SWINDOLL JANZEN HAWK & LOYD, LLC

Certified Public Accountants

CITY OF DE SOTO, KANSAS

FINANCIAL STATEMENT
YEAR ENDED DECEMBER 31, 2025

CITY OF DE SOTO, KANSAS
FINANCIAL STATEMENT
REGULATORY BASIS
Year Ended December 31, 2025

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INDEPENDENT AUDITOR'S REPORT

Mayor and City Council
City of De Soto, 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 De Soto, 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 for Adverse and Unmodified Opinions section of our report, the accompanying financial statement referred to above does not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the City as of December 31, 2025, or changes in financial position and cash flows thereof for the year then ended.

Unmodified Opinion on Regulatory Basis of Accounting
In our opinion, the accompanying financial statement referred to above presents fairly, in all material respects, the aggregate cash and unencumbered cash balance of the City as of December 31, 2025, and the aggregate receipts and expenditures for the year then ended in accordance with the financial reporting provisions of the *Kansas Municipal Audit and Accounting Guide* described in Note 2.

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 2 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 2 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 2; 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 within one year after the date that the financial statement is issued or available to be issued.

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 (the financial statement) as a whole. The schedules listed under supplementary information in the accompanying table of contents are presented for purposes of additional analysis and are not a required part of the 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 financial statement. The information has been subjected to the auditing procedures applied in the audit of the financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statement or to the 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 financial statement as a whole, on the basis of accounting described in Note 2.

Swindoll, Janzen, Hawk & Loyd, LLC

May 12, 2026
Topeka, Kansas

CITY OF DE SOTO, KANSAS
SUMMARY STATEMENT OF RECEIPTS, EXPENDITURES, AND UNENCUMBERED CASH - REGULATORY BASIS
Year Ended December 31, 2025

Funds	Beginning Unencumbered Cash Balance	Prior Year Cancelled Encumbrances	Receipts	Expenditures	Ending Unencumbered Cash Balance	Add Outstanding Encumbrances and Accounts Payable	Ending Cash Balance
General fund	$ 8,494,363	$ -	$ 10,550,039	$ 11,332,649	$ 7,711,753	$ 75,874	$ 7,787,627
Special purpose funds:							
Law enforcement	48,708	-	984,579	969,784	63,503	242,710	306,213
Special highway	24,076	-	177,490	185,000	16,566	-	16,566
Special parks and recreation	146,316	-	74,299	68,273	152,342	-	152,342
Transient guest tax	56,125	-	53,384	65,000	44,509	-	44,509
Sponsorship	40,001	-	4,792	-	44,793	-	44,793
Water development fee	190,798	-	54,150	55,798	189,150	-	189,150
Sewer development fee	29,421	-	57,000	41,887	44,534	-	44,534
Electric utility investment	1,800,571	-	377,158	355,147	1,822,582	-	1,822,582
Enhancement community fountain	36	-	-	36	-	-	-
Commerce Drive (Harps) tax increment	62,993	-	245,249	244,505	63,737	-	63,737
2019 Commerce Drive (Hike) TIF	273	-	126,649	126,649	273	-	273
Panasonic TIF	1,317	-	3,282,185	2,550,432	733,070	-	733,070
CDBG	-	-	85,342	85,342	-	-	-
KDOT/Astra Road Construction Escrow fund	-	-	18,017,904	-	18,017,904	-	18,017,904
Community center building maintenance	34,002	-	40,000	17,456	56,546	-	56,546
Aquatic center maintenance	7,048	-	30,000	15,011	22,037	-	22,037
Technology	46,317	-	177,000	147,311	76,006	816	76,822
Public art	9,097	-	25,000	20,891	13,206	-	13,206
Property tax relief	646	-	24,998	24,998	646	660	1,306
Park maintenance	24,091	-	35,000	15,150	43,941	-	43,941
Bond and interest fund	2,342,621	-	2,361,849	2,055,034	2,649,436	-	2,649,436
Capital project fund:							
Capital improvements	56,176,959	-	9,844,040	46,169,771	19,851,228	588,902	20,440,130
Business funds:							
Water system	530,672	-	2,856,814	3,031,113	356,373	31,897	388,270
Sewer system	299,425	-	893,807	988,860	204,372	32,898	237,270
Refuse system	73,757	-	696,584	671,538	98,803	-	98,803
Shop	541	-	163,301	157,902	5,940	4,808	10,748
Trust fund:							
Shughart trust	21,193	-	637	-	21,830	-	21,830
Total reporting entity (excluding agency fund)	$ 70,461,367	$ -	$ 51,239,250	$ 69,395,537	$ 52,305,080	$ 978,565	$ 53,283,645

Composition of cash	
Great American Bank:	
Checking accounts	$ (2,597,671)
ICS (insured cash sweep)	3,373,262
Savings	2,502,160
Certificates of deposit	20,000
Tri-Century Bank:	
Checking accounts	54,630
ICS (insured cash sweep)	7,602,709
Certificates of deposit	1,747,735
Schwab:	
Panasonic	6,224,813
Panasonic TIF	45,927
Capital bonds	16,479,083
Economic development escrow	6,779
KDOT	18,017,904
Kansas Municipal Investment Pool	15
Total cash	53,477,346
Agency funds per Schedule 4	(193,701)
Total reporting entity (excluding agency fund)	$ 53,283,645

See accompanying notes to financial statement.

1 - Municipal Financial Reporting Entity

The City of De Soto, Kansas (the City) is a municipal corporation governed by a mayor and five-member council. The financial statement presents the City as the primary government. The City has no related municipal entities.

2 - Summary of Significant Accounting Policies

(a) 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 revenues 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.

(b) 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 regulatory basis fund types comprise the financial activities of the City for the year ended December 31, 2025:

General Fund is used to account for the general operations of the City and is used to account for all unrestricted resources except those required to be accounted for in other funds.

Special Purpose Funds are used to account for the proceeds of specific tax levies and other specific revenue sources (other than major capital projects and tax levies for long-term debt) that are intended for specified purposes.

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

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

Business Funds are financed in whole or in part by fees charged to users of the goods or services.

Trust Funds are used to report assets held in trust for the benefit of the City.

Agency Funds are used to report assets held by the City in a purely custodial capacity.

(c) Budgetary Information

Kansas statutes require that an annual operating budget be legally adopted for the general fund, special purpose funds (unless specifically exempted by statute), the bond and interest fund, 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 adoption of the final budget is adjusted to on or before September 20th. The City held a revenue neutral rate hearing for the year ended December 31, 2025.

