CITY OF LIBERAL, KANSAS
Liberal, Kansas

AUDIT REPORT
For the year ended December 31, 2022

CITY OF LIBERAL, KANSAS

FINANCIAL STATEMENTS
For the year ended December 31, 2022

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CITY OF LIBERAL, KANSAS

FINANCIAL SECTION

HAY·RICE & ASSOCIATES
CERTIFIED PUBLIC ACCOUNTANTS
CHARTERED

INDEPENDENT AUDITOR'S REPORT

To the City Commission
City of Liberal, Kansas

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Liberal, Kansas, as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents. We did not audit the financial statements of the Housing Authority of the City of Liberal (a discretely presented component unit), which represents 48 percent and 51 percent, respectively, of the assets and revenues of the component unit columns. Those financial statements were audited by other auditors whose report thereon has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Housing Authority of the City of Liberal (a discretely presented component unit), is based on the report of the other auditors.

In our opinion, based on our audit and the report of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Liberal, Kansas, as of December 31, 2022, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and the *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 Statements section of our report. We are required to be independent of the City of Liberal, Kansas and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are 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 it not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial 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 of Liberal's internal control. Accordingly, no such opinion is expressed.
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City of Liberal's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 55 through 58 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Liberal, Kansas' basic financial statements. The accompanying combining and individual nonmajor fund financial statements and schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated January 30, 2024, on our consideration of the City of Liberal's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City of Liberal's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Liberal's internal control over financial reporting and compliance.

Hay•Rice & Associates, Chartered

Hay•Rice & Associates, Chartered

January 30, 2024

HAY·RICE & ASSOCIATES
CERTIFIED PUBLIC ACCOUNTANTS
CHARTERED

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the City Commission
City of Liberal, Kansas

We have audited, in accordance with the auditing standards generally accepted in the United States of America, the *Kansas Municipal Audit and Accounting Guide*, and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Liberal, Kansas, as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the City of Liberal, Kansas' basic financial statements and have issued our report thereon dated January 30, 2024.

Report on Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as item 2022-001 that we consider to be material weaknesses.

Report on Compliance and Other Matters

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

City of Liberal, Kansas' Response to Findings

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

Purpose of This Report

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

Hay•Rice & Associates, Chartered

Hay•Rice & Associates, Chartered

January 30, 2024

MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the City of Liberal, we offer readers of the City of Liberal's financial statements this overview and analysis of the financial activities for the fiscal year ended December 31, 2022. Please read this report in conjunction with the City's financial statements, which begin on page 1.

FINANCIAL HIGHLIGHTS

The assets of the City of Liberal exceeded its liabilities at the close of 2022 by $117,561,176 (net position). Of this amount, $4,637,142 (unrestricted net position) may be used to meet the government's ongoing obligations to citizens and creditors.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis are intended to serve as an introduction to the City of Liberal's basic financial statements. These financial statements are comprised of three components: government-wide financial statements, fund financial statements, and notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-Wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the City of Liberal's finances, in a manner similar to private-sector business, and can be found on pages 1 – 4 of this report.

The statement of net position presents information on all of the City of Liberal's assets (what the citizens own) and liabilities (what the citizens owe), with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City of Liberal is improving or deteriorating. Other nonfinancial factors should also be considered, such as changes in the City's property tax base, and the condition of the City's capital assets (roads, buildings, water, and sewer lines) to assess the overall health of the City.

The statement of activities presents information showing how the City of Liberal's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenditures are reported in this statement for some items that will only result in cash flows in future fiscal periods.

Both of the government-wide financial statements distinguish functions of the City of Liberal that are supported by taxes and intergovernmental revenues from other functions that are intended to recover all or a significant portion of their costs through user fees and charges. The governmental activities of the City of Liberal include general government, public safety, public works, and community service. The business-type activities of the City of Liberal include a municipal airport, solid waste, wastewater, and water systems.

The government-wide financial statements include not only the City of Liberal itself but also a legally separate library and a legally separate housing authority, combined under one column heading of "Component Units." Each of these entities has a Board appointed by the City of Liberal Commission. The Commission must also approve bond issuances by either entity. Financial information for these two component units is reported separately from the financial information presented for the primary government itself.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City of Liberal, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City of Liberal can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds. Our analysis of the City's major funds begins on page 5. Kansas State law requires certain funds at a minimum. The City of Liberal Commission has established other funds to help it control and manage money for particular purposes (Ex. Convention & Tourism Fund) or to show that it is meeting legal responsibilities for using certain taxes, grants, and other money (Ex. City Sales Tax Funds). The City's two kinds of funds, governmental and proprietary, use different accounting approaches.

Governmental Funds

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the City's general government operations and the basic services it provides. Governmental fund information helps to determine whether there are more or fewer financial resources that can be spent in the near future to finance the City's programs.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The City of Liberal maintains thirty individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the general fund, the capital projects fund,

and the debt service fund, which are each considered major funds. Data from the other twenty-seven governmental funds are combined into a single, aggregate presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report on pages 59 – 67.

The basic governmental fund financial statements can be found on pages 5 – 11 of this report.

Proprietary Funds

Proprietary funds provide the same type of information as business-type activities in the government-wide financial statements, only in more detail. The City of Liberal uses enterprise funds to account for charging customers for the full cost of the services it provides in its water, wastewater, solid waste, and airport operations, which are each considered to be major funds.

The basic proprietary fund financial statements can be found on pages 12 – 19 of this report.

Fiduciary Funds

Fiduciary funds are used to account for resources held for the benefit of parties outside of the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the City of Liberal's own programs. The accounting for fiduciary funds is much like that used for proprietary funds.

The basic fiduciary fund financial statements can be found on pages 20 – 21 of this report.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 22 – 54 of this report.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the City of Liberal's compliance with its annually appropriated budget for its general fund. This required supplementary information can be found on pages 55 – 58 of this report.

The combining statements referred to earlier in connection with nonmajor governmental funds are presented immediately following the required supplementary information. Combining and individual fund statements and schedules can be found on pages 59 – 98 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the City of Liberal, assets exceeded liabilities by $117,561,176 at the close of 2022.

The largest portion of the City of Liberal's net position, or 80.63%, reflects its investment in capital assets such as land, buildings, machinery, and equipment, less any debt used to acquire these assets that is still outstanding. The City of Liberal uses these capital assets to provide services to citizens. It is important to note that these assets are not available for future spending. Although the City of Liberal's investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets alone cannot be used to liquidate these liabilities.

City of Liberal's Net Position

	Governmental Activities		Business-Type Activities		Total	
	2021	2022	2021	2022	2021	2022
Current and other assets	$36,456,282	$37,412,714	$ 6,518,507	$ 8,626,416	$ 42,974,789	$ 46,039,130
Capital assets	55,646,634	59,153,925	71,148,744	71,396,889	126,795,378	130,550,814
Total Assets	$92,102,916	$96,566,639	$77,667,251	$80,023,305	$169,770,167	$176,589,944
Deferred Outflows of Resources	$ 2,797,262	$ 4,182,806	-	-	$ 2,797,262	$ 4,182,806
Long-term liabilities	$12,950,244	$16,115,650	$36,336,602	$36,186,306	$ 49,286,846	$ 52,301,956
Other liabilities	1,799,579	1,716,603	1,485,979	1,383,161	3,285,558	3,099,764
Total Liabilities	$14,749,823	$17,832,253	$37,822,581	$37,569,467	$ 52,572,404	$ 55,401,720
Deferred Inflows of Resources	$ 9,800,007	$ 7,809,854	-	-	$ 9,800,007	$ 7,809,854
Net Position:						
Net investment in capital assets	$51,585,948	$55,705,164	$32,752,009	$39,081,383	$ 84,337,957	$ 94,786,547
Restricted	21,730,018	20,676,317	2,675,302	(2,538,830)	24,405,320	18,137,487
Unrestricted	(2,965,618)	(1,274,143)	4,417,359	5,911,285	1,451,741	4,637,142
Total Net Position	$70,350,348	$75,107,338	$39,844,670	$42,453,838	$110,195,018	$117,561,176

Governmental Activities

Governmental activities increased the City of Liberal's net position by $7,366,158 through key elements, as follows:

City of Liberal's Changes in Net Position

	Governmental Activities		Business-Type Activities		Total	
	2021	2022	2021	2022	2021	2022
Revenues						
Program Revenues:						
Charges for services	$ 3,289,605	$ 2,699,998	$12,368,466	$12,983,419	$ 15,658,071	$ 15,683,417
Operating grants and contributions	1,693,532	1,001,171	5,625	-	1,699,157	1,001,171
Capital grants and contributions	1,664,884	1,603,472	412,663	250,091	2,077,547	1,853,563

City of Liberal's Changes in Net Position						
	Governmental Activities		Business-Type Activities		Total	
	2021	2022	2021	2022	2021	2022
Revenues (Continued)						
General Revenues:						
Property taxes	7,251,786	7,376,235	-	-	7,251,786	7,376,235
Other taxes	14,289,574	15,275,327	-	-	14,289,574	15,275,327
Other	3,141,340	1,665,738	298,583	59,117	3,439,923	1,724,855
Total Revenues	$31,330,721	$29,621,941	$13,085,337	$13,292,627	$ 44,416,058	$ 42,914,568
Expenses						
General Government	$ 6,173,127	$ 4,965,330	$ -	$ -	$ 6,173,127	$ 4,965,330
Public Safety	7,286,054	8,398,375	-	-	7,286,054	8,398,375
Public Works	3,904,532	4,496,146	-	-	3,904,532	4,496,146
Community Service	5,685,084	4,637,050	-	-	5,685,084	4,637,050
Community/Economic Development	1,964,209	2,183,838	-	-	1,964,209	2,183,838
Water	-	-	5,671,140	5,026,839	5,671,140	5,026,839
Wastewater	-	-	2,740,790	2,880,168	2,740,790	2,880,168
Solid Waste	-	-	2,138,056	2,377,045	2,138,056	2,377,045
Airport	-	-	1,273,719	583,619	1,273,719	583,619
Total Expenses	$25,013,006	$24,680,739	$11,823,705	$10,867,671	$ 36,836,711	$ 35,548,410
Fund transfer	$ (173,158)	$ (184,212)	$ 173,158	$ 184,212	-	-
Increase in Net Position	$ 6,144,557	$ 4,756,990	$ 1,434,790	$ 2,609,168	$ 7,579,347	$ 7,366,158
Net Position, January 1	64,205,791	70,350,348	38,409,880	39,844,670	102,615,671	110,195,018
Net Position, December 31	$70,350,348	$75,107,338	$39,844,670	$42,453,838	$110,195,018	$117,561,176

The Statement of Activities format is significantly different than a typical Statement of Revenues, Expenses, and Changes in Fund Balance, as expenses are listed in the first column with revenues from that particular program reported to the right. The result is a Net (Expense)/Revenue. This format highlights the relative financial burden of each of the functions on the City's taxpayers. It also identifies how much each function draws from the general revenues or if it is self-financing through fees and grants.

Business-Type Activities

Business-type activities increased the City of Liberal's net position by $2,609,168, as referenced in the table above.

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

As noted earlier, the City of Liberal uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds

The focus of the City of Liberal's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City of Liberal's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources for spending at the end of the fiscal year.

As of the end of 2022, the City of Liberal's governmental funds reported combined ending fund balances of $29,587,867, or an increase of $50,919.

Approximately $19,356,554 is available for spending at the government's discretion. The remainder of the fund balance is reserved to indicate that it is not available due to prior commitments such as liquidating contracts and purchase orders of the prior period in the amount of $635,778, or for a variety of other restricted purposes in the amount of $5,722,741.

Proprietary Funds

The City of Liberal's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail. Unrestricted net position of the proprietary funds were as follows: the Water Fund totaled $3,962,556, the Wastewater Fund totaled $1,886,104, the Solid Waste Fund totaled $218, and the Airport Fund totaled $62,407.

GENERAL FUND BUDGETARY HIGHLIGHTS

During 2022, the general fund actual revenues were more than the budgeted revenue amount by $1,059,779 and the general fund expenses were less than the budgeted amount by $2,020,556, which gives an overall favorable amount of $3,080,335. After transfers there was a favorable amount of $2,786,070.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At the end of 2022, the City had $135,235,469 invested in capital assets including police and fire equipment, buildings, park facilities, new roads, and water and sewer lines, as follows:

	City of Liberal's Capital Assets					
	Governmental Activities		Business-Type Activities		Total	
	2021	2022	2021	2022	2021	2022
Land	$ 2,060,804	$ 1,817,799	$ 4,149,500	$ 4,149,500	$ 6,210,304	$ 5,967,299
Construction in progress	22,847,185	26,299,482	44,603,832	50,212,760	67,451,017	76,512,242
Buildings	9,428,724	8,587,367	10,299,429	10,242,129	19,728,153	18,829,496
Improvements	9,786,242	22,596,639	41,838.677	43,970,118	51,624,919	66,566,757
Equipment	5,953,958	5,652,895	6,679,669	6,656,908	12,633,627	12,309,803
Vehicles	6,034,571	6,018,019	2,423,327	2,389,796	8,457,898	8,407,815
Streets	64,291,818	50,182,534	-	-	64,291,818	50,182,534
Accumulated depreciation	(65,175,369)	(62,333,818)	(41,581,606)	(43,739,177)	(106,756,975)	(106,072,995)
Total	$ 55,227,933	$ 58,820,917	$ 68,412,828	$ 73,882,034	$ 123,640,761	$ 132,702,951

Additional information on the City of Liberal's capital assets can be found in Note 4 on pages 37 – 39 of this report.

Long-Term Debt

At the end of 2022, the City of Liberal had $53,517,642 in outstanding bonds, compensated absences, notes, capital leases and pension obligation. Additional long-term debt information can be found in Note 6 on pages 40 – 44 of this report, and is summarized, as follows:

	City of Liberal's Long-Term Debt					
	Governmental Activities		Business-Type Activities		Total	
	2021	2022	2021	2022	2021	2022
General obligation bonds	$ 2,935,821	$ 2,586,808	$ 5,384,179	$ 4,853,192	$ 8,320,000	$ 7,440,000
Compensated absences	873,007	780,929	164,278	171,118	1,037,285	952,047
Finance leases & temporary notes	748,335	565,134	30,300,926	29,968,846	31,049,261	30,533,980
Net pension obligation	8,890,493	12,702,167	1,127,893	1,889,448	10,018,386	14,591,615
Total	$13,447,656	$16,635,038	$36,977,276	$36,882,604	$50,424,932	$53,517,642

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

The City has taken a focused approach towards maximizing the rate of return on taxpayer funds. We have also expanded our banking relationships wherein we designated all local banks additional depositories and they have the opportunity to bid on City taxpayer funds, based upon the State of Kansas Pooled Money Investment Board rates. Due to the overall state of the economy, we have reduced our budgeted investment earnings, although due to bids we continually receive, we are still optimizing these earnings as much as possible.

CONTACTING THE CITY'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers and creditors with a general overview of the City's finances and to show the City's accountability for the money it receives. If you have questions about this report or need additional information, please contact the Finance Director at City of Liberal, 324 North Kansas Avenue, Liberal, Kansas 67901.

CITY OF LIBERAL, KANSAS

BASIC FINANCIAL STATEMENTS

CITY OF LIBERAL, KANSAS

STATEMENT OF NET POSITION
December 31, 2022

	Primary Government			
	Governmental Activities	Business-Type Activities	Total	Component Units
ASSETS				
Current Assets				
Cash, including time deposits	$ 26,990,027	$ 6,537,257	$ 33,527,284	$ 848,679
Taxes receivable	7,325,958	-	7,325,958	603,598
Accounts receivable (net)	184,928	801,581	986,509	2,342
Receivable from other governments	2,345,284	-	2,345,284	-
Unbilled receivable	-	867,962	867,962	-
Interest receivable	86	51	137	-
Inventory	317,471	362,438	679,909	5,551
Prepaid expenses	248,960	57,127	306,087	20,355
Total current assets	$ 37,412,714	$ 8,626,416	$ 46,039,130	$ 1,480,525
Noncurrent Assets				
Restricted Assets:				
Cash, including time deposits	$ 268,757	$ (2,575,922)	$ (2,307,165)	$ 129,586
Other Assets:				
Deferred bond cost	96,393	106,652	203,045	-
Less – Amortization	(32,142)	(15,875)	(48,017)	-
Capital Assets:				
Construction in progress	26,299,482	50,212,760	76,512,242	-
Land	1,817,799	4,149,500	5,967,299	133,565
Buildings	8,587,367	10,242,129	18,829,496	5,822,685
Improvements other than buildings	22,596,639	43,970,118	66,566,757	531,092
Machinery, equipment, furniture and fixtures	5,652,895	6,656,908	12,309,803	1,144,418
Vehicles	6,018,019	2,389,796	8,407,815	-
Streets	50,182,534	-	50,182,534	-
Less – Accumulated depreciation	(62,333,818)	(43,739,177)	(106,072,995)	(6,135,119)
Total noncurrent assets	$ 59,153,925	$ 71,396,889	$ 130,550,814	$ 1,626,227
Total Assets	$ 96,566,639	$ 80,023,305	$ 176,589,944	$ 3,106,752
DEFERRED OUTFLOWS OF RESOURCES				
Total deferred outflows of resources	$ 4,182,806	-	$ 4,182,806	$ 223,929

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

CITY OF LIBERAL, KANSAS

Statement 1

STATEMENT OF NET POSITION
December 31, 2022

	Primary Government			
	Governmental Activities	Business-Type Activities	Total	Component Units
LIABILITIES				
Current Liabilities				
Accounts payable	$ 408,397	$ 253,285	$ 661,682	$ 13,252
Accrued interest payable	8,068	246,915	254,983	253
Accrued wages and benefits	354,324	81,498	435,822	14,419
Unapplied credits	-	35,775	35,775	-
Lease purchase contracts – Current	188,438	199,701	388,139	-
Due to other governments	398,364	-	398,364	-
Unearned revenue	-	-	-	69,124
General obligation bonds payable – Current	359,012	565,987	924,999	-
Notes payable – Current	-	-	-	18,075
Total current liabilities	$ 1,716,603	$ 1,383,161	$ 3,099,764	$ 115,123
Noncurrent Liabilities				
Deferred bond premium	$ 47,965	$ 75,761	$ 123,726	$ -
Less – Accretion	(19,903)	(6,369)	(26,272)	-
Accrued compensated absences	780,929	171,118	952,047	24,522
General obligation bonds payable	2,227,796	4,287,204	6,515,000	-
Notes payable – Net of current portion	-	-	-	193,889
Lease purchase contracts	376,696	29,769,144	30,145,840	-
Net pension obligation	12,702,167	1,889,448	14,591,615	578,024
Total noncurrent liabilities	$16,115,650	$36,186,306	$ 52,301,956	$ 796,435
Total Liabilities	$17,832,253	$37,569,467	$ 55,401,720	$ 911,558
DEFERRED INFLOWS OF RESOURCES				
Deferred revenue	$ 6,932,519	-	$ 6,932,519	$ 603,598
Pension related	877,335	-	877,335	27,080
Total Deferred Inflows of Resources	$ 7,809,854	-	$ 7,809,854	$ 630,678
NET POSITION				
Net investment in capital assets	$55,705,164	$39,081,383	$ 94,786,547	$ 1,284,677
Restricted for:				
Capital projects	1,210,010	(2,845,892)	(1,635,882)	-
Debt service	4,512,731	175,533	4,688,264	-
Other purposes	14,953,576	131,529	15,085,105	129,586
Unrestricted	(1,274,143)	5,911,285	4,637,142	374,182
Total Net Position	$75,107,338	$42,453,838	$117,561,176	$ 1,788,445

