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 City to use the regulatory basis of accounting.

Property Taxes

In accordance with governing state statutes, property taxes levied during the current year are a regulatory receipt source to be used to finance the budget of the ensuing year. Taxes are assessed on a calendar year basis and become a lien on the property on November 1st of each year. The County Treasurer is the tax collection agent for all taxing entities within the County. Property owners have the option of paying one-half or the full amount of taxes levied on or before December 20th during the year levied with the balance to be paid on or before May 10th of the ensuing year. State statutes prohibit the County Treasurer from distributing taxes collected in the year levied prior to January 1st of the ensuing year. Consequently, for regulatory receipt recognition purposes, taxes levied during the current year are not due and receivable until the ensuing year. At December 31st, such taxes are a lien on the property.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Pension Plan
Substantially all full-time City employees are members of the State of Kansas Public Employees Retirement System or the State of Kansas Police and Fire Retirement System, both of which are multi-employer, state-wide pension plans. The City's policy is to fund all pension costs accrued; such costs to be funded are actuarially determined annually by the State of Kansas.

Reimbursed Expenses
K.S.A. 79-2934 provides that reimbursed expenditures, in excess of those budgeted, should be recorded as reductions in expenditures rather than as cash receipts. In the financial statement and budget schedule comparisons presented in this report, reimbursements and refunds are recorded as receipts. The reimbursements are recorded as cash receipts when received by the City Treasurer and are often difficult to identify the exact expenditure which they are reimbursing. In funds showing expenditures in excess of the original adopted budget, reimbursements are added to the adopted budget as budget credits for comparison with the actual expenditures.

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 City 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 did hold a revenue neutral rate hearing for this year.

The statutes allow for the governing body to increase the originally adopted budget for previously unbudgeted increases in regulatory receipts other than ad valorem property taxes. To do this, a notice of public hearing to amend the budget must be published in the local newspaper. At least ten days after publication the hearing may be held and the governing body may amend the budget at that time. During the year ended December 31, 2024 there were no such amendments.

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.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Budgetary Information (Continued)
All legal annual operating budgets are prepared using the regulatory basis of accounting, in which, regulatory basis receipts are recognized when cash is received and expenditures include disbursements, accounts payable, and encumbrances, with disbursements being adjusted for 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 projects funds and the following special purpose funds:

- Capital Improvement Fund
- Eternal Flame Fund

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

2. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Compliance with Kansas Statutes
Statement 1 and Schedule 1 have been prepared in order to show compliance with the cash basis and budget laws of Kansas. As shown in Statement 1 and Schedule 1, the City was in apparent compliance with the Kansas cash basis laws and budget laws.

The City was in apparent violation of K.S.A. 12-1608 which requires the treasurer of second class cities to publish quarterly statements showing the total amount received into each fund and the total amount expended from each fund and the cash balances of each fund at the beginning and close of each quarter. Such quarterly statements shall show the amount of outstanding registered warrants, temporary notes, bonds and all other obligations and liabilities of the City. There were no quarterly statements published during the year.

Management is not aware of any other statutory violations.

3. DEPOSITS AND INVESTMENTS

K.S.A 9-1401 establishes the depositories which may be used by the City. The statute requires banks eligible to hold the City's funds have a main branch or branch bank in the county in which the City is located, or in an adjoining county if such institution has been designated as an official depository, and the bank 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 has no other policies that would further limit interest rate risk.

K.S.A 12-1675 limits the City'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 has no investment policy that would further limit its investment choices.

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

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's deposits may not be returned to it. State statutes require the City'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. All deposits were legally secured at December 31, 2024.

Deposits - At December 31, 2024, the City's carrying amount of deposits, including certificates of deposit and amounts from the Public Building Commission was $4,758,467.57 and the bank balance was $4,765,171.20. The bank balance was held at two banks resulting in a concentration of credit risk. Of the bank balance, $731,219.14 was covered by federal depository insurance (FDIC) and $4,033,952.06 was collateralized by pledged securities held by the pledging financial institutions' agent in the City's name

4. LONG-TERM DEBT

Changes in long-term liabilities for the City for the year ended December 31, 2024, were as follows:

Issue	Interest Issue	Date of of Issue	Amount	Date of Final Maturity	Balance Beginning of Year	Additions	Reductions/ Payments	Balance End of Year	Interest Paid
General Obligation Bonds									
Paid with Utility Receipts									
Series 2007	4.15 - 5.50%	August 15, 2007	$ 500,000.00	September 1, 2027	$ 135,000.00	$ -	$ 30,000.00	$ 105,000.00	$ 5,895.00
Refunding Series 2011	3 - 4.50%	September 15, 2011	3,350,000.00	February 1, 2024	100,000.00	-	100,000.00	-	3,625.00
Refunding Series A, 2020	3.15%	March 3, 2020	2,380,000.00	February 1, 2035	2,200,000.00	-	65,000.00	2,135,000.00	51,153.00
State Low Interest Utility Loan	2.13%	March 22, 2021	3,000,000.00	January 1, 2031	2,186,727.26	-	286,769.37	1,899,957.89	58,442.83
Revolving Loans									
Public Water Supply Revolving Loan	2.43%	December 6, 2011	4,046,168.00	February 1, 2033	1,046,268.76	-	99,173.66	947,095.10	24,825.50
Finance Leases									
Street Sweeper	2.44%	September 20, 2021	262,758.00	September 20, 2026	174,820.82	-	45,318.12	129,502.70	3,371.63
Pickup and Trailer	5.50%	March 21, 2023	240,479.00	March 21, 2028	240,479.00	-	43,059.84	197,419.16	13,254.68
Total Contractual Indebtedness					$ 6,083,295.84	$ -	$ 669,320.99	$ 5,413,974.85	$ 160,567.64

