


# CITY OF LEBO, KANSAS

## Financial Statements for the Year Ended December 31, 2025 And Independent Auditors' Report

# CITY OF LEBO, KANSAS

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Michael D. Peroo CPA, PA



**INDEPENDENT AUDITORS' REPORT**

The Honorable Mayor and City Council
City of Lebo, 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 Lebo, Kansas (City), as of and for the year ended December 31, 2025 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 as of December 31, 2025, 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 as of December 31, 2025, 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. General Accepted Accounting Principles*
As discussed in Note 1 of the financial statement, the financial statement is prepared by the City 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 statements.

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 statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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 statements.
- 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 and individual fund schedules of regulatory basis

receipts and expenditures-actual and budget (Schedules 1-2 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.

We also previously audited, in accordance with auditing standards generally accepted in the United States of America, the basic financial statement of the City of Lebo, Kansas as of and for the year ended December 31, 2024 (not presented herein), and have issued our report thereon dated November 2, 2025, which contained an unmodified opinion on the basic financial statement. The 2024 basic financial statement and our accompanying report are not presented herein, but are available in electronic form from the web site of the Kansas Department of Administration at the following link https://admin.ks.gov/offices/accounts-reports/local-government/municipal-services. The 2024 actual column (2024 comparative information) presented in the individual fund schedules of regulatory basis receipts and expenditures - actual and budget for the year ended December 31, 2025 (Schedule 2 as listed in the table of contents) is presented for purposes of additional analysis and is not a required part of the basic financial statement. Such 2024 comparative information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 2024 basic financial statement. The 2024 comparative information was subjected to the auditing procedures applied in the audit of the 2024 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 2024 basic financial statement or to the 2024 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 2024 comparative information is fairly stated in all material respects in relation to the basic financial statement as a whole for the year ended December 31, 2024, on the basis of accounting described in Note 1.

Michael D. Peroo, CPA, PA
September 4, 2026

Olathe, Kansas

Michael D. Peroo, CPA
Michael D. Peroo, CPA
In Charge of and Actively Engaged
on this Audit

# CITY OF LEBO, KANSAS

## SUMMARY STATEMENT OF RECEIPTS, EXPENDITURES AND UNENCUMBERED CASH REGULATORY BASIS
## FOR THE YEAR ENDED DECEMBER 31, 2025

| | Beginning Unencumbered Cash Balance | Receipts | Expenditures | Ending Unencumbered Cash Balance |
|---|---|---|---|---|
| General Fund | $ 1,770,458 | $ 1,121,622 | $ 1,003,958 | $ 1,888,122 |
| Special Purpose Funds: | | | | |
| Economic Development Fund | 34,832 | 51,247 | 34,315 | 51,764 |
| Law Enforcement Fund | 36,580 | 9,393 | - | 45,973 |
| Employee Benefit Fund | 21,816 | 59,756 | 57,564 | 24,008 |
| Special Highway Fund | 13,370 | 23,845 | 23,977 | 13,238 |
| Special Liability Fund | 1,464 | 2,584 | 2,940 | 1,108 |
| Special Park and Recreation Fund | 1,014 | 40,803 | 37,977 | 3,840 |
| Capital Project Funds | | | | |
| Capital Improvement Reserve | 606,738 | 280,000 | 173,043 | 713,695 |
| Municipal Equipment Reserve | 85,964 | 82,368 | 76,654 | 91,678 |
| Business Funds | | | | |
| Gas Fund | 260,817 | 88,982 | 349,799 | - |
| Water Fund | 283,458 | 307,911 | 334,846 | 256,523 |
| Sewer Fund | 150,658 | 122,495 | 195,828 | 77,325 |
| Solid Waste | 15,709 | 76,815 | 73,900 | 18,624 |
| Total Reporting Entity | $ 3,282,878 | 2,267,821 | 2,364,801 | $ 3,185,898 |
| Less Transfers: | | 556,774 | 556,774 | |
| Net Receipts and Disbursements | | $ 1,711,047 | $ 1,808,027 | |

| COMPOSITION OF CASH: | |
|---|---|
| Farmers State Bank of Aliceville - Operating Account | $ (767) |
| Farmers State Bank of Aliceville -Savings | 916,968 |
| Farmers Sate Bank of Aliceville - Debit Card | 2,300 |
| Farmers State Bank of Aliceville - Economic Development | 51,822 |
| Farmers State Bank of Aliceville - Utility Deposit Savings | 7,700 |
| Farmers State Bank of Aliceville - Community Building | 551 |
| Farmers State Bank of Aliceville -Sequicentennial | 940 |
| Farmers State Bank of Aliceville - Certificates of Deposit | 2,206,364 |
| Cash Drawer | 20 |
| Total Reporting Entity | $ 3,185,898 |

# CITY OF LEBO, KANSAS

## NOTES TO FINANCIAL STATEMENTS
## YEAR ENDED DECEMBER 31, 2025

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Basis of Presentation - Fund Accounting - The accounts of the City of Lebo, Kansas are organized on the basis of funds, each of which is considered a separate accounting entity.

The following types of funds comprise the financial activities of the City for 2025.

Governmental funds:

General fund - to account for all unrestricted resources except those required to be accounted for in other funds or account groups.

Special purpose funds - to account for the proceeds of specific revenue sources or to finance specified activities as required by law or administrative regulation.

Bond and interest funds – to account for the payment of interest and principal on long-term general debt obligation.