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

CITY OF LIBERAL, KANSAS

Statement 2

STATEMENT OF ACTIVITIES
For the year ended December 31, 2022

Functions/Programs	Expenses	Program Revenues: Charges for Services & Other	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position: Governmental Activities	Net (Expense) Revenue and Changes in Net Position: Business-Type Activities	Net (Expense) Revenue and Changes in Net Position: Total	Component Units
Primary Government:								
Governmental Activities:								
General Government:								
Administration	$ 1,707,959	$ 482,663	$ 24,360	$1,434,977	$ 234,041	-	$ 234,041	-
Planning commission	2,575	-	-	-	(2,575)	-	(2,575)	-
Building inspection	478,597	299,751	-	-	(178,846)	-	(178,846)	-
Legislative	79,447	-	-	-	(79,447)	-	(79,447)	-
Utility billing	50,223	-	-	-	(50,223)	-	(50,223)	-
Employees' benefits	1,709,329	34	-	-	(1,709,295)	-	(1,709,295)	-
Health and welfare	1,077,210	-	-	-	(1,077,210)	-	(1,077,210)	-
Interest and fiscal charges	(140,010)	-	-	-	140,010	-	140,010	-
Total general government	$ 4,965,330	$ 782,448	$ 24,360	$1,434,977	$ (2,723,545)	-	$ (2,723,545)	-
Public Safety:								
Police	$ 4,955,139	$ 119,412	$ 16,906	$ 3,245	$ (4,815,576)	-	$ (4,815,576)	-
Fire	1,748,168	(2,723)	9,605	-	(1,741,286)	-	(1,741,286)	-
Municipal Court	898,959	603,252	92,542	-	(203,165)	-	(203,165)	-
Communications	910,008	97,013	388,050	-	(424,945)	-	(424,945)	-
Animal control	(113,899)	46,224	7,326	-	167,449	-	167,449	-
Total public safety	$ 8,398,375	$ 863,178	$ 514,429	$ 3,245	$ (7,017,523)	-	$ (7,017,523)	-
Public Works:								
Transportation	$ 1,943,125	$ 252,026	$ -	$ -	$ (1,691,099)	-	$ (1,691,099)	-
Engineering	26,031	-	-	-	(26,031)	-	(26,031)	-
Recreation	1,715,164	182,090	8,760	115,000	(1,409,314)	-	(1,409,314)	-
Arkalon	901,654	96,718	2	-	(804,934)	-	(804,934)	-
Beautification	79,132	6,160	-	-	(72,972)	-	(72,972)	-
Street lighting	(168,960)	-	-	-	168,960	-	168,960	-
Total public works	$ 4,496,146	$ 536,994	$ 8,762	$ 115,000	$ (3,835,390)	-	$ (3,835,390)	-
Community Service:								
Golf course	$ 554,031	$ 366,482	$ 5,146	$ -	$ (182,403)	-	$ (182,403)	-
Parks	(1,624,529)	56,376	8,029	50,250	1,739,184	-	1,739,184	-
Swimming pool	1,955,252	168,937	-	-	(1,786,315)	-	(1,786,315)	-
Cemetery	154,637	59,050	-	-	(95,587)	-	(95,587)	-
Library	594,788	24	-	-	(594,764)	-	(594,764)	-
Educational	2,175,973	(252,251)	-	-	(2,428,224)	-	(2,428,224)	
Air Museum	453,409	54,788	21,887	-	(376,734)	-	(376,734)	-
Convention and Tourism	373,489	14,760	-	-	(358,729)	-	(358,729)	-
Total community service	$ 4,637,050	$ 468,166	$ 35,062	$ 50,250	$ (4,083,572)	-	$ (4,083,572)	-
Community/Economic Development:								
Urban Development and Housing	$ 460,736	$ 10,606	$ -	-	$ (450,130)	-	$ (450,130)	-
Economic development	1,723,102	38,606	418,558	-	(1,265,938)	-	(1,265,938)	-
Total community/economic development	$ 2,183,838	$ 49,212	$ 418,558	-	$ (1,716,068)	-	$ (1,716,068)	-
Total governmental activities	$24,680,739	$2,699,998	$1,001,171	$1,603,472	$ (19,376,098)	-	$ (19,376,098)	-

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

CITY OF LIBERAL, KANSAS

Statement 2
(Continued)

STATEMENT OF ACTIVITIES
For the year ended December 31, 2022

Functions/Programs	Expenses	Program Revenues: Charges for Services & Other	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position: Governmental Activities	Net (Expense) Revenue and Changes in Net Position: Business-Type Activities	Net (Expense) Revenue and Changes in Net Position: Total	Component Units
Business-Type Activities:								
Water	$ 5,026,839	$ 6,634,313	-	$ -	-	$ 1,607,474	$ 1,607,474	-
Wastewater	2,880,168	3,680,685	-	21,000	-	821,517	821,517	-
Solid Waste	2,377,045	2,410,302	-	-	-	33,257	33,257	-
Airport	583,619	258,119	-	229,091	-	(96,409)	(96,409)	-
Total business-type activities	$10,867,671	$12,983,419	-	$ 250,091	-	$ 2,365,839	$ 2,365,839	-
Total Primary Government	$35,548,410	$15,683,417	$1,001,171	$1,853,563	$ (19,376,098)	$ 2,365,839	$ (17,010,259)	-
Component Units:								
Housing Authority	$ 832,061	$ 515,289	$ 182,639	-	-	-	-	$ (134,133)
Library	750,226	646,731	20,056	-	-	-	-	(83,439)
Total Component Units	$ 1,582,287	$ 1,162,020	$ 202,695	-	-	-	-	$ (217,572)
General Revenues:								
Ad valorem property tax					$ 6,339,814	$ -	$ 6,339,814	$ -
Delinquent tax					126,992	-	126,992	-
Franchise tax					2,151,029	-	2,151,029	-
Motor vehicle tax					860,428	-	860,428	-
Commercial vehicle fees					49,001	-	49,001	-
RHID					118,451	-	118,451	-
TIF Property tax					52,527	-	52,527	-
Local sales tax					10,973,269	-	10,973,269	-
CID					376,719	-	376,719	-
TIF sales tax					143,590	-	143,590	-
Liquor tax					201,071	-	201,071	-
Transient guest tax					482,714	-	482,714	-
Rebate of TGT					206,005	-	206,005	
Highway connecting links					41,339	-	41,339	-
Gasoline tax					528,613	-	528,613	-
Administrative fees					1,535,504	-	1,535,504	-
Interest					83,046	39,021	122,067	
Royalties					12,242	20,096	32,338	-
Lease income					34,946	-	34,946	-
Gain or (loss) on disposal of assets					-	-	-	-
Transfer in (out)					(184,212)	184,212	-	-
Total general revenues and transfers					$ 24,133,088	$ 243,329	$ 24,376,417	-
Change in Net Position					$ 4,756,990	$ 2,609,168	$ 7,366,158	$ (217,572)
Net Position, Beginning					70,350,348	39,844,670	110,195,018	2,006,017
Net Position, Ending					$ 75,107,338	$42,453,838	$117,561,176	$1,788,445

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

CITY OF LIBERAL, KANSAS

Statement 3

BALANCE SHEET
GOVERNMENTAL FUNDS
December 31, 2022

ASSETS	General Fund	Capital Projects Fund	Debt Service Fund	Other Governmental Funds	Reclassifications and Eliminations	Total Governmental Funds
Cash, including time deposits	$ 4,902,659	$1,675,907	$4,512,731	$15,898,730	$ -	$26,990,027
Cash, restricted	-	-	106	268,651	-	268,757
Accounts receivable	80,788	-	-	104,140	-	184,928
Interest receivable	23	-	-	63	-	86
Due from other funds	-	382,626	-	-	(382,626)	-
Taxes receivable	6,567,916	-	105,187	652,855	-	7,325,958
Receivable from other governments	679,947	23,373	-	1,641,964	-	2,345,284
Inventory	264,743	-	-	52,728	-	317,471
Prepaid expense	175,922	-	-	73,038	-	248,960
Total Assets	$12,671,998	$2,081,906	$4,618,024	$18,692,169	$ (382,626)	$37,681,471
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES						
Liabilities						
Accounts payable	$ 168,437	$ 67,533	$ 106	$ 172,321	$ -	$ 408,397
Accrued wages and benefits	299,750	-	-	54,574	-	354,324
Due to other funds	-	-	-	382,626	(382,626)	-
Bank overdraft	-	398,364	-	-	-	398,364
Total liabilities	$ 468,187	$ 465,897	$ 106	$ 609,521	$ (382,626)	$ 1,161,085
Deferred Inflows of Resources						
Deferred revenue	$ 6,250,167	-	$ 101,631	$ 580,721	-	$ 6,932,519
Fund Balances						
Nonspendable for accounts receivable, inventory and prepaid expenses	$ 1,519,172	$ 405,999	$ 3,556	$ 1,944,067	-	$ 3,872,794
Assigned for encumbrances	31,494	-	-	604,284	-	635,778
Assigned to:						
Special Revenue Funds	-	-	-	14,953,576	-	14,953,576
Capital Projects Funds	-	1,210,010	-	-	-	1,210,010
Debt Service Funds	-	-	4,512,731	-	-	4,512,731
Unassigned	4,402,978	-	-	-	-	4,402,978
Total fund balances	$ 5,953,644	$1,616,009	$4,516,287	$17,501,927	-	$29,587,867
Total Liabilities, Deferred Inflows of Resources and Fund Balances	$12,671,998	$2,081,906	$4,618,024	$18,692,169	$ (382,626)	$37,681,471

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

Statement 3
(Continued)

RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCE TO NET POSITION OF GOVERNMENTAL ACTIVITIES
December 31, 2022

Total Governmental Fund Balances	$ 29,587,867
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets and deferred outflows of resources used in governmental activities are not financial resources and therefore are not reported in the funds:	
Capital assets net of accumulated depreciation of $62,333,818	58,820,917
Deferred outflows of resources	4,182,806
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds:	
Deferred bond cost	96,393
Accumulated amortization	(32,142)
Long-term liabilities and deferred inflows of resources, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds:	
General obligation bonds payable	(2,586,808)
Lease purchase contracts payable	(565,134)
Accrued interest	(8,068)
Accrued compensated absences	(780,929)
Deferred bond premium	(47,965)
Accumulated accretion	19,903
Net pension obligation	(12,702,167)
Pension related deferred inflows of resources	(877,335)
Net Position of Governmental Activities	$ 75,107,338

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

CITY OF LIBERAL, KANSAS

Statement 4

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES – GOVERNMENTAL FUNDS

For the year ended December 31, 2022

	General Fund	Capital Projects Fund	Debt Service Fund	Other Governmental Funds	Total Governmental Funds
Revenues					
Taxes	$ 6,660,760	$ -	$1,058,008	$ 1,743,277	$ 9,462,045
Intergovernmental	5,107,853	-	-	11,796,822	16,904,675
Licenses, permits, & fees	205,686	-	-	-	205,686
Charges for services	1,046,062	-	-	145,455	1,191,517
Fines and forfeitures	603,252	-	-	-	603,252
Interest income	36,191	-	-	47,323	83,514
Royalty and lease income	47,188	-	-	-	47,188
Entities' share	-	2,749,411	-	-	2,749,411
Contribution	2	50,250	-	190,482	240,734
Miscellaneous	459,752	-	-	400,326	860,078
Total revenues	$14,166,746	$2,799,661	$1,058,008	$14,323,685	$32,348,100
Expenditures					
Current Operations:					
General Government:					
Administration	$ 1,897,090	-	-	$ 105,564	$ 2,002,654
Planning commission	2,575	-	-	-	2,575
Building inspection	525,703	-	-	-	525,703
Legislative	77,189	-	-	-	77,189
Building maintenance	207,089	-	-	-	207,089
Utility billing	47,411	-	-	-	47,411
Employees' benefits	-	-	-	1,905,607	1,905,607
Health and welfare	-	-	-	1,077,210	1,077,210
Total general gov.	$ 2,757,057	-	-	$ 3,088,381	$ 5,845,438
Public Safety:					
Police	$ 3,714,758	-	-	$ 109,663	$ 3,824,421
Fire	1,618,360	-	-	47,606	1,665,966
Municipal Court	723,971	-	-	207,158	931,129
Communications	-	-	-	932,000	932,000
Animal control	285,643	-	-	94	285,737
Total public safety	$ 6,342,732	-	-	$ 1,296,521	$ 7,639,253

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

CITY OF LIBERAL, KANSAS

Statement 4
(Continued)

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES – GOVERNMENTAL FUNDS
For the year ended December 31, 2022

Expenditures (Continued)	General Fund	Capital Projects Fund	Debt Service Fund	Other Governmental Funds	Total Governmental Funds
Current Operations (Cont.):					
Public Works:					
Transportation	$ 974,684	-	-	$ 3,224,055	$ 4,198,739
Engineering	27,819	-	-	-	27,819
Recreation	931,622	-	-	208,916	1,140,538
Arkalon	61,899	-	-	-	61,899
Beautification	-	-	-	152,875	152,875
Street lighting	322,850	-	-	-	322,850
Total public works	$ 2,318,874	-	-	$ 3,585,846	$ 5,904,720
Community Service:					
Golf course	$ 646,652	-	-	$ -	$ 646,652
Parks	624,337	-	-	8,029	632,366
Swimming pool	258,366	-	-	-	258,366
Cemetery	161,866	-	-	-	161,866
Library	-	-	-	594,788	594,788
Educational	-	-	-	2,475,336	2,475,336
Air Museum	-	-	-	468,912	468,912
Convention & Tourism	-	-	-	363,675	363,675
Total community service	$ 1,691,221	-	-	$ 3,910,740	$ 5,601,961
Community/Economic Development:					
Urban Housing and Development	-	-	-	$ 410,288	$ 410,288
Economic development	-	-	-	1,741,501	1,741,501
Total community/ economic develop.	-	-	-	$ 2,151,789	$ 2,151,789
Debt Service:					
Principal	-	-	$ 349,013	-	$ 349,013
Interest & other charges	-	-	55,947	-	55,947
Total debt service	-	-	$ 404,960	-	$ 404,960
Capital outlay	-	$4,473,857	-	$ 90,992	$ 4,564,849
Total expenditures	$13,109,884	$4,473,857	$ 404,960	$14,124,269	$32,112,970

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

CITY OF LIBERAL, KANSAS

Statement 4
(Continued)

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES – GOVERNMENTAL FUNDS
For the year ended December 31, 2022

	General Fund	Capital Projects Fund	Debt Service Fund	Other Governmental Funds	Total Governmental Funds
Excess (deficiency) of revenues over expenditures	$ 1,056,862	$ (1,674,196)	$ 653,048	$ 199,416	$ 235,130
Other Financing Sources (Uses):					
Operating transfers in	$ -	-	$ 342,084	$ 991,950	$ 1,334,034
Operating transfers out	(911,215)	-	-	(607,030)	(1,518,245)
Total other financing sources (uses)	$ (911,215)	-	$ 342,084	$ 384,920	$ (184,211)
Net change in fund balances	$ 145,647	$ (1,674,196)	$ 995,132	$ 584,336	$ 50,919
Fund Balances, Beginning	5,517,802	3,277,718	3,517,847	16,849,542	29,162,909
Other Changes:					
Increase or (decrease) in reserves	290,195	12,487	3,308	68,049	374,039
Fund Balances, Ending	$ 5,953,644	$ 1,616,009	$4,516,287	$17,501,927	$29,587,867

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

CITY OF LIBERAL, KANSAS

Statement 4
(Continued)

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES

For the year ended December 31, 2022

Net Change in Fund Balances – Total Governmental Funds	$	50,919
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense:		
Capital asset purchases capitalized		8,183,755
Capital assets transferred to business-type activities		-
Depreciation expense		587,002
Basis of assets disposed of		(5,177,773)
Accretion		(12,722)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the fund:		
Current taxes receivable		7,325,958
Prior taxes receivable		(6,666,963)
Current accounts receivable		184,928
Prior accounts receivable		(84,675)
Current due from other funds		382,626
Prior due from other funds		(52,027)
Current receivable from other governments		2,232,677
Prior receivable from other governments		(2,290,585)
Current grants receivable		112,607
Prior grants receivable		(341,485)
Current interest receivable		86
Prior interest receivable		(554)
Current deferred revenue on receivables		(6,932,519)
Prior deferred revenue on receivables		6,394,542
Issuance of debt in revenue in the governmental funds, but the receipt increases long-term liabilities in the statement of net position:		
Accumulated accretion		6,740

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

CITY OF LIBERAL, KANSAS

Statement 4
(Continued)

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
For the year ended December 31, 2022

Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position:	
Bond principal payments	349,013
Capital lease principal payments	183,201
In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due:	
Current interest payable	(8,068)
Prior interest payable	26,806
Some assets, such as prepaid insurance and inventory, are reported as reserves to fund balances in the governmental funds statement so these amounts are included in the expense accounts on the governmental funds:	
Current prepaid maintenance contracts	73,358
Prior prepaid maintenance contracts	(80,948)
Current prepaid insurance	175,602
Prior prepaid insurance	(143,138)
Current inventory	317,471
Prior inventory	(232,922)
Some expense reported in the statement of activities, such as compensated absences and net pension obligation, do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds:	
Current compensated absences	(780,929)
Prior compensated absences	873,007
Current net pension obligation	(12,702,167)
Prior net pension obligation	8,890,493
Net change in deferred outflows of resources	1,385,544
Net change in pension deferred inflows of resources	2,528,130
Change in Net Position on Governmental Activities	$ 4,756,990

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

CITY OF LIBERAL, KANSAS

STATEMENT OF NET POSITION – PROPRIETARY FUNDS
December 31, 2022

	Business-Type Activities				
	Water	Wastewater	Solid Waste	Airport	Totals
ASSETS					
Current Assets					
Cash, including time deposits	$ 3,927,190	$ 2,193,874	$ 159,455	$ 256,738	$ 6,537,257
Accounts receivable (net)	408,996	199,370	170,852	22,363	801,581
Unbilled receivable	403,852	272,689	180,950	10,471	867,962
Interest receivable	36	10	2	3	51
Inventory	149,772	39,016	173,650	-	362,438
Prepaid expenses	24,561	12,086	10,438	10,042	57,127
Total current assets	$ 4,914,407	$ 2,717,045	$ 695,347	$ 299,617	$ 8,626,416
Noncurrent Assets					
Restricted Assets:					
Cash, including time deposits	$ 2,495,214	$ (6,345,633)	$ 1,057,947	$ 216,550	$ (2,575,922)
Other Assets:					
Deferred bond cost	106,652	-	-	-	106,652
Less – Amortization	(15,875)	-	-	-	(15,875)
Capital Assets:					
Construction in progress	4,875,281	43,790,036	-	1,547,443	50,212,760
Land	774,019	1,042,226	51,349	2,281,906	4,149,500
Buildings	1,274,535	7,361,288	95,763	1,510,543	10,242,129
Improvements other than buildings	18,830,986	6,579,688	986	18,558,458	43,970,118
Machinery, equipment, furniture and fixtures	3,367,730	1,712,814	591,316	985,048	6,656,908
Vehicles	507,747	205,695	1,232,420	443,934	2,389,796
Less – Accumulated deprec.	(15,258,784)	(13,363,546)	(1,757,221)	(13,359,626)	(43,739,177)
Total noncurrent assets	$ 16,957,505	$ 40,982,568	$ 1,272,560	$ 12,184,256	$ 71,396,889
Total Assets	$ 21,871,912	$ 43,699,613	$ 1,967,907	$ 12,483,873	$ 80,023,305

