CITY OF GIRARD, KANSAS

Independent Auditor's Report and
Financial Statement with
Supplementary Information

December 31, 2025

CITY OF GIRARD, KANSAS

December 31, 2025

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JARRED, GILMORE, & PHILLIPS, PA
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and City Council
City of Girard, Kansas

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

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

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

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

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

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

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

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

In performing an audit in accordance with GAAS, we:

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

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

Supplementary Information
Our audit was conducted for the purpose of forming an opinion on the fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances (basic financial statement) as a whole. The summary of regulatory basis expenditures-actual and budget, schedules of receipts and expenditures – actual and budget – regulatory basis for each individual fund, and summary of receipts and disbursements – agency funds, regulatory basis (Schedules 1, 2, and 3 as listed in the table of contents) are presented for purposes of additional analysis and are not a required part of the basic financial statement, however are required to be

presented under the provisions of the *Kansas Municipal Audit and Accounting Guide*. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statement. The information has been subjected to the auditing procedures applied in the audit of the basic financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statement or to the basic financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying supplementary information is fairly stated in all material respects in relation to the basic financial statement as a whole, on the basis of accounting described in Note 1.

We also previously audited, in accordance with auditing standards generally accepted in the United States of America, the basic financial statement of City of Girard, Kansas as of and for the year ended December 31, 2024 (not presented herein), and have issued our report thereon dated July 11, 2025, which contained an unmodified opinion on the basic financial statement. The 2024 basic financial statement and our accompanying report are not presented herein, but are available in electronic form from the web site of the Kansas Department of Administration at the following link https://admin.ks.gov/offices/accounts-reports/local-government/municipal-services. The 2024 actual column (2024 comparative information) presented in the individual fund schedules of regulatory basis receipts and expenditures—actual and budget for the year ended December 31, 2025 (Schedule 2 as listed in the table of contents) is presented for purposes of additional analysis and is not a required part of the basic financial statement. Such 2024 comparative information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 2024 basic financial statement. The 2024 comparative information was subjected to the auditing procedures applied in the audit of the 2024 basic financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the 2024 basic financial statement or to the 2024 basic financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the 2024 comparative information is fairly stated in all material respects in relation to the basic financial statement as a whole for the year ended December 31, 2024, on the basis of accounting described in Note 1.

Jarred, Gilmore & Phillips, PA

JARRED, GILMORE & PHILLIPS, PA
Certified Public Accountants

June 26, 2026
Chanute, Kansas

CITY OF GIRARD, KANSAS

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

Funds	Beginning Unencumbered Cash Balances	Receipts	Expenditures	Ending Unencumbered Cash Balances	Add Encumbrances and Accounts Payable	Cash Balances December 31, 2025
General	$ 276,404.17	$ 1,289,639.13	$ 1,198,668.42	$ 367,374.88	$ 35,905.85	$ 403,280.73
Special Purpose Funds:						
Public Safety	173,063.23	1,195,049.75	1,018,815.68	349,297.30	12,054.04	361,351.34
Library	59,709.56	216,701.85	263,326.85	13,084.56	-	13,084.56
Transportation	2,536,737.95	1,111,379.18	876,410.64	2,771,706.49	-	2,771,706.49
Special Parks and Recreation	5,596.88	1,362.09	-	6,958.97	-	6,958.97
Capital Improvement	1,893,183.91	638,172.00	641,135.41	1,890,220.50	-	1,890,220.50
Equipment Reserve	478,787.52	280,684.00	100,207.91	659,263.61	-	659,263.61
Industrial Loan and Development	4,541.02	19,000.00	20,088.00	3,453.02	-	3,453.02
Raymond Community Home	206.71	20,146.15	19,779.38	573.48	-	573.48
Grants	8,200,440.91	6,655,894.25	916,453.29	13,939,881.87	597,893.10	14,537,774.97
Bond and Interest Fund:						
Debt Service	6,425.12	498,552.71	495,125.02	9,852.81	-	9,852.81
Business Funds:						
Public Golf	55,911.37	291,728.19	346,144.33	1,495.23	1,089.21	2,584.44
Sewer Utility	134,329.26	498,319.35	491,237.53	141,411.08	1,559.85	142,970.93
Water Utility	845,438.06	1,160,616.57	1,069,264.24	936,790.39	48,113.70	984,904.09
Electric Utility	1,710,857.70	4,252,206.95	4,533,096.05	1,429,968.60	58,618.08	1,488,586.68
Trust Funds:						
Raymond Memorial Park	6,351.97	24.93	-	6,376.90	-	6,376.90
Total Reporting Entity (Excluding Agency Funds):	$ 16,387,985.34	$ 18,129,477.10	$ 11,989,752.75	$ 22,527,709.69	$ 755,233.83	$ 23,282,943.52

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

CITY OF GIRARD, KANSAS

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

Total Cash to be accounted for:	$	23,282,943.52
Composition of Cash:		
Cash on Hand	$	425.00
Checking Accounts:		
Petty Cash		500.00
Operating Account		3,977,655.95
Money Market Account		3,355,572.72
Investments:		
Certificates of Deposit		1,320,478.78
Stifel Bonds Account		14,670,684.52
Total Reporting Entity		23,325,316.97
Agency Funds Per Schedule 3		(42,373.45)
Total Reporting Entity (Excluding Agency Funds)	$	23,282,943.52

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Financial Reporting Entity

The City of Girard, Kansas, is a municipal corporation governed by an elected five-member council. This financial statement presents the City of Girard (the primary government) and does not include any related municipal entities.

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

Girard Public Library. The City of Girard, Kansas, Library Board operates the City's public library. Acquisition or disposition of real property by the Board must be approved by the City. Bond issuances must also be approved by the City. The City levies taxes for the Library Board and significantly influences the Library's operations. Separate internal financial statements are available from the Library.

Raymond Community Home. The Raymond Community Home board operates the City's community home. Acquisition or disposition of real property or bond issuances must be approved by the City. Separate internal financial statements are available from the Board.

Girard Housing Authority. The Girard Housing Authority operates the City's housing projects. The Girard Housing Authority can sue and be sued, and can buy, sell, or lease real property. Bond ordinances must be approved by the City. Separate audited financial statements are available at the Housing Authority.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Regulatory Basis Fund Types

A fund is defined as an independent fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources, together with all related liabilities and residual equities or balances, and changes therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations. The following types of funds comprise the financial activities of the City of Girard, Kansas, for the year 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.

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

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

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

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

Basis of Presentation – Regulatory Basis of Accounting

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

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

Reimbursed Expenses
The City records reimbursable expenditures in the fund that makes the disbursement and records reimbursements as a receipt to the fund that receives the reimbursement. For purposes of budgetary comparisons, the expenditures are properly offset by the reimbursements under the KMAAG regulatory basis of accounting.