Business funds - to account for operations that are financed and operated in a manner similar to business enterprises, where the stated intent is that the costs 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 revenues earned, expenses incurred, and/or net income is deemed appropriate for capital maintenance, public policy, management control, accountability or other purposes.

b. Regulatory Basis of Accounting and Departure from Accounting Principles General Accepted in the United States of America - This financial statement is presented on a basis of accounting that demonstrates compliance with the KMAAG regulatory basis and budget laws of Kansas. 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 obligations 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.

c. 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 of the proposed budget and notice of public hearing on the budget on or before August 5th.

3. Public hearing on or before August 15, but at least ten days after publication of notice of hearing.

4. Adoption of the final budget on or before August 25.

If the City is holding a revenue neutral rate hearing, the public hearing shall be 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 the year ending December 31, 2025.

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 the year ended December 31, 2025.

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 fund:

Economic Development Fund

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

d. Comparative Amounts - The amounts shown for the year ended December 31, 2024 in the accompanying financial statements are included to provide a basis for comparison with 2025 and are not intended to present all information necessary for a fair presentation in accordance with the cash basis and budget laws of Kansas.

2. DEPOSITS

At December 31, 2025 the carrying amounts of the City's deposits were $3,185,899 and the bank balances were $3,192,104. The differences between the carrying amount and the bank balances are outstanding checks and deposits in transit. The bank balance is covered by FDIC insurance and collateralized by pledged securities held under joint custody receipts issued by a third-party bank in the City's name.

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 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 banks provide an acceptable rate of return on funds. In addition, K.S.A. 9-1402 requires the bank 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. The City has no investments.

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, except during designated "peak periods" when required coverage is 50%. There were no designated "peak periods" during the year.

Certificate of Deposits:

| | Maturity Date | Interest Rate | Amount |
|---|---|---|---|
| Farmers State Bank | 6/24/2026 | 4.00% | $ 6,364 |
| Farmers State Bank | 10/3/2026 | 4.00% | 100,000 |
| Farmers State Bank | 11/10/2026 | 4.00% | 100,000 |
| Farmers State Bank | 12/1/2026 | 4.00% | 100,000 |
| Farmers State Bank | 1/3/2027 | 3.75% | 100,000 |
| Farmers State Bank | 2/1/2027 | 3.75% | 100,000 |
| Farmers State Bank | 3/1/2027 | 3.75% | 100,000 |
| Farmers State Bank | 4/1/2027 | 3.75% | 100,000 |
| Farmers State Bank | 5/1/2027 | 3.75% | 100,000 |
| Farmers State Bank | 6/1/2027 | 3.75% | 100,000 |
| Farmers State Bank | 7/1/2027 | 3.75% | 100,000 |
| Farmers State Bank | 8/1/2026 | 4.00% | 100,000 |
| Farmers State Bank | 9/3/2026 | 4.00% | 100,000 |
| Farmers State Bank | 1/10/2026 | 3.75% | 250,000 |
| Farmers State Bank | 1/10/2026 | 3.75% | 250,000 |
| Farmers State Bank | 1/10/2026 | 3.75% | 250,000 |
| Farmers State Bank | 1/10/2026 | 3.75% | 250,000 |
| | | | $ 2,206,364 |

3. TAXES

***Property Taxes*** – The determination of assessed valuations and the collection of property taxes for all political subdivisions in the State of Kansas is the responsibility of the various counties. The County Appraiser annually determines assessed valuations and the County Clerk spreads the annual assessment on the tax rolls. The County Treasurer is the tax collection agent for all taxing entities within the county.

In accordance with state statutes, property taxes levied during the current year are a revenue source to be used to finance the budget of the following year. Taxes are assessed on a calendar year basis and become a lien on the property on November 1 of each year. One-half of the property taxes is due December 20, prior to the fiscal year for which they are budgeted, and second half is due the following May 10.

***Motor Vehicle Taxes*** **–** Since 1981 most motor vehicles became subject to a special tax paid at the time of registration instead of the traditional property tax. In 1995, the legislature enacted a five-year phase down in the assessment rate on motor vehicles for 30% to 20% of market value.

In 2025, the City received the following from county and state taxes:

| | General Fund | Law Enforcement | City Special Liability | Special Highway Fund | Employee Benefit Fund | Totals |
|---|---|---|---|---|---|---|
| Property Taxes | $ 157,647 | $ 8,442 | $ 2,223 | $ | $ 51,499 | $ 219,811 |
| Motor Vehicle Taxes | 23,423 | 951 | 361 | | 8,257 | 32,992 |
| Sales Taxes | 368,890 | | | | | 368,890 |
| State Highway Aid | | | | 23,845 | | 23,845 |
| | $ 549,960 | $ 9,393 | $ 2,584 | $ 23,845 | $ 59,756 | $ 645,538 |

The mill levies are as follows:

| | **2025** | **2024** |
|---|---|---|
| General Fund | 20.943 | 24.316 |
| Employee Benefit Fund | 7.004 | 7.112 |
| Law Enforcement Fund | 1.117 | 0.995 |
| Special Liability | 0.278 | 0.49 |
| | 29.342 | 32.913 |

The assessed valuation for 2024 was $6,888,319 and $7,608,362 in 2025.

4. UTILITIES

The City provides water, sewer, gas and trash services. The City mails their utility bills between the 23rd and the 25th of each month. The utility bills are due by the 1st of the following month. Bills not paid by the 10th are subject to a late charge fee of 10%. If service is disconnected the customer shall pay said bill and penalty and further service charge in the sum of $50 before turning the water back on.

