CITY OF SABETHA, KANSAS

FINANCIAL STATEMENTS

Year Ending December 31, 2025

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City of Sabetha, Kansas

FINANCIAL STATEMENTS
Year ending December 31, 2025

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INDEPENDENT AUDITOR'S REPORT

Mayor and City Commission
City of Sabetha, Kansas

We have audited the accompanying fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances of the City of Sabetha, Kansas, (the City), as of and for the year ended December 31, 2025 and the related notes to the financial statement.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the "Basis of Adverse and Unmodified Opinions" section of our report, the accompanying financial statement referred to above does not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the City as of December 31, 2025, or the changes in financial position and cash flows thereof for the year then ended.

Unmodified Opinion on Regulatory Basis of Accounting

In our opinion, the accompanying financial statement referred to above presents fairly, in all material respects, the aggregate cash and unencumbered cash balance of the City as of December 31, 2025, and the aggregate receipts and expenditures for the year then ended in accordance with the financial reporting provisions of the *Kansas Municipal Audit and Accounting Guide* described in Note 1.

Basis for Adverse and Unmodified Opinions

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

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

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

Responsibilities of Management for the Financial Statement

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

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

Auditor's Responsibilities for the Audit of the Financial Statement

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

In performing an audit in accordance with GAAS, we:

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

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

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances (basic financial statement) as a whole. The summary of regulatory basis expenditures-actual and budget and individual fund schedules of regulatory basis receipts and expenditures-actual and budget (Schedules 1 and 2 as listed in the table of contents) are presented for analysis and are not a required part of the basic financial statement, however, are required to be presented under the provisions of the *Kansas Municipal Audit and Accounting Guide*. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statement. The information has been subjected to the auditing procedures applied in the audit of the basic financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statement or to the basic financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statement as a whole, on the basis of accounting described in Note 1.

Gordon CPA LLC

Certified Public Accountant
Lawrence, Kansas

May 13, 2026

CITY OF SABETHA, KANSAS
Summary Statement of Receipts, Expenditures and Unencumbered Cash
Regulatory Basis
For the Year Ended December 31, 2025

Funds	Beginning Unencumbered Cash Balance	Prior Period Adjustment	Receipts	Expenditures	Ending Unencumbered Cash Balance	Add Encumbrances and Accounts Payable	Ending Cash Balance
General Funds:							
General	$ 1,375,843	$ -	$ 4,375,421	$ 4,574,425	$ 1,176,839	$ -	$ 1,176,839
Special Purpose Funds:							
Library	-	-	148,854	148,843	11	-	11
Airport	187,541	-	659,613	667,543	179,611	-	179,611
Parks and Recreation	-	-	9,392	9,392	-	-	-
Highway	-	-	67,211	67,211	-	-	-
Capital Projects Funds:							
Prairie View Sidewalk	29,222	-	-	-	29,222	-	29,222
Bond and Interest Funds:							
Bond and Interest	185,879	-	296,993	387,260	95,612	-	95,612
Aquatic Center	848,208	-	318,871	220,100	946,979	-	946,979
Business Funds:							
Electric	4,078,544	-	5,009,779	5,733,102	3,355,221	-	3,355,221
Water	410,759	-	845,582	900,744	355,597	-	355,597
Sewer	430,525	-	862,481	1,084,740	208,266	-	208,266
Related Municipal Entities:							
Mary Cotton Public Library	133,071	-	255,569	255,753	132,887	[1,758]	131,129
Sabetha Cemetery	47,765	-	65,335	62,806	50,294	-	50,294
Total Reporting Entity [Excluding Agency Funds]	$ 7,727,357	$ -	$ 12,915,101	$ 14,111,919	$ 6,530,539	$ [1,758]	$ 6,528,781