The statutes allow for the governing body to increase the originally adopted budget for previously unbudgeted increases in revenue other than ad valorem property taxes. To do this, a notice of public hearing to amend the budget must be published in the local newspaper. At least ten days after publication, the hearing may be held, and the governing body may amend the budget at that time. The City had no budget amendments for the year ended December 31, 2025.

The statutes permit transferring budgeted amounts between line items within an individual fund. However, such statutes prohibit expenditures in excess of the total amount of the adopted budget of expenditures of individual funds. Budget comparison statements are presented for each budgeted 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 revenues are recognized when cash is received and expenditures include disbursements, accounts payable, and encumbrances. Encumbrances are commitments by the municipality for future payments and are supported by a document evidencing the commitment, such as a purchase order or contract. Any unused budgeted expenditure authority lapses at year-end.

A legal operating budget is not required for capital project funds, trust funds, agency funds, the Shop Fund, or the following special purpose funds: Electric Utility Investment, Enhancement Community Fountain, Commerce Drive (Harps) Tax Increment, Panasonic TIF, 2019 Commerce Drive (Hike) TIF, CDBG, and KDOT/Astra Road Construction Escrow.

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

(d) Annual Personal and Sick Leave Benefits

Under the terms of the City's personnel policy, City employees are granted annual personal and sick leave in varying amounts.

Full-time employees accrue vacation each year at the following rates:

One to four years of service	10 days
Five to nine years of service	15 days
10 to 14 years of service	20 days
15 to 19 years of service	25 days
20 or more years of service	30 days

Employees cannot carry over more than one half of the annual entitlement for the year in which it was earned. Upon termination or resignation, employees are compensated for unused vacation time, up to a maximum of the yearly amount of vacation time earned.

(e) Inventories and Prepaid Expenses

Inventories and prepaid expenses which benefit future periods are recorded as an expenditure during the year of purchase.

(f) Use of Estimates

The preparation of the financial statement in compliance with the regulatory basis requires management to make estimates and assumptions that affect the reported amounts of encumbrances at the date of the financial statement and the reported amounts of expenditures during the reporting period. Actual results could differ from those estimates.

3 - Deposits and Investments

K.S.A. 9-1401 establishes the depositories which may be used by the City. The statute requires banks eligible to hold the City's funds have a main 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.

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 (KMIP). The City has no investment policy that would further limit its investment choices.

The City may invest bond proceeds pursuant to K.S.A. 10-131. This statute allows additional investment authority beyond that of K.S.A. 12-1675. Investments of bond proceeds may follow K.S.A. 12-1675 or include

other investments such as the KMIP, direct obligations of the U.S. government or any agency thereof, and various other investments as specified in K.S.A. 10-131.

At December 31, 2025, the City had the following investments and maturities:

Investment Type	Cost	Investment Maturities (in Years) Less than a year
Kansas Municipal Investment Pool	$ 15	$ 15
U.S. Treasury Money Fund	40,634,869	40,634,869
Total investments	$ 40,634,884	$ 40,634,884

Concentration of credit risk. State statutes place no limit on the amount the City may invest in any one issuer as long as the investments are adequately secured under K.S.A. 9-1402 and 9-1405. The City's allocation of investments as of December 31, 2025 was as follows:

Investment Type	Percentage of Investments
Kansas Municipal Investment Pool	0.00%
U.S. Treasury Money Fund	100.00%

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. Kansas 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.

At December 31, 2025, the City's carrying amount of deposits was $ 12,842,462, and the bank balance was $ 16,016,512. The City's deposits were held by three banks resulting in a concentration of credit risk. Of the City's bank balance, $ 9,794,714 was covered by federal depository insurance, and the remaining $ 6,221,798 was collateralized with securities held by the pledging financial institutions' agents in the City's name.

Custodial credit risk – investments. For an investment, this is the risk that, in the event of the failure of the issuer or counterparty, the City 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. At December 31, 2025, the City's investments were not exposed to custodial credit risk.

At December 31, 2025, the City had invested $ 15 in the State's municipal investment pool (KMIP). KMIP is under the oversight of the Pooled Money Investment Board. The board is comprised of the State Treasurer and four additional members appointed by the State Governor. The board reports annually to the Kansas legislature. State pooled monies may be invested in direct obligations of, or obligations that are insured as to principal and interest by the U.S. government or any agency thereof, with maturities up to four years. No more than ten percent of those funds may be invested in mortgage-backed securities. In addition, the State pool may invest in repurchase agreements with Kansas banks or with primary government securities dealers.

4 - 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 Annual Comprehensive Financial Report which can be found on the KPERS website www.kpers.org or by writing to KPERS (611 South Kansas Avenue, Suite 100, Topeka, Kansas 66603) or by calling 1-888-275-5737.

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

State law provides that the employer contribution rates for KPERS 1, KPERS 2, and KPERS 3 be determined based on the results of each annual actuarial valuation. Kansas law sets a limitation on annual increases in the employer contribution rates. The actuarially determined employer contribution rate (not including the 1% contribution rate for the Death and Disability Program) and the statutory contribution rate was 9.71% for the fiscal year ended December 31, 2025. Contributions to the pension plan from the City were $ 519,869 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 $ 3,310,615. 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.kpers.org or can be obtained as described above.