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Budgetary Information (Continued)

The statutes allow for the governing body to increase the originally adopted budget for previously unbudgeted increases in regulatory receipts other than ad valorem property taxes. To do this, a notice of public hearing to amend the budget must be published in the local newspaper. At least ten days after publication the hearing may be held and the governing body may amend the budget at that time. During the year ended December 31, 2025, the City amended the budget for the Public Golf Fund.

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 the individual funds. Budget comparison schedules are presented for each fund showing actual receipts and expenditures compared to legally budgeted receipts and expenditures.

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

A legal operating budget is not required for capital projects funds, trust funds, and the following special purpose funds:

- Grants 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.

2. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Compliance with Kansas Statutes

Statement 1 and Schedule 1 have been prepared in order to show compliance with the cash basis and budget laws of Kansas. As shown in Statement 1, the City was in apparent compliance with the Kansas cash basis. As shown in Schedule 1, the City was in apparent violation of K.S.A. 79-2935, as the City has obligated expenditures in excess of budgeted limits in the Industrial Loan and Development Fund.

The City was in apparent violation of K.S.A. 12-1608 which requires the treasurer to publish quarterly statements showing the total amount received into each fund and the total amount expended from each fund and the cash balances of each fund at the beginning and close of each quarter. Such quarterly statements shall show the amount of outstanding registered warrants, temporary notes, bonds and all other obligations and liabilities of the City. The City did not publish the required statements.

Management is not aware of any other material statutory violations.

3. DEPOSITS AND INVESTMENTS

As of year-end, the City has the following investment.

Investment Type	Cost	Rating
2024 Stifel Bond Account - Water	$ 8,401,351.72	N/A
2025 Stifel Bond Account - Solar	6,269,332.80	N/A

This investment is reflected at cost in these regulatory basis financial statement of the City of Girard, Kansas.

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

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

Concentration of credit risk. State statutes place no limit on the amount the Government 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. All deposits were legally secured at December 31, 2025.

Deposits: At year-end, the City's carrying amount of deposits was $8,654,207.45 and the bank balance was $8,852,350.42. The bank balance was held by two banks resulting in a concentration of credit risk. Of the bank balance, $379,905.95 was covered by federal depository insurance, $1,070,478.78 was collateralized with securities held by the pledging financial institutions' agents in the City's name and the remaining $7,401,965.69 was covered with overnight repurchase agreements signed with the bank.

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.

4. FINANCE LEASE OBLIGATIONS

The City has entered into a finance lease agreement dated September 1, 2023, to purchase tasers for the police department. The City agreed to make a down payment of $3,651.93 in October 2023 and a payment of $12,213.05 in January 2024, then four annual principal payments of $16,284.06 plus interest at a rate of 0.00%.

December 31,	Total
2026	$ 16,284.06
2027	16,284.06
2028	16,284.06
Total Net Minimum Lease Payments	48,852.18
Less: Imputed Interest	(0.00)
Net Present Value	48,852.18
Less: Current Maturities	(16,284.06)
Long-Term Finance Lease Obligations	$ 32,568.12

5. LONG-TERM DEBT

Changes in long-term liabilities for the City for the year ended December 31, 2025, were as follows:

Issue	Interest Rates	Date of Issue	Original Amount of Issue	Date of Final Maturity	Balance Beginning of Year	Additions	Reductions/ Payments	Balance End of Year	Interest Paid
General Obligation Bonds									
Paid by Tax Levies:									
Series 2015	2.75-3.30%	1/1/2015	$ 735,000.00	12/1/2030	$ 465,000.00	$ -	$ (70,000.00)	$ 395,000.00	14,176.24
Series Refunding 2021	2.125-3.0%	4/26/2021	6,260,000.00	9/1/2046	5,230,000.00	-	(265,000.00)	4,965,000.00	145,948.76
Temporary Notes									
Paid by Utility Receipts:									
Series 2024 - Water	3.10%	10/15/2024	9,910,000.00	2/1/2027	9,910,000.00	-	-	9,910,000.00	-
Series 2025 - Solar	3.125%	12/16/2025	6,305,000.00	8/1/2028	-	6,305,000.00	-	6,305,000.00	-
Finance Leases									
Paid by Tax Levies:									
Police Equipment - Tasers	0.00%	9/1/2023	81,001.22	1/22/2028	65,136.24	-	(16,284.06)	48,852.18	-
Total Contractual Indebtedness					$ 15,670,136.24	$ 6,305,000.00	$ (351,284.06)	$ 21,623,852.18	$ 160,125.00

5. LONG-TERM DEBT (Continued)

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

Issue	2026	2027	2028	2029	2030	2031-2035	2036-2040	2041-2045	2046	Total
Principal										
General Obligation Bonds										
Series 2015	$ 75,000.00	$ 75,000.00	$ 80,000.00	$ 80,000.00	$ 85,000.00	$ -	$ -	$ -	$ -	$ 395,000.00
Series 2021	285,000.00	240,000.00	250,000.00	280,000.00	290,000.00	1,510,000.00	900,000.00	1,005,000.00	205,000.00	4,965,000.00
Temporary Notes										
Series 2024 - Water	-	9,910,000.00	-	-	-	-	-	-	-	9,910,000.00
Series 2025 - Solar	-	-	6,305,000.00	-	-	-	-	-	-	6,305,000.00
Finance Leases										
Police Equipment - Tasers	16,284.06	16,284.06	16,284.06	-	-	-	-	-	-	48,852.18
Total Principal Payments	376,284.06	10,241,284.06	6,651,284.06	360,000.00	375,000.00	1,510,000.00	900,000.00	1,005,000.00	205,000.00	21,623,852.18
Interest										
General Obligation Bonds										
Series 2015	12,251.26	10,095.00	7,845.00	7,845.00	8,170.00	-	-	-	-	46,206.26
Series 2021	137,968.76	129,418.76	122,218.76	114,718.76	106,318.76	395,093.80	209,093.80	91,218.76	4,612.50	1,310,662.66
Temporary Notes										
Series 2024 - Water	-	730,284.30	-	-	-	-	-	-	-	730,284.30
Series 2025 - Solar	-	-	508,997.40	-	-	-	-	-	-	508,997.40
Finance Leases										
Police Equipment - Tasers	-	-	-	-	-	-	-	-	-	-
Total Interest Payments	150,220.02	869,798.06	639,061.16	122,563.76	114,488.76	395,093.80	209,093.80	91,218.76	4,612.50	2,596,150.62
Total Principal and Interest	$ 526,504.08	$11,111,082.12	$ 7,290,345.22	$ 482,563.76	$ 489,488.76	$ 1,905,093.80	$ 1,109,093.80	$ 1,096,218.76	$ 209,612.50	$ 24,220,002.80