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

CITY OF LIBERAL, KANSAS

Statement 5

STATEMENT OF NET POSITION – PROPRIETARY FUNDS
December 31, 2022

	Business-Type Activities				
	Water	Wastewater	Solid Waste	Airport	Totals
LIABILITIES					
Current Liabilities					
Payable from Current Assets:					
Accounts payable	$ 78,959	$ 59,602	$ 103,673	$ 11,051	$ 253,285
Accrued interest payable	27,296	219,619	-	-	246,915
Accrued wages and benefits	29,703	20,844	23,068	7,883	81,498
Unapplied credits	16,332	-	3,485	15,958	35,775
Total current liabilities payable from current assets	$ 152,290	$ 300,065	$ 130,226	$ 34,892	$ 617,473
Payable from Restricted Assets:					
Current portion of general obligation bonds	565,987	-	-	-	565,987
Current portion of lease purchase	-	199,701	-	-	199,701
Total current liabilities	$ 718,277	$ 499,766	$ 130,226	$ 34,892	$ 1,383,161
Noncurrent Liabilities					
Deferred bond premium	$ 75,761	$ -	$ -	$ -	$ 75,761
Less – Amortization	(6,369)	-	-	-	(6,369)
Accrued compensated absences	82,025	25,599	45,286	18,208	171,118
General obligation bonds payable	4,287,204	-	-	-	4,287,204
Lease purchase payable	-	29,769,144	-	-	29,769,144
Net pension obligation	717,536	505,277	482,525	184,110	1,889,448
Total noncurrent liabilities	$ 5,156,157	$30,300,020	$ 527,811	$ 202,318	$36,186,306
Total Liabilities	$ 5,874,434	$30,799,786	$ 658,037	$ 237,210	$37,569,467
NET POSITION					
Net investment in capital assets	$ 9,539,708	$17,359,356	$ 214,613	$11,967,706	$39,081,383
Restricted for:					
Capital projects	2,319,682	(6,360,199)	1,095,039	89,586	(2,845,892)
Other purposes	175,532	4,566	-	126,964	307,062
Unrestricted	3,962,556	1,886,104	218	62,407	5,911,285
Total Net Position	$15,997,478	$12,899,827	$1,309,870	$12,246,663	$42,453,838

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

CITY OF LIBERAL, KANSAS

Statement 6

STATEMENT OF REVENUES, EXPENSES AND CHANGES
IN FUND NET POSITION – PROPRIETARY FUNDS
For the year ended December 31, 2022

	Business-Type Activities				
	Water	Wastewater	Solid Waste	Airport	Totals
Operating Revenues					
Charges for services	$6,602,355	$3,668,465	$2,407,492	$ 258,119	$12,936,431
Other sales or services	31,958	12,220	2,810	-	46,988
Total operating revenues	$6,634,313	$3,680,685	$2,410,302	$ 258,119	$12,983,419
Operating Expenses					
Production:					
Salaries and wages	$ 90,868	-	-	-	$ 90,868
Employees' benefits	92,553	-	-	-	92,553
Power, fuel and electrical power	857,847	-	-	-	857,847
Repairs and maintenance	521,231	-	-	-	521,231
Other contractual	18,510	-	-	-	18,510
Operating supplies	27,947	-	-	-	27,947
Gas and oil	8,509	-	-	-	8,509
Total production expenses	$1,617,465	-	-	-	$ 1,617,465
Transmission and Distribution:					
Salaries and wages	$ 473,698	-	-	-	$ 473,698
Employees' benefits	333,646	-	-	-	333,646
Repairs and maintenance	295,836	-	-	-	295,836
Vehicle insurance	6,809	-	-	-	6,809
Other contractual	9,921	-	-	-	9,921
Gas and oil	38,019	-	-	-	38,019
Other	6,389	-	-	-	6,389
Total transmission and distribution expenses	$1,164,318	-	-	-	$ 1,164,318

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

CITY OF LIBERAL, KANSAS

Statement 6
(Continued)

STATEMENT OF REVENUES, EXPENSES AND CHANGES
IN FUND NET POSITION – PROPRIETARY FUNDS
For the year ended December 31, 2022

	Business-Type Activities				
	Water	Wastewater	Solid Waste	Airport	Totals
Operating Expenses (Continued)					
Pick-up Service:					
Salaries and wages	-	-	$ 556,300	-	$ 556,300
Employees' benefits	-	-	410,887	-	410,887
Repairs and maintenance	-	-	132,310	-	132,310
Landfill service	-	-	536,452	-	536,452
Other contractual	-	-	4,318	-	4,318
Gas and oil	-	-	131,873	-	131,873
Equipment and vehicle ins.	-	-	28,534	-	28,534
Operational supplies	-	-	92,287	-	92,287
Total pick-up service exp.	-	-	$1,892,961	-	$ 1,892,961
Plant Operations:					
Salaries and wages	-	$ 301,402	-	-	$ 301,402
Employees' benefits	-	248,469	-	-	248,469
Utilities	-	424,288	-	-	424,288
Repairs and maintenance	-	5,221	-	-	5,221
Other contractual	-	210	-	-	210
Operating supplies	-	47,001	-	-	47,001
Gas and oil	-	9,455	-	-	9,455
Total plant operations expense	-	$1,036,046	-	-	$ 1,036,046
Line Operations:					
Salaries and wages	-	$ -	-	-	$ -
Employees' benefits	-	6,196	-	-	6,196
Repairs and maintenance	-	78,821	-	-	78,821
Telephone	-	3,111	-	-	3,111
Operating supplies	-	6,840	-	-	6,840
Gas and oil	-	21,365	-	-	21,365
Total line operations exp.	-	$ 116,333	-	-	$ 116,333

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

CITY OF LIBERAL, KANSAS

Statement 6
(Continued)

STATEMENT OF REVENUES, EXPENSES AND CHANGES
IN FUND NET POSITION – PROPRIETARY FUNDS
For the year ended December 31, 2022

	Business-Type Activities				
	Water	Wastewater	Solid Waste	Airport	Totals
Operating Expenses (Continued)					
Administrative, General and Billings:					
Salaries and wages	$ 226,211	$ 246,394	$ -	$ 193,830	$ 666,435
Employees' benefits	167,067	162,608	-	147,643	477,318
Repairs and maintenance	32,090	6,370	-	96,476	134,936
Audit and legal fees	8,000	6,050	6,000	5,000	25,050
Travel and meetings	5,575	3,096	-	13,782	22,453
Office supplies and expenses	3,892	5,882	-	3,803	13,577
Sales tax	48,060	-	-	-	48,060
Property taxes	-	-	-	39,118	39,118
Utilities and telephone	29,695	13,571	15,210	49,821	108,297
Insurance	38,225	34,745	-	32,739	105,709
Depreciation	442,451	44,666	6,661	(232,577)	261,201
Laboratory expense	-	41,893	-	-	41,893
State water plan	35,730	-	-	-	35,730
Franchise fees	250,000	100,000	100,000	-	450,000
Bad debt expense	(22)	(32)	(787)	-	(841)
Engineering fees	5,439	1,898	-	180,893	188,230
Clean drinking water fee	33,497	-	-	-	33,497
Other	56,616	15,771	-	37,921	110,308
Administration	776,000	400,000	357,000	15,170	1,548,170
Total administrative exp.	$2,158,526	$1,082,912	$ 484,084	$ 583,619	$ 4,309,141
Total operating exp.	$4,940,309	$2,235,291	$2,377,045	$ 583,619	$10,136,264
Net Operating Income	$1,694,004	$1,445,394	$ 33,257	$ (325,500)	$ 2,847,155

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

CITY OF LIBERAL, KANSAS

Statement 6
(Continued)

STATEMENT OF REVENUES, EXPENSES AND CHANGES
IN FUND NET POSITION – PROPRIETARY FUNDS
For the year ended December 31, 2022

	Business-Type Activities				
	Water	Wastewater	Solid Waste	Airport	Totals
Non-Operating Revenue (Expense)					
Interest income	$ 26,623	$ 7,384	$ 2,657	$ 2,357	$ 39,021
Royalty income	-	-	-	20,096	20,096
Interest and fiscal charges	(83,629)	(644,877)	-	-	(728,506)
Amortization of deferred bond cost	(2,901)	-	-	-	(2,901)
Accretion of deferred bond premium	-	-	-	-	-
Grants and other funding	-	21,000	-	229,091	250,091
Gain (loss) on disposal of assets	-	-	-	-	-
Transfer in (out)	-	-	-	184,212	184,212
Total non-operating revenue (expense)	$ (59,907)	$ (616,493)	$ 2,657	$ 435,756	$ (237,987)
Change in Net Position	$ 1,634,097	$ 828,901	$ 35,914	$ 110,256	$ 2,609,168
Net Position, Beginning of year	14,363,381	12,070,926	1,273,956	12,136,407	39,844,670
Net Position, End of year	$15,997,478	$12,899,827	$1,309,870	$12,246,663	$42,453,838

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

CITY OF LIBERAL, KANSAS

Statement 7

STATEMENT OF CASH FLOWS – PROPRIETARY FUNDS
For the year ended December 31, 2022

	Business-Type Activities				
	Water	Wastewater	Solid Waste	Airport	Totals
Cash Flows from Operating Activities					
Cash received from customers	$ 6,408,070	$ 3,627,172	$ 2,372,832	$ 269,299	$12,677,373
Cash paid to suppliers and employees	(4,205,718)	(2,107,381)	(2,143,993)	(782,691)	(9,239,783)
Other sales and miscellaneous income	31,958	12,220	2,810	-	46,988
Net cash provided (used) by operating activities	$ 2,234,310	$ 1,532,011	$ 231,649	$ (513,392)	$ 3,484,578
Cash Flows from Non-Capital Financing Activities					
Interest paid	$ (98,629)	$ (605,687)	-	$ -	$ (704,316)
Grant income	-	21,000	-	229,091	250,091
Net cash provided (used) by non-capital financing activities	$ (98,629)	$ (584,687)	-	$ 229,091	$ (454,225)
Cash Flows from Capital and Related Financing Activities					
Acquisition of capital assets	$ (61,204)	$ (5,656,402)	$ (12,800)	$ -	$ (5,730,406)
Operating transfer in (out)	-	-	-	184,212	184,212
Payment on lease purchase contract	(132,723)	(199,357)	-	-	(332,080)
Payment on general obligation bonds	(530,987)	-	-	-	(530,987)
Net cash provided (used) for capital and related financing activities	$ (724,914)	$ (5,855,759)	$ (12,800)	$ 184,212	$ (6,409,261)
Cash Flows from Investing Activities					
Interest income	$ 26,711	$ 7,414	$ 2,681	$ 2,367	$ 39,173
Royalty revenue	-	-	-	20,096	20,096
Net cash provided by investing activities	$ 26,711	$ 7,414	$ 2,681	$ 22,463	$ 59,269
Net Increase (Decrease) in Cash and Cash Equivalents	$ 1,437,478	$ (4,901,021)	$ 221,530	$ (77,626)	$ (3,319,639)
Cash and Cash Equivalents at Beginning of Year	4,984,926	749,262	995,872	550,914	7,280,974
Cash and Cash Equivalents at End of Year	$ 6,422,404	$ (4,151,759)	$ 1,217,402	$ 473,288	$ 3,961,335

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

CITY OF LIBERAL, KANSAS

Statement 7
(Continued)

STATEMENT OF CASH FLOWS – PROPRIETARY FUNDS
For the year ended December 31, 2022

	Business-Type Activities				
	Water	Wastewater	Solid Waste	Airport	Totals
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities					
Operating Income (Loss)	$ 1,694,004	$ 1,445,394	$ 33,257	$ (325,500)	$ 2,847,155
Adjustments to Reconcile Operating Income to Net Cash Provided (Used) by Operating Activities:					
Depreciation expense	$ 442,451	$ 44,666	$ 6,661	$ (232,577)	$ 261,201
Changes in Assets and Liabilities:					
Decrease (increase) in accounts receivable	(161,996)	(41,325)	(34,254)	9,766	(227,809)
Decrease (increase) in prepaid expenses	(3,811)	(1,150)	(641)	456	(5,146)
Decrease (increase) in inventory	(27,828)	(5,578)	42,029	10,761	19,384
(Decrease) increase in unapplied credits	(32,311)	-	(1,193)	1,414	(32,090)
(Decrease) increase in accrued compensated absences	15,066	(6,394)	(2,083)	251	6,840
(Decrease) increase in accounts payable	24,266	(86,749)	(5,559)	(52,864)	(120,906)
(Decrease) increase in accrued salaries	(8,012)	(11,369)	(5,455)	(770)	(25,606)
(Decrease) increase in net pension obligation	292,481	194,516	198,887	75,671	761,555
Total adjustments	$ 540,306	$ 86,617	$ 198,392	$ (187,892)	$ 637,423
Net Cash Provided by Operating Activities	$ 2,234,310	$ 1,532,011	$ 231,649	$ (513,392)	$ 3,484,578

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

CITY OF LIBERAL, KANSAS

Statement 8

STATEMENT OF NET POSITION
FIDUCIARY FUNDS
December 31, 2022

	Agency Funds						
	Insurance	Municipal Court	Health Insurance Reserve	Employee Cafeteria Fund	Payroll Fund	Evidence Fund	Total
ASSETS							
Cash, including time deposits	$ (150,011)	$ 17,100	$352,657	$ 1,448	-	$ 24,754	$ 245,948
LIABILITIES							
Due others	$ (150,011)	$ 17,100	$352,657	$ 1,448	-	$ 24,754	$ 245,948

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

CITY OF LIBERAL, KANSAS

Statement 9

STATEMENT OF CHANGES IN NET POSITION
FIDUCIARY FUNDS
December 31, 2022

	Insurance	Municipal Court	Health Insurance Reserve	Employee Cafeteria Fund	Payroll Fund	Evidence Fund	Total
ADDITIONS							
Payroll withholdings and employer taxes and benefits	$7,612,787	$ -	$ 1,745	$ 2,117	$ 8,177	$ -	$7,624,826
Bonds posted	-	56,505	-	-	-	18,584	75,089
Total additions	$7,612,787	$ 56,505	$ 1,745	$ 2,117	$ 8,177	$ 18,584	$7,699,915
DEDUCTIONS							
Personnel services	$7,515,943	$ -	-	$ 1,871	$ 8,227	$ -	$7,526,041
Contractual services	-	55,153	-	-	-	46,185	101,338
Total deductions	$7,515,943	$ 55,153	-	$ 1,871	$ 8,227	$ 46,185	$7,627,379
Change in Net Position	$ 96,844	$ 1,352	$ 1,745	$ 246	$ (50)	$ (27,601)	$ 72,536
Net Position – Beginning of Year	(246,855)	15,748	350,912	1,202	50	52,355	173,412
Net Position – End of Year	$ (150,011)	$ 17,100	$352,657	$ 1,448	-	$ 24,754	$ 245,948

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

CITY OF LIBERAL, KANSAS

NOTES TO THE BASIC FINANCIAL STATEMENTS
December 31, 2022

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Liberal, Kansas is a municipal corporation governed by an elected five-member commission. The City's major operations include police and fire protection, library, parks, recreation, public works and general administrative services. In addition, the City owns and operates a water, wastewater and solid waste system.

The accounting and reporting policies of the City relating to the funds included in the accompanying basic financial statements conform to accounting principles generally accepted in the United States of America applicable to state and local governments. Generally accepted accounting principles for local governments include those principles prescribed by the Governmental Accounting Standards Board (GASB), the American Institute of Certified Public Accountants in the publication entitled Audits of State and Local Governmental Units and by the Financial Accounting Standards Board (when applicable). As allowed in Section P80 of GASB's Codification of Governmental Accounting and Financial Reporting Standards, the City has elected not to apply Financial Accounting Standards Board Statements and Interpretations, Accounting Principles Board Opinions, and Accounting Research Bulletins of the Committee of Accounting Procedure issued after November 30, 1989. The more significant accounting policies of the City are described below.

A. Financial Reporting Entity

The City's basic financial statements include the accounts of all City operations. The criteria for including organizations as component units within the City's reporting entity, as set forth in Section 2100 of GASB's Codification of Governmental Accounting and Financial Reporting Standards, include whether:

- the organization is legally separate (can sue and be sued in their own name)
- the City holds the corporate powers of the organization
- the City appoints a voting majority of the organization's board
- the City is able to impose its will on the organization
- the organization has the potential to impose a financial benefit/burden on the City
- there is fiscal dependency by the organization on the City

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

A. Financial Reporting Entity (Continued)

Discretely presented component units of the City of Liberal, Kansas are as follows:

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

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

B. Government-Wide and Fund Financial Statements

Government-Wide Financial Statements

The statement of net position and statement of activities display information about the City (primary government) as a whole. They include all funds of the reporting entity except for fiduciary funds. For the most part, the effect of interfund activity has been removed from these statements. The statements distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues and other nonexchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Government-Wide and Fund Financial Statements (Continued)

Fund Financial Statements

Fund financial statements of the reporting entity are organized into funds each on which are considered to be separate accounting entities. Each fund is accounted for by providing a separate set of self-balancing accounts that constitute its assets, liabilities, fund equity, revenues and expenditures/expenses. Funds are organized into three major categories: governmental, proprietary and fiduciary. An emphasis is placed on major funds within the governmental and proprietary categories. A fund is considered major if it is the primary operating fund of the City or meets the following criteria:

1. Total assets, liabilities, revenues or expenditures/expenses of that individual governmental or enterprise fund are at least 10 percent of the corresponding total for all funds of that category or type, and

2. Total assets, liabilities, revenues or expenditures/expenses of that individual governmental fund or enterprise fund are at least 5 percent of the corresponding total for all governmental and enterprise funds combined.

The funds of the financial reporting entity are described below:

Governmental Funds:

General Fund

The General Fund is the primary operating fund of the City and is always classified as a major fund. It is used to account for all activities except those legally or administratively required to be accounted for in other funds.

Special Revenue Funds

Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than special assessments or major capital projects) that are legally or administratively restricted to expenditures for certain purposes.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Government-Wide and Fund Financial Statements (Continued)

Governmental Funds (Continued):

Capital Projects Fund

The Capital Projects Fund is used to account for resources restricted for the acquisition or construction of specific capital projects or items (other than those financed by enterprise funds). The reporting entity includes only one Capital Projects Fund and it is used to account for the acquisition of capital assets with transfers made from the General Fund.