5 - Long-Term Debt

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

Issue	Interest Rates	Date of Issue	Date of Final Maturity	Original Amount Issued	Balance Beginning of Year	Additions	Reductions/ Payments	Balance End of Year	Interest Paid
General obligation bonds:									
Series 2015-A	2.00% - 4.00%	07/24/15	09/01/45	$ 9,635,000	$ 5,605,000	$ -	$ 490,000	$ 5,115,000	$ 185,588
Series 2015-B	0.85% - 4.00%	07/31/15	09/01/35	1,765,000	1,060,000	-	85,000	975,000	36,225
Series 2017-A	2.50% - 3.50%	09/28/17	09/01/39	2,285,000	1,705,000	-	115,000	1,590,000	53,512
Series 2019-A	3.00% - 4.00%	04/11/19	09/01/39	945,000	760,000	-	40,000	720,000	23,600
Series 2019-B	3.00% - 4.00%	06/27/19	09/01/39	975,000	795,000	-	40,000	755,000	24,700
Series 2021-A	2.00%	07/22/21	09/01/43	7,015,000	5,615,000	-	325,000	5,290,000	112,300
Series 2022-A	4.00% - 5.00%	12/15/22	09/01/52	13,375,000	6,590,000	-	-	6,590,000	276,669
Series 2022-B	4.00%	12/15/22	09/01/44	2,400,000	2,400,000	-	-	2,400,000	96,000
Series 2023-A	3.70%	07/26/23	09/01/33	1,220,000	1,120,000	-	110,000	1,010,000	41,440
Series 2025-A	4.00% - 4.25%	12/04/25	09/01/52	6,890,000	-	6,890,000	-	6,890,000	-
Total general obligation bonds					25,650,000	6,890,000	1,205,000	31,335,000	850,034
Finance leases:									
2022 LP SD Trailer LP800	0.00%	3/1/2022	3/1/2027	84,985	36,828	-	16,997	19,831	-
2023 F-150 Lightning	0.00%	12/27/23	12/31/28	57,830	46,264	-	11,566	34,698	-
2023 Chevy Silverado	0.00%	08/01/23	07/30/28	52,840	38,749	-	10,568	28,181	-
2023 John Deere Loader	0.00%	02/23/28	02/23/28	136,837	82,103	-	27,367	54,736	-
2023 Chevy Silverado 3500 Flatbed Truck	0.00%	03/27/23	03/27/28	62,129	40,384	-	12,426	27,958	-
2023 Bobcat E42 Mini Excavator	0.00%	05/01/23	05/01/28	65,039	43,359	-	13,008	30,351	-
2023 Chevy Silverado 2500	0.00%	08/29/23	08/28/28	64,574	47,354	-	12,915	34,439	-
2023 Silverado 3500HD Chassis	0.00%	06/20/23	06/19/28	75,683	51,718	-	15,136	36,582	-
2023 Bobcat Skid Steer	0.00%	08/15/23	08/15/26	54,562	28,797	-	18,187	10,610	-
2023 Kubota RTV	0.00%	07/01/23	07/07/27	25,099	16,210	-	6,275	9,935	-
2025 Chevy Travers	0.00%	08/30/25	08/30/25	37,981	35,449	-	2,532	32,917	-
2024 Case Compaction	0.00%	07/15/24	07/15/29	74,178	59,342	-	14,835	44,507	-
2024 Kubota Tractor	0.00%	04/05/24	04/05/28	31,850	25,878	-	5,972	19,906	-
2024 Kubota Mower	0.00%	11/18/24	11/18/27	12,964	12,244	-	4,321	7,923	-
2024 John Deere Backhoe Loader	5.85%	04/29/24	05/29/29	183,962	153,293	-	30,669	122,624	-
2023 Case Forklift	0.00%	06/10/24	06/10/29	55,510	44,408	-	11,102	33,306	-
2025 Chevy Silverado	0.00%	01/01/25	01/01/30	53,205	-	53,205	10,641	42,564	-
2025 Chevy Silverado	0.00%	02/15/25	02/15/30	48,500	-	48,500	8,488	40,012	-
2025 Chevy Silverado	0.00%	06/05/25	06/05/30	66,480	-	66,480	20,528	45,952	-
2025 Chevy Silverado	0.00%	02/15/25	02/15/30	47,950	-	47,950	9,350	38,600	-
2025 Kubota Front Loader Tractor	0.00%	06/18/25	06/18/29	21,280	-	21,280	2,882	18,398	-
2025 Chevy Silverado	0.00%	02/15/25	02/15/30	48,500	-	48,500	8,084	40,416	-
2025 Chevy Silverado	0.00%	02/15/25	02/15/30	49,592	-	49,592	8,265	41,327	-
2025 Chevy Silverado	0.00%	07/30/25	07/30/30	48,500	-	48,500	8,084	40,416	-
2025 Chevy Silverado	0.00%	01/01/25	01/01/30	64,500	-	64,500	5,377	59,123	-
2025 Chevy Traverse	0.00%	01/01/25	01/01/30	42,200	-	42,200	8,440	33,760	-
Budgeting Software	0.00%	07/14/23	07/13/28	142,503	85,153	-	27,011	58,142	-
Total finance leases					847,533	490,707	331,026	1,007,214	-
Total contractual indebtedness					$ 26,497,533	$ 7,380,707	$ 1,536,026	$ 32,342,214	$ 850,034