The water rates for 2025 are as follows:

***Inside City (residential):***

| | | |
|---|---|---|
| 0-1,000 gallons | $ 29.00 | |
| All above 1,000 gallons | $ 10.25 | per 1,000 gallons |
| Minimum bill | $ 29.00 | |

***Outside City and Commercial:***

| | | |
|---|---|---|
| 0-1,000 gallons | $ 39.00 | |
| All above 1,000 gallons | $ 11.00 | per 1,000 gallons |
| Minimum bill | $ 39.00 | |

***Wholesale***

| | | |
|---|---|---|
| 0 - 10,000 | $ 10.00 | per 1,000 gallons |
| 11,000 - 100,000 | $ 9.25 | per 1,000 gallons |
| 101,000 - 250,000 | $ 8.25 | per 1,000 gallons |
| all above 250,000 | $ 7.25 | per 1,000 gallons |

Any person making application for water service is required to make a deposit of $75 for property owners or $125 for renters.

The sewer rates for 2025 are as follows:

$22 for the first 1,000 gallons and $.80 for each additional 1,000 gallons.

The trash rates for 2025 are as follows:

$14.25 per month for residential solid waste removal. There is a charge of $4 for a trash tote, and $5 per additional tote. The rate was increased to $18.50 for one tote, and $9 per additional tote.

5. LONG-TERM DEBT

The City's long-term debt is comprised of two loans from Kansas Department of Health.

Kansas Water Pollution Control Revolving Fund

In July 2005, the City entered into a 20-year loan agreement with Kansas Department of Health and Environment for the construction of a sewer main extension. The total cost of the project was $467,079.

The amount of the loan is up to $467,079 ($0 and $15,462 outstanding at December 31, 2025 and 2024, respectively) bearing interest at a rate of 2.81%, principal and interest payments made on a semi-annual basis beginning one year after the completion of the project.

Changes in Kansas Water Pollution Control Revolving Fund:

| | |
|---|---|
| Beginning Balance | $ 15,462 |
| Payments | 15,462 |
| Ending Balance | $ 0 |
| Interest Payments | $ 237 |
| Total Payments | $ 15,699 |

Kansas Water Supply Revolving Fund

In December 2012, the City entered into a 20-year loan agreement with Kansas Department of Health and Environment for the replacement of approximately 7,000 feet of aging asbestos cement waterlines with PVC waterlines and install an altitude valve on the elevated storage tank. The total cost of the project was estimated at $406,496.

The amount of the loan is up to $409,864 ($206,305 and $226,861 outstanding at December 31, 2025 and 2024, respectively) bearing interest at a rate of 2.16%, principal and interest payments made on a semi-annual basis beginning February 1, 2015.

Changes in Kansas Water Pollution Control Revolving Fund:

| | |
|---|---|
| Beginning Balance | $ 226,861 |
| Payments | 20,556 |
| Ending Balance | $ 206,305 |
| Interest Payments | $ 4,790 |
| Total Payments | $ 25,346 |

Payments susbsequent to 2025:

| | Principal | Interest | Total |
|---|---|---|---|
| 2026 | $ 21,003 | $ 4,343 | $ 25,346 |
| 2027 | 21,459 | 3,887 | 25,346 |
| 2028 | 21,925 | 3,421 | 25,346 |
| 2029 | 22,401 | 2,945 | 25,346 |
| 2030 | 22,888 | 2,458 | 25,346 |
| 2031 | 23,385 | 1,961 | 25,346 |
| 2032 | 23,892 | 1,454 | 25,346 |
| 2033 | 24,411 | 935 | 25,346 |
| 2034 | 24,943 | 403 | 25,346 |
| | $ 206,305 | $ 21,806 | $ 228,112 |

6. CONTRACTS

In 1994, the City entered into a 40-year agreement with Public Wholesale District No. 12, (District) to buy a minimum amount of 3,000,000 gallons per month. The City is to pay the District $3.42 per 1,000 gallons purchased. Starting January 2006, the rate per 1,000 increased to $3.45. In December 2007 there was another amendment to the contract when the City of Lebo annexed customers of Coffey County RWD #3 that were within the District's territory. In December 2012 the contract was amended to reduce the minimum to 1,750,000 gallons per month, and the maximum to 3,500,000 per month. The District increased the water rate from $3.75 to $4.00 in 2013. The District increased the rate to $4.50 per 1,000 gallons in September 2017 and to $5.50 in 2025. In 2025 and 2024, respectively, the City purchased 21,351,000 and 23,120,000 gallons from the Public Wholesale District.

7. COMPENSATED ABSENCES FOR EMPLOYEES

Full time employees of the City will be eligible for vacation and sick leave after six months of service. Eligible employees shall take at least 6 vacation days each year. An employee may carry-over vacation days to the next year, with a maximum carry-over amount allowance of 30 days.

| Years of Service | Per year |
|---|---|
| 0-9 years | 1 day per month |
| 10-19 years | 1 ½ day per month |
| After 19 | 2 days per month |

Full time employees will receive a maximum of 2 weeks (10 working days) paid sick leave per year. Sick leave is cumulative up to a maximum of 480 hours. On termination an employee will receive one-sixth (1/6) a maximum of 80 hours accrued sick leave paid. At December 31, 2025, City employees had a combined balance of 561 hours of sick leave, a cash value of $12,993 and a balance of 675 hours of vacation leave, a cash value of $15,632.

8. CONCENTRATIONS OF CREDIT RISK

The City is engaged in the sale of water, sewer, gas and trash to customers located in Coffey County in Kansas. The City grants credit to those customers and requires no collateral.

9. CAPITAL PROJECTS

The City did not have capital projects in 2025.