Debt Service Fund

The Debt Service Fund accounts for the accumulation of financial resources for the payment of interest and principal on the general long-term debt and the financing of special assessments that are general obligations of the City (other than debt service payments made by enterprise funds).

Proprietary Fund:

Enterprise Fund

Enterprise Funds are used to account for business-like activities provided to the general public. These activities are financed primarily by user charges and the measurement of financial activity focuses on net income measurement similar to the private sector.

Fiduciary Funds (Not included in government-wide statements):

Agency Funds

Agency funds account for assets held by the City in a purely custodial capacity. Since agency funds are custodial in nature (i.e. assets equal liabilities), they do not involve the measurement of results of operations.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Government-Wide and Fund Financial Statements (Continued)

Separate financial statements are provided for governmental funds, proprietary funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures are recorded only when payment is due.

The government reports the following major governmental funds:

The General Fund is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The Capital Projects Fund accounts for financial resources segregated for the acquisition of major capital facilities (other than those financed by enterprise funds).

The Debt Service Fund accounts for the resources accumulated and payments made for principal and interest on long-term general obligation debt of governmental funds.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation (Cont.)

The government reports the following major proprietary funds:

The Water Fund accounts for the water services to residents of the City and some residents of the County.

The Wastewater Fund accounts for the wastewater services to residents of the City and some residents of the County.

The Solid Waste Fund accounts for the pick-up service of trash and garbage to the residents of the City and some residents of the County.

The Airport Fund accounts for all income and revenue derived from the operations of the Airport Industrial Park.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the City's proprietary funds are charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

D. Assets, Liabilities and Net Position or Equity

Cash and Cash Equivalents

For the purpose of the Statement of Net Position, "cash, including time deposits" includes all demand and savings accounts and certificates of deposits of the City. For the purposes of the proprietary fund Statement of Cash Flows, "cash and cash equivalents" includes all demand and savings accounts and certificates of deposits or short-term investments with an original maturity of three months or less.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Assets, Liabilities and Net Position or Equity (Continued)

Receivables and Payables

Activity between funds that are outstanding at the end of the fiscal year are referred to as "due to/from other funds". Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

The City records water revenue billed to its customers when meters are read on a monthly basis. Charges for sewage treatment and refuse services are billed monthly.

Only amounts of delinquent tax collected by the County Treasurer are included as receivables. Records of back tax are such that it is impracticable to ascertain the amounts that represent receivables.

Receivables of the general and special revenue funds are not available as resources that can be used to finance the current year operations of the City and, consequently, are offset by reserves in the fund statements for control purposes.

With the exception of back taxes, accounts receivable, which were considered doubtful as to collectability, have been charged off. Therefore, a provision for uncollectible accounts has not been recognized for statement presentation.

Inventories and Prepaid Items

Inventories in the general fund consist of expendable supplies held for the City's use and are carried at cost using the first-in, first-out method. Inventories are expensed when purchased for fund financials and expensed when used for government-wide financials.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in the government-wide financial statements.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Assets, Liabilities and Net Position or Equity (Continued)

Capital Assets

Capital assets purchased or acquired with an original cost of $2,500 or more are reported at historical cost or estimated historical cost. Contributed assets are reported at fair market value as of the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Depreciation on all assets is provided on the straight-line basis over the following estimated useful lives:

Buildings and improvements	30 to 50 years
Motor vehicles and motorized equipment	3 to 7 years
Furniture, machinery and equipment	5 to 8 years
Extensions	50 years
Infrastructure	20 to 90 years

The City has a collection of airplanes presented for public exhibition and education that is being preserved for future generations. The proceeds from sales of any pieces of the collection are used to purchase other acquisitions. The collection is not capitalized or depreciated as part of capital assets.

Compensated Absences

The City accrues accumulated unpaid vacation when earned (or estimated to be earned) by the employee. Sick leave is not required to be accrued as of December 31, 2022.

Long-Term Obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities or business-type activities statement of net position. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Assets, Liabilities and Net Position or Equity (Continued)

Long-Term Obligations (Continued)

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Government-Wide and Proprietary Fund Net Position

Government-wide and proprietary fund net position is divided into three components:

Net Investment in Capital Assets – Consist of the historical cost of capital assets less accumulated depreciation and less any debt that remains outstanding that was used to finance those assets.

Restricted Net Position – Consists of net position that is restricted by the City's creditors (for example, through debt covenants), by the state enabling legislation (through restrictions on shared revenues), by grantors (both federal and state), and by other contributors.

Unrestricted – All other net position is reported in this category.

Governmental Fund Balances

In the governmental fund financial statements, fund balances are classified as follows:

Nonspendable – Amounts that cannot be spent either because they are in a nonspendable form or because they are legally or contractually required to be maintained intact.

Restricted – Amounts that can be spent only for specific purposes because of the City Code, state or federal laws, or externally imposed conditions by grantors or creditors.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Assets, Liabilities and Net Position or Equity (Continued)

Governmental Fund Balances (Continued)

Committed – Amounts that can be used only for specific purposes determined by a formal action by City Commission ordinance or resolution.

Assigned – Amounts that are designated by City officials for a particular purpose.

Unassigned – All amounts not included in other spendable classifications.

When an expense is incurred that can be paid using either restricted or unrestricted resources (net position), the City's policy is to first apply the expense toward restricted resources and then toward unrestricted resources. In governmental funds, the City's policy is to first apply the expenditure toward restricted fund balance and then to other, less restrictive classifications – committed and then assigned fund balances before using unassigned fund balances.

E. Revenues, Expenditures and Expenses

Revenues

Substantially all governmental fund revenues are accrued. Subsidies and grants to proprietary funds, which finance either capital or current operations, are reported as nonoperating revenue based on GASB 33. In applying GASB Statement No. 33 to grant revenues, the provider recognizes liabilities and expenses and the recipient recognizes receivables and revenue when the applicable eligibility requirements, including time requirements, are met. Resources transmitted before the eligibility requirements are met are reported as advances by the provider and deferred revenue by the recipient.

Collection of current year property taxes by the County Treasurer is not completed, apportioned, nor distributed to the various subdivisions until the succeeding year, such procedure being in conformity with governing state statutes. Consequently, current year property taxes receivable are not available as a resource that can be used to finance the current year operations of the City and, therefore, are not susceptible to accrual.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Revenues, Expenditures and Expenses (Continued)

Expenditures

Expenditures are recognized when the related fund liability is incurred. Inventory costs are reported in the period when inventory items are used, rather than in the period purchased. Principal and interest on general long-term debt, which has not matured, are recognized when paid. Allocations of costs, such as depreciation and amortization, are not recognized in the governmental funds.

Note 2: STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Budget Requirements, Accounting and Reporting

Requirements for all funds:

A. Annual budgets are adopted for most City funds. Such budgets are based on expected expenditures by program within a fund and estimated resources by source for all funds. Kansas statutes require that an annual operating budget be legally adopted for the general fund, special revenue funds (unless specifically exempted by statute), debt service funds, and enterprise funds. Although directory rather than mandatory, the statutes provide for the following sequence and timetable in the adoption of the legal annual operating budget:

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

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

Note 2: STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

A. Budget Requirements, Accounting and Reporting (Continued)

B. For day-to-day management control, expenditures plus encumbrances may not exceed budget at the expenditure-type (i.e., personnel services, other operations and maintenance, etc.) level of each cost center (activity within a program within a fund).

C. The statutes allow for the governing body to increase the originally adopted budget for previously unbudgeted increases in revenue 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. Any unused budgeted expenditure authority lapses at year end.

D. 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.

E. Budgetary comparison schedules are presented in the Supplemental Section as Required Supplementary Information. The budgetary basis is the modified accrual basis of accounting with encumbrances included as actual.

F. A legal operating budget is not required for capital projects funds, fiduciary type funds, and the following special revenue funds:

a. Municipal Equipment Fund
b. Bequest Fund
c. Diversion Program Fund
d. Cemetery Perpetual Fund
e. Fire Insurance Proceeds Fund
f. Police Step Grant Fund
g. Nighttime Seatbelt Grant Fund
h. Edward Byrne Memorial 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.

Note 2: STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

A. Budget Requirements, Accounting and Reporting (Continued)

G. During the year ended December 31, 2022 the City did not over expend the legal operating budget in any fund.

B. Encumbrances

Encumbrances represent commitments related to unperformed contracts for goods or services. Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of resources are recorded to reserve that portion of the applicable appropriation, is used in the governmental funds. For budgetary purposes, appropriations lapse at fiscal year end, except for the portion related to encumbered amounts. Encumbrances outstanding at year end are reported as reservations of fund balances and do not constitute expenditures or liabilities because the commitment will be honored during the subsequent year.

Note 3: DEPOSITS AND INVESTMENTS

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

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

Custodial Credit Risk – Deposits – Custodial credit risk for deposits is the risk that in the event of a bank failure, the City of Liberal's deposits may not be returned or the City of Liberal will not be able to recover collateral securities in the possession of an outside party.

Note 3: DEPOSITS AND INVESTMENTS (Continued)

The City of Liberal's policy requires deposits to be 100 percent secured by collateral valued at market or par, whichever is lower, less the amount covered by the Federal Deposit Insurance Corporation (FDIC). Deposited funds may be invested in certificates of deposit in institutions with an established record of fiscal health and service, as determined by a rating of C minus or above by independent rating agencies. Collateral agreements must be approved prior to deposit of funds as provided by law. The City of Liberal Commission approves and designates a list of authorized depository institutions based on evaluation of solicited responses and certifications provided by financial institutions and recommendations of an evaluation committee and/or the City of Liberal Finance Director. Custodial credit risk for deposits is not formally addressed by bond indentures or pension trust policy. Indentures require that restricted deposits be maintained by the trustee bank specified in the indenture. Pension trust investment policy restricts uninvested cash to minimal balances generally covered by the FDIC.

Deposits of the City of Liberal's reporting entity are insured or collateralized with securities held by the City of Liberal, its agent, or by the pledging financial institutions' trust department or agent in the name of the City of Liberal or applicable public trust.

At December 31, 2022, the City of Liberal's carrying amount of deposits, including certificates of deposit, was $21,288,928 and the bank balance was $21,943,252. Of the bank balance, $1,000,000 was covered by federal depository insurance and the remaining $21,943,251 was collateralized with securities held by the pledging financial institution's agent in the City of Liberal's name.

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

Note 3: DEPOSITS AND INVESTMENTS (Continued)

As of December 31, 2022, the City of Liberal's reporting entity had the following investments:

Types of Investments	Fair Value/ Carrying Amount	Cost	Credit Risk
Primary Government			
Pooled Investments			
Kansas Municipal Investment Pool:			
General Government	$9,592,854	$9,592,854	
Health Insurance Reserve	158,395	158,395	

Government pools are considered a cash equivalent on the government-wide statement of net position.

City Investment Policy

The City of Liberal's current investment policy is complying with state statutes as to type of investments allowed. The City is currently in the process of developing a policy that will be more detailed in the assessment of credit risk and interest rate risk.

The City has historically only used investments in U.S. Agency Notes with short-term maturities. These policies have left the City with relatively low levels of credit risk and interest rate risk.

Note 4: CAPITAL ASSETS AND DEPRECIATION

Capital asset activity for the year ended December 31, 2022 was as follows:

Governmental Activities:	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Capital Assets, not Being Depreciated:					
Land	$ 2,060,804	$ -	$ 243,005	-	$ 1,817,799
Construction in progress	22,847,185	3,452,297	-	-	26,299,482
Total capital assets, not being depreciated	$24,907,989	$ 3,452,297	$ 243,005	-	$28,117,281
Capital Assets, Being Depreciated:					
Buildings	$ 9,428,724	$ -	$ 841,357	$ -	$ 8,587,367
Structures and improvements other than buildings	9,786,242	-	870,388	13,680,785	22,596,639
Machinery, equipment, furniture and fixtures	5,953,958	564,504	916,186	50,619	5,652,895
Vehicles	6,034,571	271,874	314,276	25,850	6,018,019
Streets and other assets	64,291,818	-	428,499	(13,680,785)	50,182,534
Total capital assets, being depreciated	$95,495,313	$ 836,378	$3,370,706	$ 76,469	$93,037,454
Less – Accumulated Depreciation for:					
Buildings	$ 6,506,644	$ -	$ 94,425	$ -	$ 6,412,219
Structures and improvements other than buildings	5,730,238	-	588,283	-	5,141,955
Machinery, equipment, furniture and fixtures	4,665,602	3,112	207,506	50,619	4,511,827
Vehicles	5,667,268	13,117	299,543	25,850	5,406,692
Streets and other assets	42,605,617	-	1,744,492	-	40,861,125
Total accumulated depreciation	$65,175,369	$ 16,229	$2,934,249	$ 76,469	$62,333,818
Total Capital Assets, Being Depreciated, Net	$30,319,944	$ 820,149	$ 436,457	-	$30,703,636
Governmental Activities Capital Assets, Net	$55,227,933	$ 4,272,446	$ 679,462	-	$58,820,917

Note 4: CAPITAL ASSETS AND DEPRECIATION (Continued)

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Business-Type Activities:					
Capital Assets, not Being Depreciated:					
Land	$ 4,149,500	$ -	-	-	$ 4,149,500
Construction in progress	44,603,832	5,608,928	-	-	50,212,760
Total capital assets, not being depreciated	$48,753,332	$ 5,608,928	-	-	$54,362,260
Capital Assets, Being Depreciated:					
Buildings	$10,299,429	$ -	$ 57,300	$ -	$10,242,129
Structures and improvements other than buildings	41,838,677	2,323,185	191,744	-	43,970,118
Machinery, equipment, furniture and fixtures	6,679,669	127,303	99,445	(50,619)	6,656,908
Vehicles	2,423,327	44,794	52,475	(25,850)	2,389,796
Total capital assets, being depreciated	$61,241,102	$ 2,495,282	$ 400,964	$ (76,469)	$63,258,951
Less – Accumulated Depreciation for:					
Buildings	$ 9,173,686	$ 330,598	$ 57,300	$ -	$ 9,446,984
Structures and improvements other than buildings	25,430,366	1,122,537	-	-	26,552,903
Machinery, equipment, furniture and fixtures	4,972,776	754,045	97,606	(50,619)	5,578,596
Vehicles	2,004,778	260,091	78,325	(25,850)	2,160,694
Total accumulated depreciation	$41,581,606	$ 2,467,271	$ 233,231	$ (76,469)	$43,739,177
Total Capital Assets, Being Depreciated, Net	$19,659,496	$ 28,011	$ 167,733	-	$19,519,774
Business-Type Activities Capital Assets, Net	$68,412,828	$ 5,636,939	$ 167,733	-	$73,882,034

Note 4: CAPITAL ASSETS AND DEPRECIATION (Continued)

Depreciation expense was charged to functions/programs of the government as follows:

Governmental Activities:	
General Government:	
Administration	$ 38,713
Building inspection	1,005
Utility billing	19
Public Safety:	
Police	18,351
Fire	27,460
Municipal Court	2,072
Communications	12,248
Public Works:	
Transportation	599
Engineering	476
Recreation	16,550
Arkalon	5,245
Beautification	192
Street lighting	429,556
Community Service:	
Golf course	76
Parks	5,213
Swimming Pool	6,218
Cemetery	4,199
Air Museum	237
Convention and Tourism	3,822
Community/Economic Development:	
Urban Development and Housing	12
Economic Development	14,739
Total Governmental Activities Depreciation Expense	$ 587,002
Business-Type Activities:	
Water	$ 442,451
Wastewater	44,666
Solid Waste	6,661
Airport	(232,577)
Total Business-Type Activities Depreciation Expense	$ 261,201

Note 5: INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

The composition of interfund balances as of December 31, 2022 is as follows:

Interfund Transfers:

Transfer Out	Transfer In	Amount
General Fund	Air Museum Fund	$ 278,000
	Bequest Fund	35,000
	Communication Center Fund	560,950
	Municipal Equipment Reserve	46,000
	Debt Service Fund	116,265
Tourism Fund	Air Museum Fund	72,000
Street and Drainage	General Fund	125,000
	Debt Service Fund	225,818
Economic Development	Airport	184,212
Total		$1,643,245

The transfers listed above were made according to the approved budget except for the transfers to the Bond and Interest Fund, which were made in accordance with KSA 12-6a16.

Note 6: LONG-TERM DEBT

Lease Purchase Contracts

The City of Liberal, Kansas has entered into several lease purchase contracts. Contracts outstanding at year end are as follows:

Fund	Interest Rates	Amount
General	2.770%	$ 351,409
General	2.30%	75,887
General	2.72%	91,508
General	4.13%	46,330
		$ 565,134

Note 6: LONG-TERM DEBT (Continued)

Lease Purchase Contracts (Continued)

Lease purchase debt service requirements to maturity, including $30,378 of interest, are as follows:

Year	General Fund	Water Fund	Total
2023	$ 203,763	-	$ 203,763
2024	203,763	-	203,763
2025	163,687	-	163,687
2026	24,299	-	24,299
	$ 595,512	-	$ 595,512

KDHE Revolving Loans

The City entered into a loan agreement with the Kansas Department of Health and Environment (KDHE) for the Engineering and Administrative portion of the Sewer Plant & Interceptor Line Project. The loan was entered into on February 2, 2015 with an interest rate of 2.20% and a maximum amount of $2,985,000. The loan was amended on February 18, 2019 to increase the maximum amount to $4,274,042 with an interest rate of 2.20%. As of December 31, 2022, $4,274,042 had been drawn on this loan and the payback amount was $3,119,488. Principal payments of $199,156 were made in 2022.

The City entered into a loan agreement with the Kansas Department of Health and Environment (KDHE) for the Construction portion of the Sewer Plant & Interceptor Line Project. The loan was entered into on April 22, 2015 with an interest rate of 2.11% and a maximum amount of $26,643,080. The loan was amended on February 18, 2019 to increase the maximum amount to $39,531,880 with an interest rate of 2.11%. As of December 31, 2022, $32,436,963 had been drawn on this loan and the payback amount was $26,849,358. Principal payments of $200 were made in 2022. The payback period for the amount of the loan remaining is 15 years.

Note 6: LONG-TERM DEBT (Continued)

KDHE Revolving Loans (Continued)

Fund	Interest Rates	Amount
Wastewater	2.20%	$ 3,119,488
Wastewater	2.11%	26,849,358
		$29,968,846

KDHE Revolving Loan requirements to maturity, including $15,443,711 of interest are as follows:

Year	Wastewater Fund
2023	$ 985,947
2024	3,082,492
2025	3,082,492
2026	3,082,492
2027	3,082,492
2028	3,082,492
2029-2037	29,014,150
	$45,412,557

Note 6: LONG-TERM DEBT (Continued)

General Obligation Bonds

The City of Liberal, Kansas issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. General obligation bonds have been issued for both general government and proprietary activities. These bonds are reported in the proprietary funds if they are expected to be issued to refund both general obligation and revenue bonds.