6. DEFINED BENEFIT PENSION PLAN

General Information about the Pension Plan

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

Contributions. K.S.A. 74-4919 and K.S.A. 74-49,210 establish the KPERS member employee contribution rates. KPERS has multiple benefit structures and contribution rates depending on whether the employee is a KPERS 1, KPERS 2, or KPERS 3 member. KPERS 1 members are active and contributing members hired before July 1, 2009. KPERS 2 members were first employed in a covered position on or after July 1, 2009, and KPERS 3 members were first employed in a covered position on or after January 1, 2015. Effective January 1, 2015, Kansas law established the KPERS member-employee contribution rate at 6% of covered salary for KPERS 1, KPERS 2, and KPERS 3 members. K.S.A. 74-4975 establishes KP&F member-employee contribution rate at 7.15% of covered salary. Member contributions are withheld by their employer and paid to KPERS according to the provisions of Section 414(h) of the Internal Revenue Code.

State law provides that the employer contribution rates for KPERS 1, KPERS 2, and KPERS 3 and KP&F be determined based on the results of each annual actuarial valuation. Kansas law sets a limitation on annual increases in the employer contribution rates. The actuarially determined employer contribution rate (not including the 1% contribution rate for the Death and Disability Program) and the statutory contribution rate was 9.71% for KPERS and 24.67% for KP&F for the fiscal year ended December 31, 2025. Contributions to the pension plan from the City were $119,515.24 for KPERS and $66,456.10 for KP&F for the year ended December 31, 2025.

Net Pension Liability

At December 31, 2025, the City's proportionate share of the collective net pension liability reported by KPERS was $911,912.00 and $529,903.00 for KP&F. The net pension liability was measured as of June 30, 2025, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2024, which was rolled forward to June 30, 2025. The City's proportion of the net pension liability was based on the ratio of the City's contributions to KPERS, relative to the total employer and non-employer contributions of the Local subgroup within KPERS. Since the KMAAG regulatory basis of accounting does not recognize long-term debt, this liability is not reported in this financial statement.

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

7. OTHER LONG-TERM OBLIGATIONS FROM OPERATIONS

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

Compensated Absences:
All regular full-time employees are eligible for vacation benefits. Employees are allowed to accumulate and carry forward a maximum of 25 days. Hours accumulated and not taken in excess of these limits at December 31 of each year are lost by the employees. New employees must work a minimum of twelve months to utilize earned vacation benefits. Unused vacation benefits are paid to employees when employment with the City terminates.

All regular full-time employees are also eligible for sick leave benefits. Employees accrue sick leave at a rate of 12 days per year, with a maximum accumulation of 60 days. Unused sick leave benefits are not paid to employees when employment with the City terminates prior to 10 years of continuous employment. Employees with at least 10 consecutive years of service are eligible to receive payment for 25% of accumulated sick leave, up to a maximum of 720 hours.

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

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

In accordance with the above criteria, the City has estimated a liability for vacation leave earned but not taken by City employees, as well as the portion of accumulated sick leave benefits that are expected to be paid to eligible employees with at least 10 consecutive years of service. The estimated liability for compensated absences at December 31, 2025, was $97,991.96 for accrued vacation leave and $13,039.77 for accrued sick leave.

Other Post Employment Benefits:
As provided by K.S.A. 12-5040, the local government allows retirees to participate in the group health insurance plan. While each retiree pays the full amount of the applicable premium, conceptually, the City is subsidizing the retirees because each participant is charged a level of premium regardless of age. However, the cost of this subsidy has not been quantified in 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. There is no cost to the City under this program.

8. RISK MANAGEMENT

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

The City has been unable to obtain workers' compensation insurance at a cost it considers to be economically justifiable. For this reason, the City has joined together with other cities in the State to participate in the Kansas Eastern Region Insurance Trust (KERIT). The City participates in the decision making of KERIT through trustee representation. KERIT files its annual audited financial statements with the Kansas Insurance Commissioner. The City pays annual premium to KERIT for its workers' compensation insurance coverage. The agreement to participate provides that KERIT will be self-sustaining through member premiums and will reinsure through commercial companies for claims in excess of a stated dollar amount for each insurance event. Additional premiums may be due if total claims for the pool are different than what has been anticipated by KERIT management.

9. ECONOMIC DEPENDENCY

In 2025, the City purchased 100% of its water for resale from Public Wholesale Water Supply District #11.

In 2025, the City purchased 100% of its electric kilowatts for resale from the Kansas Municipal Energy Agency (KMEA).

10. INTERFUND TRANSFERS

Operating transfers were as follows:

From Fund:	To Fund:	Statutory Authority	Amount
General	Capital Improvement	K.S.A. 12-1,118	$ 26,668.00
General	Equipment Reserve	K.S.A. 12-1,117	17,668.00
Public Safety	Capital Improvement	K.S.A. 12-1,118	9,168.00
Public Safety	Equipment Reserve	K.S.A. 12-1,117	8,334.00
Transportation	Debt Service	K.S.A. 68-590	84,176.00
Sewer Utility	Debt Service	K.S.A. 12-825d	186,119.00
Sewer Utility	Capital Improvement	K.S.A. 12-1,118	66,668.00
Sewer Utility	Equipment Reserve	K.S.A. 12-1,117	20,834.00
Water Utility	Debt Service	K.S.A. 12-825d	176,950.00
Water Utility	Capital Improvement	K.S.A. 12-1,118	125,000.00
Water Utility	Equipment Reserve	K.S.A. 12-1,117	50,000.00
Electric Utility	Capital Improvement	K.S.A. 12-1,118	410,668.00
Electric Utility	Equipment Reserve	K.S.A. 12-1,117	41,668.00
Electric Utility	Public Safety	K.S.A. 12-825d	600,000.00
Electric Utility	Public Golf	K.S.A. 12-825d	110,000.00
Electric Utility	Industrial Loan and Development	K.S.A. 12-825d	19,000.00
Electric Utility	Library	K.S.A. 12-825d	7,000.00
Electric Utility	Raymond Community Home	K.S.A. 12-825d	20,000.00

11. SUBSEQUENT EVENTS

The City evaluated events and transactions occurring subsequent to year end, and there were no subsequent events requiring recognition or disclosure in the financial statement. However, subsequent to December 31, 2025, the City participated in a financing arrangement through the Kansas Municipal Energy Agency related to the City of Girard Energy Project. On March 26, 2026, the Kansas Municipal Energy Agency issued $3,160,000.00 of Power Project Revenue Bonds, City of Girard Energy Project, Series 2026B. The bond proceeds are to be used in connection with the City's energy project, including costs associated with generating capacity and related project improvements.