Although not part of a capital project, the City made expenditures on the following large items in 2025:

| | |
|---|---|
| Infrastructure | |
| Street chip & seal and asphalting | $ 260,644 |
| | $ 260,644 |
| Sewer | |
| New lift station | $ 78,378 |
| Capital Equipment | |
| Bobcat track loader | $ 35,000 |
| Vermeer Vacuum Trailer | 38,730 |
| | $ 73,730 |
| Capital Improvement | |
| Dam rehabilitation | $ 126,381 |
| Consulting for pool | 20,930 |
| Roof replacement | 31,775 |
| | $ 179,086 |
| Water | |
| Tower Maintenance | $ 26,430 |
| General | |
| Police equipment | $ 6,695 |
| Geotech for pool | 4,400 |
| | $ 11,095 |

## 10. COMPLIANCE WITH KANSAS LAW

References made herein to the statutes are not intended as interpretations of law, but are offered for consideration of the Director of Accounts and Reports and interpretation by the County Attorney and legal representatives of the City. There were no apparent statutory violations during the year ended December 31, 2025, for the funds that were part of this audit, except for the Gas Fund exceeding its budget authority due to the closing of the fund.

## 11. RELATED PARTY

The city was not aware of any related party transactions during the year of 2025.

## 12. 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.kspers.gov 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. 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 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 9.71% and 9.26% for the fiscal year ended December 31, 2025 and 2024, respectively.

The City has six employees that participate in the Plan. The payroll for the employees covered by the System for 2025 and 2024 was $259,048 and $247,948, respectively and the City's total payroll for 2025 and 2024 was $372,870 and $347,814.

The contribution requirement for the year ended December 31, 2025 and 2024 was $40,696 and $37,837, which consisted of $15,543 and $14,877 from the employee, respectively, and $25,153 and $22,960 from the City, respectively. The City also contributed $2,591 for insurance.

Net Pension Liability

At December 31, 2025, the City's proportionate share of the collective net pension liability reported by KPERS was $207,399. The net pension liability was measured as of June 30, 2025, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2024, which was rolled forward to June 30, 2025. 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 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.kspers.gov or can be obtained as described above.

## 13. INFRASTRUCTURE

The City has elected not to comply with Governmental Accounting Standard No. 34 (GASB 34) regarding the capitalization and tracking of infrastructure or capital assets.

## 14. RISK MANAGEMENT

The City is exposed to various risks of loss to torts, theft of, damage to, and destruction of assets, job-related injuries and illnesses to employees. To insure against the various risks, the City has obtained various insurance coverage through EMC Insurance Companies.

15. ADEQUACY OF UTILITY RATES

To determine whether the city was charging adequate rates for sewer, trash, water, and gas the City calculated the operating ratio and debt service ratio as applicable. The target minimum for both of these ratios is 1.20 and 1.25 respectively. The City uses these ratios to facilitate management in measuring the adequacy of the rates. There is no penalty for falling below these benchmarks.

The Operating Ratio for the following funds is as follows:

| | Water | Sewer | Trash |
|---|---|---|---|
| Operating Revenues | $ 306,384 | $ 122,495 | $ 76,815 |
| Operating Expenses | $ 325,510 | $ 98,588 | $ 73,900 |
| Operating Ratio | 0.94 | 1.24 | 1.04 |

The Debt Service Ratios for the Sewer and Water Funds are as follows:

| Debt Service | Sewer Fund | Water Fund |
|---|---|---|
| Net Receipts | $ (73,331) | $ (26,935) |
| Add Back: | | |
| Debt Service | 15,699 | 25,346 |
| Capital Outlay | 81,571 | 9,336 |
| Transfer Out | - | - |
| Available for debt service | $ 23,939 | $ 7,747 |
| Debt service | $ 15,699 | $ 25,346 |
| Debt Service Ratio | 1.52 | 0.31 |

16. COMMITMENTS AND CONTINGENCIES

The City is not involved in any litigation.

17. TRANSFERS

Operating transfers were as follows:

| From | To | Regulatory Authority | Amount |
|---|---|---|---|
| Gas Fund | General Fund | K.S.A. 12-825d | $ 246,774 |
| General Fund | Municipal Equipment Reserve | K.S.A. 12-1,117 | 30,000 |
| General Fund | Capital Improvement Fund | K.S.A. 12-1,118 | 280,000 |
| | | | $ 556,774 |

18. LEASE

The City (lessee) entered into a lease purchase agreement with Flint Hills Bank (lessor) on December 4, 2018. The purpose of the lease is for the upgrade to the downtown of the City. The lessee will pay $14,453 semiannually beginning June 2, 2019 through December 1, 2028. The interest rate is based on the

ten-year treasury plus 150 basis points. Outstanding balance at December 31, 2025 and 2024 was $62,610 and $87,898, respectively.

Subsequent payments are as follows:

| Year | Payment |
|---|---|
| 2026 | $ 28,906 |
| 2027 | 28,906 |
| 2028 | 7,290 |
| | 65,102 |
| Less interest | (2,492) |
| | $ 62,610 |

19. ECONOMIC DEVELOPMENT

The City's Economic Development program provides loans to businesses in the City. The terms of the loans are 10 years and the interest rate is 4%. The City had outstanding loans of $237,651 at December 31, 2025.

| | |
|---|---|
| Note receivable, business, monthly installments of $1,000, beginning September 1, 2018 and ending August 1, 2028. Interest rate of 4%. | 18,598 |
| Note receivable, business, monthly installments of $306, beginning April 8, 2019 and ending November 8, 2028. Interest rate of 4%. | 15,222 |
| Note receivable, business, monthly installments of $456, beginning January 1, 2024 and ending December 1, 2034. Interest rate of 4% | 37,333 |
| Note receivable, business, monthly installments of $405 beginning August 1, 2024 and ending July 1, 2034. Interest rate of 4%. | 35,256 |
| Note receivable, business, monthly installments of $304, beginning January 1, 2025 and ending December 1, 2034. Interest rate of 4%. | 26,621 |
| Note receivable, business, monthly installments of $412, beginning December 1, 2024 and ending November 1, 2034. Interest rate of 4%. | 22,060 |
| Note receivable, business, monthly installments of $540 beginning April 1, 2025 and ending March 1, 2035. Interest rate of 4%. | 49,686 |
| Note receivable, business, monthly installments of $335, beginning January 1, 2026 and ending December 1, 2035. Interest rate of 4%. | 32,875 |
| | $ 237,651 |

## 20. SUBSEQUENT EVENTS

In preparing the financial statements, and according to ASC 855, Subsequent Events, the District has evaluated events and transactions for potential recognition or disclosure through September 4, 2026, the date the financial statements were available to be issued. There are no additional events or transactions that require adjustment to or disclosure in these financial statements.