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

	2026	2027	2028	2029	2030	2031-2035	2036-2040	2041-2045	2046-2050	2051-2055	Total
General obligation bonds:											
Principal:											
Series 2015-A	$ 495,000	$ 505,000	$ 510,000	$ 515,000	$ 520,000	$ 1,125,000	$ 655,000	$ 790,000	$ -	$ -	$ 5,115,000
Series 2015-B	90,000	90,000	95,000	100,000	100,000	500,000	-	-	-	-	975,000
Series 2017-A	180,000	185,000	190,000	195,000	200,000	330,000	310,000	-	-	-	1,590,000
Series 2019-A	40,000	45,000	45,000	45,000	50,000	260,000	235,000	-	-	-	720,000
Series 2019-B	45,000	45,000	45,000	50,000	50,000	270,000	250,000	-	-	-	755,000
Series 2021-A	255,000	230,000	205,000	165,000	175,000	2,545,000	1,575,000	140,000	-	-	5,290,000
Series 2022-A	-	-	-	-	-	-	-	995,000	3,830,000	1,765,000	6,590,000
Series 2022-B	-	-	-	-	-	-	490,000	1,910,000	-	-	2,400,000
Series 2023-A	110,000	110,000	120,000	125,000	130,000	415,000	-	-	-	-	1,010,000
Series 2025-A	-	-	-	-	-	430,000	2,080,000	1,800,000	1,965,000	615,000	6,890,000
Total principal	1,215,000	1,210,000	1,210,000	1,195,000	1,225,000	5,875,000	5,595,000	5,635,000	5,795,000	2,380,000	31,335,000
Interest:											
Series 2015-A	170,888	156,038	140,888	125,588	110,138	340,515	227,782	94,357	-	-	1,366,194
Series 2015-B	33,675	30,975	28,275	25,425	22,425	56,775	-	-	-	-	197,550
Series 2017-A	50,062	45,562	40,938	35,238	28,900	90,302	27,476	-	-	-	318,478
Series 2019-A	22,000	20,400	19,050	17,700	16,350	59,100	17,850	-	-	-	172,450
Series 2019-B	23,100	21,300	19,950	18,600	17,100	62,100	19,050	-	-	-	181,200
Series 2021-A	105,800	100,700	96,100	92,000	88,700	343,600	84,600	5,600	-	-	917,100
Series 2022-A	276,669	276,669	276,669	276,669	276,669	1,383,344	1,383,344	1,370,744	887,437	125,681	6,533,895
Series 2022-B	96,000	96,000	96,000	96,000	96,000	480,000	474,600	197,400	-	-	1,632,000
Series 2023-A	37,370	33,300	29,230	24,790	20,165	31,080	-	-	-	-	175,935
Series 2025-A	205,567	277,169	277,169	277,169	277,169	1,378,045	1,159,245	709,645	357,245	38,276	4,956,699
Total interest	1,021,131	1,058,113	1,024,269	989,179	953,616	4,224,861	3,393,947	2,377,746	1,244,682	163,957	16,451,501
Total principal and interest	2,236,131	2,268,113	2,234,269	2,184,179	2,178,616	10,099,861	8,988,947	8,012,746	7,039,682	2,543,957	47,786,501
Finance leases:											
Principal:											
2022 LP SD Trailer LP800	16,997	2,834	-	-	-	-	-	-	-	-	19,831
2023 F-150 Lightning	11,566	11,566	11,566	-	-	-	-	-	-	-	34,698
2023 Chevy Silverado	10,568	10,568	7,045	-	-	-	-	-	-	-	28,181
2023 John Deere Loader	27,368	27,368	-	-	-	-	-	-	-	-	54,736
2023 Chevy Silverado 3500 Flatbed Truck	12,426	12,426	3,106	-	-	-	-	-	-	-	27,958
2023 Bobcat E42 Mini Excavator	13,008	13,008	4,335	-	-	-	-	-	-	-	30,351
2023 Chevy Silverado 2500	12,915	12,915	8,609	-	-	-	-	-	-	-	34,439
2023 Silverado 3500HD Chassis	15,136	15,136	6,310	-	-	-	-	-	-	-	36,582
2023 Bobcat Skid Steer	10,610	-	-	-	-	-	-	-	-	-	10,610
2023 Kubota RTV	6,275	3,660	-	-	-	-	-	-	-	-	9,935
2025 Chevy Traverse	7,596	7,596	7,596	7,596	2,533	-	-	-	-	-	32,917
2024 Case Compaction	14,836	14,836	14,835	-	-	-	-	-	-	-	44,507
2024 Kubota Tractor	7,963	7,963	3,980	-	-	-	-	-	-	-	19,906
2024 Kubota Mower	4,321	3,602	-	-	-	-	-	-	-	-	7,923
2024 John Deere Backhoe Loader	22,746	24,113	25,562	50,203	-	-	-	-	-	-	122,624
2023 Case Forklift	11,102	11,102	11,102	-	-	-	-	-	-	-	33,306
2025 Chevy Silverado	10,641	10,641	10,641	10,641	-	-	-	-	-	-	42,564
2025 Chevy Silverado	9,700	9,700	9,700	9,700	1,212	-	-	-	-	-	40,012
2025 Chevy Silverado	13,296	13,296	13,296	6,064	-	-	-	-	-	-	45,952
2025 Chevy Silverado	9,590	9,590	9,590	9,550	280	-	-	-	-	-	38,600
2025 Kubota Front Loader Tractor	5,320	5,320	5,320	2,438	-	-	-	-	-	-	18,398
2025 Chevy Silverado	9,700	9,700	9,700	9,700	1,616	-	-	-	-	-	40,416
2025 Chevy Silverado	9,918	9,918	9,918	9,918	1,655	-	-	-	-	-	41,327
2025 Chevy Silverado	9,700	9,700	9,700	9,700	1,616	-	-	-	-	-	40,416
2025 Chevy Silverado	12,900	12,900	12,900	12,900	7,523	-	-	-	-	-	59,123
2025 Chevy Traverse	8,440	8,440	8,440	8,440	-	-	-	-	-	-	33,760
Budgeting Software	28,362	29,780	-	-	-	-	-	-	-	-	58,142
Total principal	333,000	307,678	203,251	146,850	16,435	-	-	-	-	-	1,007,214
Interest:											
2024 John Deere Backhoe Loader	7,923	6,557	5,107	3,571	-	-	-	-	-	-	23,158
Total principal and interest	340,923	314,235	208,358	150,421	16,435	-	-	-	-	-	1,030,372
Total contractual indebtedness	$ 2,577,054	$ 2,582,348	$ 2,442,627	$ 2,334,600	$ 2,195,051	$ 10,099,861	$ 8,988,947	$ 8,012,746	$ 7,039,682	$ 2,543,957	$ 48,816,873

Defeased Debt

During the year ended December 31, 2023, the City defeased certain general obligation bonds by placing the proceeds of funds provided by Panasonic pursuant to a development funding agreement in an irrevocable trust to provide for future debt service payments on the Series 2022-A bonds. Accordingly, the trust accounts assets are not included in the City's financial statement and the outstanding balance disclosed in the notes to the financial statement is adjusted for the amount defeased. At December 31, 2025, $ 6,785,000 of the bonds that are considered defeased remain outstanding.

Conduit Debt

Tax Increment Revenue Bonds

During the year ended December 31, 2018, the City issued $ 2,161,559 in Series 2018 special obligation tax increment revenue bonds for the Commerce Drive Project. This redevelopment project supports the development of a commercial grocery store site on land in the Commerce Drive TIF District.

This debt is to be paid solely from incremental property tax revenues generated by the private development of the Commerce Drive TIF District. The following is a description of the outstanding special obligation bond as of December 31, 2025:

Bond Issue	Interest Rate	Date	Original Issue Amount	Final	Outstanding Balance
Series 2018 (Commerce Drive Project)	5.00%	2/16/2018	$ 2,161,559	12/30/2036	$ 1,121,559

Industrial Revenue Bonds

The City has issued industrial revenue bonds to provide financial assistance to private sector entities for the acquisition and construction of industrial and commercial facilities deemed to be in the public interest. The bonds are secured by the property financed and are payable solely from payments received on the underlying mortgage loans. Upon repayment of the bonds, ownership of the acquired facilities transfers to the private sector entity served by the bond issuance. Neither the City, the State of Kansas, nor any political subdivision thereof is obligated in any manner for the repayment of the bonds. As of December 31, 2025, there were 19 series of industrial revenue bonds outstanding with an aggregate principal amount payable of $ 249,664,213.