4. LONG-TERM DEBT (Continued)

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

Issue	2025	2026	2027	2028	2029	2030-2034	2035-2039	Total
Principal								
General Obligation Bonds								
Paid with Utility Receipts								
Series 2007	$ 35,000.00	$ 35,000.00	$ 35,000.00	$ -	$ -	$ -	$ -	$ 105,000.00
Refunding Series A, 2020	170,000.00	175,000.00	180,000.00	185,000.00	190,000.00	1,015,000.00	220,000.00	2,135,000.00
State Low Interest Utility Loan	224,463.94	304,902.93	311,449.42	318,136.47	324,967.10	416,038.03	-	1,899,957.89
Revolving Loans								
Public Water Supply Revolving Loan	101,598.23	104,082.06	106,626.63	109,233.39	111,903.89	413,650.90	-	947,095.10
Finance Leases								
Street Sweeper	46,589.34	82,913.36	-	-	-	-	-	129,502.70
Pickup and Trailer	45,458.02	47,958.22	50,595.92	53,407.00	-	-	-	197,419.16
Total Principal Payments	623,109.53	749,856.57	683,671.97	665,776.86	626,870.99	1,844,688.93	220,000.00	5,413,974.85
Interest								
General Obligation Bonds								
Paid with Utility Receipts								
Series 2007	4,620.00	3,080.00	1,540.00	-	-	-	-	9,240.00
Refunding Series A, 2020	48,380.00	44,309.00	40,120.00	35,813.00	31,388.00	86,671.00	2,596.00	289,277.00
State Low Interest Utility Loan	29,160.80	33,263.39	26,716.90	20,029.85	13,199.22	6,669.74	6,768.78	135,808.68
Revolving Loans								
Public Water Supply Revolving Loan	22,400.93	19,917.10	17,372.53	14,765.77	12,095.27	20,346.16	-	106,897.76
Finance Leases								
Street Sweeper	3,155.81	2,051.64	-	-	-	-	-	5,207.45
Pickup and Trailer	10,856.50	8,356.30	5,718.60	2,907.52	-	-	-	27,838.92
Total Interest Payments	118,574.04	110,977.43	91,468.03	73,516.14	56,682.49	113,686.90	9,364.78	574,269.81
Total Principal and Interest	$ 741,683.57	$ 860,834.00	$ 775,140.00	$ 739,293.00	$ 683,553.48	$ 1,958,375.83	$ 229,364.78	$ 5,988,244.66

5. FINANCE LEASE OBLIGATIONS

The City has entered into a finance lease agreement in order to purchase a street sweeper. Payments are made annually, including an interest rate of 2.44%. Final maturity of the lease is September 20, 2026. Future minimum lease payments are as follows:

Year Ended December 31	Totals
2025	$ 49,745.15
2026	84,965.00
	134,710.15
Less: Imputed Interest	(5,207.45)
Net Present Value of Minimum Lease Payments	129,502.70
Less: Current Maturities	(46,589.34)
Long-Term Finance Lease Obligations	$ 82,913.36

The City has entered into a finance lease agreement in order to purchase a pickup and a trailer. Payments are made annually, including an interest rate of 5.50%. Final maturity of the lease is March 21, 2028. Future minimum lease payments are as follows:

Year Ended December 31	Totals
2025	$ 56,314.52
2026	56,314.52
2027	56,314.52
2028	56,314.52
	225,258.08
Less: Imputed Interest	(27,838.92)
Net Present Value of Minimum Lease Payments	197,419.16
Less: Current Maturities	(45,458.02)
Long-Term Finance Lease Obligations	$ 151,961.14

6. DEFINED BENEFIT PENSION PLAN

General Information about the Pension Plan

Plan description. The City 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 Comprehensive Annual 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 6% 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.

6. DEFINED BENEFIT PENSION PLAN (Continued)

State law provides that the employer contribution rates for KPERS 1 and KPERS 2 and KPERS 3 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 for the fiscal year ended December 31, 2024. Contributions to the pension plan from the City of Lyons, Kansas were $158,203.15 for KPERS for the year ended December 31, 2024.

Net Pension Liability

At December 31, 2024, the City's proportionate share of the collective net pension liability reported by KPERS was $1,404,774.00. 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's proportion of the net pension liability was based on the ratio of the City's contributions to KPERS, relative to the total employer and nonemployer 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 these financial statements.

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.

7. RISK MANAGEMENT

The City is exposed to various risks of loss related to torts; theft of, damage to, or destruction of assets; errors and omissions; injuries to employees; employees' health and life; and natural disasters. The City manages these risks of loss through the purchase of various insurance policies.

8. OTHER LONG-TERM OBLIGATIONS FROM OPERATIONS

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.

Compensated Absences:

All full-time employees of the City are eligible for vacation benefits in varying annual amounts listed below. Part-time employees who work at least twenty hours or more per week shall earn four hours of vacation for each month of employment. Vacation may not be taken until the employee completes six months of service. Vacation may be carried over at a maximum of 40 hours at each anniversary date. In the event of termination, unused accrued vacation time is paid.