General obligation bonds are direct obligations and pledge the full faith and credit of the City. These bonds generally are issued as serial bonds with equal amounts of principal maturing each year. General obligation bonds currently outstanding are as follows:

Purpose	Interest Rates	Amount
Governmental activities	1.00% - 3.00%	$2,586,808
Business-type activities – Water	2.00% - 4.00%	4,853,192
		$7,440,000

Annual debt service requirements to maturity for general obligation bonds are as follows:

	Governmental Activities		Business-Type Activities	
Year	Principal	Interest	Principal	Interest
2023	$ 359,013	$ 44,832	$ 565,987	$ 78,567
2024	366,601	38,240	573,398	72,730
2025	371,601	31,508	403,398	67,024
2026	241,601	24,470	238,399	61,712
2027	234,191	21,377	245,809	55,640
2028	236,780	18,368	248,220	50,152
2029-2039	777,021	39,316	2,577,981	250,671
	$2,586,808	$218,111	$4,853,192	$ 636,496

Note 6: LONG-TERM DEBT (Continued)

Changes in Long-Term Liabilities

Long-term liability activity for the year ended December 31, 2022 was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental Activities:					
Bonds Payable:					
General obligation bonds	$ 2,935,821	$ -	$ 349,013	$ 2,586,808	$ 359,013
Finance leases	748,335	-	183,201	565,134	188,438
Compensated absences	873,007	780,929	873,007	780,929	780,929
Net pension obligation	8,890,493	12,702,167	8,890,493	12,702,167	12,702,167
Governmental activity long-term liabilities	$13,447,656	$13,483,096	$10,295,714	$16,635,038	$14,030,547
Business-Type Activities:					
General obligation bonds	$ 5,384,179	$ -	$ 530,987	$ 4,853,192	$ 565,987
Finance leases	132,723	-	132,723	-	-
KDHE revolving loan	30,168,203	-	199,357	29,968,846	199,701
Compensated absences	164,278	171,118	164,278	171,118	171,118
Net pension obligation	1,127,893	1,889,448	1,127,893	1,889,448	1,889,448
Business-type activity long-term liabilities	$36,977,276	$ 2,060,566	$ 2,155,238	$36,882,604	$ 2,826,254

Note 7: DEFINED BENEFIT PENSION PLAN

Plan Description

The City of Liberal, Kansas participates in a cost-sharing multiple-employer pension plan, as defined in Governmental Accounting Standards Board Statement No. 67, *Financial Reporting for Pension Plans*. The Pension Plan is administered by the Kansas Public Employees Retirement System (KPERS), a body corporate and an instrumentality of the State of Kansas. KPERS provides benefit provisions to the following statewide pension groups under one plan, as provided by K.S.A. 74, article 49:

- Public employees, which includes:
  - State/School employees
  - Local employees
- Police and Firemen
- Judges

Substantially all public employees in Kansas are covered by the Pension Plan. Participation by local political subdivisions is optional, but irrevocable once elected.

Those employees participating in the Pension Plan for the City are included in the Public Employees, and Police and Firemen employee groups.

KPERS issues a stand-alone comprehensive annual financial report, which is available on the KPERS website at www.kpers.org.

Benefits Provided

Benefits are established by statute and may only be changed by the General Assembly. Members (except Police and Firemen) with ten or more years of credited service may retire as early as age 55 (Police and Firemen may be age 50 with 20 years of credited service), with an actuarially reduced monthly benefit. Normal retirement is at age 65, age 62 with ten years of credited service, or whenever a member's combined age and years of credited service equal 85 "points" (Police and Firemen normal retirement ages are age 60 with 15 years of credited service, age 55 with 20 years, age 50 with 25 years, or any age with 36 years of service).

Note 7: DEFINED BENEFIT PENSION PLAN (Continued)

Benefits Provided (Continued)

Monthly retirement benefits are based on a statutory formula that includes final average salary and years of service. When ending employment, members may withdraw their contributions from their individual accounts, including interest. Members who withdraw their accumulated contributions lose all rights and privileges of membership. For all pension coverage groups, the accumulated contributions and interest are deposited into and disbursed from the membership accumulated reserve fund as established by K.S.A. 74-4922.

Members choose one of seven payment options for their monthly retirement benefits. At retirement a member may receive a lump-sum payment of up to 50% of the actuarial present value of the member's lifetime benefit. His or her monthly retirement benefit is then permanently reduced based on the amount of the lump sum. Benefit increases, including ad hoc post-retirement benefit increases, must be passed into law by the State of Kansas Legislature. Benefit increases are under the authority of the Legislature and the Governor of the State of Kansas.

The 2012 Legislature made changes affecting new hires, current members and employers. A new KPERS 3 cash balance retirement plan for new hires starting January 1, 2015 was created. Normal retirement age for KPERS 3 is 65 with five years of service or 60 with 30 years of service. Early retirement is available at age 55 with ten years of service, with a reduced benefit. Monthly benefit options are an annuity benefit based on the account balance at retirement.

For all pension coverage groups, the retirement benefits are disbursed from the retirement benefit payment reserve fund as established by K.S.A. 74-4922.

Note 7: DEFINED BENEFIT PENSION PLAN (Continued)

Contributions

Member contributions are established by state law and are paid by the employee according to the provisions of Section 414(h) of the Internal Revenue Code. State law provides that the employer contribution rates be determined based on the results of each annual actuarial valuation for each of the three state wide pension groups. The contributions and assets of all groups are deposited in the Kansas Public Employees Retirement Fund established by K.S.A. 74-4921. All of the retirement systems are funded on an actuarial reserve basis.

For fiscal years beginning in 1995, Kansas legislation established statutory limits on increases in contribution rates for KPERS employers, which includes the state and the school employers. Annual increases in the employer contribution rates related to subsequent benefit enhancements are not subject to these limitations. The statutory cap increase over the prior year contribution rate is 1.2% of total payroll for the fiscal year ended June 30, 2022.

The actuarially determined employer contribution rates (not including the 1.00% contribution rate for the Death and Disability Program) and the statutory contribution rates for City employees are as follows:

	Actuarial Employer Rate	Statutory Employer Capped Rate
Local government employees	8.90%	8.90%
Police and Firemen	22.99%	22.99%

Member contribution rates as a percentage of eligible compensation in fiscal year 2022 are 6.00% for Local employees and 7.15% for Police and Firemen.

Note 7: DEFINED BENEFIT PENSION PLAN (Continued)

Employer Allocations

Although KPERS administers one cost-sharing multiple-employer defined benefit pension plan, separate (sub) actuarial valuations are prepared to determine the actuarial determined contribution rate by group. Following this method, the measurement of the collective net pension liability, deferred outflows of resources, deferred inflows of resources, and pension expense are determined separately for each of the following groups of the plan:

- State
- School
- Local
- Police and Firemen
- Judges

To facilitate the separate (sub) actuarial valuations, KPERS maintains separate accounts to identify additions, deductions, and fiduciary net position applicable to each group. The allocation percentages presented for each group in KPERS' schedule of employer and nonemployer allocations are applied to amounts presented in the schedules of pension amounts by employer and nonemployer.

The allocation percentages for the City's share of the collective pension amounts as of December 31, 2022 are based on the ratio of its contributions to the total of the employer and nonemployer contributions of the group for the fiscal year ended December 31, 2022.

The contributions used exclude contributions made for prior service, excess benefits, and irregular payments. At June 30, 2022, the City's proportion for the Local employees group was 0.36277%, which was an increase of 0.000002% from its proportion measured at June 30, 2021. At June 30, 2022, the City's proportion for the Police and Firemen group was 0.51168%, which was a decrease of 0.000006% from its proportion measured at June 30, 2021.

Net Pension Liability

At December 31, 2022, the City reported a liability of $7,211,989 and $7,379,626, respectively, for its total proportionate share of the net pension liability for the Local and Police and Firemen groups.

Note 7: DEFINED BENEFIT PENSION PLAN (Continued)

Actuarial Assumptions

The total pension liability was determined by an actuarial valuation as of December 31, 2021, which was rolled forward to June 30, 2022. The actuarial valuation used the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Cost Method	Entry age normal
Price inflation	2.75%
Salary increases	3.50%-12.00%, including pricing inflation
Investment rate of return	7.00% compounded annually, net of investment expenses, and including price inflation

Mortality rates were based on the RP 2014 Healthy Annuitant Mortality Table for Males and Females, as appropriate, with adjustments for mortality improvements based on Scale MP-2016.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class as of the most recent experience study, dated January 7, 2020, as provided by KPERS' Investment consultant, are summarized in the following table:

Asset Class	Long-term Target Allocation	Long-term Expected Real Rate of Return
U.S. Equities	23.50%	5.20%
Non-U.S. Equities	23.50	6.40
Private Equity	8.00	9.50
Private Real Estate	11.00	4.45
Yield Driven	8.00	4.70
Real Return	11.00	3.25
Fixed Income	11.00	1.55
Short-Term Investments	4.00	0.25
Total	100.00%	

Note 7: DEFINED BENEFIT PENSION PLAN (Continued)

Discount Rate

The discount rate used to measure the total pension liability at the measurement date of June 30, 2022 was 7.00%. The discount rate used to measure total pension liability at the prior measurement date of June 30, 2021 was 7.25%. The actuarial assumptions used in the calculation of the total pension liability were based on the results of the most recent actuarial experience study. It covered the three-year period of January 1, 2016 through December 31, 2018 and was dated January 7, 2020.

The projection of cash flows used to determine the discount rate was based on member and employer contributions. In KPERS, the State, School and Local groups do not necessarily contribute the full actuarial determined rate. Based on legislation first passed in 1993 and subsequent legislation, the employer contribution rates certified by the Board may not increase more than the statutory cap. The statutory cap for fiscal year 2022 was 1.2%.

The Local, Kansas Police and Firemen, and Judges groups are contributing at the full actuarial contribution rate.

Sensitivity of the City's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following table presents the City's proportionate share of the net pension liability calculated using the discount rate of 7.00%, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.00%) or one percentage point higher (8.00%) than the current rate:

	1% Decrease (6.00%)	Discount Rate (7.00%)	1% Increase (8.00%)
Local	$10,360,255	$ 7,211,989	$4,589,026
Police and Firemen	10,122,238	7,379,626	5,097,616
	$20,482,493	$14,591,615	$9,686,642

Note 7: DEFINED BENEFIT PENSION PLAN (Continued)

Deferred Outflows of Resources and Deferred Inflows of Resources

At December 31, 2022, the City reported deferred outflows of resources and deferred inflows of resources related to pensions as shown in the following tables. Experience gains/losses and the impact of changes in actuarial assumptions or other inputs, if any, are recognized over the average expected remaining service life of the active and inactive plan members in the beginning of the measurement period. Investment gains and losses are recognized over a fixed five year period.

	Deferred Outflows of Resources		
	Local	Police & Firemen	Total
Differences between expected and actual experience	$ 272,787	$ 313,161	$ 585,948
Net difference between projected and actual earnings on pension plan investments	610,495	506,473	1,116,968
Changes in assumptions	1,152,795	948,330	2,101,125
Changes in proportion	94,638	284,127	378,765
	$2,130,715	$2,052,091	$4,182,806

	Deferred Inflows of Resources		
	Local	Police & Firemen	Total
Differences between expected and actual experience	$ 12,927	$ -	$ 12,927
Net differences between projected and actual earnings on pension plan investments	-	-	-
Changes of assumptions	-	-	-
Changes in proportion	169,970	694,438	864,408
	$ 182,897	$ 694,438	$ 877,335

Note 7: DEFINED BENEFIT PENSION PLAN (Continued)

Deferred Outflows of Resources and Deferred Inflows of Resources (Continued)

The net deferred outflows of resources and (deferred inflows) of resources as of June 30, 2022 that will be recognized in pension expense in future years are as follows:

Fiscal Year	Local	Police & Firemen	Total
2023	$ 556,473	$ 398,446	$ 954,919
2024	512,874	337,195	850,069
2025	243,306	181,594	424,900
2026	616,390	437,949	1,054,339
2027	18,775	2,468	21,243
	$1,947,818	$1,357,652	$3,305,470

Pension Expense

For the year ended December 31, 2022, the City recognized Local pension expense of $957,331 and Police and Firemen pension expense of $1,046,346, which includes the changes in the collective net pension liability, projected earnings on pension plan investments, and the amortization of deferred outflows of resources and deferred inflows of resources for the current period.

Note 8: RISK MANAGEMENT

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

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

Note 9: CONTINGENT LIABILITIES AND COMMITMENTS

Federal Assistance

The City of Liberal participates in a number of federally assisted grant programs. These programs are subject to program compliance audits by the grantors or their representatives for audits of these programs for or including the year ending December 31, 2022.

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

Environmental Issues

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

Note 10: CONDUIT DEBT OBLIGATIONS

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

As of December 31, 2022, there were two series of Industrial Revenue Bonds outstanding, with an aggregate principal amount payable of $72,198,022.

Note 11: AIRPORT LEASES

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

Note 12: TAX ABATEMENTS

The City enters into property tax abatement agreements with local developers under Kansas statutes 12-5241 et seq., which authorizes a city to designate rural housing incentive districts. Under the statutes, the City is authorized to reimburse the developer for all or a portion of the costs of implementing the development through the use of property tax increments allocated to the City under the provisions of the statute.

For the year ended December 31, 2022, property taxes abated totaled $118,451 under the rural housing incentive districts program.

The City enters into sales tax abatement agreements with local developers under Kansas statutes 12-6a26 et seq., which enables a city to create a district for the purpose of financing various improvements from specially designated revenues, including assessments and/or a CID sales tax of up to 2%. Under the statutes, the City is authorized to reimburse the developer for expenditures that are for economic development purposes.

For the year ended December 31, 2022, sales taxes abated totaled $284,924 under the community improvement district program. The City's share of the abated sales taxes was $0.

Note 13: SUBSEQUENT EVENTS

The City of Liberal's management has evaluated events and transactions through January 30, 2024, the date which the financial statements were available to be issued.

CITY OF LIBERAL, KANSAS

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF LIBERAL, KANSAS

Schedule 1

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES – BUDGET AND ACTUAL – GENERAL FUND
For the year ended December 31, 2022

Revenues	Original & Final Budget	Actual Amounts	Variance with Final Budget Favorable (Unfavorable)
Taxes:			
Ad valorem property tax	$3,997,925	$3,981,943	$ (15,982)
Delinquent tax	170,000	85,080	(84,920)
Franchise	1,750,000	2,109,541	359,541
Motor vehicle tax	511,143	454,392	(56,751)
Commercial vehicle fees	49,399	29,804	(19,595)
Total taxes	$6,478,467	$6,660,760	$ 182,293
Intergovernmental:			
Local sales tax	$2,700,000	$3,463,578	$ 763,578
Private club liquor tax	41,000	67,432	26,432
Highway connecting links	33,000	41,339	8,339
Administrative fees	1,533,000	1,535,504	2,504
Total intergovernmental	$4,307,000	$5,107,853	$ 800,853
Licenses, Permits, and Fees:			
Building permits	$ 101,000	$ 109,850	$ 8,850
Occupational licenses	35,000	32,193	(2,807)
Other licenses and fees	28,000	34,753	6,753
Vehicle inspections	35,000	28,890	(6,110)
Total licenses, permits, and fees	$ 199,000	$ 205,686	$ 6,686
Charges for Services:			
Cemetery	$ 36,300	$ 54,800	$ 18,500
Park fees, concessions	46,500	56,376	9,876
Swimming pool, concessions	170,500	168,937	(1,563)
Vehicle service charges	500	125	(375)
Recreation	428,000	182,090	(245,910)
Arkalon Park revenues	13,100	14,127	1,027
Golf course fees and other	303,000	366,482	63,482
Police	4,800	9,194	4,394
Animal shelter	26,500	46,224	19,724
Building Inspection Department:			
Mowing and demolition	70,000	65,116	(4,884)
Zoning and planning fees	-	-	-
Total charges for services	$1,099,200	$ 963,471	$ (135,729)

CITY OF LIBERAL, KANSAS

Schedule 1
(Continued)

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES – BUDGET AND ACTUAL – GENERAL FUND
For the year ended December 31, 2022

	Original & Final Budget	Actual Amounts	Variance with Final Budget Favorable (Unfavorable)
Revenues (Continued)			
Fines and Fees:			
Municipal Court	$ 709,700	$ 603,252	$ (106,448)
Use of Money and Property:			
Interest	$ 75,100	$ 36,191	$ (38,909)
Royalties and leases	49,000	47,188	(1,812)
Raw water sales	55,000	82,591	27,591
Total use of money and property	$ 179,100	$ 165,970	$ (13,130)
Miscellaneous:			
Other	$ 101,000	$ 459,752	$ 358,752
Contributions	$ 29,000	$ 2	$ (28,998)
Grant proceeds	$ 4,500	-	$ (4,500)
Total Revenues	$13,106,967	$14,166,746	$1,059,779
Expenditures			
General Government:			
Administration	$ 2,483,952	$ 1,894,988	$ 588,964
Planning Commission	10,000	2,575	7,425
Building inspection	641,700	532,189	109,511
Legislative	113,400	78,298	35,102
Building maintenance	255,500	207,089	48,411
Utility billing	48,000	47,411	589
Total general government	$ 3,552,552	$ 2,762,550	$ 790,002
Public Safety:			
Police	$ 4,198,700	$ 3,752,676	$ 446,024
Fire	1,713,700	1,619,817	93,883
Municipal court	794,500	724,191	70,309
Animal control	303,200	284,365	18,835
Total public safety	$ 7,010,100	$ 6,381,049	$ 629,051

CITY OF LIBERAL, KANSAS

Schedule 1
(Continued)

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES – BUDGET AND ACTUAL – GENERAL FUND
For the year ended December 31, 2022

Expenditures (Continued)	Original & Final Budget	Actual Amounts	Variance with Final Budget Favorable (Unfavorable)
Public Works:			
Transportation	$ 1,274,400	$ 979,730	$ 294,670
Engineering	78,500	27,819	50,681
Recreation	865,000	930,384	(65,384)
Arkalon	122,100	61,899	60,201
Street lighting	315,000	326,821	(11,821)
Total public works	$ 2,655,000	$ 2,326,653	$ 328,347
Community Service:			
Golf course	$ 697,300	$ 636,861	$ 60,439
Parks	718,800	618,404	100,396
Swimming pool	309,100	248,521	60,579
Cemetery	211,600	159,858	51,742
Total community service	$ 1,936,800	$ 1,663,644	$ 273,156
Total expenditures	$15,154,452	$13,133,896	$2,020,556
Revenues over (under) expenditures	$ (2,047,485)	$ 1,032,850	$3,080,335
Other Fund Financing Sources (Uses):			
Operating transfer (out)	(616,950)	(911,215)	(294,265)
Revenues over (under) expenditures and other financing sources (uses)	$ (2,664,435)	$ 121,635	$2,786,070
Fund Balances, January 1	2,664,435	8,291,641	5,627,206
Other Changes:			
Increase or (Decrease) in Reserves:			
Receivables and inventory	-	290,195	290,195
Encumbrances	-	38,977	38,977
Fund Balances, December 31	-	$ 8,742,448	$8,742,448