* * * * * *

Schedule 1

# CITY OF LEBO, KANSAS

## SUMMARY OF EXPENDITURES - ACTUAL AND BUDGET
## REGULATORY BASIS
## FOR THE YEAR ENDED DECEMBER 31, 2025

| | Expenditures Chargeable to Current Year | Certified Budget | Variance Favorable (Unfavorable) |
|---|---|---|---|
| General Fund | $ 1,003,958 | $ 1,920,310 | $ 916,352 |
| Special Purpose Funds: | | | |
| Law Enforcement Fund | - | 46,289 | 46,289 |
| Employee Benefit Fund | 57,564 | 61,464 | 3,900 |
| Special Highway Fund | 23,977 | 24,000 | 23 |
| Special Liability Fund | 2,940 | 3,600 | 660 |
| Special Parks and Recreation Fund | 37,977 | 40,000 | 2,023 |
| Business Funds: | | | |
| Gas Fund | 349,799 | 322,133 | (27,666) |
| Water Fund | 334,846 | 336,000 | 1,154 |
| Sewer Fund | 195,828 | 198,139 | 2,311 |
| Solid Waste Fund | 73,900 | 91,480 | 17,580 |
| Total Budgeted Funds | $ 2,080,789 | $ 3,043,415 | $ 962,626 |

**CITY OF LEBO, KANSAS** Schedule 2-A

**GENERAL FUND**
**SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET**
**REGULATORY BASIS**
**FOR THE YEAR ENDED DECEMBER 31, 2025**
(With Comparative Actual Totals for the Prior Year Ended December 31, 2024)

| | 2024 Actual | 2025 Actual | 2025 Budget | Variance Favorable (Unfavorable) |
|---|---|---|---|---|
| **RECEIPTS:** | | | | |
| Property Tax | $ 165,396 | $ 158,614 | $ 159,346 | $ (732) |
| Sales Tax | 344,741 | 368,890 | 360,000 | 8,890 |
| Motor Vehicle Tax | 25,357 | 23,423 | 26,675 | (3,252) |
| Intergovernmental Receipts | 155,710 | 155,710 | 155,710 | - |
| Franchise Tax | 52,010 | 62,969 | 43,000 | 19,969 |
| Licenses and Fees | 6,371 | 5,951 | 5,600 | 351 |
| Swimming Pool | 6,363 | 6,073 | 8,700 | (2,627) |
| Fines | 965 | 2,919 | 1,600 | 1,319 |
| Reimbursements and other | 36,877 | 16,681 | 15,000 | 1,681 |
| Transferred In | 39,000 | 246,774 | 20,000 | 226,774 |
| Sale of gas system | 1,000,000 | - | | - |
| Interest on Idle Funds | 30,898 | 73,618 | 23,635 | 49,983 |
| Total Receipts | 1,863,688 | 1,121,622 | $ 819,266 | $ 302,356 |
| **EXPENDITURES:** | | | | |
| **General Administration** | | | | |
| Personnel Services | 69,083 | 75,805 | 91,400 | 15,595 |
| Contractual Services | 61,562 | 56,194 | 60,900 | 4,706 |
| Commodities | 22,780 | 30,677 | 35,700 | 5,023 |
| Miscellaneous | 278 | 265 | | (265) |
| Capital Outlay | | 1,573 | | (1,573) |
| | 153,703 | 164,514 | 188,000 | 23,486 |
| **Law Enforcement** | | | | |
| Personnel Services | 63,884 | 71,038 | 59,850 | (11,188) |
| Contractual Services | 12,906 | 15,323 | 9,345 | (5,978) |
| Commodities | 11,985 | 8,526 | 13,125 | 4,599 |
| Capital Outlay | 6,740 | 6,695 | 20,000 | 13,305 |
| | 95,515 | 101,582 | 102,320 | 738 |
| **Street Lights** | | | | |
| Contractual Services | 20,929 | 18,474 | 20,948 | 2,474 |
| | 20,929 | 18,474 | 20,948 | 2,474 |
| **Streets** | | | | |
| Personnel Services | | | | - |
| Contractual Services | 641 | 160,944 | - | (160,944) |
| Capital Outlay | | | 400,000 | 400,000 |
| | 641 | 160,944 | 400,000 | 239,056 |
| **Parks and Recreation** | | | | |
| Personnel Services | 2,225 | 4,142 | 3,150 | (992) |
| Contractual Services | 2,827 | 11,711 | 26,775 | 15,064 |
| Capital Outlay | 114,500 | 20,930 | 31,500 | 10,570 |
| Commodities | 34,616 | 27,509 | | (27,509) |
| | 154,168 | 64,292 | 61,425 | (2,867) |
| **Infrastructure** | 346,357 | 114,737 | 159,990 | 45,253 |
| | 346,357 | 114,737 | 159,990 | 45,253 |
| **Swimming Pool** | | | | |
| Personnel Service | 22,711 | 23,993 | 24,150 | 157 |
| Contractual Service | 4,556 | 5,548 | 7,770 | 2,222 |
| Commodities | 14,652 | 10,847 | 16,800 | 5,953 |
| Commodities-concessions | 944 | - | | - |
| Sales Tax | 73 | 120 | | (120) |
| Capital Outlay | - | - | 600,000 | 600,000 |
| | 42,936 | 40,508 | 648,720 | 608,212 |
| **Debt Service** | 28,907 | 28,907 | 28,907 | - |
| **Transfer Out** | 180,000 | 310,000 | 310,000 | - |
| Total Expenditures | 1,023,156 | 1,003,958 | $ 1,920,310 | $ 916,352 |
| Receipts over Expenditures | 840,532 | 117,664 | | |
| **UNENCUMBERED CASH, BEGINNING** | 929,926 | 1,770,458 | | |
| **UNENCUMBERED CASH, ENDING** | $ 1,770,458 | $ 1,888,122 | | |