From 0 to 1 year of continuous employment – 5 days per year
From 2 to 9 years of continuous employment – 10 days per year
From 10 to 15 years of continuous employment – 15 days per year
For 16 years of continuous employment – 16 days per year
For 17 years of continuous employment – 17 days per year
For 18 years of continuous employment – 18 days per year
For 19 years of continuous employment – 19 days per year
For 20 or more years of continuous employment – 20 days per year

8. OTHER LONG-TERM OBLIGATIONS FROM OPERATIONS (Continued)

Sick leave accrues to all full-time employees at the rate of eight hours of sick leave for each month of service and part-time employees at the rate of four hours for each month of service. Sick leave amounts accrue to a maximum of 720 hours for full-time employees and 540 hours for part-time employees. Any amounts over these at the end of each fiscal year are paid out at $25 for each eight hour increment. Unused leave at termination shall be paid as follows:

For ten years of continuous employment – $25 for every eight hours

The City accrues a liability for compensated absences which meet the following criteria:

1) The City's obligation relating to employees' rights to receive compensation for future absences is attributed to employee's services already rendered.
2) The obligation relates to rights that vest or accumulate.
3) Payment of the compensation is probable.
4) The amount can be reasonably estimated.

In accordance with the above criteria, the City has estimated a liability for vacation pay, which has been earned, but not taken by City employees at December 31, 2024 of $42,641.01. The City has estimated a liability for sick leave earned, but not taken, by City employees at December 31, 2024 of $5,870.31.

Other Post-Employment Benefits:
As provided by K.S.A. 12-5040, the local government allows retirees to participate in the group health insurance plan. While each retiree pays the full amount of the applicable premium, conceptually, the City 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 these financial statements.

Under the Consolidated Omnibus Budget Reconciliation Act (COBRA), the City 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.

9. INTERFUND TRANSFERS

Operating transfers were as follows:

From Fund:	To Fund:	Statutory Authority	Amount
Gas Utility	General Fund	K.S.A. 12-825d	$ 120,000.00
Gas Utility	Gas Line Project Bond and Interest	K.S.A. 12-825d	304,000.00
Gas Utility	Gas Line Replacement Reserve	K.S.A. 12-825d	50,000.00
Wastewater Treatment	General	K.S.A. 12-825d	30,000.00
Water Utility	Water Line Capital Project Reserve	K.S.A. 12-825d	125,000.00
Water Utility	General	K.S.A. 12-825d	70,000.00
General	Quivira Housing Bond and Interest	K.S.A. 12-197	42,000.00
General	VIN Inspection	K.S.A. 8-116a	18,086.50
General	Capital Improvement	K.S.A. 12-1,118	305,000.00
General	Municipal Equipment Reserve	K.S.A. 12-1,117	45,000.00

10. CONTINGENT LIABILITIES

Amounts received from grantor agencies are subject to audit and adjustment by grantor agencies, principally the Federal and State government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time, although the City expects such amounts, if any, to be immaterial.

11. SUBSEQUENT EVENTS

The City evaluated events and transactions occurring subsequent to year end, and there were no subsequent events requiring recognition in the financial statements. Additionally, there were no nonrecognized subsequent events requiring disclosure.

SUPPLEMENTARY INFORMATION

Schedule 1

CITY OF LYONS, KANSAS

Summary of Expenditures - Actual and Budget
(Budgeted Funds Only)
Regulatory Basis
For the Year Ended December 31, 2024

Funds	Certified Budget	Adjustments for Qualifying Budget Credits	Total Budget for Comparison	Expenditures Charged to Current Year Budget	Variance - Over (Under)
General Fund	$ 4,181,671.00	$ 488,949.99	$ 4,670,620.99	$ 3,392,005.53	$ (1,278,615.46)
Special Purpose Funds:					
Library	115,469.00	-	115,469.00	107,632.20	(7,836.80)
Special Highway	299,303.00	-	299,303.00	27,269.30	(272,033.70)
Special Parks and Recreation	33,940.00	-	33,940.00	-	(33,940.00)
Special Alcohol DUI	-	-	-	-	-
Municipal Equipment Reserve	368,046.00	-	368,046.00	-	(368,046.00)
VIN Inspection	-	-	-	-	-
Debt Service:					
Quivira Housing Bond and Interest	103,017.00	-	103,017.00	35,895.00	(67,122.00)
Gas Line Project Bond and Interest	473,646.00	-	473,646.00	219,778.00	(253,868.00)
Business Funds:					
Water Utility	1,400,000.00	-	1,400,000.00	809,847.45	(590,152.55)
Wastewater Treatment	1,000,000.00	-	1,000,000.00	467,096.24	(532,903.76)
Storm Water	64,096.00	-	64,096.00	651.86	(63,444.14)
Gas Utility	5,240,573.00	-	5,240,573.00	2,013,364.63	(3,227,208.37)

CITY OF LYONS, KANSAS
GENERAL FUND
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2024