SUPPLEMENTARY INFORMATION

Schedule 1

CITY OF GIRARD, KANSAS
Summary of Expenditures - Actual and Budget
(Budgeted Funds Only)
Regulatory Basis
For the Year Ended December 31, 2025

Funds	Certified Budget	Adjustments for Qualifying Budget Credits	Total Budget for Comparison	Expenditures Charged to Current Year Budget	Variance - Over (Under)
General	$ 1,186,550.00	$ 19,910.07	$ 1,206,460.07	$ 1,198,668.42	$ (7,791.65)
Special Purpose Funds:					
Public Safety	1,262,204.00	-	1,262,204.00	1,018,815.68	(243,388.32)
Library	265,000.00	-	265,000.00	263,326.85	(1,673.15)
Transportation	1,724,176.00	-	1,724,176.00	876,410.64	(847,765.36)
Special Parks and Recreation	8,000.00	-	8,000.00	-	(8,000.00)
Capital Improvement	2,190,000.00	-	2,190,000.00	641,135.41	(1,548,864.59)
Equipment Reserve	607,321.00	-	607,321.00	100,207.91	(507,113.09)
Industrial Loan and Development	20,000.00	-	20,000.00	20,088.00	88.00
Raymond Community Home	20,000.00	-	20,000.00	19,779.38	(220.62)
Bond and Interest Fund:					
Debt Service	513,095.00	-	513,095.00	495,125.02	(17,969.98)
Business Funds:					
Public Golf	347,000.00	476.76	347,476.76	346,144.33	(1,332.43)
Sewer Utility	493,685.00	-	493,685.00	491,237.53	(2,447.47)
Water Utility	1,070,008.00	-	1,070,008.00	1,069,264.24	(743.76)
Electric Utility	4,426,700.00	161,191.58	4,587,891.58	4,533,096.05	(54,795.53)

CITY OF GIRARD, KANSAS
GENERAL FUND
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2025
(With Comparative Actual Amounts for the Prior Year Ended December 31, 2024)

		Current Year		
	Prior Year Actual	Actual	Budget	Variance - Over (Under)
Receipts				
Taxes and Shared Receipts				
Ad Valorem Property Tax	$ 411,121.64	$ 410,943.14	$ 442,865.00	$ (31,921.86)
Delinquent Tax	10,620.87	9,454.47	-	9,454.47
Motor Vehicle Tax	55,106.38	49,608.67	56,477.00	(6,868.33)
Elderly Fund Distribution	5,000.00	5,000.00	5,000.00	-
16/20M Vehicle Tax	163.15	235.07	-	235.07
Commercial Vehicle Tax	5,661.22	5,663.75	4,664.00	999.75
Watercraft Tax	-	-	123.00	(123.00)
Recreation Vehicle Tax	1,076.02	888.52	1,022.00	(133.48)
Sales Tax	406,998.02	430,291.31	349,970.00	80,321.31
Franchise Taxes	70,041.84	84,347.43	104,000.00	(19,652.57)
Special Assessments	-	7,222.75	2,500.00	4,722.75
Local Alcoholic Liquor Tax	958.40	1,122.10	2,484.00	(1,361.90)
Licenses and Permits	3,463.00	2,507.00	1,700.00	807.00
Charges for Services				
Swimming Pool Daily Fees	8,413.00	6,081.00	8,200.00	(2,119.00)
Cemetery Charges	6,900.00	7,600.00	9,000.00	(1,400.00)
Fire Protection Fees	1,102.50	1,087.50	1,000.00	87.50
Copying Fees	108.50	95.50	100.00	(4.50)
Animal Control	1,500.00	700.00	850.00	(150.00)
Other Fees	50.00	75.00	-	75.00
Fines, Forfeitures and Penalties				
Fines	29,149.79	29,814.85	37,000.00	(7,185.15)
Use of Money and Property				
Interest	161,110.38	200,713.48	20,000.00	180,713.48
Civic Center Rent	3,860.00	4,080.00	2,800.00	1,280.00
Sale of Cemetery Lots	13,100.00	6,350.00	8,000.00	(1,650.00)
Farm Rent	1,600.00	4,000.00	1,500.00	2,500.00
Other Receipts				
Miscellaneous	3,922.75	1,847.52	-	1,847.52
Reimbursed Expense	6,160.94	19,910.07	10,000.00	9,910.07
Total Receipts	1,207,188.40	1,289,639.13	$ 1,069,255.00	$ 220,384.13

CITY OF GIRARD, KANSAS
GENERAL FUND
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2025
(With Comparative Actual Amounts for the Prior Year Ended December 31, 2024)

		Current Year		
	Prior Year Actual	Actual	Budget	Variance - Over (Under)
Expenditures				
General Administration				
Personal Services	$ 364,886.63	$ 401,463.21	$ 375,000.00	$ 26,463.21
Contractual Services	204,251.76	186,373.14	180,000.00	6,373.14
Commodities	13,628.12	14,585.24	25,000.00	(10,414.76)
Parks & Cemetery				
Personal Services	126,467.12	146,555.58	89,550.00	57,005.58
Contractual Services	60,046.91	43,072.04	45,000.00	(1,927.96)
Commodities	48,000.89	48,087.30	30,000.00	18,087.30
Public Works				
Personal Services	196,348.90	235,210.10	246,000.00	(10,789.90)
Contractual Services	21,841.76	19,094.29	25,000.00	(5,905.71)
Commodities	38,376.79	59,891.52	61,000.00	(1,108.48)
Cash Forward	-	-	10,000.00	(10,000.00)
Operating Transfers to:				
Capital Improvement Fund	19,188.00	26,668.00	50,000.00	(23,332.00)
Equipment Reserve Fund	34,751.00	17,668.00	50,000.00	(32,332.00)
Total Certified Budget			1,186,550.00	12,118.42
Adjustments for Qualifying Budget Credits			19,910.07	(19,910.07)
Total Expenditures	1,127,787.88	1,198,668.42	$ 1,206,460.07	$ (7,791.65)
Receipts Over(Under) Expenditures	79,400.52	90,970.71		
Unencumbered Cash, Beginning	197,003.65	276,404.17		
Unencumbered Cash, Ending	$ 276,404.17	$ 367,374.88		

CITY OF GIRARD, KANSAS
PUBLIC SAFETY FUND
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2025
(With Comparative Actual Amounts for the Prior Year Ended December 31, 2024)