Schedule 2-B

# CITY OF LEBO, KANSAS

## ECONOMIC DEVELOPMENT FUND
## SCHEDULE OF RECEIPTS AND EXPENDITURES
## REGULATORY BASIS
## FOR THE YEAR ENDED DECEMBER 31, 2025

(With Comparative Actual Totals for the Prior Year Ended December 31, 2024)

| | 2024 | 2025 |
|---|---|---|
| **RECEIPTS:** | | |
| Loan Payments | $ 64,715 | $ 37,942 |
| Interest Payments | 8,453 | 8,741 |
| Miscellaneous | 403 | 4,564 |
| Total Receipts | 73,571 | 51,247 |
| **EXPENDITURES:** | | |
| Investments | | 500 |
| Contracual | | 20 |
| Economic Development Loan | 84,016 | 33,795 |
| Total Expenditures | 84,016 | 34,315 |
| Receipts over (under) Expenditures | (10,445) | 16,932 |
| **UNENCUMBERED CASH, BEGINNING** | 45,277 | 34,832 |
| **UNENCUMBERED CASH, ENDING** | $ 34,832 | $ 51,764 |

# CITY OF LEBO, KANSAS

## LAW ENFORCEMENT FUND
## SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
## REGULATORY BASIS
## FOR THE YEAR ENDED DECEMBER 31, 2025
(With Comparative Actual Totals for the Prior Year Ended December 31, 2024)

| | 2024 Actual | 2025 Actual | 2025 Budget | Variance Favorable (Unfavorable) |
|---|---|---|---|---|
| **RECEIPTS:** | | | | |
| County Tax | $ 7,683 | $ 9,393 | $ 9,503 | $ (110) |
| Total Receipts | 7,683 | 9,393 | $ 9,503 | $ (110) |
| **EXPENDITURES:** | | | | |
| Capital Outlay | | - | 46,289 | 46,289 |
| Total Expenditures | - | - | $ 46,289 | $ 46,289 |
| Receipts over Expenditures | 7,683 | 9,393 | | |
| **UNENCUMBERED CASH, BEGINNING** | 28,897 | 36,580 | | |
| **UNENCUMBERED CASH, ENDING** | $ 36,580 | $ 45,973 | | |

# CITY OF LEBO, KANSAS

**EMPLOYEE BENEFIT FUND**
**SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET**
**REGULATORY BASIS**
**FOR THE YEAR ENDED DECEMBER 31, 2025**
(With Comparative Actual Totals for the Prior Year Ended December 31, 2024)

| | 2024 Actual | 2025 Actual | 2025 Budget | Variance Favorable (Unfavorable) |
|---|---|---|---|---|
| **RECEIPTS:** | | | | |
| Property and Vehicle Taxes | $ 53,018 | $ 59,756 | $ 58,305 | $ 1,451 |
| Total Receipts | 53,018 | 59,756 | $ 58,305 | $ 1,451 |
| **EXPENDITURES:** | | | | |
| Employee Benefit | 37,757 | 57,564 | 61,464 | 3,900 |
| Total Expenditures | 37,757 | 57,564 | $ 61,464 | $ 3,900 |
| Receipts over Expenditures | 15,261 | 2,192 | | |
| **UNENCUMBERED CASH, BEGINNING** | 6,555 | 21,816 | | |
| **UNENCUMBERED CASH, ENDING** | $ 21,816 | $ 24,008 | | |

# CITY OF LEBO, KANSAS

**SPECIAL HIGHWAY FUND**
**SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET**
**REGULATORY BASIS**
**FOR THE YEAR ENDED DECEMBER 31, 2025**
(With Comparative Actual Totals for the Prior Year Ended December 31, 2024)

| | 2024 Actual | 2025 Actual | 2025 Budget | Variance Favorable (Unfavorable) |
|---|---|---|---|---|
| **RECEIPTS:** | | | | |
| State Tax | $ 23,875 | $ 23,845 | $ 24,000 | $ (155) |
| Total Receipts | 23,875 | 23,845 | $ 24,000 | $ (155) |
| **EXPENDITURES:** | | | | |
| Personnel Services | 8,448 | 19,649 | 14,000 | (5,649) |
| Contract Expense | 2,751 | - | | - |
| Commodities | 11,874 | 4,328 | 10,000 | 5,672 |
| Total Expenditures | 23,073 | 23,977 | $ 24,000 | $ 23 |
| Receipts over (under) Expenditures | 802 | (132) | | |
| **UNENCUMBERED CASH, BEGINNING** | 12,568 | 13,370 | | |
| **UNENCUMBERED CASH, ENDING** | $ 13,370 | $ 13,238 | | |