Composition of Cash:		
Bank of Blue Valley		
Checking		$ 5,118
Money Market		5,742
Community National Bank		
Checking		6,054,664
Money Market		358
Library Certificate of Deposit		73,517
Greater Manhattan Community Foundation		
Library Investments		29,977
United Bank		
Checking		307,307
Money Market		5,090
Court		18,839
EMS		32,994
Library Checking		27,637
Cemetery Checking		31,076
Cemetery Money Market		19,218
Subtotal		6,611,537
Less: Agency Funds per Schedule 4		[82,756]
Total Reporting Entity [Excluding Agency Funds]		$ 6,528,781

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

CITY OF SABETHA, KANSAS

NOTES TO THE FINANCIAL STATEMENTS
Year ended December 31, 2025

NOTE 1 - Summary of Significant Accounting Policies

Financial Reporting Entity

The City of Sabetha (the City) is a municipal corporation governed by a five-member commission. These financial statements present only the primary government of the City and the Mary Cotton Public Library and Sabetha Cemetery related municipal entities. They exclude one of the related municipal entities for which the City is considered financially accountable:

The Sabetha Housing Authority

Separate financial statements may be obtained directly from the above.

Basis of Accounting

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

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

Special Assessments. As provided by Kansas statutes, projects financed in part by special assessments are financed through general obligation bonds of the City and are retired from the Bond and Interest Fund. Special assessments paid prior to the issuance of bonds are recorded as regulatory receipts in the appropriate project. Special assessments received after the issuance of bonds are recorded as regulatory receipts in the Bond and Interest Fund.

Regulatory Basis Fund Types

The following types of funds comprise the financial activities of the City for the year ended December 31, 2025:

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

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

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

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

NOTE 1 - Summary of Significant Accounting Policies (Continued)

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

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

Budgetary Information

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

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

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

The statutes allow for the governing body to increase the originally adopted budget for previously unbudgeted increases in regulatory receipts other than ad valorem property taxes. To do this, a notice of public hearing to amend the budget must be published in the local newspaper. At least ten days after publication the hearing may be held and governing body may amend the budget at that time. The budget was not amended for the year ended December 31, 2025.

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

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

A legal operating budget is not required for capital project funds.

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 - Deposits and Investments

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

NOTE 2 - Deposits and Investments (Continued)

Investments. K.S.A. 12-1675 limits the City's investment of idle funds to time deposits, open accounts, and certificates of deposit with allowable financial institutions; U.S. government securities; temporary notes; no-fund warrants; repurchase agreements; and the Kansas Municipal Investment Pool. The City has no investment policy that would further limit its investment choices. As of December 31, 2025, the City held no investments.

KSA 12-1225(h) authorizes library boards to invest or reinvest gifts and donations and any dividends, interest, rent, or income derived from the gifts in the manner the board deems will best serve the interest of the library. The Mary Cotton Public Library had the following unsecured investments from gifts and donations as of December 31, 2025.

Investment Type	Fair Value
Greater Manhattan Community Foundation	
Bond Funds	$ 9,325
Cash & Cash Equivalents	550
Stocks & Mutual Funds	20,102
Total	$ 29,977

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

Custodial credit risk - deposits. Custodial credit risk is the risk that in the event of a bank failure, the City's deposits may not be returned to it. State statutes require the City's deposits in financial institutions to be entirely covered by federal depository insurance or by collateral held under a joint custody receipt issued by a bank within the State of Kansas, the Federal Reserve Bank of Kansas City, or the Federal Home Loan Bank of Topeka, except during designated "peak periods" when required coverage is 50%. The City has no designated "peak periods." All deposits were legally secured as of December 31, 2025.

As of December 31, 2025, the City's carrying amount of deposits was $6,430,112 and the bank balance was $6,505,661. The bank balance was held by three banks, alleviating a concentration of credit risk. Of the bank balance, $510,859 was covered by federal depository insurance and the balance of $5,994,802 was collateralized with securities held by the pledging financial institutions' agents in the City's name.