CITY OF LIBERAL, KANSAS

OTHER SUPPLEMENTARY INFORMATION

CITY OF LIBERAL, KANSAS

Schedule 2

COMBINING BALANCE SHEET – NONMAJOR SPECIAL REVENUE FUNDS
December 31, 2022

	Library	Special Fire Equipment Reserve	Communication Center	Employees' Benefits	Special City Streets	Special Parks & Recreation	Tourism
ASSETS							
Cash, including time deposits	$ -	$147,311	$333,683	$345,939	$1,130,821	$ 38,539	$309,565
Cash, restricted	-	-	27,766	-	240,885	-	-
Accounts receivable	-	-	97,013	-	-	-	-
Taxes receivable	554,768	43,630	-	54,457	-	-	-
Receivable from other governments	-	-	-	-	136,948	15,604	103,633
Interest receivable	-	-	2	-	-	-	-
Inventory	-	-	-	-	-	-	15,439
Prepaid expenses	-	-	12,339	41,872	1,820	-	1,841
Total Assets	$554,768	$190,941	$470,803	$442,268	$1,510,474	$ 54,143	$430,478
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES							
Liabilities							
Accounts payable	-	-	$ 1,815	-	$ 90	-	$ 6,742
Accrued wages and benefits	-	-	21,485		2,907	-	5,448
Due to other funds	-	-	-	-	-	-	-
Total liabilities	-	-	$ 23,300	-	$ 2,997	-	$ 12,190
Deferred Inflows of Resources							
Deferred revenue	$538,433	$ 42,288	-	-	-	-	-
Fund Balances							
Nonspendable for receivables	$ -	$ 1,342	$ 97,015	$ 54,457	$ 136,948	$ 15,604	$103,633
Nonspendable for prepaid expenses	16,335	-	12,339	41,872	1,820	-	1,841
Nonspendable for inventory	-	-	-	-	-	-	15,439
Assigned for encumbrances	-	-	7,018	-	-	-	-
Assigned to Special Revenue Funds	-	147,311	331,131	345,939	1,368,709	38,539	297,375
Total fund balances	$ 16,335	$148,653	$447,503	$442,268	$1,507,477	$ 54,143	$418,288
Total Liabilities, Deferred Inflows of Resources and Fund Balances	$554,768	$190,941	$470,803	$442,268	$1,510,474	$ 54,143	$430,478

CITY OF LIBERAL, KANSAS

Schedule 2
(Continued)

COMBINING BALANCE SHEET – NONMAJOR SPECIAL REVENUE FUNDS
December 31, 2022

	Special Alcoholic Treatment	Special City Beautification	Special Housing	Special Crime Prevention	Special Economic Development	Street Drainage and Capital Improvements	Educational Sales Tax
ASSETS							
Cash, including time deposits	$199,128	$760,418	$1,482,696	$909,980	$2,015,836	$3,936,676	$202,173
Cash, restricted	-	-	-	-	-	-	-
Accounts receivable	-	-	-	-	40	-	-
Taxes receivable	-	-	-	-	-	-	-
Receivable from other governments	15,604	45,349	136,046	45,349	136,046	544,183	455,702
Interest receivable	-	4	8	5	11	33	-
Inventory	-	-	-	-	240	-	-
Prepaid expenses	-	1,759	394	-	5,708	726	-
Total Assets	$214,732	$807,530	$1,619,144	$955,334	$2,157,881	$4,481,618	$657,875
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES							
Liabilities							
Accounts payable	-	$ 14,698	$ 9,582	$ 300	$ 7,131	$ 3,335	-
Accrued wages and benefits	-	-	1,815	-	13,551	-	-
Due to other funds	-	-	-	-	5,843	376,783	-
Total liabilities	-	$ 14,698	$ 11,397	$ 300	$ 26,525	$ 380,118	-
Deferred Inflows of Resources							
Deferred revenue	-	-	-	-	-	-	-
Fund Balances							
Nonspendable for receivables	$ 15,604	$ 45,353	$ 136,054	$ 45,354	$ 136,097	$ 544,216	$455,702
Nonspendable for prepaid expenses	-	1,759	394	-	5,708	726	-
Nonspendable for inventory	-	-	-	-	240	-	-
Assigned for encumbrances	-	1,173	15,000	73,352	-	2,857	-
Assigned to Special Revenue Funds	199,128	744,547	1,456,299	836,328	1,989,311	3,553,701	202,173
Total fund balances	$214,732	$792,832	$1,607,747	$955,034	$2,131,356	$4,101,500	$657,875
Total Liabilities, Deferred Inflows of Resources and Fund Balances	$214,732	$807,530	$1,619,144	$955,334	$2,157,881	$4,481,618	$657,875

CITY OF LIBERAL, KANSAS

Schedule 2
(Continued)

COMBINING BALANCE SHEET – NONMAJOR SPECIAL REVENUE FUNDS
December 31, 2022

	Economic Incentives	Air Museum	ARPA	Municipal Equipment Reserve	Bequest	Diversion Program	Cemetery Perpetual
ASSETS							
Cash, including time deposits	$134,601	$197,963	$1,917,567	$1,074,057	$593,162	$194,849	$ 32,263
Cash, restricted	-	-	-	-	-	-	-
Accounts receivable	-	-	7,087	-	-	-	-
Taxes receivable	-	-	-	-	-	-	-
Receivable from other governments	-	7,500	-	-	-	-	-
Interest receivable	-	-	-	-	-	-	-
Inventory	-	37,049	-	-	-	-	-
Prepaid expenses	-	6,579	-	-	-	-	-
Total Assets	$134,601	$249,091	$1,924,654	$1,074,057	$593,162	$194,849	$ 32,263
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES							
Liabilities							
Accounts payable	$ 38,246	$ 5,946	$ 77,607	-	$ 201	-	-
Accrued wages and benefits	-	6,885	-	-	819	-	-
Due to other funds	-	-	-	-	-	-	-
Total liabilities	$ 38,246	$ 12,831	$ 77,607	-	$ 1,020	-	-
Deferred Inflows of Resources							
Deferred revenue	-	-	-	-	-	-	-
Fund Balances							
Nonspendable for receivables	$ -	$ 7,500	$ 7,087	$ -	$ -	$ -	$ -
Nonspendable for prepaid expenses	-	6,579	-	-	-	-	-
Nonspendable for inventory	-	37,049	-	-	-	-	-
Assigned for encumbrances	-	9,632	483,973	3,800	-	7,479	-
Assigned to Special Revenue Funds	96,355	175,500	1,355,987	1,070,257	592,142	187,370	32,263
Total fund balances	$ 96,355	$236,260	$1,847,047	$1,074,057	$592,142	$194,849	$ 32,263
Total Liabilities, Deferred Inflows of Resources and Fund Balances	$134,601	$249,091	$1,924,654	$1,074,057	$593,162	$194,849	$ 32,263

CITY OF LIBERAL, KANSAS

Schedule 2
(Continued)

COMBINING BALANCE SHEET – NONMAJOR SPECIAL REVENUE FUNDS
December 31, 2022

	Fire Insurance Proceeds	Police Step Grant	Sobriety Checkpoint Grant	Edward Byrne Memorial	Drug Court Grant	Total Nonmajor Special Revenue
ASSETS						
Cash, including time deposits	$ 780	-	-	$ 1,699	$ (60,976)	$15,898,730
Cash, restricted	-	-	-	-	-	268,651
Accounts receivable	-	-	-	-	-	104,140
Taxes receivable	-	-	-	-	-	652,855
Receivable from other governments	-	-	-	-	-	1,641,964
Interest receivable	-	-	-	-	-	63
Inventory	-	-	-	-	-	52,728
Prepaid expenses	-	-	-	-	-	73,038
Total Assets	$ 780	-	-	$ 1,699	$ (60,976)	$18,692,169
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES						
Liabilities						
Accounts payable	-	-	-	-	$ 6,628	$ 172,321
Accrued wages and benefits	-	-	-	-	1,664	54,574
Due to other funds	-	-	-	-	-	382,626
Total liabilities	-	-	-	-	$ 8,292	$ 609,521
Deferred Inflows of Resources						
Deferred revenue	-	-	-	-	-	$ 580,721
Fund Balances						
Nonspendable for receivables	$ -	-	-	$ -	$ -	$ 1,801,966
Nonspendable for prepaid expenses	-	-	-	-	-	89,373
Nonspendable for inventory	-	-	-	-	-	52,728
Assigned for encumbrances	-	-	-	-	-	604,284
Assigned to Special Revenue Funds	780	-	-	1,699	(69,268)	14,953,576
Total fund balances	$ 780	-	-	$ 1,699	$ (69,268)	$17,501,927
Total Liabilities, Deferred Inflows of Resources and Fund Balances	$ 780	-	-	$ 1,699	$ (60,976)	$18,692,169

CITY OF LIBERAL, KANSAS

Schedule 3

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES – NONMAJOR SPECIAL REVENUE FUNDS
For the year ended December 31, 2022

	Library	Special Fire Equipment Reserve	Communication Center	Employees' Benefits	Special City Streets	Special Parks & Recreation	Tourism
Revenues							
Taxes	$594,788	$ 80,223	$ -	$1,068,266	$ -	$ -	$ -
Intergovernmental	-	-	388,050	-	520,373	67,432	464,146
Charges for services	-	-	-	-	-	-	14,760
Use of money and property	-	-	1,523	-	-	-	-
Contributions	-	-	-	-	-	-	-
Other	-	-	-	34	251,901	-	-
Grants	-	-	-	-	-	-	-
Total Revenues	$594,788	$ 80,223	$ 389,573	$1,068,300	$ 772,274	$ 67,432	$478,906
Expenditures							
Public safety	$ -	$ 38,686	$ 932,000	$ -	$ -	$ -	$ -
Public works	-	-	-	-	499,670	49,000	-
Community services	594,788	-	-	-	-	-	363,675
Health and welfare	-	-	-	-	-	-	-
Employees' benefits	-	-	-	1,905,607	-	-	-
Urban development and housing	-	-	-	-	-	-	-
Economic development	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Total Expenditures	$594,788	$ 38,686	$ 932,000	$1,905,607	$ 499,670	$ 49,000	$363,675
Revenues over (under) Expenditures	$ -	$ 41,537	$ (542,427)	$ (837,307)	$ 272,604	$ 18,432	$115,231
Other Financing Sources (Uses):							
Operating transfers in (out)	-	-	560,950	-	-	-	(72,000)
Fund Balances, January 1	17,615	107,193	331,772	1,280,254	1,226,515	36,119	386,123
Other Changes:							
Increase or (decrease) in reserves	(1,280)	(77)	97,208	(679)	8,358	(408)	(11,066)
Fund Balances, December 31	$ 16,335	$148,653	$ 447,503	$ 442,268	$1,507,477	$ 54,143	$418,288

CITY OF LIBERAL, KANSAS

Schedule 3
(Continued)

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES – NONMAJOR SPECIAL REVENUE FUNDS
For the year ended December 31, 2022

	Special Alcoholic Treatment	Special City Beautification	Special Housing	Special Crime Prevention	Special Economic Development	Street Drainage and Capital Improvements	Educational Sales Tax
Revenues							
Taxes	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Intergovernmental	67,432	248,661	745,984	248,661	745,984	2,983,933	2,500,725
Charges for services	-	6,160	-	-	15,193	-	-
Use of money and property	-	3,122	5,998	3,694	8,758	24,145	-
Contributions	-	-	-	-	-	-	-
Other	-	-	10,606	1,735	-	-	-
Grants	-	-	-	-	418,558	-	-
Total Revenues	$ 67,432	$ 257,943	$ 762,588	$254,090	$1,188,493	$3,008,078	$2,500,725
Expenditures							
Public safety	$ -	$ -	$ -	$ 97,204	$ -	$ -	$ -
Public works	-	152,875	-	-	-	2,724,385	-
Community services	-	-	-	-	-	-	2,475,336
Health and welfare	4,956	-	-	-	-	-	-
Employees' benefits	-	-	-	-	-	-	-
Urban development and housing	-	-	410,288	-	-	-	-
Economic development	-	-	-	-	990,404	-	-
Capital outlay	-	-	-	-	-	-	-
Total Expenditures	$ 4,956	$ 152,875	$ 410,288	$ 97,204	$ 990,404	$2,724,385	$2,475,336
Revenues over (under) Expenditures	$ 62,476	$ 105,068	$ 352,300	$156,886	$ 198,089	$ 283,693	$ 25,389
Other Financing Sources (Uses):							
Operating transfers in (out)	-	-	-	-	(184,212)	(350,818)	-
Fund Balances, January 1	152,664	813,655	1,247,313	796,309	2,109,227	4,136,099	604,844
Other Changes:							
Increase or (decrease) in reserves	(408)	(125,891)	8,134	1,839	8,252	32,526	27,642
Fund Balances, December 31	$214,732	$ 792,832	$1,607,747	$955,034	$2,131,356	$4,101,500	$ 657,875

CITY OF LIBERAL, KANSAS

Schedule 3
(Continued)

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES – NONMAJOR SPECIAL REVENUE FUNDS
For the year ended December 31, 2022

	Economic Incentives	Air Museum	ARPA	Municipal Equipment Reserve	Bequest	Diversion Program	Cemetery Perpetual
Revenues							
Taxes	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Intergovernmental	844,765	30,000	-	-	-	-	-
Charges for services	-	54,788	-	-	4,680	49,874	-
Use of money and property	-	-	-	-	-	-	-
Contributions	-	-	-	-	186,232	-	4,250
Other	-	-	14,173	30,009	-	-	-
Grants	-	-	1,434,977	-	-	-	-
Total Revenues	$844,765	$ 84,788	$1,449,150	$ 30,009	$190,912	$ 49,874	$ 4,250
Expenditures							
Public safety	$ -	$ -	$ -	$ -	$ 10,979	$ 56,335	-
Public works	-	-	-	-	159,916	-	-
Community services	-	428,443	-	-	48,498	-	-
Health and welfare	-	-	1,072,254	-	-	-	-
Employees' benefits	-	-	-	-	-	-	-
Urban development and housing	-	-	-	-	-	-	-
Economic development	751,097	-	-	-	-	-	-
Capital outlay	-	-	-	90,992	-	-	-
Total Expenditures	$751,097	$ 428,443	$1,072,254	$ 90,992	$219,393	$ 56,335	-
Revenues over (under) Expenditures	$ 93,668	$ (343,655)	$ 376,896	$ (60,983)	$ (28,481)	$ (6,461)	$ 4,250
Other Financing Sources (Uses):							
Operating transfers in (out)	-	350,000	-	46,000	35,000	-	-
Fund Balances, January 1	2,687	213,103	1,463,064	1,089,040	585,623	201,310	28,013
Other Changes:							
Increase or (decrease) in reserves	-	16,812	7,087	-	-	-	-
Fund Balances, December 31	$ 96,355	$ 236,260	$1,847,047	$1,074,057	$592,142	$194,849	$ 32,263

CITY OF LIBERAL, KANSAS

Schedule 3
(Continued)

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES – NONMAJOR SPECIAL REVENUE FUNDS
For the year ended December 31, 2022

	Fire Insurance Proceeds	Police Step Grant	Sobriety Checkpoint Grant	Edward Byrne Memorial	Drug Court Grant	Total Nonmajor Special Revenue
Revenues						
Taxes	$ -	$ -	-	-	$ -	$ 1,743,277
Intergovernmental	-	-	-	-	-	9,856,146
Charges for services	-	-	-	-	-	145,455
Use of money and property	83	-	-	-	-	47,323
Contributions	-	-	-	-	-	190,482
Other	91,868	-	-	-	-	400,326
Grants	-	3,245	-	-	83,896	1,940,676
Total Revenues	$ 91,951	$ 3,245	-	-	$ 83,896	$14,323,685
Expenditures						
Public safety	$105,564	$ 5,500	$ 2,653	-	$153,164	$ 1,402,085
Public works	-	-	-	-	-	3,585,846
Community services	-	-	-	-	-	3,910,740
Health and welfare	-	-	-	-	-	1,077,210
Employees' benefits	-	-	-	-	-	1,905,607
Urban development and housing	-	-	-	-	-	410,288
Economic development	-	-	-	-	-	1,741,501
Capital outlay	-	-	-	-	-	90,992
Total Expenditures	$105,564	$ 5,500	$ 2,653	-	$153,164	$14,124,269
Revenues over (under) Expenditures	$ (13,613)	$ (2,255)	$ (2,653)	$ -	$ (69,268)	$ 199,416
Other Financing Sources (Uses):						
Operating transfers in (out)	-	-	-	-	-	384,920
Fund Balances, January 1	14,393	2,255	2,653	1,699	-	16,849,542
Other Changes:						
Increase or (decrease) in reserves	-	-	-	-	-	68,049
Fund Balances, December 31	$ 780	-	-	$ 1,699	$ (69,268)	$17,501,927

CITY OF LIBERAL, KANSAS

Schedule 4-1

LIBRARY FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES – BUDGET AND ACTUAL
For the year ended December 31, 2022

	Original & Final Budget	Actual	Variance Favorable (Unfavor.)
Revenues			
Taxes:			
Ad valorem property tax	$517,615	$506,210	$ (11,405)
Delinquent tax	12,500	13,808	1,308
Commercial vehicle fees	6,476	4,103	(2,373)
Motor vehicle tax	67,007	70,643	3,636
Other	-	24	24
Total Revenues	$603,598	$594,788	$ (8,810)
Expenditures			
Community Services:			
Appropriations to Library Board	603,598	594,788	8,810
Revenues over (under) Expenditures	-	$ -	$ -
Fund Balances, January 1	-	17,615	17,615
Other Changes:			
Increase or (Decrease) in Reserves:			
Receivables	-	(1,280)	(1,280)
Fund Balances, December 31	-	$ 16,335	$ 16,335

CITY OF LIBERAL, KANSAS

Schedule 4-2

SPECIAL FIRE EQUIPMENT RESERVE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES – BUDGET AND ACTUAL
For the year ended December 31, 2022

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavor.)
Revenues				
Taxes:				
Ad valorem property tax	$ 42,770	$ 42,770	$ 73,001	$ 30,231
Delinquent tax	1,200	1,200	1,071	(129)
Commercial vehicle fees	531	531	337	(194)
Motor vehicle tax	5,499	5,499	5,814	315
Total Revenues	$ 50,000	$ 50,000	$ 80,223	$ 30,223
Expenditures				
Public Safety – Fire Protection:				
Capital outlay	$ 31,300	$ 41,300	$ 20,000	$ 21,300
Capital lease payment	18,700	18,700	18,686	14
Total Expenditures	$ 50,000	$ 60,000	$ 38,686	$ 21,314
Revenues over (under) Expenditures	-	$ (10,000)	$ 41,537	$ 51,537
Fund Balances, January 1	-	10,000	107,193	97,193
Other Changes:				
Increase or (Decrease) in Reserves:				
Receivables	-	-	(77)	(77)
Fund Balances, December 31	-	-	$148,653	$148,653

CITY OF LIBERAL, KANSAS

Schedule 4-3

COMMUNICATION CENTER FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES – BUDGET AND ACTUAL
For the year ended December 31, 2022