		Current Year		
	Prior Year Actual	Actual	Budget	Variance - Over (Under)
Receipts				
Taxes and Shared Receipts				
Ad Valorem Property Tax	$ 219,037.64	$ 271,276.93	$ 293,808.00	$ (22,531.07)
Delinquent Tax	6,502.72	5,060.91	1,800.00	3,260.91
Motor Vehicle Tax	32,138.33	26,107.20	30,091.00	(3,983.80)
Recreational Vehicle Tax	626.68	469.08	545.00	(75.92)
16/20M Vehicle Tax	155.06	119.73	-	119.73
Commercial Vehicle Tax	3,247.39	3,016.65	2,484.00	532.65
Watercraft Tax	-	-	66.00	(66.00)
Sales Tax	119,770.66	219,016.86	200,000.00	19,016.86
Intergovernmental				
USDA Grant	-	25,000.00	-	25,000.00
Use of Money and Property				
Interest	30,001.20	106.40	-	106.40
Other Receipts				
Reimbursed Expense	57,121.16	41,636.69	42,000.00	(363.31)
Miscellaneous	2,928.32	3,239.30	-	3,239.30
Operating Transfer from				
Electric Utility Fund	552,000.00	600,000.00	600,000.00	-
Total Receipts	1,023,529.16	1,195,049.75	$ 1,170,794.00	$ 24,255.75
Expenditures				
Fire Department				
Personal Services	200,611.68	227,914.19	$ 192,282.00	$ 35,632.19
Contractual Services	33,924.63	38,163.74	40,000.00	(1,836.26)
Commodities	21,804.91	61,458.03	25,000.00	36,458.03
Capital Outlay	804.03	-	-	-
Police Department				
Personal Services	521,894.98	464,676.35	599,000.00	(134,323.65)
Contractual Services	35,337.13	87,300.03	39,710.00	47,590.03
Commodities	28,529.28	105,517.28	39,000.00	66,517.28
Cash Forward	-	-	275,000.00	(275,000.00)
Debt Service				
Lease Purchase	12,213.05	16,284.06	12,212.00	4,072.06
Operating Transfers to:				
Capital Improvement Fund	10,128.00	9,168.00	19,000.00	(9,832.00)
Equipment Reserve Fund	14,628.00	8,334.00	21,000.00	(12,666.00)
Total Expenditures	879,875.69	1,018,815.68	$ 1,262,204.00	$ (243,388.32)
Receipts Over(Under) Expenditures	143,653.47	176,234.07		
Unencumbered Cash, Beginning	29,409.76	173,063.23		
Unencumbered Cash, Ending	$ 173,063.23	$ 349,297.30		

CITY OF GIRARD, KANSAS
LIBRARY FUND
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2025
(With Comparative Actual Amounts for the Prior Year Ended December 31, 2024)

		Current Year		
	Prior Year Actual	Actual	Budget	Variance - Over (Under)
Receipts				
Taxes and Shared Receipts				
Ad Valorem Property Tax	$ 157,637.50	$ 184,494.92	$ 199,564.00	$ (15,069.08)
Delinquent Tax	4,236.68	3,647.05	-	3,647.05
Motor Vehicle Tax	21,618.83	18,962.34	21,655.00	(2,692.66)
Recreation Vehicle Tax	421.95	339.88	392.00	(52.12)
16/20M Vehicle Tax	74.67	89.13	-	89.13
Commercial Vehicle Tax	2,211.27	2,168.53	1,788.00	380.53
Watercraft Tax	-	-	48.00	(48.00)
Operating Transfer from				
Electric Utility Fund	25,403.00	7,000.00	-	7,000.00
Total Receipts	211,603.90	216,701.85	$ 223,447.00	$ (6,745.15)
Expenditures				
Culture and Recreation				
Contractual Services	1,098.00	-	$ -	$ -
Appropriations to Library Board	237,044.90	263,326.85	250,000.00	13,326.85
Operating Transfer to				
Capital Improvement Fund	-	-	15,000.00	(15,000.00)
Total Expenditures	238,142.90	263,326.85	$ 265,000.00	$ (1,673.15)
Receipts Over(Under) Expenditures	(26,539.00)	(46,625.00)		
Unencumbered Cash, Beginning	86,248.56	59,709.56		
Unencumbered Cash, Ending	$ 59,709.56	$ 13,084.56		

CITY OF GIRARD, KANSAS
TRANSPORTATION FUND
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2025
(With Comparative Actual Amounts for the Prior Year Ended December 31, 2024)

		Current Year		
	Prior Year Actual	Actual	Budget	Variance - Over (Under)
Receipts				
Taxes and Shared Receipts				
Sales Tax	$ 418,368.32	$ 438,033.76	$ 325,000.00	$ 113,033.76
Motor Fuel Tax	45,041.00	44,979.01	72,270.00	(27,290.99)
KDOT Connecting Links	67,288.56	66,807.83	81,340.00	(14,532.17)
County Fuel Tax	9,160.40	6,640.21	9,040.00	(2,399.79)
KDOT Engineer Fees	9,988.80	473,749.92	-	473,749.92
Other Receipts				
Miscellaneous	-	4,500.00	-	4,500.00
Reimbursed Expense	-	76,668.45	-	76,668.45
Total Receipts	549,847.08	1,111,379.18	$ 487,650.00	$ 623,729.18
Expenditures				
Highway and Streets				
Contractual Services	8,507.50	490.00	$ -	$ 490.00
Commodities	28,484.27	37,970.94	20,000.00	17,970.94
Capital Outlay	75,955.18	753,773.70	1,620,000.00	(866,226.30)
Operating Transfer to				
Debt Service Fund	86,014.00	84,176.00	84,176.00	-
Total Expenditures	198,960.95	876,410.64	$ 1,724,176.00	$ (847,765.36)
Receipts Over(Under) Expenditures	350,886.13	234,968.54		
Unencumbered Cash, Beginning	2,185,851.82	2,536,737.95		
Unencumbered Cash, Ending	$ 2,536,737.95	$ 2,771,706.49		

CITY OF GIRARD, KANSAS
SPECIAL PARKS AND RECREATION FUND
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2025
(With Comparative Actual Amounts for the Prior Year Ended December 31, 2024)

		Current Year		
	Prior Year Actual	Actual	Budget	Variance - Over (Under)
Receipts				
Taxes and Shared Receipts				
Local Alcoholic Liquor Tax-State	$ 958.37	$ 1,122.09	$ 2,484.00	$ (1,361.91)
Local Alcoholic Liquor Tax-County	240.00	240.00	-	240.00
Total Receipts	1,198.37	1,362.09	$ 2,484.00	$ (1,121.91)
Expenditures				
Culture and Recreation				
Capital Outlay	-	-	$ 8,000.00	$ (8,000.00)
Total Expenditures	-	-	$ 8,000.00	$ (8,000.00)
Receipts Over(Under) Expenditures	1,198.37	1,362.09		
Unencumbered Cash, Beginning	4,398.51	5,596.88		
Unencumbered Cash, Ending	$ 5,596.88	$ 6,958.97		