As of December 31, 2025, the Library's carrying amount of deposits was $101,154 and the bank balance was $104,014. The bank balance was held by two banks resulting in a concentration of credit risk. All of the Library's bank balance was covered by federal depository insurance.

As of December 31, 2025, the Cemetery's carrying amount of deposits was $50,291 and the bank balance was $53,049. The bank balance was held by one bank resulting in a concentration of credit risk. All of the Cemetery's bank balance was covered by federal depository insurance.

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 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 - Defined Benefit Pension Plan

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

NOTE 3 - Defined Benefit Pension Plan (Continued)

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

State law provides that the employer contribution rates for KPERS 1, KPERS 2 and KPERS 3 be determined based on the results of each annual actuarial valuation. Kansas law sets a limitation on annual increases in the employer contribution rates. The actuarially determined employer contribution rate (not including the 1% contribution rate for Death and Disability Program) and the statutory contribution rate was 9.71% for the fiscal year ended December 31, 2025. Contributions to the pension plan from the City were $222,297 and $8,231 from the Library for the year ended December 31, 2025.

Net Pension Liability. As of December 31, 2025, the City's and Library's proportionate share of the collective net pension liability reported by KPERS were $1,713,731 and $70,990, respectively. The net pension liability was measured as of June 30, 2025, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2024, which was rolled forward to June 30, 2025. The City's and Library's proportion of the net pension liability was based on the ratio of the City's and Library's contributions to KPERS, relative to the total employer and non-employer contributions of the Local subgroup of KPERS. Since the KMAAG regulatory basis of accounting does not recognize long-term debt, this liability is not reported in these financial statements.

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

NOTE 4 - Long-Term Debt

Changes in Long-Term Liabilities. During the year ended December 31, 2025, the following changes occurred in long term liabilities:

	Balance January 1, 2025	Additions	Reductions	Balance December 31, 2025	Interest Paid
Paid for by taxes					
General obligation bonds	$ 5,405,000	$ -	$ 675,000	$ 4,730,000	$ 149,958
Revolving loans	4,318,796	-	415,678	3,903,117	28,988
Finance leases	444,889	-	115,924	328,965	25,016
	$ 10,168,684	$ -	$ 1,206,602	$ 8,962,082	$ 203,962

General Obligation Bonds. The following tables detail the City's general obligation bonds debt as of December 31, 2025.

NOTE 4 - Long-Term Debt (Continued)

General obligation bonds outstanding as of December 31, 2025 are as follows:

Purpose	Issuance Date	Maturity Date	Interest Rates	Original Amount	Balance December 31, 2025
Paid for by taxes					
General Obligation Series 2016-A	10/5/2016	9/1/2036	2.00 - 3.00%	$3,300,000	$ 2,015,000
General Obligation Series 2018-B	10/15/2018	9/1/2026	3.25%	2,000,000	280,000
Paid for by revenues					
General Obligation Series 2018-A	9/27/2018	9/1/2038	4.85%	815,000	610,000
General Obligation Series 2020-A	9/17/2020	9/1/2033	1.75%	2,860,000	1,825,000
					$ 4,730,000

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

December 31,	Principal	Interest	Principal	Interest	Principal	Interest
2026	$ 440,000	$ 69,550	$ 245,000	$ 61,523	$ 685,000	$ 131,073
2027	165,000	55,650	255,000	56,150	420,000	111,800
2028	170,000	50,700	265,000	50,603	435,000	101,303
2029	170,000	45,600	265,000	44,725	435,000	90,325
2030	175,000	40,500	270,000	38,848	445,000	79,348
2031 - 2035	965,000	120,300	960,000	104,585	1,925,000	224,885
2036 - 2038	210,000	6,300	175,000	17,217	385,000	23,517
	$ 2,295,000	$ 388,600	$ 2,435,000	$ 373,649	$ 4,730,000	$ 762,249

Revolving Loans. The following tables detail the City's revolving loan debt as of December 31, 2025.