	Original & Final Budget	Actual	Variance Favorable (Unfavor.)
Revenues			
Intergovernmental:			
Seward County	$ 388,050	$ 388,050	$ -
Use of Money and Property:			
Interest	-	1,523	1,523
Total Revenues	$ 388,050	$ 389,573	$ 1,523
Expenditures			
Public Safety:			
Personnel services	$ 775,600	$ 773,105	$ 2,495
Operation and maintenance	293,400	158,895	134,505
Total Expenditures	$1,069,000	$ 932,000	$137,000
Revenues over (under) Expenditures	$ (680,950)	$ (542,427)	$138,523
Other Financing Sources (Uses):			
Operating transfer in	560,950	560,950	-
Fund Balances, January 1	120,000	331,772	211,772
Other Changes:			
Increase or (Decrease) in Reserves:			
Receivables and prepaid expense	-	97,208	97,208
Fund Balances, December 31	-	$ 447,503	$447,503

CITY OF LIBERAL, KANSAS

Schedule 4-4

EMPLOYEES' BENEFITS FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES – BUDGET AND ACTUAL
For the year ended December 31, 2022

	Original & Final Budget	Actual	Variance Favorable (Unfavor.)
Revenues			
Taxes:			
Ad valorem property tax	$1,736,901	$ 774,992	$ (961,909)
Delinquent tax	65,000	44,641	(20,359)
Commercial vehicle fees	21,599	13,676	(7,923)
Motor vehicle tax	223,500	234,957	11,457
Other income	-	34	34
Total Revenues	$2,047,000	$1,068,300	$ (978,700)
Expenditures			
Employees' Benefits	2,047,000	1,905,607	141,393
Revenues over (under) Expenditures	-	$ (837,307)	$ (837,307)
Fund Balances, January 1	-	1,280,254	1,280,254
Other Changes:			
Increase or (Decrease) in Reserves:			
Receivables and prepaid expense	-	(679)	(679)
Fund Balances, December 31	-	$ 442,268	$ 442,268

CITY OF LIBERAL, KANSAS

Schedule 4-5

SPECIAL CITY STREETS FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES – BUDGET AND ACTUAL
For the year ended December 31, 2022

	Original & Final Budget	Actual	Variance Favorable (Unfavor.)
Revenues			
Intergovernmental:			
State of Kansas – Gasoline tax	$493,000	$ 520,373	$ 27,373
Other:			
Miscellaneous	175,000	251,901	76,901
Total Revenues	$668,000	$ 772,274	$ 104,274
Expenditures			
Public works	668,000	499,670	168,330
Revenues over (under) Expenditures	-	$ 272,604	$ 272,604
Fund Balances, January 1	-	1,226,515	1,226,515
Other Changes:			
Increase or (Decrease) in Reserves:			
Receivables	-	8,358	8,358
Fund Balances, December 31	-	$1,507,477	$1,507,477

CITY OF LIBERAL, KANSAS

Schedule 4-6

SPECIAL PARKS AND RECREATION FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES – BUDGET AND ACTUAL
For the year ended December 31, 2022

	Original & Final Budget	Actual	Variance Favorable (Unfavor.)
Revenues			
Intergovernmental:			
Private club liquor tax	$ 41,300	$ 67,432	$ 26,132
Expenditures			
Public Works:			
Maintenance	49,000	49,000	-
Revenues over (under) Expenditures	$ (7,700)	$ 18,432	$ 26,132
Fund Balances, January 1	-	36,119	36,119
Other Changes:			
Increase (decrease) in reserves	-	(408)	(408)
Fund Balances, December 31	$ (7,700)	$ 54,143	$ 61,843

CITY OF LIBERAL, KANSAS

Schedule 4-7

TOURISM FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES – BUDGET AND ACTUAL
For the year ended December 31, 2022

	Original & Final Budget	Actual	Variance Favorable (Unfavor.)
Revenues			
Intergovernmental:			
Local transient guest tax	$ 310,300	$464,146	$153,846
Charges for sales and services	14,000	14,760	760
Total Revenues	$ 324,300	$478,906	$154,606
Expenditures			
Community Services:			
Personnel services	$ 179,800	$185,027	$ (5,227)
Operations	254,200	178,648	75,552
Total Expenditures	$ 434,000	$363,675	$ 70,325
Revenues over (under) Expenditures	$ (109,700)	$115,231	$224,931
Other Financing Sources (Uses):			
Operating transfer (out)	(72,000)	(72,000)	-
Fund Balances, January 1	181,700	386,123	204,423
Other Changes:			
Increase or (Decrease) in Reserves:			
Receivables, prepaid expense and inventory	-	(11,066)	(11,066)
Fund Balances, December 31	-	$418,288	$418,288

CITY OF LIBERAL, KANSAS

Schedule 4-8

SPECIAL ALCOHOLIC TREATMENT FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES – BUDGET AND ACTUAL
For the year ended December 31, 2022

	Original & Final Budget	Actual	Variance Favorable (Unfavor.)
Revenues			
Intergovernmental:			
Private club liquor tax	$ 41,300	$ 67,432	$ 26,132
Expenditures			
Health – Alcoholic Treatment:			
Contractual services	50,000	4,956	45,044
Revenues over (under) Expenditures	$ (8,700)	$ 62,476	$ 71,176
Fund Balances, January 1	8,700	152,664	143,964
Other Changes:			
Increase or (decrease) in reserves	-	(408)	(408)
Fund Balances, December 31	-	$214,732	$214,732

CITY OF LIBERAL, KANSAS

Schedule 4-9

SPECIAL CITY BEAUTIFICATION FUND
(5% OF 1% SALES TAX)
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES – BUDGET AND ACTUAL
For the year ended December 31, 2022

	Original & Final Budget	Actual	Variance Favorable (Unfavor.)
Revenues			
Intergovernmental:			
Local sales tax	$ 175,000	$ 248,661	$ 73,661
Use of Money and Property:			
Interest	-	3,122	3,122
Charges for Services:			
Tree cost sharing	5,000	6,160	1,160
Total Revenues	$ 180,000	$ 257,943	$ 77,943
Expenditures			
Public works:			
Contractual services	414,000	152,875	261,125
Revenues over (under) Expenditures	$ (234,000)	$ 105,068	$ 339,068
Fund Balances, January 1	234,000	813,655	579,655
Other Changes:			
Increase or (Decrease) in Reserves:			
Receivables and prepaid expense	-	(125,891)	(125,891)
Fund Balances, December 31	-	$ 792,832	$ 792,832

CITY OF LIBERAL, KANSAS

Schedule 4-10

SPECIAL HOUSING FUND
(15% OF 1% SALES TAX)
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES – BUDGET AND ACTUAL
For the year ended December 31, 2022

	Original & Final Budget	Actual	Variance Favorable (Unfavor.)
Revenues			
Intergovernmental:			
Local sales tax	$ 525,000	$ 745,984	$ 220,984
Use of Money and Property:			
Interest	3,000	5,998	2,998
Other:			
Miscellaneous	-	10,606	10,606
Total Revenues	$ 528,000	$ 762,588	$ 234,588
Expenditures			
Urban Development & Housing:			
Project expense	736,000	410,288	325,712
Revenues over (under) Expenditures	$ (208,000)	$ 352,300	$ 560,300
Fund Balances, January 1	208,000	1,247,313	1,039,313
Other Changes:			
Increase or (Decrease) in Reserves:			
Receivables and inventory	-	8,134	8,134
Fund Balances, December 31	-	$1,607,747	$1,607,747

CITY OF LIBERAL, KANSAS

Schedule 4-11

SPECIAL CRIME PREVENTION DRUGS AND ALCOHOL FUND
(5% OF 1% SALES TAX)
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES – BUDGET AND ACTUAL
For the year ended December 31, 2022

	Original & Final Budget	Actual	Variance Favorable (Unfavor.)
Revenues			
Intergovernmental:			
Local sales tax	$ 175,000	$248,661	$ 73,661
Use of Money and Property:			
Interest	2,000	3,694	1,694
Other:			
Miscellaneous	-	1,735	1,735
Total Revenues	$ 177,000	$254,090	$ 77,090
Expenditures			
Public Safety:			
Program expense	317,000	97,204	219,796
Revenues over (under) Expenditures	$ (140,000)	$156,886	$296,886
Fund Balances, January 1	140,000	796,309	656,309
Other Changes:			
Increase or (Decrease) in Reserves:			
Receivables	-	1,839	1,839
Fund Balances, December 31	-	$955,034	$955,034

CITY OF LIBERAL, KANSAS

Schedule 4-12

SPECIAL ECONOMIC DEVELOPMENT FUND
(15% OF 1% SALES TAX)
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES – BUDGET AND ACTUAL
For the year ended December 31, 2022

	Original & Final Budget	Actual	Variance Favorable (Unfavor.)
Revenues			
Intergovernmental:			
Local sales tax	$ 525,000	$ 745,984	$ 220,984
Charges for services	22,000	15,193	(6,807)
Use of Money and Property:			
Interest	5,000	8,758	3,758
Grant proceeds	444,600	418,558	(26,042)
Total Revenues	$ 996,600	$1,188,493	$ 191,893
Expenditures			
Economic Development:			
Project expense	1,426,000	990,404	435,596
Revenues over (under) Expenditures	$ (429,400)	$ 198,089	$ 627,489
Other Financing Sources (Uses):			
Operating transfer in (out)	-	(184,212)	(184,212)
Fund Balances, January 1	429,400	2,109,227	1,679,827
Other Changes:			
Increase or (Decrease) in Reserves:			
Receivables	-	8,252	8,252
Fund Balances, December 31	-	$2,131,356	$2,131,356

CITY OF LIBERAL, KANSAS

Schedule 4-13

STREET DRAINAGE AND OTHER CAPITAL IMPROVEMENTS FUND
(60% OF 1% SALES TAX)
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES – BUDGET AND ACTUAL
For the year ended December 31, 2022

	Original & Final Budget	Actual	Variance Favorable (Unfavor.)
Revenues			
Intergovernmental:			
Local sales tax	$ 2,100,000	$2,983,933	$ 883,933
Use of Money and Property:			
Interest	10,000	24,145	14,145
Total Revenues	$ 2,110,000	$3,008,078	$ 898,078
Expenditures			
Public Works:			
Entity's share	2,980,000	2,724,385	255,615
Revenues over (under) Expenditures	$ (870,000)	$ 283,693	$1,153,693
Other Financing Sources (Uses):			
Operating transfer in (out)	-	(350,818)	(350,818)
Fund Balances, January 1	870,000	4,136,099	3,266,099
Other Changes:			
Increase or (Decrease) in Reserves:			
Receivables	-	32,526	32,526
Fund Balances, December 31	-	$4,101,500	$4,101,500

CITY OF LIBERAL, KANSAS

Schedule 4-14

EDUCATIONAL SALES TAX FUND
(1/2% SALES TAX)
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES – BUDGET AND ACTUAL
For the year ended December 31, 2022

	Original & Final Budget	Actual	Variance Favorable (Unfavor.)
Revenues1			
Intergovernmental:			
Local sales tax	$2,700,000	$2,500,725	$ (199,275)
Expenditures			
Public Works:			
Administrative expenses	$ 100	$ -	$ 100
Appropriations to USD 480	2,699,900	2,175,974	523,926
Project expense	-	299,362	(299,362)
Total Expenditures	$2,700,000	$2,475,336	$ 224,664
Revenues over (under) Expenditures	-	$ 25,389	$ 25,389
Fund Balances, January 1	-	604,844	604,844
Other Changes:			
Increase or (Decrease) in Reserves:			
Receivables	-	27,642	27,642
Fund Balances, December 31	-	$ 657,875	$ 657,875

CITY OF LIBERAL, KANSAS

Schedule 4-15

ECONOMIC INCENTIVES FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES – BUDGET AND ACTUAL
For the year ended December 31, 2022

	Original & Final Budget	Actual	Variance Favorable (Unfavor.)
Revenues			
Intergovernmental:			
Community Imp District (CID)	$ 300,000	$376,719	$ 76,719
Rural Housing Inc District (RHID)	250,000	118,451	(131,549)
Rebate of TGT	250,000	206,005	(43,995)
Tax Increment Financing District	450,000	143,590	(306,410)
Total Revenues	$1,250,000	$844,765	$ (405,235)
Expenditures			
Economic Development:			
CID payments	$ 300,000	$284,924	$ 15,076
RHID payments	250,000	118,451	131,549
Rebate of TGT payments	250,000	204,132	45,868
TIF payment	450,000	143,590	306,410
Total Expenditures	$1,250,000	$751,097	$ 498,903
Revenues over (under) Expenditures	-	$ 93,668	$ 93,668
Fund Balances, January 1	-	2,687	2,687
Fund Balances, December 31	-	$ 96,355	$ 96,355

CITY OF LIBERAL, KANSAS

Schedule 4-16

AIR MUSEUM FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES – BUDGET AND ACTUAL
For the year ended December 31, 2022

	Original & Final Budget	Actual	Variance Favorable (Unfavor.)
Revenues			
Intergovernmental:			
Local transient guest tax	$ 30,000	$ 30,000	$ -
Charges for Services:			
Admission	25,000	24,493	(507)
Gift shop and concessions	26,500	30,295	3,795
Contributions	2,500	-	(2,500)
Total Revenues	$ 84,000	$ 84,788	$ 788
Expenditures			
Community Services:			
Personnel services	$ 301,500	$ 257,301	$ 44,199
Operation and maintenance	168,500	171,142	(2,642)
Total Expenditures	$ 470,000	$ 428,443	$ 41,557
Revenues over (under) Expenditures	$ (386,000)	$ (343,655)	$ 42,345
Other Financing Sources (Uses):			
Operating transfer in (out)	350,000	350,000	-
Fund Balances, January 1	36,000	213,103	177,103
Other Changes:			
Increase or (Decrease) in Reserves:			
Receivables, inventory and prepaid expense	-	16,812	16,812
Fund Balances, December 31	-	$ 236,260	$236,260

CITY OF LIBERAL, KANSAS

Schedule 5

COMBINING BALANCE SHEET
NONMAJOR CAPITAL PROJECTS FUNDS
December 31, 2022

	Improvement Projects						
	6 Points Pavement & Signals	South Park/ Pine Street	City Hall Construction	KC Park Project	Mahuron Park Phase 2	McCray Park	Street Department Building
ASSETS							
Cash and time deposits	$ 68,582	$ 16,590	$ -	-	$ -	-	$ -
Due from other funds	-	-	68,728	-	13,327	-	7,483
Receivables/Prepaid expense	-	-	-	-	-	-	-
Total Assets	$ 68,582	$ 16,590	$ 68,728	-	$ 13,327	-	$ 7,483
LIABILITIES AND FUND BALANCES							
Liabilities							
Bank overdraft	-	-	$ 68,388	-	$ 13,327	-	$ 188
Vouchers payable	-	-	340	-	-	-	7,295
Total liabilities	-	-	$ 68,728	-	$ 13,327	-	$ 7,483
Fund Balances							
Nonspendable for receivables/ Prepaid expense	$ -	$ -	$ 68,728	-	$ 13,327	-	$ 7.483
Assigned	68,582	16,590	(68,728)	-	(13,327)	-	(7,483)
Total fund balances	$ 68,582	$ 16,590	-	-	-	-	-
Total Liabilities and Fund Balances	$ 68,582	$ 16,590	$ 68,728	-	$ 13,327	-	$ 7,483

CITY OF LIBERAL, KANSAS

Schedule 5
(Continued)

COMBINING BALANCE SHEET
NONMAJOR CAPITAL PROJECTS FUNDS
December 31, 2022

	Improvement Projects						
	Animal Shelter Expansion	City Bus Shelter	Air Museum Rebrand	Ball Fields Project	Baseball Fields Project	Soccer Complex Project	South Kansas Avenue
ASSETS							
Cash and time deposits	$ 25,013	$ -	$ 36,758	$704,865	-	$ 31,603	$302,125
Due from other funds	-	5,843	-	-	-	-	-
Receivables/Prepaid expense	-	23,373	-	-	-	-	-
Total Assets	$ 25,013	$ 29,216	$ 36,758	$704,865	-	$ 31,603	$302,125
LIABILITIES AND FUND BALANCES							
Liabilities							
Bank overdraft	-	$ 29,216	-	$ -	-	-	-
Vouchers payable	-	-	-	24,408	-	-	-
Total liabilities	-	$ 29,216	-	$ 24,408	-	-	-
Fund Balances							
Nonspendable for receivables/ Prepaid expense	$ -	$ 29,216	$ -	$ -	-	$ -	$ -
Assigned	25,013	(29,216)	36,758	680,457	-	31,603	302,125
Total fund balances	$ 25,013	-	$ 36,758	$680,457	-	$ 31,603	$302,125
Total Liabilities and Fund Balances	$ 25,013	$ 29,216	$ 36,758	$704,865	-	$ 31,603	$302,125

CITY OF LIBERAL, KANSAS

Schedule 5
(Continued)

COMBINING BALANCE SHEET
NONMAJOR CAPITAL PROJECTS FUNDS
December 31, 2022

	Improvement Projects						
	Clay & Hwy 54 Lights	New City Pool	Depot Parking Lot	Grier House Improvements	West 2nd Street Project	USD 480 MacArthur Site	USD 480 Pine Site
ASSETS							
Cash and time deposits	$146,919	$ 220	$ 14,911	$ 80,336	$ -	-	-
Due from other funds	-	-	-	-	196,633	-	-
Receivables/Prepaid expense	-	-	-	-	-	-	-
Total Assets	$146,919	$ 220	$ 14,911	$ 80,336	$ 196,633	-	-
LIABILITIES AND FUND BALANCES							
Liabilities							
Bank overdraft	-	-	-	$ -	$ 196,633	-	-
Vouchers payable	-	-	-	29,420	-	-	-
Total liabilities	-	-	-	$ 29,420	$ 196,633	-	-
Fund Balances							
Nonspendable for receivables/ Prepaid expense	$ -	$ -	$ -	$ -	$ 196,633	-	-
Assigned	146,919	220	14,911	50,916	(196,633)	-	-
Total fund balances	$146,919	$ 220	$ 14,911	$ 50,916	-	-	-
Total Liabilities and Fund Balances	$146,919	$ 220	$ 14,911	$ 80,336	$ 196,633	-	-

CITY OF LIBERAL, KANSAS

Schedule 5
(Continued)

COMBINING BALANCE SHEET
NONMAJOR CAPITAL PROJECTS FUNDS
December 31, 2022

	Improvement Projects					
	USD 480 Smith Site	USD 480 Western Site	Willow Tree Irrigation	Northeast Industrial Park	Rash Pond	Arkalon Host Cabin
ASSETS						
Cash and time deposits	-	-	$ 7,757	$ 9,686	$ -	$ 2,072
Due from other funds	-	-	-	-	90,612	-
Receivables/Prepaid expense	-	-	-	-	-	-
Total Assets	$ -	$ -	$ 7,757	$ 9,686	$ 90,612	$ 2,072
LIABILITIES AND FUND BALANCES						
Liabilities						
Bank overdraft	-	-	-	-	$ 90,612	-
Vouchers payable	-	-	-	-	-	-
Total liabilities	-	-	-	-	$ 90,612	-
Fund Balances						
Nonspendable for receivables/ Prepaid expense	-	-	$ -	$ -	$ 90,612	$ -
Assigned	-	-	7,757	9,686	(90,612)	2,072
Total fund balances	-	-	$ 7,757	$ 9,686	-	$ 2,072
Total Liabilities and Fund Balances	$ -	$ -	$ 7,757	$ 9,686	$ 90,612	$ 2,072