6 - Interfund Transfers

A reconciliation of transfers by fund for the year ending December 31, 2025 is as follows:

From	To	Regulatory Authority	Amount
General	Law Enforcement	KSA 12-1118	$ 40,000
General	Community Center Building Maintenance	KSA 12-1118	40,000
General	Aquatic Center Maintenance	KSA 12-1118	30,000
General	Technology	KSA 12-1118	143,000
General	Public Art	KSA 12-1118	25,000
General	Property Tax Relief	KSA 12-1118	24,998
General	Park Maintenance	KSA 12-1118	35,000
General	Capital Improvements	KSA 12-1118	2,000,000
Special Highway	Bond and Interest	Bond Ordinance 2168	35,000
Special Highway	Capital Improvements	KSA 12-1118	150,000
Special Parks and Recreation	Capital Improvements	KSA 12-1118	50,000
Water Development Fee	Bond and Interest	KSA 12-825d	20,000
Electric Utility Investment	Capital Improvements	KSA 79-2934	85,165
CDBG	Capital Improvements	KSA 12-1118	85,342
Capital Improvements	Bond and Interest	KSA 12-1118	35,000
Capital Improvements	Water System	KSA 12-825d	163
Water System	General	KSA 12-825d	150,000
Water System	Water Development Fee	KSA 12-1118	45,000
Water System	Technology	KSA 12-1118	20,500
Water System	Bond and Interest	KSA 12-825d	100,000
Water System	Sewer System	KSA 12-825d	30,000
Sewer System	Sewer Development Fee	KSA 12-1118	45,000
Sewer System	Technology	KSA 12-1118	13,500

7 - Other Long-Term Obligations

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 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 Reimbursement 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.

Deferred Compensation Plan

The City sponsors a deferred compensation plan under Internal Revenue Code Section 457(b). Permanent and part-time employees are eligible to participate under the 457(b) plan. The employee is responsible for the amount of deferred compensation to be contributed. The City is not required to make any contributions for the plan except as outlined in employment contracts.

8 - Capital Projects

Capital project authorizations with approved change orders compared with expenditures from inception are as follows:

Project Name	Project Authorization	Expenditures to Date
Water Treatment Plant Upgrades	$ 52,574,101	$ 48,867,390
Wastewater Treatment Plant Upgrades	52,891,182	38,296,844
Water Tower Construction	7,251,929	5,841,342
City Hall Remodel	4,336,595	3,697,927
Wells Project	3,913,892	3,913,892
83rd Street Bridge	400,023	359,568
95th Street Sewer Benefit District	427,364	46,201
5-Mile Sewer	32,800	7,213
89th St SMAC Project	56,500	55,623
CDBG - Lexington Trail	57,051	22,500

9 - Lease Agreement

The City continues to operate the water treatment plant at the former Sunflower Army Ammunition Plant, now owned by private developer Sunflower Redevelopment, LLC. The City's use is pursuant to a perpetual lease agreement dated July 29, 2005. Pursuant to a Real Estate Transfer Agreement dated July 29, 2005 between the City and Sunflower Redevelopment, LLC, the City will receive fee title interest to the treatment plant as soon as the land receives a CERCLA Covenant pursuant to 42 U.S.C. § 9620(h)(3)(A)(ii). The City initiated improvements to the water treatment plant site in 2010; the improvements included a back-up electrical generator, the installation of new electrical service to the plant, and a new water main leading from the plant to the City's distribution system. Construction was completed in 2011. The City, in conjunction with the City of Baldwin, the City of Wellsville, and the Douglas County Rural Water District #4, completed a broader water facilities study in 2012. The study evaluated the concept and costs of creating a regional wholesale water

supply district. Proceeding with the creation of a regional wholesale water supply district does not appear feasible at the present time due to the City of Baldwin deciding not to participate.

10 - Interfund Balances

The Electric Utility Investment Fund has advanced money to the General Fund and Water System Fund for the purchase of equipment in the amount of $ 496,174. During the year ended December 31, 2025, the General Fund and Water System Fund paid the Electric Utility Investment Fund $ 134,276 and $ 69,292, respectively, for repayment of the advances. The balance of the advances remaining at December 31, 2025 was $ 511,096.

11 - 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 statement as of December 31, 2025.

12 - 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; injuries to employees; and natural disasters for which it carries commercial insurance. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years. There have not been significant reductions in coverage from prior years.

SUPPLEMENTARY INFORMATION

Schedule 1

CITY OF DE SOTO, KANSAS
SUMMARY OF EXPENDITURES - BUDGET AND ACTUAL
REGULATORY BASIS
(BUDGETED FUNDS ONLY)
Year Ended December 31, 2025

Fund	Certified Budget	Adjustments for Qualifying Budget Credits	Total Budget for Comparison	Expenditures Chargeable to Current Year	Variance Over (Under)
General fund	$ 14,514,218	$ -	$ 14,514,218	$ 11,332,649	$ (3,181,569)
Special purpose funds:					
Law enforcement	1,258,980	-	1,258,980	969,784	(289,196)
Special highway	185,000	-	185,000	185,000	-
Special parks and recreation	70,000	-	70,000	68,273	(1,727)
Transient guest tax	69,000	-	69,000	65,000	(4,000)
Sponsorship	11,000	-	11,000	-	(11,000)
Water development fee	70,000	-	70,000	55,798	(14,202)
Sewer development fee	96,000	-	96,000	41,887	(54,113)
Community center building maintenance	45,000	-	45,000	17,456	(27,544)
Aquatic center maintenance	30,000	-	30,000	15,011	(14,989)
Technology	185,300	-	185,300	147,311	(37,989)
Public art	25,000	-	25,000	20,891	(4,109)
Property tax relief	25,000	-	25,000	24,998	(2)
Park maintenance	40,000	-	40,000	15,150	(24,850)
Bond and interest fund	3,912,689	-	3,912,689	2,055,034	(1,857,655)
Business funds:					
Water system	3,606,817	-	3,606,817	3,031,113	(575,704)
Sewer system	1,275,520	-	1,275,520	988,860	(286,660)
Refuse system	727,000	-	727,000	671,538	(55,462)
Totals	$ 26,146,524	$ -	$ 26,146,524	$ 19,705,753	

CITY OF DE SOTO, KANSAS
GENERAL FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - BUDGET AND ACTUAL
REGULATORY BASIS
Year Ended December 31, 2025

	Original and Final Budget	Actual	Variance Over (Under)
Receipts and transfers:			
Property taxes	$ 1,289,945	$ 1,053,946	$ (235,999)
Sales and use taxes	2,904,000	3,708,100	804,100
Licenses and permits	769,000	1,375,768	606,768
Franchise fee	2,057,770	1,266,920	(790,850)
Astra CID payment	50,000	103,020	53,020
Charges for services	200,000	200,797	797
Use of money and property	89,000	73,853	(15,147)
Fines and fees	245,000	409,198	164,198
Miscellaneous	12,500	86,088	73,588
Interest income	1,500,000	2,122,349	622,349
Transfers in	150,000	150,000	-
Total receipts and transfers	$ 9,267,215	10,550,039	$ 1,282,824
Expenditures, encumbrances, and transfers:			
Personal services	$ 4,069,668	4,208,066	$ 138,398
Contractual services	3,123,210	2,830,408	(292,802)
Commodities	627,945	711,781	83,836
Capital outlay	1,147,945	1,110,120	(37,825)
Electric utility loan repayment	-	134,276	134,276
Miscellaneous	1,450,000	-	(1,450,000)
Reserve	1,586,600	-	(1,586,600)
Transfers out	2,508,850	2,337,998	(170,852)
Total expenditures, encumbrances, and transfers	$ 14,514,218	11,332,649	$ (3,181,569)
Receipts and transfers under expenditures, encumbrances, and transfers		(782,610)	
Unencumbered cash, beginning		8,494,363	
Unencumbered cash, ending		$ 7,711,753	