	Current Year Actual	Budget	Variance - Over (Under)
Receipts			
Taxes and Shared Receipts			
Ad Valorem Property Tax	$ 814,743.02	$ 879,584.00	$ (64,840.98)
Delinquent Tax	50,672.79	37,000.00	13,672.79
Motor Vehicle Tax	139,239.53	131,318.00	7,921.53
Recreational Vehicle Tax	2,635.76	2,500.00	135.76
16 & 20M Truck Tax	648.37	555.00	93.37
Commercial Vehicle Tax	4,206.68	5,508.00	(1,301.32)
Watercraft Tax	-	949.00	(949.00)
Sales Tax	979,065.36	800,300.00	178,765.36
Franchise Tax	170,499.36	175,000.00	(4,500.64)
Neighborhood Revitalization Rebate	(1,207.73)	-	(1,207.73)
Special Assessments	9,292.50	-	9,292.50
Payments in Lieu of Taxes	36,111.44	21,000.00	15,111.44
Alcohol Tax	9,040.25	9,230.00	(189.75)
Tourism Tax	18,045.38	15,000.00	3,045.38
Intergovernmental			
Grants	124,392.50	485,000.00	(360,607.50)
Airport Federal Grant	153,305.53	93,750.00	59,555.53
Federal Grants	123,691.50	23,000.00	100,691.50
State Grants	7,125.00	-	7,125.00
Connecting Links	-	86,000.00	(86,000.00)
Charges for Services			
Licenses and Fees	4,465.00	28,000.00	(23,535.00)
VIN Inspections	-	7,300.00	(7,300.00)
Swimming Pool	56,883.24	45,000.00	11,883.24
Refuse Collections	199,772.77	176,000.00	23,772.77
Refuse Penalties	3,133.85	-	3,133.85
Cemetery	18,163.00	12,000.00	6,163.00
Utility Sales Tax	62,603.27	-	62,603.27
Fines, Forfeitures and Penalties	176,425.21	77,825.00	98,600.21
Use of Money and Property			
Rentals	1,285.59	225.00	1,060.59
Sale of Equipment	1,106.20	5,000.00	(3,893.80)
Interest Income	42,896.81	10,000.00	32,896.81
Other Receipts			
Reimbursed Expense	80,435.46	100,000.00	(19,564.54)
Donations	-	1,100.00	(1,100.00)
Miscellaneous	31,928.76	1,000.00	30,928.76
Operating Transfers from:			
Gas Utility Fund	120,000.00	120,000.00	-
Waste Water Treatment Fund	30,000.00	30,000.00	-
Water Utility Fund	70,000.00	70,000.00	-
Total Receipts	3,540,606.40	$ 3,449,144.00	$ 91,462.40

CITY OF LYONS, KANSAS
GENERAL FUND
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2024

	Current Year Actual	Budget	Variance - Over (Under)
Expenditures			
General Government			
Personal Services	$ 157,732.89	$ 169,580.00	$ (11,847.11)
Contractual Services	523,542.41	475,725.00	47,817.41
Commodities	13,683.78	5,150.00	8,533.78
Capital Outlay	-	7,300.00	(7,300.00)
Compost Operation			
Personal Services	9,142.42	13,406.00	(4,263.58)
Contractual Services	726.07	5,274.00	(4,547.93)
Commodities	1,852.33	1,000.00	852.33
Police			
Personal Services	679,312.21	555,425.00	123,887.21
Contractual Services	198,312.92	147,153.00	51,159.92
Commodities	22,500.03	13,500.00	9,000.03
Capital Outlay	-	30,000.00	(30,000.00)
Animal Control			
Personal Services	2,180.00	15,300.00	(13,120.00)
Contractual Services	2,564.81	-	2,564.81
Commodities	-	100.00	(100.00)
Municipal Court			
Personal Services	29,284.09	47,657.00	(18,372.91)
Contractual Services	24,870.93	21,200.00	3,670.93
Commodities	1,823.44	200.00	1,623.44
Fire			
Personal Services	32,818.12	45,579.00	(12,760.88)
Contractual Services	46,574.61	24,982.00	21,592.61
Commodities	5,064.05	7,000.00	(1,935.95)
Capital Outlay	7,926.05	4,300.00	3,626.05
Cemetery			
Personal Services	188,564.05	158,947.00	29,617.05
Contractual Services	30,287.75	19,422.00	10,865.75
Commodities	7,909.41	5,450.00	2,459.41
Capital Outlay	-	2,500.00	(2,500.00)
Parks			
Personal Services	180,439.86	129,331.00	51,108.86
Contractual Services	47,541.58	48,480.00	(938.42)
Commodities	12,839.92	8,000.00	4,839.92

CITY OF LYONS, KANSAS
GENERAL FUND
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2024

	Current Year Actual	Budget	Variance - Over (Under)
Expenditures (Continued)			
Swimming Pool			
Personal Services	$ 64,887.21	$ 57,000.00	$ 7,887.21
Contractual Services	21,204.79	88,445.00	(67,240.21)
Commodities	24,331.85	5,000.00	19,331.85
Streets			
Personal Services	151,710.11	241,351.00	(89,640.89)
Contractual Services	103,387.89	280,600.00	(177,212.11)
Commodities	33,747.42	35,500.00	(1,752.58)
Airport			
Contractual Services	106,191.77	85,000.00	21,191.77
Commodities	-	600.00	(600.00)
Refuse			
Contractual Services	181,503.01	-	181,503.01
Debt Service			
Finance Lease	67,461.25	-	67,461.25
Operating Transfer to:			
VIN Inspection Fund	18,086.50	-	18,086.50
Wastewater Utility Fund	-	204,000.00	(204,000.00)
Municipal Equipment Reserve Fund	45,000.00	45,000.00	-
Quivira Bond and Interest Fund	42,000.00	42,000.00	-
Capital Improvement Fund	305,000.00	305,000.00	-
Cash Forward	-	830,214.00	(830,214.00)
Total Certified Budget		4,181,671.00	(789,665.47)
Adjustments for Qualifying Budget Credits		488,949.99	(488,949.99)
Total Expenditures	3,392,005.53	$ 4,670,620.99	$ (1,278,615.46)
Receipts Over(Under) Expenditures	148,600.87		
Unencumbered Cash, Beginning	146,146.00		
Unencumbered Cash, Ending	$ 294,746.87		