Revolving loans outstanding as of December 31, 2025 are as follows:

Purpose	Issuance Date	Maturity Date	Interest Rates	Original Amount	Balance December 31, 2025
Paid for by revenues					
Wastewater System Improvements	6/3/2016	9/1/2037	2.00%	$1,292,032	$ 835,692
Wastewater System Improvements	10/25/2022	3/1/2044	2.12%	1,597,217	1,497,410
Water System Improvements	7/18/2019	2/1/2041	2.19%	1,899,945	1,570,015
					$ 3,903,117

NOTE 4 - Long-Term Debt (Continued)

The annual debt service requirements to maturity for revolving loans are as follows:

December 31,	Principal	Interest
2026	$ 212,071	$ 48,615
2027	216,575	45,661
2028	221,172	53,398
2029	225,869	60,215
2030	230,666	55,909
2031 - 2035	1,228,918	211,699
2036 - 2040	1,123,069	95,479
2041 - 2044	444,777	14,055
	$ 3,903,117	$ 585,032

Finance Leases. The City has entered into lease agreements as lessee for financing the acquisition of equipment.

Finance leases outstanding as of December 31, 2025 are as follows:

Purpose	Issuance Date	Maturity Date	Interest Rates	Original Amount	Balance December 31, 2025
Paid for by taxes and revenues					
Fire truck	2024	2029	5.95%	$ 400,000	$ 328,965

The annual debt service requirements to maturity for finance leases are as follows:

Year Ending December 31,	Principal	Interest
2026	$ 75,261	$ 19,573
2027	79,739	15,095
2028	84,456	10,379
2029	89,509	5,326
	$ 328,965	$ 50,374

NOTE 5 - Compensated Absences

It is the City's policy to pay employees' accrued vacation pay upon termination of employment. As of December 31, 2025, the liability for accrued vacation pay was $52,771.

NOTE 6 - Interfund Transfers

A reconciliation of transfers by fund type for 2025 follows:

From	To	Amount	Regulatory Authority
Parks and Recreation Fund	General Fund	$ 9,392	K.S.A. 68-590
Highway Fund	General Fund	67,211	K.S.A. 79-2958
Water Fund	General Fund	11,000	K.S.A. 12-825d
Sewer Fund	General Fund	2,500	K.S.A. 12-825d
Electric Fund	General Fund	471,056	K.S.A. 12-825d
		$ 561,159	

NOTE 7 - Risk Management

The City is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; natural disasters and other events for which the City carries commercial insurance. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

NOTE 8 - Commitments and Contingencies

The City receives significant financial assistance from numerous federal and state governmental agencies in the form of grants and state pass-through aid. The disbursements of funds received under these programs generally require compliance with terms and conditions specified in the grant agreements and are subject to audit. Any disallowed claims resulting from such audits could become a liability of the General Fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material effect on the financial statements of the City as of December 31, 2025.

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

NOTE 9 - Other Post-Employment Benefits

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

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

Death and Disability Other Post-Employment Benefits. As provided by K.S.A. 74-4927, disabled members in the Kansas Public Employees Retirement System (KPERS) receive long-term disability benefits and life insurance benefits. The plan is administered through a trust held by KPERS that is funded to pay annual benefit payments. The employer contribution rate is set at 1% for the year ended December 31, 2025.

Schedule 1

CITY OF SABETHA, KANSAS
Summary of Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2025

Funds	Certified Budget	Adjustment for Qualifying Budget Credits	Total Budget for Comparison	Expenditures Chargeable to Current Year	Variance-Over [Under]
General Funds:					
General	$ 3,597,704	$ 1,050,020	$ 4,647,724	$ 4,574,425	$ [73,299]
Special Purpose Funds:					
Library	161,180	-	161,180	148,843	[12,337]
Airport	100,000	603,187	703,187	667,543	[35,644]
Parks and Recreation	20,000	-	20,000	9,392	[10,608]
Highway	69,950	-	69,950	67,211	[2,739]
Bond and Interest Funds:					
Bond and Interest	511,658	-	511,658	387,260	[124,398]
Aquatic Center	220,100	-	220,100	220,100	-
Business Funds:					
Electric	6,250,000	-	6,250,000	5,733,102	[516,898]
Water	1,147,840	-	1,147,840	900,744	[247,096]
Sewer	1,398,786	-	1,398,786	1,084,740	[314,046]

See independent auditor's report on the financial statements.