CITY OF GIRARD, KANSAS
CAPITAL IMPROVEMENT FUND
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2025
(With Comparative Actual Amounts for the Prior Year Ended December 31, 2024)

		Current Year		
	Prior Year Actual	Actual	Budget	Variance - Over (Under)
Receipts				
Operating Transfers from:				
General Fund	$ 19,188.00	$ 26,668.00	$ 50,000.00	$ (23,332.00)
Public Safety Fund	10,128.00	9,168.00	19,000.00	(9,832.00)
Water Utility Fund	112,500.00	125,000.00	150,000.00	(25,000.00)
Sewer Utility Fund	60,002.00	66,668.00	80,000.00	(13,332.00)
Electric Utility Fund	375,010.00	410,668.00	500,000.00	(89,332.00)
Library Fund	-	-	15,000.00	(15,000.00)
Public Golf Fund	-	-	5,000.00	(5,000.00)
Total Receipts	576,828.00	638,172.00	$ 819,000.00	$ (180,828.00)
Expenditures				
Capital Improvements				
Capital Outlay				
City Hall	73,765.59	15,899.20	$ 175,000.00	$ (159,100.80)
Fire	10,314.00	-	23,000.00	(23,000.00)
Golf Course	40,250.00	2,795.00	40,000.00	(37,205.00)
Library	-	2,813.95	15,000.00	(12,186.05)
Parks	7,492.95	2,590.00	170,000.00	(167,410.00)
Police	4,043.00	-	-	-
Public Works	-	58,158.51	41,000.00	17,158.51
Electric Utility	(7,440.46)	230,057.01	1,200,000.00	(969,942.99)
Sewer Utility	-	18,486.25	86,000.00	(67,513.75)
Water Utility	63,995.46	310,335.49	440,000.00	(129,664.51)
Total Expenditures	192,420.54	641,135.41	$ 2,190,000.00	$ (1,548,864.59)
Receipts Over(Under) Expenditures	384,407.46	(2,963.41)		
Unencumbered Cash, Beginning	1,508,776.45	1,893,183.91		
Unencumbered Cash, Ending	$ 1,893,183.91	$ 1,890,220.50		

CITY OF GIRARD, KANSAS
EQUIPMENT RESERVE FUND
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2025
(With Comparative Actual Amounts for the Prior Year Ended December 31, 2024)

		Current Year		
	Prior Year Actual	Actual	Budget	Variance - Over (Under)
Receipts				
Intergovernmental				
USDA Grant	$ -	$ 25,000.00	$ -	$ 25,000.00
Use of Money and Property				
Sale of Assets	-	23,620.00	-	23,620.00
Other Receipts				
Community Donation	-	1,600.00	-	1,600.00
Reimbursed Expense	-	91,960.00	-	91,960.00
Operating Transfers from:				
General Fund	34,751.00	17,668.00	50,000.00	(32,332.00)
Public Safety Fund	14,628.00	8,334.00	21,000.00	(12,666.00)
Water Utility Fund	37,502.00	50,000.00	50,000.00	-
Sewer Utility Fund	18,751.00	20,834.00	25,000.00	(4,166.00)
Electric Utility Fund	37,502.00	41,668.00	50,000.00	(8,332.00)
Pubic Golf Fund	-	-	5,000.00	(5,000.00)
Total Receipts	143,134.00	280,684.00	$ 201,000.00	$ 79,684.00
Expenditures				
General Government				
Capital Outlay				
City Hall	-	-	$ 58,267.00	$ (58,267.00)
Fire	50,250.62	-	54,631.00	(54,631.00)
Golf Course	1,986.16	25,668.93	36,400.00	(10,731.07)
Parks	30,169.37	5,699.00	32,152.00	(26,453.00)
Police	-	-	2,000.00	(2,000.00)
Public Works	74,029.69	-	10,029.00	(10,029.00)
Electric Utility	-	6,335.98	130,000.00	(123,664.02)
Sewer Utility	101,980.24	8,722.00	110,000.00	(101,278.00)
Water Utility	-	53,782.00	173,842.00	(120,060.00)
Total Expenditures	258,416.08	100,207.91	$ 607,321.00	$ (507,113.09)
Receipts Over(Under) Expenditures	(115,282.08)	180,476.09		
Unencumbered Cash, Beginning	594,069.60	478,787.52		
Unencumbered Cash, Ending	$ 478,787.52	$ 659,263.61		

CITY OF GIRARD, KANSAS
INDUSTRIAL LOAN AND DEVELOPMENT FUND
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2025
(With Comparative Actual Amounts for the Prior Year Ended December 31, 2024)

		Current Year		
	Prior Year Actual	Actual	Budget	Variance - Over (Under)
Receipts				
Operating Transfer from Electric Utility Fund	$ 19,045.00	$ 19,000.00	$ 19,000.00	$ -
Total Receipts	19,045.00	19,000.00	$ 19,000.00	$ -
Expenditures				
Appropriation to the Chamber of Commerce	19,992.00	20,088.00	$ 20,000.00	$ 88.00
Total Expenditures	19,992.00	20,088.00	$ 20,000.00	$ 88.00
Receipts Over(Under) Expenditures	(947.00)	(1,088.00)		
Unencumbered Cash, Beginning	5,488.02	4,541.02		
Unencumbered Cash, Ending	$ 4,541.02	$ 3,453.02		

CITY OF GIRARD, KANSAS
RAYMOND COMMUNITY HOME FUND
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2025
(With Comparative Actual Amounts for the Prior Year Ended December 31, 2024)

		Current Year		
	Prior Year Actual	Actual	Budget	Variance - Over (Under)
Receipts				
Use of Money and Property				
Interest	$ -	$ 12.60	$ -	$ 12.60
Other Receipts				
Reimbursed Expense	115.52	133.55	-	133.55
Operating Transfer from				
Electric Utility Fund	18,002.00	20,000.00	20,000.00	-
Total Receipts	18,117.52	20,146.15	$ 20,000.00	$ 146.15
Expenditures				
Culture and Recreation				
Appropriations to RCH - Maint.	1,768.66	1,630.63	$ 18,000.00	$ (16,369.37)
Appropriations to RCH - Cont.	16,211.28	18,148.75	2,000.00	16,148.75
Total Expenditures	17,979.94	19,779.38	$ 20,000.00	$ (220.62)
Receipts Over(Under) Expenditures	137.58	366.77		
Unencumbered Cash, Beginning	69.13	206.71		
Unencumbered Cash, Ending	$ 206.71	$ 573.48		