CITY OF LYONS, KANSAS
LIBRARY FUND
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2024

	Current Year Actual	Budget	Variance - Over (Under)
Receipts			
Taxes and Shared Receipt			
Ad Valorem Property Tax	$ 90,528.86	$ 97,736.00	$ (7,207.14)
Delinquent Tax	4,426.78	2,900.00	1,526.78
Motor Vehicle Tax	11,607.05	10,944.00	663.05
Recreational Vehicle Tax	219.79	208.00	11.79
16 & 20M Truck Tax	55.34	46.00	9.34
Commercial Motor Vehicle Tax	350.73	459.00	(108.27)
Watercraft Tax	-	79.00	(79.00)
Neighborhood Revitalization Program	(134.20)		(134.20)
Payments in Lieu of Taxes	577.85	-	577.85
Total Receipts	107,632.20	$ 112,372.00	$ (4,739.80)
Expenditures			
Culture and Recreation			
Appropriation to Library Board	107,632.20	$ 115,469.00	$ (7,836.80)
Total Expenditures	107,632.20	$ 115,469.00	$ (7,836.80)
Receipts Over(Under) Expenditures	-		
Unencumbered Cash, Beginning	1,850.50		
Unencumbered Cash, Ending	$ 1,850.50		

CITY OF LYONS, KANSAS
SPECIAL HIGHWAY FUND
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2024

	Current Year Actual	Budget	Variance - Over (Under)
Receipts			
Intergovernmental			
Special Highway Tax	$ 96,108.49	$ 94,810.00	$ 1,298.49
Intergovernmental			
Connecting Links	85,754.02	-	85,754.02
Other Receipts			
Donations	-	185,000.00	(185,000.00)
Total Receipts	181,862.51	$ 279,810.00	$ (97,947.49)
Expenditures			
Public Streets			
Contractual Services	20,569.30	$ 200,000.00	$ (179,430.70)
Commodities	6,700.00	65,000.00	(58,300.00)
Cash Forward	-	34,303.00	(34,303.00)
Total Expenditures	27,269.30	$ 299,303.00	$ (272,033.70)
Receipts Over(Under) Expenditures	154,593.21		
Unencumbered Cash, Beginning	403,035.99		
Unencumbered Cash, Ending	$ 557,629.20		

CITY OF LYONS, KANSAS
SPECIAL PARKS AND RECREATION FUND
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2024

-

	Current Year Actual	Budget	Variance - Over (Under)
Receipts			
Taxes and Shared Receipts			
Alcohol Tax	$ 9,040.25	$ 10,000.00	$ (959.75)
Total Receipts	9,040.25	$ 10,000.00	$ (959.75)
Expenditures			
Public Recreation			
Contractual Services	-	$ 9,700.00	$ (9,700.00)
Capital Outlay	-	15,000.00	(15,000.00)
Cash Forward	-	9,240.00	(9,240.00)
Total Expenditures	-	$ 33,940.00	$ (33,940.00)
Receipts Over(Under) Expenditures	9,040.25		
Unencumbered Cash, Beginning	23,867.30		
Unencumbered Cash, Ending	$ 32,907.55		

CITY OF LYONS, KANSAS
SPECIAL ALCOHOL DUI FUND
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2024

	Current Year Actual	Budget	Variance - Over (Under)
Receipts			
Taxes and Shared Receipts			
Alcohol Tax	$ -	$ -	$ -
Total Receipts	-	$ -	$ -
Expenditures			
General Government			
Contractual Services	-	$ -	$ -
Total Expenditures	-	$ -	$ -
Receipts Over(Under) Expenditures	-		
Unencumbered Cash, Beginning	514.45		
Unencumbered Cash, Ending	$ 514.45		

CITY OF LYONS, KANSAS
MUNICIPAL EQUIPMENT RESERVE FUND
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2024

	Current Year Actual	Budget	Variance - Over (Under)
Receipts			
Taxes and Shared Receipts			
Ad Valorem Taxes	$ 36,208.59	$ 39,094.00	$ (2,885.41)
Delinquent Taxes	2,135.90	1,825.00	310.90
Motor Vehicle Taxes	5,805.04	5,473.00	332.04
Recreational Vehicle Taxes	109.91	104.00	5.91
16 & 20M Truck Taxes	27.74	23.00	4.74
Commercial Vehicle Taxes	175.40	230.00	(54.60)
Watercraft Taxes	-	40.00	(40.00)
Neighborhood Revitalization Rebate	(53.68)	-	(53.68)
Payments in Lieu of Taxes	289.00	-	289.00
Operating Transfer from			
General Fund	45,000.00	45,000.00	-
Total Receipts	89,697.90	$ 91,789.00	$ (2,091.10)
Expenditures			
Equipment			
Commodities	-	$ 20,800.00	$ (20,800.00)
Capital Outlay	-	60,000.00	(60,000.00)
Debt Service	-	48,690.00	(48,690.00)
Cash Forward	-	238,556.00	(238,556.00)
Total Expenditures	-	$ 368,046.00	$ (368,046.00)
Receipts Over(Under) Expenditures	89,697.90		
Unencumbered Cash, Beginning	391,839.86		
Unencumbered Cash, Ending	$ 481,537.76		

CITY OF LYONS, KANSAS
CAPITAL IMPROVEMENT FUND
Schedule of Receipts and Expenditures - Actual
Regulatory Basis
For the Year Ended December 31, 2024