CITY OF SABETHA, KANSAS
General Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2025

	Actual	Budget	Variance-Over [Under]
Receipts			
Taxes	$ 1,059,841	$ 1,042,481	$ 17,360
Special assessments	30,634	30,000	634
Intergovernmental	86,010	33,150	52,860
Franchise tax	300,223	200,000	100,223
Licenses	6,948	5,600	1,348
Fines and fees	16,500	2,058	14,442
Interest	42,566	-	42,566
Use of property	23,703	31,000	[7,297]
Charges for services	730,527	400,000	330,527
Reimbursement	1,050,020	17,820	1,032,200
Miscellaneous	467,290	-	467,290
Operating transfers	561,159	598,450	[37,291]
Total Receipts	4,375,421	$ 2,360,559	$ 2,014,862
Expenditures			
General Government			
Personnel	192,254	$ 500,000	$ [307,746]
Contractual services	830,608	-	830,608
Commodities	23,056	-	23,056
Law Enforcement			
Personnel	407,525	540,000	[132,475]
Contractual services	92,075	-	92,075
Commodities	12,693	-	12,693
Parks and Recreation			
Personnel	291,619	540,000	[248,381]
Contractual services	312,012	-	312,012
Commodities	38,038	-	38,038
Streets			
Personnel	190,740	530,000	[339,260]
Contractual services	158,257	-	158,257
Commodities	129,528	-	129,528
EMT			
Personnel	332,574	445,000	[112,426]
Contractual services	90,568	-	90,568
Commodities	21,987	-	21,987

CITY OF SABETHA, KANSAS
General Fund (Continued)
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2025

	Actual	Budget	Variance-Over [Under]
Expenditures (Continued)			
Industrial development	$ 6,372	$ -	$ 6,372
Capital outlay	1,257,919	650,000	607,919
Cemetery subsidy	30,000	30,000	-
Debt service	156,600	156,600	-
Miscellaneous	-	206,104	[206,104]
Adjustment for qualifying budget credits	-	1,050,020	[1,050,020]
Total Expenditures	4,574,425	$ 4,647,724	$ [73,299]
Receipts Over [Under] Expenditures	[199,004]		
Unencumbered Cash, Beginning	1,375,843		
Unencumbered Cash, Ending	$ 1,176,839		

CITY OF SABETHA, KANSAS
Library Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2025

	Actual	Budget	Variance-Over [Under]
Receipts			
Taxes	$ 148,854	$ 162,094	$ [13,240]
Total Receipts	148,854	$ 162,094	$ [13,240]
Expenditures			
Appropriations	148,843	$ 161,180	$ [12,337]
Total Expenditures	148,843	$ 161,180	$ [12,337]
Receipts Over [Under] Expenditures	11		
Unencumbered Cash, Beginning	-		
Unencumbered Cash, Ending	$ 11		

CITY OF SABETHA, KANSAS
Airport Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2025

	Actual	Budget	Variance-Over [Under]
Receipts			
Charges for services	$ 56,426	$ 65,000	$ [8,574]
Grants	603,187	-	603,187
Total Receipts	659,613	$ 65,000	$ 594,613
Expenditures			
Contractual services	95,226	$ 20,000	$ 75,226
Commodities	22,128	5,000	17,128
Capital outlay	550,189	75,000	475,189
Adjustment for qualifying budget credits	-	603,187	[603,187]
Total Expenditures	667,543	$ 703,187	$ [35,644]
Receipts Over [Under] Expenditures	[7,930]		
Unencumbered Cash, Beginning	187,541		
Unencumbered Cash, Ending	$ 179,611		