CITY OF GIRARD, KANSAS
GRANTS FUND
Schedule of Receipts and Expenditures - Actual
Regulatory Basis
For the Year Ended December 31, 2025
(With Comparative Actual Amounts for the Prior Year Ended December 31, 2024)

	Prior Year Actual	Current Year Actual
Receipts		
Intergovernmental		
ARPA Grant Proceeds	$ 395,126.00	$ -
CDBG	503,040.00	-
Department of Energy	145,605.00	-
Use of Money and Property		
Interest	62,251.38	318,742.02
Bond Proceeds	10,283,543.63	6,285,832.80
Other Receipts		
Community Foundation	4,394.00	6,000.00
Reimbursed Expense	3,106.32	45,319.43
Total Receipts	11,397,066.33	6,655,894.25
Expenditures		
Improvements/Capital Outlay		
Fire	3,078.90	973.05
Golf	14,607.00	-
Library	40,435.50	-
Parks/ Cemetery	4,394.00	134,715.00
Police	600.00	-
Public Works	6,500.00	-
Raymond Community Home	-	1,936.03
Electric Utility	13,145.40	-
Sewer Utility	3,123,723.92	-
Water Utility	340,490.95	778,829.21
Total Expenditures	3,546,975.67	916,453.29
Receipts Over(Under) Expenditures	7,850,090.66	5,739,440.96
Unencumbered Cash, Beginning	350,350.25	8,200,440.91
Unencumbered Cash, Ending	$ 8,200,440.91	$ 13,939,881.87

CITY OF GIRARD, KANSAS
DEBT SERVICE FUND
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2025
(With Comparative Actual Amounts for the Prior Year Ended December 31, 2024)

		Current Year		
	Prior Year Actual	Actual	Budget	Variance - Over (Under)
Receipts				
Taxes and Shared Receipts				
Ad Valorem Property Tax	$ 52,017.51	$ 44,403.41	$ 47,640.00	$ (3,236.59)
Delinquent Tax	806.20	916.93	-	916.93
Motor Vehicle Tax	2,674.24	5,165.48	7,146.00	(1,980.52)
Recreation Vehicle Tax	52.19	97.69	129.00	(31.31)
16/20M Vehicle Tax	10.22	10.72	-	10.72
Commercial Vehicle Tax	272.62	713.48	590.00	123.48
Watercraft Tax	-	-	16.00	(16.00)
Operating Transfers from:				
Transportation Fund	86,014.00	84,176.00	84,176.00	-
Sewer Utility Fund	188,819.00	186,119.00	186,119.00	-
Water Utility Fund	175,700.00	176,950.00	176,950.00	-
Total Receipts	506,365.98	498,552.71	$ 502,766.00	$ (4,213.29)
Expenditures				
Debt Service				
Principal	335,000.00	335,000.00	$ 335,000.00	$ -
Interest	169,882.52	160,125.02	160,095.00	30.02
Cash Forward	-	-	18,000.00	(18,000.00)
Total Expenditures	504,882.52	495,125.02	$ 513,095.00	$ (17,969.98)
Receipts Over(Under) Expenditures	1,483.46	3,427.69		
Unencumbered Cash, Beginning	4,941.66	6,425.12		
Unencumbered Cash, Ending	$ 6,425.12	$ 9,852.81		

CITY OF GIRARD, KANSAS
PUBLIC GOLF FUND
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2025
(With Comparative Actual Amounts for the Prior Year Ended December 31, 2024)

		Current Year		
	Prior Year Actual	Actual	Budget	Variance - Over (Under)
Receipts				
Operating Receipts				
Fees	$ 61,941.73	$ 59,151.34	$ 75,413.00	$ (16,261.66)
Sales	71,032.17	71,333.78	60,654.00	10,679.78
Use of Money and Property				
Cart Rentals	45,986.40	41,638.06	44,554.00	(2,915.94)
Clubhouse Rental	75.00	150.00	150.00	-
Interest	615.15	-	-	-
Shed Rental	7,000.00	8,920.00	7,490.00	1,430.00
Other Receipts				
Reimbursed Expense	3,044.33	476.76	741.00	(264.24)
Miscellaneous	800.00	58.25	-	58.25
Operating Transfer from				
Electric Utility Fund	102,502.00	110,000.00	110,000.00	-
Total Receipts	292,996.78	291,728.19	$ 299,002.00	$ (7,273.81)
Expenditures				
Culture and Recreation				
Personal Services	126,262.71	136,887.39	$ 125,000.00	$ 11,887.39
Contractual Services	116,046.67	125,390.55	135,000.00	(9,609.45)
Commodities	58,043.38	68,742.59	85,000.00	(16,257.41)
Capital Outlay	13,303.44	15,123.80	2,000.00	13,123.80
Total Certified Budget			347,000.00	(855.67)
Adjustments for Qualifying				
Budget Credits			476.76	(476.76)
Total Expenditures	313,656.20	346,144.33	$ 347,476.76	$ (1,332.43)
Receipts Over(Under) Expenditures	(20,659.42)	(54,416.14)		
Unencumbered Cash, Beginning	76,570.79	55,911.37		
Unencumbered Cash, Ending	$ 55,911.37	$ 1,495.23		

CITY OF GIRARD, KANSAS
SEWER UTILITY FUND
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2025
(With Comparative Actual Amounts for the Prior Year Ended December 31, 2024)

		Current Year		
	Prior Year Actual	Actual	Budget	Variance - Over (Under)
Receipts				
Charges for Services				
Sewer Charges	$ 501,674.69	$ 497,956.11	$ 534,561.00	$ (36,604.89)
Use of Money and Property				
Interest	615.15	-	-	-
Other Receipts				
Reimbursed Expense	2,662.78	363.24	-	363.24
Miscellaneous	584.59	-	-	-
Total Receipts	505,537.21	498,319.35	$ 534,561.00	$ (36,241.65)
Expenditures				
Collections				
Personal Services	86,261.69	103,480.73	$ 98,566.00	$ 4,914.73
Contractual Services	50,481.63	55,098.31	60,000.00	(4,901.69)
Commodities	80,326.76	59,037.49	42,000.00	17,037.49
Capital Outlay	-	-	2,000.00	(2,000.00)
Operating Transfers to:				
Debt Service Fund	188,819.00	186,119.00	186,119.00	-
Capital Improvement Fund	60,002.00	66,668.00	80,000.00	(13,332.00)
Equipment Reserve Fund	18,751.00	20,834.00	25,000.00	(4,166.00)
Total Expenditures	484,642.08	491,237.53	$ 493,685.00	$ (2,447.47)
Receipts Over(Under) Expenditures	20,895.13	7,081.82		
Unencumbered Cash, Beginning	113,434.13	134,329.26		
Unencumbered Cash, Ending	$ 134,329.26	$ 141,411.08		