	Current Year Actual
Receipts	
Operating Transfer from General Fund	$ 305,000.00
Total Receipts	305,000.00
Expenditures	
General Government	
Contractual Services	285,900.00
Total Expenditures	285,900.00
Receipts Over(Under) Expenditures	19,100.00
Unencumbered Cash, Beginning	113,706.32
Unencumbered Cash, Ending	$ 132,806.32

CITY OF LYONS, KANSAS
ETERNAL FLAME FUND
Schedule of Receipts and Expenditures - Actual
Regulatory Basis
For the Year Ended December 31, 2024

	Current Year Actual
Receipts	
Other Receipts	
Miscellaneous	$ -
Total Receipts	-
Expenditures	
General Government	
Commodities	-
Total Expenditures	-
Receipts Over(Under) Expenditures	-
Unencumbered Cash, Beginning	6,925.01
Unencumbered Cash, Ending	$ 6,925.01

CITY OF LYONS, KANSAS
VIN INSPECTION FUND
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2024

	Current Year Actual	Budget	Variance - Over (Under)
Receipts			
Charges for Services			
VIN Inspections	$ 11,890.00	$ -	$ 11,890.00
Operating Transfer from			
General Fund	18,086.50	-	18,086.50
Total Receipts	29,976.50	$ -	$ 29,976.50
Expenditures			
Public Safety			
Capital Outlay	-	-	-
Total Expenditures	-	$ -	$ -
Receipts Over(Under) Expenditures	29,976.50		
Unencumbered Cash, Beginning	-		
Unencumbered Cash, Ending	$ 29,976.50		

CITY OF LYONS, KANSAS
QUIVIRA HOUSING BOND AND INTEREST FUND
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2024

	Current Year Actual	Budget	Variance - Over (Under)
Receipts			
Operating Transfer from			
General Fund	$ 42,000.00	$ 42,000.00	$ -
Total Receipts	42,000.00	$ 42,000.00	$ -
Expenditures			
General Government			
Commodities	-	$ 26,640.00	$ (26,640.00)
Debt Service			
Principal	30,000.00	30,000.00	-
Interest	5,895.00	5,896.00	(1.00)
Cash Forward	-	40,481.00	(40,481.00)
Total Expenditures	35,895.00	$ 103,017.00	$ (67,122.00)
Receipts Over(Under) Expenditures	6,105.00		
Unencumbered Cash, Beginning	91,214.43		
Unencumbered Cash, Ending	$ 97,319.43		

CITY OF LYONS, KANSAS
GAS LINE PROJECT BOND AND INTEREST FUND
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2024

	Current Year Actual	Budget	Variance - Over (Under)
Receipts			
Operating Transfer from Gas Utility Fund	$ 304,000.00	$ 304,000.00	$ -
Total Receipts	304,000.00	$ 304,000.00	$ -
Expenditures			
Distribution			
Commodities	-	$ 88,501.00	$ (88,501.00)
Debt Service			
Principal	165,000.00	165,000.00	-
Interest	54,778.00	52,966.00	1,812.00
Cash Forward	-	167,179.00	(167,179.00)
Total Expenditures	219,778.00	$ 473,646.00	$ (253,868.00)
Receipts Over(Under) Expenditures	84,222.00		
Unencumbered Cash, Beginning	361,141.93		
Unencumbered Cash, Ending	$ 445,363.93		

CITY OF LYONS, KANSAS
WATER UTILITY FUND
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2024

	Current Year Actual	Budget	Variance - Over (Under)
Receipts			
Charges for Services			
Utility Sales	$ 983,150.66	$ 1,197,341.00	$ (214,190.34)
Penalties	9,303.50	-	9,303.50
Meter Connections	11,300.00	20,000.00	(8,700.00)
Use of Money and Property			
Sale of Equipment	-	600.00	(600.00)
Other Receipts			
Miscellaneous	12,809.52	500.00	12,309.52
Reimbursed Expense	19,141.19		19,141.19
Total Receipts	1,035,704.87	$ 1,218,441.00	$ (182,736.13)
Expenditures			
Production			
Personal Services	184,035.75	$ 300,000.00	$ (115,964.25)
Contractual Services	197,092.99	215,000.00	(17,907.01)
Commodities	84,164.01	180,000.00	(95,835.99)
Capital Outlay	-	153,999.00	(153,999.00)
Administration			
Personal Services	130,676.52	-	130,676.52
Contractual Services	106.67	-	106.67
Debt Service			
Finance Lease	18,771.51	-	18,771.51
Operating Transfer to			-
General Fund	70,000.00	70,000.00	-
Water Line Capital Project Reserve Fund	125,000.00	235,000.00	(110,000.00)
Water Well Fund	-	30,000.00	(30,000.00)
Cash Forward	-	216,001.00	(216,001.00)
Total Expenditures	809,847.45	$ 1,400,000.00	$ (590,152.55)
Receipts Over(Under) Expenditures	225,857.42		
Unencumbered Cash, Beginning	355,338.00		
Unencumbered Cash, Ending	$ 581,195.42		

CITY OF LYONS, KANSAS
WATER LINE CAPITAL PROJECT RESERVE FUND
Schedule of Receipts and Expenditures - Actual
Regulatory Basis
For the Year Ended December 31, 2024

	Current Year Actual
Receipts	
Operating Transfer from	
Water Utility Fund	$ 125,000.00
Total Receipts	125,000.00
Expenditures	
Debt Service	
Principal	99,173.66
Interest	24,825.50
Total Expenditures	123,999.16
Receipts Over(Under) Expenditures	1,000.84
Unencumbered Cash, Beginning	365,111.00
Cancelled Encumbrance	6,100.00
Unencumbered Cash, Ending	$ 372,211.84