CITY OF LIBERAL, KANSAS

Schedule 5
(Continued)

COMBINING BALANCE SHEET
NONMAJOR CAPITAL PROJECTS FUNDS
December 31, 2022

	Improvement Projects			
	Airport Industrial Park	Recreation Center Project	Country Club Park	Total
ASSETS				
Cash and time deposits	$ 41,151	$186,212	$ 1,107	$1,675,907
Due from other funds	-	-	-	382,626
Receivables/Prepaid expense	-	-	-	23,373
Total Assets	$ 41,151	$186,212	$ 1,107	$2,081,906
LIABILITIES AND FUND BALANCES				
Liabilities				
Bank overdraft	-	$ -	-	$ 398,364
Vouchers payable	-	6,070	-	67,533
Total liabilities	-	$ 6,070	-	$ 465,897
Fund Balances				
Nonspendable for receivables/ Prepaid expense	$ -	$ -	$ -	$ 405,999
Assigned	41,151	180,142	1,107	1,210,010
Total fund balances	$ 41,151	$180,142	$ 1,107	$1,616,009
Total Liabilities and Fund Balances	$ 41,151	$186,212	$ 1,107	$2,081,906

CITY OF LIBERAL, KANSAS

Schedule 6

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES – NONMAJOR CAPITAL PROJECTS FUNDS

For the year ended December 31, 2022

	Improvement Projects						
	6 Points Pavement & Signals	South Park/ Pine Street	City Hall Construction	KC Park Project	Mahuron Park Phase 2	McCray Park	Street Department Building
Revenues							
Entities' share	-	-	-	$ 6,112	$ 1,265	-	$ 9,109
Grants:							
State of Kansas	-	-	-	50,250	-	-	-
Total Revenues	-	-	-	$ 56,362	$ 1,265	-	$ 9,109
Expenditures							
Construction cost	$ 69,876	-	$ 97,660	$ 7,654	$ 28,654	-	$ 43,669
Engineering/architect	-	-	6,560	-	-	-	-
Total Expenditures	$ 69,876	-	$ 104,220	$ 7,654	$ 28,654	-	$ 43,669
Excess or (deficiency) of Revenues over Expenditures	$ (69,876)	$ -	$ (104,220)	$ 48,708	$ (27,389)	-	$ (34,560)
Fund Balances, January 1	138,458	16,590	35,492	-	14,062	-	27,077
Other Financing Sources (Uses):							
Increase (decrease) in reserves	-	-	68,728	(48,708)	13,327	-	7,483
Fund Balances, December 31	$ 68,582	$ 16,590	-	-	-	-	-

CITY OF LIBERAL, KANSAS

Schedule 6
(Continued)

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES – NONMAJOR CAPITAL PROJECTS FUNDS
For the year ended December 31, 2022

	Improvement Projects						
	Animal Shelter Expansion	City Bus Shelter	Air Museum Rebrand	Ball Fields Project	Baseball Fields Project	Soccer Complex Project	South Kansas Avenue
Revenues							
Entities' share	-	-	-	$1,150,000	$ 6,622	-	-
Grants:							
State of Kansas	-	-	-	-	-	-	-
Total Revenues	-	-	-	$1,150,000	$ 6,622	-	-
Expenditures							
Construction cost	-	$ 29,216	-	$ 445,313	$ 3,303	$ 13,276	-
Engineering/architect	-	-	-	24,230	-	-	-
Total Expenditures	-	$ 29,216	-	$ 469,543	$ 3,303	$ 13,276	-
Excess or (deficiency) of Revenues over Expenditures	$ -	$ (29,216)	$ -	$ 680,457	$ 3,319	$ (13,276)	$ -
Fund Balances, January 1	25,013	-	36,758	-	-	44,879	302,125
Other Financing Sources (Uses):							
Increase (decrease) in reserves	-	29,216	-	-	(3,319)	-	-
Fund Balances, December 31	$ 25,013	-	$ 36,758	$ 680,457	-	$ 31,603	$302,125

CITY OF LIBERAL, KANSAS

Schedule 6
(Continued)

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES – NONMAJOR CAPITAL PROJECTS FUNDS
For the year ended December 31, 2022

	Improvement Projects						
	Clay & Hwy 54 Lights	New City Pool	Depot Parking Lot	Grier House Improvements	West 2nd Street Project	USD 480 MacArthur Site	USD 480 Pine Site
Revenues							
Entities' share	-	-	-	$240,479	$ 1,036,461	$ (42,122)	$ 322,487
Grants:							
State of Kansas	-	-	-	-	-	-	-
Total Revenues	-	-	-	$240,479	$ 1,036,461	$ (42,122)	$ 322,487
Expenditures							
Construction cost	-	-	-	$189,563	$ 2,759,381	-	-
Engineering/architect	-	-	-	-	267,591	-	-
Total Expenditures	-	-	-	$189,563	$ 3,026,972	-	-
Excess or (deficiency) of Revenues over Expenditures	$ -	$ -	$ -	$ 50,916	$ (1,990,511)	$ (42,122)	$ 322,487
Fund Balances, January 1	146,919	220	14,911	-	1,793,878	42,122	-
Other Financing Sources (Uses):							
Increase (decrease) in reserves	-	-	-	-	196,633	-	(322,487)
Fund Balances, December 31	$146,919	$ 220	$ 14,911	$ 50,916	-	-	-

CITY OF LIBERAL, KANSAS

Schedule 6
(Continued)

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES – NONMAJOR CAPITAL PROJECTS FUNDS
For the year ended December 31, 2022

	Improvement Projects					
	USD 480 Smith Site	USD 480 Western Site	Willow Tree Irrigation	Northeast Industrial Park	Rash Pond	Arkalon Host Cabin
Revenue						
Entities' share	$ 18,955	$ 43	-	-	-	-
Grants:						
State of Kansas	-	-	-	-	-	-
Total Revenues	$ 18,955	$ 43	-	-	-	-
Expenditures						
Construction cost	-	-	-	-	$ 88,972	$ 10,528
Engineering/architect	-	-	-	-	1,640	-
Total Expenditures	-	-	-	-	$ 90,612	$ 10,528
Excess or (deficiency) of Revenues over Expenditures	$ 18,955	$ 43	$ -	$ -	$ (90,612)	$ (10,528)
Fund Balances, January 1	-	-	7,757	9,686	-	12,600
Other Financing Sources (Uses):						
Increase (decrease) in reserves	(18,955)	(43)	-	-	90,612	-
Fund Balances, December 31	-	-	$ 7,757	$ 9,686	-	$ 2,072

CITY OF LIBERAL, KANSAS

Schedule 6
(Continued)

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES – NONMAJOR CAPITAL PROJECTS FUNDS
For the year ended December 31, 2022

	Improvement Projects			
	Airport Industrial Park	Recreation Center Project	Country Club Park	Total
Revenue				
Entities' share	-	-	-	$ 2,749,411
Grants:				
State of Kansas	-	-	-	50,250
Total Revenues	-	-	-	$ 2,799,661
Expenditures				
Construction cost	-	$ 380,382	-	$ 4,167,447
Engineering/architect	-	6,389	-	306,410
Total Expenditures	-	$ 386,771	-	$ 4,473,857
Excess or (deficiency) of Revenues over Expenditures	$ -	$ (386,771)	$ -	$ (1,674,196)
Fund Balances, January 1	41,151	566,913	1,107	3,277,718
Other Financing Sources (Uses):				
Increase (decrease) in reserves	-	-	-	12,487
Fund Balances, December 31	$ 41,151	$ 180,142	$ 1,107	$ 1,616,009

CITY OF LIBERAL, KANSAS

Schedule 7

BOND AND INTEREST FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES – BUDGET AND ACTUAL
For the year ended December 31, 2022

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavor.)
Revenues				
Taxes:				
Ad valorem property tax	$116,000	$ 116,000	$1,003,667	$ 887,667
Delinquent tax	-	-	1,814	1,814
Special assessments	64,000	64,000	52,527	(11,473)
Intergovenmental:				
Local sales tax	36,000	36,000	-	(36,000)
Total Revenues	$216,000	$ 216,000	$1,058,008	$ 842,008
Expenditures				
Bond principal	$171,500	$ 236,500	$ 349,013	$ (112,513)
Interest coupons	40,300	50,300	55,478	(5,178)
Cost of issuance	-	25,000	-	25,000
Miscellaneous	4,200	4,200	469	3,731
Total Expenditures	$216,000	$ 316,000	$ 404,960	$ (88,960)
Revenues over (under) Expenditures	-	$ (100,000)	$ 653,048	$ 753,048
Other Financing Sources (Uses):				
Operating transfer in (out)	-	-	342,084	342,084
Fund Balances, January 1	-	100,000	3,517,847	3,417,847
Other Changes:				
Increase or (Decrease) in Reserves:				
Receivables and encumbrances	-	-	3,308	3,308
Fund Balances, December 31	-	-	$4,516,287	$4,516,287

CITY OF LIBERAL, KANSAS

Schedule 8

CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS – SCHEDULE BY SOURCE

December 31, 2022

Governmental Funds Capital Assets:	
Land	$ 4,134,214
Buildings	8,587,367
Computer equipment	532,819
Equipment	4,790,198
Heavy trucks	889,398
Improvements	8,915,855
Land	1,817,799
Light trucks	994,406
Office furniture	162,017
Other maintenance	13,680,785
Streets	50,182,534
Trailers	167,861
Construction in progress	26,299,482
Total Governmental Funds Capital Assets	$121,154,735

CITY OF LIBERAL, KANSAS

Schedule 9

CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS
SCHEDULE OF CHANGES BY FUNCTION AND ACTIVITY
For the year ended December 31, 2022

Function and Activity	Governmental Fund Capital Assets 01/01/22	Additions	Reductions	Transfers	Governmental Fund Capital Assets 12/31/22
General Government:					
Administration	$ 2,869,833	$ 202,166	$ -	$ -	$ 3,071,999
Building inspection	74,063	22,570	-	24,443	121,076
Legislative	-	-	-	-	-
Utility billing	-	-	-	-	-
Finance & personnel	31,539	62,566	-	-	94,105
City Manager	61,373	-	11,853	-	49,520
Building maintenance	5,391,112	-	7,680	(10,969)	5,372,463
Data processing	201,543	23,268	160,179	(779)	63,853
Total general government	$ 8,629,463	$ 310,570	$ 179,712	$ 12,695	$ 8,773,016
Public Safety:					
Police	$ 3,770,112	$ 217,650	$1,102,949	$ (201,188)	$ 2,683,625
Fire	5,353,522	251,799	241,922	(93,577)	5,269,822
Municipal Court	44,145	29,352	-	3,242	76,739
Public Safety & animal control	437,971	381,063	-	17,662	836,696
Communications	26,901	21,790	-	-	48,691
Total public safety	$ 9,632,651	$ 901,654	$1,344,871	$ (273,861)	$ 8,915,573
Public Works:					
Transportation	$ 74,247,724	$3,956,046	$ -	$ 142,942	$ 78,346,712
Engineering	6,695	1,800	-	-	8,495
Recreation	3,182,033	385,583	561,668	(12,172)	2,993,776
Arkalon	1,283,722	28,949	861,001	2,889	454,559
Street lighting	5,085,299	612,484	178,934	-	5,518,849
Airport	2,246,581	-	-	(2,246,581)	-
Total public works	$ 86,052,054	$4,984,862	$1,601,603	$ (2,112,922)	$ 87,322,391
Community Service:					
Golf course	$ 2,198,801	$ 147,737	$ 66,905	$ -	$ 2,279,633
Parks	5,412,601	1,630,177	28,599	9,055	7,023,234
Swimming pool	6,041,985	-	1,695,092	-	4,346,893
Economic development	1,188,411	192,662	197,519	-	1,183,554
Cemetery	414,256	2,733	-	-	416,989
Tourism	561,153	4,819	15,000	-	550,972
Housing	32,720	-	1,763	-	30,957
Air Museum	175,372	8,541	9,850	-	174,063
Beautification	63,835	-	36,859	110,484	137,460
Total community service	$ 16,089,134	$1,986,669	$2,051,587	$ 119,539	$ 16,143,755
Total Governmental Funds Capital Assets	$120,403,302	$8,183,755	$5,177,773	$ (2,254,549)	$121,154,735

CITY OF LIBERAL, KANSAS

Schedule 10

SCHEDULE OF CITY'S PROPORTIONATE SHARE
OF THE NET DEFINED PENSION PLAN LIABILITY
December 31, 2022

	2022	2021	2020	2019	2018	2017	2016	2015	2014
City's proportion of the net pension liability	0.87%	0.95%	0.90%	0.94%	0.95%	0.90%	0.94%	0.92%	0.91%
City's proportionate share of the net pension liability	$14,591,615	$10,018,386	$12,946,321	$10,954,223	$10,763,172	$10,224,914	$10,976,242	$8,689,338	$7,854,394
City's covered-employee payroll	9,569,959	9,611,420	9,285,420	8,875,786	9,520,252	9,123,612	8,376,582	7,561,179	7,552,629
City's proportionate share of the net pension Liability as a percentage of its covered-employee payroll	152.47%	104.23%	139.43%	123.42%	113.06%	112.07%	131.03%	114.92%	104.00%
Plan fiduciary net position as a percentage of the total pension liability	68.91%	79.19%	69.25%	75.02%	73.52%	72.05%	69.22%	73.33%	74.35%

CITY OF LIBERAL, KANSAS

Schedule 11

SCHEDULE OF CITY'S CONTRIBUTIONS
TO DEFINED PENSION PLAN
December 31, 2022

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Contractually required contribution	$ 1,343,573	$ 1,356,706	$ 1,252,433	$ 1,236,882	$ 1,137,458	$ 1,089,298	$ 1,154,287	$ 1,066,526	$ 932,856	$ 858,267
Contributions in relation to the contractually required contribution	(1,343,573)	(1,356,706)	(1,252,433)	(1,236,882)	(1,137,458)	(1,089,298)	(1,154,287)	(1,066,526)	(932,856)	(858,267)
Contribution deficiency (excess)	-	-	-	-	-	-	-	-	-	-
City's covered-employee payroll	$ 9,569,959	$ 9,611,420	$ 9,285,420	$ 8,875,786	$ 9,520,252	$ 9,123,612	$ 8,376,582	$ 7,561,179	$7,552,629	$7,906,407
Contributions as a percentage of covered-employee payroll	14.04%	14.12%	13.49%	13.94%	11.95%	11.94%	13.78%	14.11%	12.35%	10.86%

HAY·RICE & ASSOCIATES
CERTIFIED PUBLIC ACCOUNTANTS
CHARTERED

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

To the City Commission
City of Liberal, Kansas

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the City of Liberal, Kansas' compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of the City of Liberal, Kansas' major federal programs for the year ended December 31, 2022. The City of Liberal, Kansas' major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the City of Liberal, Kansas complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2022.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with the *Kansas Municipal Audit and Accounting Guide*; auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

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

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Member of Private Practice Section

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

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

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

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

Other Matters

The results of our auditing procedures disclosed instances of noncompliance which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying schedule of findings and questioned costs as item 2022-001. Our opinion on each major federal program is not modified with respect to these matters.

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

Report on Internal Control Over Compliance

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

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

A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2022-001 to be material weaknesses.

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

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

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

Hay•Rice & Associates, Chartered

Hay•Rice & Associates, Chartered

January 30, 2024

CITY OF LIBERAL, KANSAS

Schedule 12

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the year ended December 31, 2022

Federal Grantor/Pass-Through Program Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Federal Grant Award	Federal Expenditures
U.S. Department of Transportation Federal Aviation Administration:				
Airport Improvement Program	20.106	2022	$ 229,091	$ 173,669
U.S. Department of Transportation Passed Through Kansas Department of Transportation:				
Public Transportation Assistance Project	20.509	2022	51,894	51,894
U.S. Department of Transportation Passed Through Southwest Kansas Regional Transportation Council, Inc.:				
Public Transportation Assistance Project	20.509	2022	316,360	312,754
U.S. Department of Treasury Passed Through Kansas Governor's Office:				
COVID-19 Coronavirus State and Local Fiscal Recovery Funds	21.027	COVID-19	1,463,064	1,093,254
Cares Act Kansas Office of Recovery and Seward County, KS	21.019	2020	35,468	35,468
U.S. Department of Justice:				
Treatment Court Discretionary Grant Program	16.585	2022	83,896	151,501
Total Expenditures of Federal Awards			$2,179,773	$1,818,540

CITY OF LIBERAL, KANSAS

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the year ended December 31, 2022

Note A: Basis of Presentation

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the City of Liberal, Kansas and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the schedule presents only a selected portion of the operations of the City of Liberal, Kansas, it is not intended to and does not present the financial position, changes in net position, or cash flows of the City of Liberal, Kansas.

Note B: Subrecipient Grant Agreement

There were no subrecipient agreements at December 31, 2022.

Note C: Indirect Cost Rate

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

Note D: Noncash Assistance and Cumulative Endowment Funds

The City of Liberal, Kansas received no federal noncash assistance and no cumulative endowment funds for the year ended December 31, 2022.

Note E: Federal Loan or Loan Guarantee Programs

For the year 2022, the following loan was outstanding at year end:

Kansas Water Pollution Control Revolving Loan Fund	$26,849,358

There were no loan guarantees outstanding at year end.

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

Note G: No awards were passed through to subrecipients.

CITY OF LIBERAL, KANSAS

Schedule 13

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the year ended December 31, 2022

A. SUMMARY OF AUDITOR'S RESULTS

1. The auditor's report expresses an unmodified opinion on whether the financial statements of the City of Liberal, Kansas were prepared in accordance with GAAP.

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

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

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

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

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

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

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

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

B. FINDINGS – FINANCIAL STATEMENTS

Material Weaknesses

2022-001. Financial Statement Preparation

Condition: Controls and resources were not in place to ensure that accounting records, including records on bank reconciliations and fixed assets were maintained in a timely manner. This resulted in the condition that errors and inconsistencies could not be detected and addressed correctly. This also caused substantial delays in the preparation of the financial statements.

Criteria: Internal controls and resources should be in place to provide reasonable assurance that accounting records can be maintained in a timely manner.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the year ended December 31, 2022

B. FINDINGS – FINANCIAL STATEMENTS (Continued)

Material Weaknesses (Continued)

2022-001. Financial Statement Preparation (Continued)

Cause: Staffing shortages and system changes prevented the maintenance of accounting records in a timely manner.

Effect: Financial results and conditions could not be analyzed and errors or inconsistencies could not be detected and addressed in a timely manner.

Recommendation: Procedures should be implemented to ensure that accounting records can be maintained in a timely manner.

Views of Responsible Officials and Planned Corrective Action: Management agrees with the recommendation and procedures are being addressed to ensure timely accounting record maintenance.

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

None.

CITY OF LIBERAL, KANSAS

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
For the year ended December 31, 2022

Finding 2021-001. Financial Statement Preparation

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

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

Current Status: The City is working on rectifying its staffing shortage.

Finding 2021-002. Approval of Invoices

Condition: This finding was a significant deficiency stating that there was a lack of adequate internal control over approval of invoices.

Recommendation: The auditor recommended that procedures should be implemented that result in better approval of invoices.

Current Status: The City implemented procedures to address this recommendation and the situation has improved.