# CITY OF LEBO, KANSAS

**SPECIAL LIABILITY FUND**
**SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET**
**REGULATORY BASIS**
**FOR FOR THE YEAR ENDED DECEMBER 31, 2025**
(With **(With Comparative Actual Totals for the Prior Year Ended December 31, 2024)**

| | 2024 Actual | 2025 Actual | 2025 Budget | Variance Favorable (Unfavorable) |
|---|---|---|---|---|
| **RECEIPTS:** | | | | |
| Property and Vehicle Taxes | $ 3,793 | $ 2,584 | $ 2,604 | $ (20) |
| Total Receipts | 3,793 | 2,584 | $ 2,604 | $ (20) |
| **EXPENDITURES:** | | | | |
| Contractual Services | 3,343 | 2,940 | $ 3,600 | $ 660 |
| Total Expenditures | 3,343 | 2,940 | $ 3,600 | $ 660 |
| Receipts over (under) Expenditures | 450 | (356) | | |
| **UNENCUMBERED CASH, BEGINNING** | 1,014 | 1,464 | | |
| **UNENCUMBERED CASH, ENDING** | $ 1,464 | $ 1,108 | | |

# CITY OF LEBO, KANSAS

## SPECIAL PARK AND RECREATION FUND
## SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
## REGULATORY BASIS
## FOR THE YEAR ENDED DECEMBER 31, 2025

(With Comparative Actual Totals for the Prior Year Ended December 31, 2024)

| | 2024 Actual | 2025 Actual | 2025 Budget | Variance Favorable (Unfavorable) |
|---|---|---|---|---|
| **RECEIPTS:** | | | | |
| Coffey County Receipt | $ 37,868 | $ 37,868 | $ 37,868 | $ - |
| Grant Received | 14,175 | - | | - |
| Miscellaneous | 4,960 | 2,935 | 2,500 | 435 |
| Total Receipts | 57,003 | 40,803 | $ 40,368 | $ 435 |
| **EXPENDITURES:** | | | | |
| Personal Cost | 9,342 | 8,072 | $ 8,302 | $ 230 |
| Contractual Service | 7,423 | 12,408 | 6,000 | (6,408) |
| Commodities | 8,405 | 17,497 | 12,000 | (5,497) |
| Capital Outlay | 58,213 | - | 13,698 | 13,698 |
| Total Expenditures | 83,383 | 37,977 | $ 40,000 | $ 2,023 |
| Receipts over (under) Expenditures | (26,380) | 2,826 | | |
| **UNENCUMBERED CASH, BEGINNING** | 27,394 | 1,014 | | |
| **UNENCUMBERED CASH, ENDING** | $ 1,014 | $ 3,840 | | |

Schedule 2-H

# CITY OF LEBO, KANSAS

## CAPITAL IMPROVEMENT RESERVE FUND
## SCHEDULE OF RECEIPTS AND EXPENDITURES
## REGULATORY BASIS
## FOR THE YEAR ENDED DECEMBER 31, 2025

(With Comparative Actual Totals for the Prior Year Ended December 31, 2024)

| | 2024 | 2025 |
|---|---|---|
| **RECEIPTS:** | | |
| Donations received | $ 6,000 | $ - |
| Transferred from Other Funds | 185,757 | 280,000 |
| Total Receipts | 191,757 | 280,000 |
| **EXPENDITURES:** | | |
| Capital outlay | 62,600 | 173,043 |
| Total Expenditures | 62,600 | 173,043 |
| Receipts over (under) Expenditures | 129,157 | 106,957 |
| **UNENCUMBERED CASH, BEGINNING** | 477,581 | 606,738 |
| **UNENCUMBERED CASH, ENDING** | $ 606,738 | $ 713,695 |

Schedule 2-I

# CITY OF LEBO, KANSAS

## MUNICIPAL EQUIPMENT RESERVE FUND
## SCHEDULE OF RECEIPTS AND EXPENDITURES
## REGULATORY BASIS
## FOR THE YEAR ENDED DECEMBER 31, 2025

(With Comparative Actual Totals for the Prior Year Ended December 31, 2024)

| | 2024 | 2025 |
|---|---|---|
| **RECEIPTS:** | | |
| Sale of Equipment | | 52,368 |
| Transferred from General | $ 30,000 | $ 30,000 |
| Total Receipts | 30,000 | 82,368 |
| **EXPENDITURES:** | | |
| Capital Outlay | 15,836 | 76,654 |
| Transfer to Capital Improvement Fund | 35,757 | - |
| Total Expenditures | 51,593 | 76,654 |
| Receipts under Expenditures | (21,593) | 5,715 |
| **UNENCUMBERED CASH, BEGINNING** | 107,557 | 85,964 |
| **UNENCUMBERED CASH, ENDING** | $ 85,964 | $ 91,678 |