CITY OF SABETHA, KANSAS
Parks and Recreation Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2025

	Actual	Budget	Variance-Over [Under]
Receipts			
Taxes	$ 9,392	$ 20,000	$ [10,608]
Total Receipts	9,392	$ 20,000	$ [10,608]
Expenditures			
Operating transfers	9,392	$ 20,000	$ [10,608]
Total Expenditures	9,392	$ 20,000	$ [10,608]
Receipts Over [Under] Expenditures	-		
Unencumbered Cash, Beginning	-		
Unencumbered Cash, Ending	$ -		

CITY OF SABETHA, KANSAS
Highway Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2025

	Actual	Budget	Variance-Over [Under]
Receipts			
Taxes	$ 67,211	$ 69,950	$ [2,739]
Total Receipts	67,211	$ 69,950	$ [2,739]
Expenditures			
Operating transfers	67,211	$ 69,950	$ [2,739]
Total Expenditures	67,211	$ 69,950	$ [2,739]
Receipts Over [Under] Expenditures	-		
Unencumbered Cash, Beginning	-		
Unencumbered Cash, Ending	$ -		

CITY OF SABETHA, KANSAS
Prairie View Sidewalk Fund
Schedule of Receipts and Expenditures - Actual*
Regulatory Basis
For the Year Ended December 31, 2025

Receipts	
Miscellaneous	$ -
Total Receipts	-
Expenditures	
Capital outlay	-
Total Expenditures	-
Receipts Over [Under] Expenditures	-
Unencumbered Cash, Beginning	29,222
Unencumbered Cash, Ending	$ 29,222

*- This fund is not required to be budgeted.

CITY OF SABETHA, KANSAS
Bond and Interest Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2025

	Actual	Budget	Variance-Over [Under]
Receipts			
Taxes	$ 232,787	$ 241,627	$ [8,840]
Special assessments	64,206	64,000	206
Total Receipts	296,993	$ 305,627	$ [8,634]
Expenditures			
Principal and interest	387,260	$ 387,258	$ 2
Cash reserve	-	124,400	[124,400]
Total Expenditures	387,260	$ 511,658	$ [124,398]
Receipts Over [Under] Expenditures	[90,267]		
Unencumbered Cash, Beginning	185,879		
Unencumbered Cash, Ending	$ 95,612		

CITY OF SABETHA, KANSAS
Aquatic Center Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2025

	Actual	Budget	Variance-Over [Under]
Receipts			
Taxes	$ 318,871	$ 248,000	$ 70,871
Total Receipts	318,871	$ 248,000	$ 70,871
Expenditures			
Debt service	220,100	$ 220,100	$ -
Total Expenditures	220,100	$ 220,100	$ -
Receipts Over [Under] Expenditures	98,771		
Unencumbered Cash, Beginning	848,208		
Unencumbered Cash, Ending	$ 946,979		

CITY OF SABETHA, KANSAS
Electric Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2025

	Actual	Budget	Variance-Over [Under]
Receipts			
Charges to customers	$ 4,727,803	$ 6,180,000	$ [1,452,197]
Reimbursements	140,088	50,000	90,088
Use of money and property	141,888	50,000	91,888
Total Receipts	5,009,779	$ 6,280,000	$ [1,270,221]
Expenditures			
Administration	324,923	$ 375,000	$ [50,077]
Production	1,063,957	1,000,000	63,957
Distribution	3,603,762	4,000,000	[396,238]
Capital outlay	219,404	325,000	[105,596]
Debt service	50,000	50,000	-
Operating transfers	471,056	500,000	[28,944]
Total Expenditures	5,733,102	$ 6,250,000	$ [516,898]
Receipts Over [Under] Expenditures	[723,323]		
Unencumbered Cash, Beginning	4,078,544		
Unencumbered Cash, Ending	$ 3,355,221		

CITY OF SABETHA, KANSAS
Water Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2025