CITY OF GIRARD, KANSAS
WATER UTILITY FUND
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2025
(With Comparative Actual Amounts for the Prior Year Ended December 31, 2024)

		Current Year		
	Prior Year Actual	Actual	Budget	Variance - Over (Under)
Receipts				
Charges for Services				
Water Sales	$ 1,127,016.38	$ 1,155,929.35	$ 1,042,120.00	$ 113,809.35
Use of Money and Property				
Interest	2,255.55	-	-	-
Other Receipts				
Reimbursed Expense	31,864.76	1,480.22	-	1,480.22
Miscellaneous	4,713.03	3,207.00	3,800.00	(593.00)
Total Receipts	1,165,849.72	1,160,616.57	$ 1,045,920.00	$ 114,696.57
Expenditures				
Administration				
Personal Services	152,330.56	178,773.19	$ 188,058.00	$ (9,284.81)
Contractual Services	131,293.57	112,162.68	360,000.00	(247,837.32)
Commodities	412,858.49	415,370.97	100,000.00	315,370.97
Capital Outlay	14,263.01	11,007.40	45,000.00	(33,992.60)
Operating Transfers to:				
Debt Service Fund	175,700.00	176,950.00	176,950.00	-
Capital Improvement Fund	112,500.00	125,000.00	150,000.00	(25,000.00)
Equipment Reserve Fund	37,502.00	50,000.00	50,000.00	-
Total Expenditures	1,036,447.63	1,069,264.24	$ 1,070,008.00	$ (743.76)
Receipts Over(Under) Expenditures	129,402.09	91,352.33		
Unencumbered Cash, Beginning	716,035.97	845,438.06		
Unencumbered Cash, Ending	$ 845,438.06	$ 936,790.39		

CITY OF GIRARD, KANSAS
ELECTRIC UTILITY FUND
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2025
(With Comparative Actual Amounts for the Prior Year Ended December 31, 2024)

		Current Year		
	Prior Year Actual	Actual	Budget	Variance - Over (Under)
Receipts				
Charges for Services				
Electric Charges	$ 4,181,716.90	$ 4,087,278.26	$ 4,626,500.00	$ (539,221.74)
Intergovernmental				
KDOT Grants	-	98,568.52	-	98,568.52
Use of Money and Property				
Interest	10,891.56	-	-	-
Other Receipts				
Miscellaneous	3,401.32	3,737.11	-	3,737.11
Reimbursed Expense	57,408.03	62,623.06	100,000.00	(37,376.94)
Total Receipts	4,253,417.81	4,252,206.95	$ 4,726,500.00	$ (474,293.05)
Expenditures				
Electric Production				
Personal Services	553,216.42	589,496.26	$ 597,700.00	$ (8,203.74)
Contractual Services	342,833.18	293,468.19	250,000.00	43,468.19
Commodities	2,136,765.64	2,346,802.15	2,200,000.00	146,802.15
Capital Outlay	27,722.67	94,993.45	80,000.00	14,993.45
Operating Transfers to:				
Capital Improvement Fund	375,010.00	410,668.00	500,000.00	(89,332.00)
Equipment Reserve Fund	37,502.00	41,668.00	50,000.00	(8,332.00)
Public Safety Fund	552,000.00	600,000.00	600,000.00	-
Public Golf Fund	102,502.00	110,000.00	110,000.00	-
Industrial Loan and Development Fund	19,045.00	19,000.00	19,000.00	-
Library Fund	25,403.00	7,000.00	-	7,000.00
Raymond Community Home Fund	18,002.00	20,000.00	20,000.00	-
Total Certified Budget			4,426,700.00	106,396.05
Adjustments for Qualifying Budget Credits			161,191.58	(161,191.58)
Total Expenditures	4,190,001.91	4,533,096.05	$ 4,587,891.58	$ (54,795.53)
Receipts Over(Under) Expenditures	63,415.90	(280,889.10)		
Unencumbered Cash, Beginning	1,647,441.80	1,710,857.70		
Unencumbered Cash, Ending	$ 1,710,857.70	$ 1,429,968.60		

CITY OF GIRARD, KANSAS
RAYMOND MEMORIAL PARK FUND
Schedule of Receipts and Expenditures - Actual
Regulatory Basis
For the Year Ended December 31, 2025
(With Comparative Actual Amounts for the Prior Year Ended December 31, 2024)

	Prior Year Actual	Current Year Actual
Receipts		
Use of Money and Property		
Interest	$ 16.47	$ 24.93
Total Receipts	16.47	24.93
Expenditures		
Capital Projects		
Capital Outlay	-	-
Total Expenditures	-	-
Receipts Over(Under) Expenditures	16.47	24.93
Unencumbered Cash, Beginning	6,335.50	6,351.97
Unencumbered Cash, Ending	$ 6,351.97	$ 6,376.90

CITY OF GIRARD, 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
Fire Insurance Proceeds	$ 200.00	$ 40,680.00	$ 40,847.18	$ 32.82
Land Bank	41,903.85	775.00	338.22	42,340.63
	$ 42,103.85	$ 41,455.00	$ 41,185.40	$ 42,373.45

Jarred Gilmore Phillips

June 26, 2026

Honorable Mayor and City Council
City of Girard, Kansas

We have audited the financial statement of City of Girard, Kansas for the year ended December 31, 2025. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated August 11, 2025. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Matters

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by City of Girard, Kansas are described in Note 1 to the financial statement. No new accounting policies were adopted and the application of existing policies was not changed during the year ended December 31, 2025. We noted no transactions entered into by City of Girard, Kansas during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statement in the proper period.

Accounting estimates are an integral part of the financial statement prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statement and because of the possibility that future events affecting them may differ significantly from those expected. There were no such estimates.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. The attached listing of material misstatements detected as a result of audit procedures were corrected by management.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statement or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations
We have requested certain representations from management that are included in the management representation letter dated June 26, 2026, a copy of which is attached.

Management Consultations with Other Independent Accountants
In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to City of Girard, Kansas' financial statement or a determination of the type of auditor's opinion that may be expressed on that statement, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues
We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as City of Girard, Kansas' auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters
We were engaged to report on the supplementary information as listed in the table of contents, which accompanies the financial statement but is not RSI. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with the Kansas regulatory basis of accounting, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statement. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statement or to the financial statement itself.

Restriction on Use
This information is intended solely for the information and use of the City Council and management of City of Girard, Kansas and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,

Jarred, Gilmore & Phillips, PA

JARRED, GILMORE, & PHILLIPS, PA
Certified Public Accountants