(Continued)

CITY OF DE SOTO, KANSAS
LAW ENFORCEMENT FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - BUDGET AND ACTUAL
REGULATORY BASIS
(Continued)
Year Ended December 31, 2025

	Original and Final Budget	Actual	Variance Over (Under)
Receipts and transfers:			
Property taxes	$ 1,042,224	$ 841,559	$ (200,665)
Astra CID payment	50,000	103,020	53,020
Transfers in	40,000	40,000	-
Total receipts and transfers	$ 1,132,224	984,579	$ (147,645)
Expenditures, encumbrances, and transfers:			
Contractual services	$ 966,840	969,784	$ 2,944
Contingency	4,000	-	(4,000)
Miscellaneous	120,000	-	(120,000)
Reserve	23,300	-	(23,300)
Transfers out	144,840	-	(144,840)
Total expenditures, encumbrances, and transfers	$ 1,258,980	969,784	$ (289,196)
Receipts and transfers over expenditures, encumbrances, and transfers		14,795	
Unencumbered cash, beginning		48,708	
Unencumbered cash, ending		$ 63,503	

(Continued)

CITY OF DE SOTO, KANSAS
SPECIAL HIGHWAY FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - BUDGET AND ACTUAL
REGULATORY BASIS
(Continued)
Year Ended December 31, 2025

	Original and Final Budget	Actual	Variance Over (Under)
Receipts:			
Intergovernmental	$ 176,200	$ 177,490	$ 1,290
Transfers:			
Transfers out	$ 185,000	185,000	$ -
Receipts under transfers		(7,510)	
Unencumbered cash, beginning		24,076	
Unencumbered cash, ending		$ 16,566	

(Continued)

CITY OF DE SOTO, KANSAS
SPECIAL PARKS AND RECREATION FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - BUDGET AND ACTUAL
REGULATORY BASIS
(Continued)
Year Ended December 31, 2025

	Original and Final Budget	Actual	Variance Over (Under)
Receipts:			
Intergovernmental	$ 33,000	$ 44,742	$ 11,742
Charges for services	25,000	29,557	4,557
Total receipts	$ 58,000	74,299	$ 16,299
Expenditures and transfers:			
Contractual services	$ 20,000	18,273	$ (1,727)
Transfers out	50,000	50,000	-
Total expenditures and transfers	$ 70,000	68,273	$ (1,727)
Receipts over expenditures and transfers		6,026	
Unencumbered cash, beginning		146,316	
Unencumbered cash, ending		$ 152,342	

(Continued)

CITY OF DE SOTO, KANSAS
TRANSIENT GUEST TAX FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - BUDGET AND ACTUAL
REGULATORY BASIS
(Continued)
Year Ended December 31, 2025

	Original and Final Budget	Actual	Variance Over (Under)
Receipts:			
Transient guest taxes	$ 35,000	$ 53,384	$ 18,384
Expenditures:			
Contractual services	$ 69,000	65,000	$ (4,000)
Receipts under expenditures		(11,616)	
Unencumbered cash, beginning		56,125	
Unencumbered cash, ending		$ 44,509	

(Continued)

CITY OF DE SOTO, KANSAS
SPONSORSHIP FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - BUDGET AND ACTUAL
REGULATORY BASIS
(Continued)
Year Ended December 31, 2025

	Original and Final Budget	Actual	Variance Over (Under)
Receipts:			
Charges for services	$ 6,500	$ 4,792	$ (1,708)
Expenditures:			
Commodities	$ 11,000	-	$ (11,000)
Receipts over expenditures		4,792	
Unencumbered cash, beginning		40,001	
Unencumbered cash, ending		$ 44,793	

(Continued)

CITY OF DE SOTO, KANSAS
WATER DEVELOPMENT FEE FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - BUDGET AND ACTUAL
REGULATORY BASIS
(Continued)
Year Ended December 31, 2025

	Original and Final Budget	Actual	Variance Over (Under)
Receipts and transfers:			
Charges for services	$ 35,000	$ 9,150	$ (25,850)
Transfers in	95,000	45,000	(50,000)
Total receipts and transfers	$ 130,000	54,150	$ (75,850)
Expenditures and transfers:			
Capital outlay	$ 50,000	35,798	$ (14,202)
Transfers out	20,000	20,000	-
Total expenditures and transfers	$ 70,000	55,798	$ (14,202)
Receipts and transfers under expenditures and transfers		(1,648)	
Unencumbered cash, beginning		190,798	
Unencumbered cash, ending		$ 189,150	

(Continued)

CITY OF DE SOTO, KANSAS
SEWER DEVELOPMENT FEE FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - BUDGET AND ACTUAL
REGULATORY BASIS
(Continued)
Year Ended December 31, 2025

	Original and Final Budget	Actual	Variance Over (Under)
Receipts and transfers:			
Charges for services	$ 57,000	$ 12,000	$ (45,000)
Transfers in	45,000	45,000	-
Total receipts and transfers	$ 102,000	57,000	$ (45,000)
Expenditures and transfers:			
Capital outlay	$ 50,000	41,887	$ (8,113)
Transfers out	46,000	-	(46,000)
Total expenditures and transfers	$ 96,000	41,887	$ (54,113)
Receipts and transfers over expenditures and transfers		15,113	
Unencumbered cash, beginning		29,421	
Unencumbered cash, ending		$ 44,534	

(Continued)

CITY OF DE SOTO, KANSAS
COMMUNITY CENTER BUILDING MAINTENANCE FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - BUDGET AND ACTUAL
REGULATORY BASIS
(Continued)
Year Ended December 31, 2025

	Original and Final Budget	Actual	Variance Over (Under)
Transfers:			
Transfers in	$ 40,000	$ 40,000	$ -
Expenditures:			
Commodities	$ 45,000	-	$ (45,000)
Capital outlay	-	17,456	17,456
Total expenditures	$ 45,000	17,456	$ (27,544)
Transfers over expenditures		22,544	
Unencumbered cash, beginning		34,002	
Unencumbered cash, ending		$ 56,546	