CITY OF LYONS, KANSAS
WASTEWATER TREATMENT FUND
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2024

	Current Year Actual	Budget	Variance - Over (Under)
Receipts			
Charges for Services			
Utilitiy Sales	$ 515,529.78	$ 745,721.00	$ (230,191.22)
Penalties	6,307.73	-	6,307.73
Use of Money and Property			
Sale of Equipment	-	1,100.00	(1,100.00)
Other Receipts			
Reimbursed Expense	175.34	1,200.00	(1,024.66)
Operating Transfer from			
General Fund	-	204,000.00	(204,000.00)
Total Receipts	522,012.85	$ 952,021.00	$ (430,008.15)
Expenditures			
Water Treatment			
Personal Services	143,047.51	$ 215,000.00	$ (71,952.49)
Contractual Services	124,242.18	115,000.00	9,242.18
Commodities	39,663.78	90,000.00	(50,336.22)
Capital Outlay	-	204,000.00	(204,000.00)
Administration			
Personal Services	111,264.60	-	111,264.60
Contractual Services	106.66	-	106.66
Debt Service			
Finance Lease	18,771.51	-	18,771.51
Operating Transfer to:			
General Fund	30,000.00	30,000.00	-
Sewer Line Replacement Reserve Fund	-	78,000.00	(78,000.00)
Cash Forward	-	268,000.00	(268,000.00)
Total Expenditures	467,096.24	$ 1,000,000.00	$ (532,903.76)
Receipts Over(Under) Expenditures	54,916.61		
Unencumbered Cash, Beginning	29,691.00		
Unencumbered Cash, Ending	$ 84,607.61		

CITY OF LYONS, KANSAS
STORMWATER UTILITY FUND
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2024

	Current Year Actual	Budget	Variance - Over (Under)
Receipts			
Charges for Services			
Utility Sales	$ 23,177.47	$ 23,000.00	$ 177.47
Penalties	267.70	-	267.70
Total Receipts	23,445.17	$ 23,000.00	$ 445.17
Expenditures			
Storm Water			
Contractual Services	-	$ 40,000.00	$ (40,000.00)
Commodities	651.86	5,325.00	(4,673.14)
Cash Forward	-	18,771.00	(18,771.00)
Total Expenditures	651.86	$ 64,096.00	$ (63,444.14)
Receipts Over(Under) Expenditures	22,793.31		
Unencumbered Cash, Beginning	86,707.55		
Unencumbered Cash, Ending	$ 109,500.86		

CITY OF LYONS, KANSAS
GAS UTILITY FUND
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2024

	Current Year Actual	Budget	Variance - Over (Under)
Receipts			
Intergovernmental			
Federal Aid	$ -	$ 130.00	$ (130.00)
Charges for Services			
Utility Sales	2,111,145.32	4,000,000.00	(1,888,854.68)
Penalties	19,955.98	-	19,955.98
Meter Connections	10,900.00	13,000.00	(2,100.00)
Other Receipts			
Miscellaneous	4,031.09	56,850.00	(52,818.91)
Reimbursed Expense	168.24	-	168.24
Total Receipts	2,146,200.63	$ 4,069,980.00	$ (1,923,779.37)
Expenditures			
Distribution			
Personal Services	171,697.35	$ 200,000.00	$ (28,302.65)
Contractual Services	258,122.26	240,000.00	18,122.26
Commodities	647,642.33	3,040,000.00	(2,392,357.67)
Capital Outlay	-	32,304.00	(32,304.00)
Administration			
Personal Services	111,263.82	-	111,263.82
Contractual Services	5,426.67	-	5,426.67
Debt Service			
Principal	286,769.37	306,265.00	(19,495.63)
Interest	58,442.83	5,308.00	53,134.83
Operating Transfer to:			
General Fund	120,000.00	120,000.00	-
Gas Line Project Bond and Interest Fund	304,000.00	304,000.00	-
Gas Line Replacement Reserve Fund	50,000.00	50,000.00	-
Cash Forward	-	942,696.00	(942,696.00)
Total Expenditures	2,013,364.63	$ 5,240,573.00	$ (3,227,208.37)
Receipts Over(Under) Expenditures	132,836.00		
Unencumbered Cash, Beginning	302,264.00		
Unencumbered Cash, Ending	$ 435,100.00		

CITY OF LYONS, KANSAS
GAS LINE REPLACEMENT RESERVE FUND
Schedule of Receipts and Expenditures - Actual
Regulatory Basis
For the Year Ended December 31, 2024

	Current Year Actual
Receipts	
Other Receipts	
Reimbursed Expense	$ 68,235.40
Operating Transfer from	
Gas Utility Fund	50,000.00
Total Receipts	118,235.40
Expenditures	
Capital Improvements	
Contractual Services	0.06
Commodities	106,900.00
Total Expenditures	106,900.06
Receipts Over(Under) Expenditures	11,335.34
Unencumbered Cash, Beginning	150,270.96
Unencumbered Cash, Ending	$ 161,606.30

CITY OF LYONS, KANSAS
SEWER REPLACEMENT RESERVE FUND
Schedule of Receipts and Expenditures - Actual
Regulatory Basis
For the Year Ended December 31, 2024