# CITY OF LEBO, KANSAS

**GAS FUND**
**SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET**
**REGULATORY BASIS**
**FOR THE YEAR ENDED DECEMBER 31, 2025**
(With Comparative Actual Totals for the Prior Year Ended December 31, 2024)

| | 2024 Actual | 2025 Actual | 2025 Budget | Variance Favorable (Unfavorable) |
|---|---|---|---|---|
| **RECEIPTS:** | | | | |
| Sales - Customers | $ 266,989 | $ 86,463 | $ 275,000 | $ (188,537) |
| Sales Tax | 7,530 | 2,519 | 6,200 | (3,681) |
| Interest Income | 9 | - | 11 | (11) |
| Reimbursed Expenses and Other Income | 2,010 | - | 1,000 | (1,000) |
| Total Receipts | 276,538 | 88,982 | $ 282,211 | $ (193,229) |
| **EXPENDITURES:** | | | | |
| Personnel Services | 82,892 | 55,736 | $ 75,033 | $ 19,297 |
| Contractual Services | 167,887 | 40,241 | 215,270 | 175,029 |
| Commodities | 25,113 | 4,624 | 15,450 | 10,826 |
| Stored Gas Property Tax | 55 | 6 | 80 | 74 |
| Sales Tax and Other | 14,484 | 2,418 | 6,300 | 3,882 |
| Capital Outlay | 1,296 | - | | - |
| Transfer | 20,000 | 246,774 | 10,000 | (236,774) |
| Total Expenditures | 311,727 | 349,799 | $ 322,133 | $ (27,666) |
| Receipts under Expenditures | (35,189) | (260,817) | | |
| **UNENCUMBERED CASH, BEGINNING** | 296,006 | 260,817 | | |
| **UNENCUMBERED CASH, ENDING** | $ 260,817 | $ - | | |

Schedule 2-K

# CITY OF LEBO, KANSAS

**WATER FUND**
**SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET**
**REGULATORY BASIS**
**FOR THE YEAR ENDED DECEMBER 31, 2025**
(With Comparative Actual Totals for the Prior Year Ended December 31, 2024)

| | 2024 Actual | 2025 Actual | 2025 Budget | Variance Favorable (Unfavorable) |
|---|---|---|---|---|
| **RECEIPTS:** | | | | |
| Water Sales - Customer | $ 290,287 | $ 304,187 | $ 294,632 | $ 9,555 |
| Sales tax | 2,078 | 2,197 | - | 2,197 |
| Reimbursed Expenses and Other Income | 3,836 | 1,517 | - | 1,517 |
| Interest on Idle Funds | 19 | 10 | - | 10 |
| Total Receipts | 296,220 | 307,911 | $ 294,632 | $ 13,279 |
| **EXPENDITURES:** | | | | |
| Personnel | 75,743 | 90,454 | $ 105,000 | $ 14,546 |
| Contractual Services | 160,976 | 169,729 | 150,000 | (19,729) |
| Commodities | 23,460 | 36,804 | 50,000 | 13,196 |
| Debt Service | 25,346 | 25,346 | 26,000 | 654 |
| Other | 5,275 | 3,177 | 5,000 | 1,823 |
| Capital Outlay | 1,296 | 9,336 | - | (9,336) |
| Total Expenditures | 292,096 | 334,846 | $ 336,000 | $ 1,154 |
| Receipts over (under) Expenditures | 4,124 | (26,935) | | |
| **UNENCUMBERED CASH, BEGINNING** | 279,334 | 283,458 | | |
| **UNENCUMBERED CASH, ENDING** | $ 283,458 | $ 256,523 | | |

# CITY OF LEBO, KANSAS

**SEWER FUND**
**SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET**
**REGULATORY BASIS**
**FOR THE YEAR ENDED DECEMBER 31, 2025**
(With Comparative Actual Totals for the Prior Year Ended December 31, 2024)

| | 2024 Actual | 2025 Actual | 2025 Budget | Variance Favorable (Unfavorable) |
|---|---|---|---|---|
| **RECEIPTS:** | | | | |
| Sales - Customers | $ 119,898 | $ 121,698 | $ 107,000 | $ 14,698 |
| Special Assessments | 797 | 797 | 797 | - |
| Interest Income | 339 | - | | - |
| Total Receipts | 121,034 | 122,495 | $ 107,797 | $ 14,698 |
| **EXPENDITURES:** | | | | |
| Personnel Services | 42,473 | 53,046 | $ 59,440 | $ 6,394 |
| Contractual Services | 22,892 | 21,902 | 18,000 | (3,902) |
| Commodities | 16,451 | 23,610 | 15,000 | (8,610) |
| Capital Outlay | 5,146 | 81,571 | 80,000 | (1,571) |
| Debt Service | 31,397 | 15,699 | 15,699 | - |
| Transfer to General | 10,000 | - | 10,000 | 10,000 |
| Total Expenditures | 128,359 | 195,828 | $ 198,139 | $ 2,311 |
| Receipts under Expenditures | (7,325) | (73,333) | | |
| **UNENCUMBERED CASH, BEGINNING** | 157,983 | 150,658 | | |
| **UNENCUMBERED CASH, ENDING** | $ 150,658 | $ 77,325 | | |

Schedule 2-M

# CITY OF LEBO, KANSAS

**SOLID WASTE FUND**
**SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET**
**REGULATORY BASIS**
**FOR THE YEAR ENDED DECEMBER 31, 2025**
(With Comparative Actual Totals for the Prior Year Ended December 31, 2024)

| | 2024 Actual | 2025 Actual | 2025 Budget | Variance Favorable (Unfavorable) |
|---|---|---|---|---|
| **RECEIPTS:** | | | | |
| Sales - Customers | $ 74,235 | $ 76,815 | $ 84,000 | $ (7,185) |
| Total Receipts | 74,235 | 76,815 | $ 84,000 | $ (7,185) |
| **EXPENDITURES:** | | | | |
| Contractual Services | 72,837 | 73,900 | $ 81,480 | $ 7,580 |
| Transfers Out | 9,000 | - | 10,000 | 10,000 |
| Total Expenditures | 81,837 | 73,900 | $ 91,480 | $ 17,580 |
| Receipts over (under) Expenditures | (7,602) | 2,915 | | |
| **UNENCUMBERED CASH, BEGINNING** | 23,311 | 15,709 | | |
| **UNENCUMBERED CASH, ENDING** | $ 15,709 | $ 18,624 | | |