	Actual	Budget	Variance-Over [Under]
Receipts			
Charges to customers	$ 741,236	$ 925,000	$ [183,764]
Miscellaneous	47,591	-	47,591
Use of money and property	56,755	30,000	26,755
Total Receipts	845,582	$ 955,000	$ [109,418]
Expenditures			
Administration	197,113	$ 225,000	$ [27,887]
Production	282,668	470,000	[187,332]
Distribution	230,700	295,000	[64,300]
Capital outlay	52,413	50,000	2,413
Debt service	126,850	96,840	30,010
Operating transfers	11,000	11,000	-
Total Expenditures	900,744	$ 1,147,840	$ [247,096]
Receipts Over [Under] Expenditures	[55,162]		
Unencumbered Cash, Beginning	410,759		
Unencumbered Cash, Ending	$ 355,597		

CITY OF SABETHA, KANSAS
Sewer Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2025

	Actual	Budget	Variance-Over [Under]
Receipts			
Charges to customers	$ 491,994	$ 855,000	$ [363,006]
Reimbursements	9,050	11,500	[2,450]
Sales tax	318,871	365,000	[46,129]
Use of money and property	42,566	20,000	22,566
Miscellaneous	-	40,000	[40,000]
Total Receipts	862,481	$ 1,291,500	$ [429,019]
Expenditures			
Administration	193,305	$ 300,000	$ [106,695]
Treatment	238,478	250,000	[11,522]
Capital outlay	64,774	300,000	[235,226]
Collection	196,253	155,000	41,253
Debt service	389,430	391,286	[1,856]
Operating transfers	2,500	2,500	-
Total Expenditures	1,084,740	$ 1,398,786	$ [314,046]
Receipts Over [Under] Expenditures	[222,259]		
Unencumbered Cash, Beginning	430,525		
Unencumbered Cash, Ending	$ 208,266		

CITY OF SABETHA, KANSAS
Mary Cotton Public Library - Related Municipal Entity
General Fund
Schedule of Receipts and Expenditures - Actual
Regulatory Basis
For the Year Ended December 31, 2025

Receipts	
State of Kansas	$ 1,865
NEKL Association	32,491
City appropriation	148,843
Interest	3,116
Donations and sales	15,059
Reimbursements	8,064
Grants	46,131
Total Receipts	255,569
Expenditures	
Salary and payroll taxes	161,734
Books, periodicals and film	28,044
Supplies	3,371
Utilities	19,835
Maintenance	24,102
Miscellaneous	18,667
Total Expenditures	255,753
Receipts Over [Under] Expenditures	[184]
Unencumbered Cash, Beginning	133,071
Unencumbered Cash, Ending	$ 132,887

CITY OF SABETHA, KANSAS
Sabetha Cemetery - Related Municipal Entity
General Fund
Schedule of Receipts and Expenditures - Actual
Regulatory Basis
For the Year Ended December 31, 2025

Receipts	
City appropriation	$ 30,000
Interest	37
Miscellaneous	3,500
Charges for services	31,798
Total Receipts	65,335
Expenditures	
Salaries	16,555
Payroll taxes	4,156
Contractual service	11,875
Supplies	4,835
Miscellaneous	25,385
Total Expenditures	62,806
Receipts Over [Under] Expenditures	2,529
Unencumbered Cash, Beginning	47,765
Unencumbered Cash, Ending	$ 50,294

CITY OF SABETHA, KANSAS
Agency Funds
Summary of Receipts and Disbursements
Regulatory Basis
For the Year Ended December 31, 2025

Fund	Beginning Cash Balance	Receipts	Disbursements	Ending Cash Balance
Tax Fund	$ 30,923	$ -	$ -	$ 30,923
Municipal Court Fund	3,494	23,354	8,009	18,839
EMS Fund	32,743	535,845	535,594	32,994
Total Agency Funds	$ 67,160	$ 559,199	$ 543,603	$ 82,756