	Current Year Actual
Receipts	
Charges for Services	
Utility Sales	$ 196,091.66
Penalties	2,436.00
Total Receipts	198,527.66
Expenditures	
Capital Improvements	
Commodities	24,675.24
Total Expenditures	24,675.24
Receipts Over(Under) Expenditures	173,852.42
Unencumbered Cash, Beginning	285,866.34
Unencumbered Cash, Ending	$ 459,718.76

CITY OF LYONS, KANSAS
SEWER LINE REPLACEMENT RESERVE FUND
Schedule of Receipts and Expenditures - Actual
Regulatory Basis
For the Year Ended December 31, 2024

	Current Year Actual
Receipts	
Operating Transfers from	
Wastewater Treatment Fund	$ -
Total Receipts	-
Expenditures	
Capital Improvements	
Capital Outlay	$ -
Total Expenditures	-
Receipts Over(Under) Expenditures	-
Unencumbered Cash, Beginning	59,657.08
Unencumbered Cash, Ending	$ 59,657.08

CITY OF LYONS, KANSAS
WATER WELL RESERVE FUND
Schedule of Receipts and Expenditures - Actual
Regulatory Basis
For the Year Ended December 31, 2024

	Current Year Actual
Receipts	
Operating Transfer from	
Water Utility Fund	$ -
Total Receipts	-
Expenditures	
Capital Improvements	
Contractual Services	21,069.00
Commodities	4,180.00
Total Expenditures	25,249.00
Receipts Over(Under) Expenditures	(25,249.00)
Unencumbered Cash, Beginning	59,162.11
Unencumbered Cash, Ending	$ 33,913.11

CITY OF LYONS, KANSAS
SPECIAL LAW ENFORCEMENT FUND
Schedule of Receipts and Expenditures - Actual
Regulatory Basis
For the Year Ended December 31, 2024

	Current Year Actual
Receipts	
Other Receipts	
Donations	$ -
Total Receipts	-
Expenditures	
Public Safety	
Contractual Services	-
Total Expenditures	-
Receipts Over(Under) Expenditures	-
Unencumbered Cash, Beginning	1,865.51
Unencumbered Cash, Ending	$ 1,865.51

CITY OF LYONS, KANSAS
CEMETERY ENDOWMENT FUND
Schedule of Receipts and Expenditures - Actual
Regulatory Basis
For the Year Ended December 31, 2024

	Current Year Actual
Receipts	
Other Receipts	
Miscellaneous	$ -
Total Receipts	-
Expenditures	
Operating Expenditures	
Contractual Services	-
Total Expenditures	-
Receipts Over(Under) Expenditures	-
Unencumbered Cash, Beginning	159,980.43
Unencumbered Cash, Ending	$ 159,980.43

Schedule 3

CITY OF LYONS, KANSAS
AGENCY FUNDS
Summary of Receipts and Disbursements
Regulatory Basis
For the Year Ended December 31, 2024

Funds	Beginning Cash Balances	Receipts	Disbursements	Ending Cash Balances
Fireman's Relief Association	$ 10,001.84	$14,504.73	$ 14,476.56	$ 10,030.01
Fire Insurance Proceeds	-	10,950.00	10,950.00	-
Total Agency Funds	$ 10,001.84	$25,454.73	$ 25,426.56	$ 10,030.01

Jarred Gilmore Phillips

The Honorable Mayor and City Council
City of Lyons, Kansas

In planning and performing our audit of the financial statement of the City of Lyons, Kansas as of and for the year ended December 31, 2024, in accordance with auditing standards generally accepted in the United States of America, we considered the City of Lyons, Kansas' system of 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 opinion on the financial statement, but not for the purpose of expressing an opinion on the effectiveness of the City of Lyons, Kansas' internal control. Accordingly, we do not express an opinion on the effectiveness of the City of Lyons Kansas' internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph 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. However, as discussed below, we identified certain deficiencies in internal control that we consider to be material weaknesses.

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. We consider the following deficiencies in internal control to be material weaknesses:

Preparation of Financial Statement

In prior years, the auditor was considered the compensating control for preparation of the City's financial statement, including footnotes. However, professional standards do not allow the auditor to be a compensating internal control for the City. The new standard states the client must be able to accept responsibility and be able to identify a material misstatement when handed the financial statement, including footnotes. This would also include knowing if a required footnote disclosure was missing or not correctly stated. Presently, the City staff does not have the ability to process and prepare the required financial statement, including footnotes. While we recognize that this condition is not unusual for a City your size, it is important that you be aware of this condition for financial reporting purposes. Management and the City Council should continually be aware of the financial reporting of the City and changes in reporting requirements.

Utility Bill Miscalculation

During our audit testing and subsequent discussions with the Utility Clerk, it was determined that utility bills for both the Utility Clerk and another out-of-town resident had been calculated incorrectly for several years. These discrepancies appear to be related to the application of incorrect rates, particularly those meant for customers residing outside of city limits. Management should ensure that any time rate changes occur, or when rates differ from their standard amounts - such as for out-of-town residents - all relevant billing calculations are reviewed and updated to ensure they align with the applicable ordinance. Additionally, any changes made within the billing software should be tested and validated for accuracy. Per discussions with the Utility Clerk and the Assistant City Administrator, the City is actively working with the billing software provider to identify and correct the issue to prevent future miscalculations.

This communication is intended solely for the information and use of management, the Mayor, City Council, and others within City of Lyons, Kansas, and is not intended to be, and should not be, used by anyone other than these specified parties.

Jarred, Gilmore & Phillips, PA

JARRED, GILMORE & PHILLIPS, PA
Certified Public Accountants

July 19, 2025
Chanute, Kansas