(Continued)

CITY OF DE SOTO, KANSAS
AQUATIC CENTER MAINTENANCE FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - BUDGET AND ACTUAL
REGULATORY BASIS
(Continued)
Year Ended December 31, 2025

	Original and Final Budget	Actual	Variance Over (Under)
Transfers:			
Transfers in	$ 30,000	$ 30,000	$ -
Expenditures:			
Capital outlay	$ 30,000	15,011	$ (14,989)
Transfers over expenditures		14,989	
Unencumbered cash, beginning		7,048	
Unencumbered cash, ending		$ 22,037	

(Continued)

CITY OF DE SOTO, KANSAS
TECHNOLOGY FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - BUDGET AND ACTUAL
REGULATORY BASIS
(Continued)
Year Ended December 31, 2025

	Original and Final Budget	Actual	Variance Over (Under)
Transfers:			
Transfers in	$ 177,000	$ 177,000	$ -
Expenditures and encumbrances:			
Commodities	$ 135,600	99,421	$ (36,179)
Contractual services	49,700	47,890	(1,810)
Total expenditures and encumbrances	$ 185,300	147,311	$ (37,989)
Transfers over expenditures and encumbrances		29,689	
Unencumbered cash, beginning		46,317	
Unencumbered cash, ending		$ 76,006	

(Continued)

CITY OF DE SOTO, KANSAS
PUBLIC ART FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - BUDGET AND ACTUAL
REGULATORY BASIS
(Continued)
Year Ended December 31, 2025

	Original and Final Budget	Actual	Variance Over (Under)
Transfers:			
Transfers in	$ 25,000	$ 25,000	$ -
Expenditures:			
Contractual services	$ 25,000	20,891	$ (4,109)
Transfers over expenditures		4,109	
Unencumbered cash, beginning		9,097	
Unencumbered cash, ending		$ 13,206	

(Continued)

CITY OF DE SOTO, KANSAS
PROPERTY TAX RELIEF FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - BUDGET AND ACTUAL
REGULATORY BASIS
(Continued)
Year Ended December 31, 2025

	Original and Final Budget	Actual	Variance Over (Under)
Transfers:			
Transfers in	$ 25,000	$ 24,998	$ (2)
Expenditures and encumbrances:			
Commodities	$ 25,000	24,998	$ (2)
Transfers over expenditures and encumbrances		-	
Unencumbered cash, beginning		646	
Unencumbered cash, ending		$ 646	

(Continued)

CITY OF DE SOTO, KANSAS
PARK MAINTENANCE FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - BUDGET AND ACTUAL
REGULATORY BASIS
(Continued)
Year Ended December 31, 2025

	Original and Final Budget	Actual	Variance Over (Under)
Transfers:			
Transfers in	$ 35,000	$ 35,000	$ -
Expenditures:			
Capital outlay	$ 40,000	15,150	$ (24,850)
Transfers over expenditures		19,850	
Unencumbered cash, beginning		24,091	
Unencumbered cash, ending		$ 43,941	

(Continued)

CITY OF DE SOTO, KANSAS
BOND AND INTEREST FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - BUDGET AND ACTUAL
REGULATORY BASIS
(Continued)
Year Ended December 31, 2025

	Original and Final Budget	Actual	Variance Over (Under)
Receipts and transfers:			
Taxes	$ 1,245,469	$ 1,892,337	$ 646,868
Interest income	130,000	279,512	149,512
Special	88,222	-	(88,222)
Transfers in	541,000	190,000	(351,000)
Total receipts and transfers	$ 2,004,691	2,361,849	$ 357,158
Expenditures and transfers:			
Bond principal	$ 2,000,000	1,205,000	$ (795,000)
Interest expense	610,689	850,034	239,345
Miscellaneous	391,200	-	(391,200)
Reserve	875,100	-	(875,100)
Transfers out	35,700	-	(35,700)
Total expenditures and transfers	$ 3,912,689	2,055,034	$ (1,857,655)
Receipts and transfers over expenditures and transfers		306,815	
Unencumbered cash, beginning		2,342,621	
Unencumbered cash, ending		$ 2,649,436	

(Continued)

CITY OF DE SOTO, KANSAS
WATER SYSTEM FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - BUDGET AND ACTUAL
REGULATORY BASIS
(Continued)
Year Ended December 31, 2025

	Original and Final Budget	Actual	Variance Over (Under)
Receipts and transfers:			
Charges for services	$ 3,982,980	$ 2,856,651	$ (1,126,329)
Transfers in	-	163	163
Total receipts and transfers	$ 3,982,980	2,856,814	$ (1,126,166)
Expenditures, encumbrances, and transfers:			
Personal services	$ 1,172,111	1,032,515	$ (139,596)
Contractual services	726,168	686,983	(39,185)
Commodities	863,710	759,065	(104,645)
Capital outlay	224,328	137,758	(86,570)
Electric utility loan repayment	-	69,292	69,292
Transfers out	620,500	345,500	(275,000)
Total expenditures, encumbrances, and transfers	$ 3,606,817	3,031,113	$ (575,704)
Receipts and transfers under expenditures, encumbrances, and transfers		(174,299)	
Unencumbered cash, beginning		530,672	
Unencumbered cash, ending		$ 356,373	

(Continued)

CITY OF DE SOTO, KANSAS
SEWER SYSTEM FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - BUDGET AND ACTUAL
REGULATORY BASIS
(Continued)
Year Ended December 31, 2025

	Original and Final Budget	Actual	Variance Over (Under)
Receipts and transfers:			
Charges for services	$ 1,257,001	$ 863,807	$ (393,194)
Transfers in	30,000	30,000	-
Total receipts and transfers	$ 1,287,001	893,807	$ (393,194)
Expenditures, encumbrances, and transfers:			
Personal services	$ 484,880	391,297	$ (93,583)
Capital outlay	47,040	76,526	29,486
Contractual services	444,149	345,666	(98,483)
Commodities	160,951	116,871	(44,080)
Transfers out	138,500	58,500	(80,000)
Total expenditures, encumbrances, and transfers	$ 1,275,520	988,860	$ (286,660)
Receipts and transfers under expenditures, encumbrances, and transfers		(95,053)	
Unencumbered cash, beginning		299,425	
Unencumbered cash, ending		$ 204,372	

(Continued)

CITY OF DE SOTO, KANSAS
REFUSE SYSTEM FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - BUDGET AND ACTUAL
REGULATORY BASIS
(Continued)
Year Ended December 31, 2025

	Original and Final Budget	Actual	Variance Over (Under)
Receipts:			
Charges for services	$ 733,100	$ 696,584	$ (36,516)
Expenditures:			
Contractual services	$ 727,000	671,538	$ (55,462)
Receipts over expenditures		25,046	
Unencumbered cash, beginning		73,757	
Unencumbered cash, ending		$ 98,803	

CITY OF DE SOTO, KANSAS
ELECTRIC UTILITY INVESTMENT FUND*
SCHEDULE OF RECEIPTS AND EXPENDITURES
REGULATORY BASIS
Year Ended December 31, 2025

Receipts:		
Interest income	$	85,165
Loan repayment		203,568
Miscellaneous		88,425
Total receipts		377,158
Expenditures and transfers:		
Capital outlay		269,982
Transfers out		85,165
Total expenditures and transfers		355,147
Receipts over expenditures and transfers		22,011
Unencumbered cash, beginning		1,800,571
Unencumbered cash, ending	$	1,822,582

* This fund is not required to be budgeted.

(Continued)

CITY OF DE SOTO, KANSAS
ENHANCEMENT COMMUNITY FOUNTAIN FUND*
SCHEDULE OF RECEIPTS AND EXPENDITURES
REGULATORY BASIS
(Continued)
Year Ended December 31, 2025

Expenditures:		
Commodities	$	36
Unencumbered cash, beginning		36
Unencumbered cash, ending	$	-

* This fund is not required to be budgeted.

(Continued)

CITY OF DE SOTO, KANSAS
COMMERCE DRIVE (HARPS) TAX INCREMENT FUND*
SCHEDULE OF RECEIPTS AND EXPENDITURES
REGULATORY BASIS
(Continued)
Year Ended December 31, 2025

Receipts:		
Taxes	$	245,249
Expenditures:		
Contractual services		2,445
Miscellaneous		242,060
Total expenditures		244,505
Receipts over expenditures		744
Unencumbered cash, beginning		62,993
Unencumbered cash, ending	$	63,737

* This fund is not required to be budgeted.

(Continued)

CITY OF DE SOTO, KANSAS
2019 COMMERCE DRIVE (HIKE) TIF FUND*
SCHEDULE OF RECEIPTS AND EXPENDITURES
REGULATORY BASIS
(Continued)
Year Ended December 31, 2025

Receipts:		
Taxes	$	126,649
Expenditures:		
Contractual services		126,649
Receipts under expenditures		-
Unencumbered cash, beginning		273
Unencumbered cash, ending	$	273

* This fund is not required to be budgeted.

(Continued)

CITY OF DE SOTO, KANSAS
PANASONIC TIF FUND*
SCHEDULE OF RECEIPTS AND EXPENDITURES
REGULATORY BASIS
(Continued)
Year Ended December 31, 2025

Receipts:		
Taxes	$	2,553,905
Astra CID payment		728,280
Total receipts		3,282,185
Expenditures:		
Contractual services		25,504
Miscellaneous		2,524,928
Total expenditures		2,550,432
Receipts over expenditures		731,753
Unencumbered cash, beginning		1,317
Unencumbered cash, ending	$	733,070

* This fund is not required to be budgeted.

(Continued)

CITY OF DE SOTO, KANSAS
CDBG FUND*
SCHEDULE OF RECEIPTS AND TRANSFERS
REGULATORY BASIS
(Continued)
Year Ended December 31, 2025

Receipts:		
Intergovernmental	$	85,342
Transfers:		
Transfers out		85,342
Receipts over transfers		-
Unencumbered cash, beginning		-
Unencumbered cash, ending	$	-

* This fund is not required to be budgeted.

(Continued)

CITY OF DE SOTO, KANSAS
KDOT/ASTRA ROAD CONSTRUCTION ESCROW FUND*
SCHEDULE OF RECEIPTS AND EXPENDITURES
REGULATORY BASIS
(Continued)
Year Ended December 31, 2025

Receipts:		
KDOT funding agreement	$	18,000,000
Interest income		17,904
Total receipts		18,017,904
Unencumbered cash, beginning		-
Unencumbered cash, ending	$	18,017,904

* This fund is not required to be budgeted.

(Continued)

CITY OF DE SOTO, KANSAS
CAPITAL IMPROVEMENTS FUND*
SCHEDULE OF RECEIPTS AND EXPENDITURES
REGULATORY BASIS
(Continued)
Year Ended December 31, 2025

Receipts and transfers:		
Intergovernmental	$	77,735
MARC STP funding agreement		1,035
Bond proceeds		7,015,553
Taxes		379,210
Transfers in		2,370,507
Total receipts and transfers		9,844,040
Expenditures, encumbrances, and transfers:		
Contractual services		45,953,969
Miscellaneous		180,639
Transfers out		35,163
Total expenditures, encumbrances, and transfers		46,169,771
Receipts and transfers under expenditures, encumbrances, and transfers		(36,325,731)
Unencumbered cash, beginning		56,176,959
Unencumbered cash, ending	$	19,851,228

* This fund is not required to be budgeted.

(Continued)

CITY OF DE SOTO, KANSAS
SHOP FUND*
SCHEDULE OF RECEIPTS AND EXPENDITURES
REGULATORY BASIS
(Continued)
Year Ended December 31, 2025

Receipts:		
Charges for services	$	163,301
Expenditures and encumbrances:		
Commodities		154,820
Capital outlay		2,443
Contractual services		639
Total expenditures and encumbrances		157,902
Receipts over expenditures and encumbrances		5,399
Unencumbered cash, beginning		541
Unencumbered cash, ending	$	5,940

* This fund is not required to be budgeted.

(Continued)

CITY OF DE SOTO, KANSAS
SHUGHART TRUST FUND*
SCHEDULE OF RECEIPTS AND EXPENDITURES
REGULATORY BASIS
(Continued)
Year Ended December 31, 2025

Receipts:		
Interest income	$	637
Unencumbered cash, beginning		21,193
Unencumbered cash, ending	$	21,830

* This fund is not required to be budgeted.

Schedule 4

CITY OF DE SOTO, KANSAS
AGENCY FUNDS
SUMMARY OF RECEIPTS AND DISBURSEMENTS
REGULATORY BASIS
Year Ended December 31, 2025

Fund	Beginning Cash Balance	Receipts	Disbursements	Ending Unencumbered Cash Balance	Add Outstanding Encumbrances and Accounts Payable	Ending Cash Balance
IRB fund	$ 21,559	$ 104,813	$ -	$ 126,372	$ 37,264	$ 163,636
Municipal court fund	22,015	51,300	43,250	30,065	-	30,065
	$ 43,574	$ 156,113	$ 43,250	$ 156,437	$ 37,264	$ 193,701