CITY OF KANOPOLIS, KANSAS

Financial Statement With Independent Auditors' Report

For the Year Ended December 31, 2025

CITY OF KANOPOLIS, KANSAS
Financial Statement With Independent Auditors' Report
For the Year Ended December 31, 2025

TABLE OF CONTENTS

Independent Auditors' Report 1

Summary Statement of Receipts, Expenditures and Unencumbered Cash – Regulatory Basis 4

Notes to Financial Statement 5

Regulatory–Required Supplementary Information

Schedule 1 - Summary of Expenditures - Actual and Budget – Regulatory Basis 12

Schedule 2 - Schedule of Receipts and Expenditures – Regulatory Basis - Individually presented by fund

Regulatory Basis Fund Types
General Fund
2-1 General Fund 13

Special Purpose Funds
2-2 Employee Benefits Fund 14
2-3 Library Fund 15
2-4 Noxious Weed Fund 16
2-5 Special Highway Fund 17
2-6 Recreation Fund 18
2-7 Cemetery Fund 19
2-8 Municipal Equipment Fund 20
2-9 Municipal Improvement Fund 21

Capital Projects Fund
2-10 Capital Projects Fund 22

Business Funds
2-11 Solid Waste Fund 23
2-12 Water Utility Fund 24
2-13 Sewer Utility Fund 25
2-14 Sewer Utility Revolving Fund 26

Related Municipal Entities
2-15 Kanopolis Public Library Fund 27

Schedule 3 – Summary of Receipts and Disbursements – Regulatory Basis
Agency Funds 28

ADAMS BROWN
Strategic Allies and CPAs
adamsbrowncpa.com

INDEPENDENT AUDITORS' REPORT

To the City Council
City of Kanopolis, Kansas
Kanopolis, Kansas

Adverse and Unmodified Opinions

We have audited the accompanying fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances of **City of Kanopolis, 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 matters discussed in the Basis for Adverse and Unmodified Opinions section of our report, the accompanying financial statement referred to above does not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the City as of December 31, 2025, or changes in financial position and cash flows thereof for the year then ended.

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

Basis for Adverse and Unmodified Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the *Kansas Municipal Audit and Accounting Guide*. Our responsibilities under those standards are further described in the Auditors' 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 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.

Auditors' 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, individual fund schedules of regulatory basis receipts and expenditures – actual and budget, and summary of regulatory basis receipts and disbursements – agency funds (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 the City as of and for the year ended December 31, 2024 (not presented herein), and have issued our report thereon dated March 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/municipal-audits. The. 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.

Adams Brown, LLC

ADAMSBROWN, LLC
Certified Public Accountants
Great Bend, Kansas

April 14, 2026

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

Funds	Beginning Unencumbered Cash Balance	Prior Year Cancelled Encumbrances	Receipts	Expenditures	**Ending Unencumbered Cash Balance**	Add Encumbrances and Accounts Payable	**Ending Cash Balance**
Regulatory Basis Fund Types							
General Fund	$ 23,973	-	256,162	209,277	**70,858**	9,802	**80,660**
Special Purpose Funds							
Employee Benefits Fund	21,329	-	41,474	36,000	**26,803**	-	**26,803**
Library Fund	16,040	-	14,819	6,109	**24,750**	-	**24,750**
Noxious Weed Fund	1,581	-	257	122	**1,716**	-	**1,716**
Special Highway Fund	11,715	-	11,676	11,715	**11,676**	-	**11,676**
Recreation Fund	705	-	383	124	**964**	-	**964**
Cemetery Fund	22,949	-	2,942	50	**25,841**	-	**25,841**
Municipal Equipment Fund	6,629	-	-	-	**6,629**	-	**6,629**
Municipal Improvement Fund	18,679	2,522	-	-	**21,201**	-	**21,201**
Capital Project Funds							
Capital Projects Fund	353,034	-	13,506	194,659	**171,881**	167,621	**339,502**
Business Funds							
Solid Waste Fund	9,224	-	49,595	46,734	**12,085**	-	**12,085**
Water Utility Fund	59,622	-	168,938	206,013	**22,547**	4,007	**26,554**
Sewer Utility Fund	49,096	-	56,829	62,649	**43,276**	127	**43,403**
Sewer Utility Revolving Fund	4,323	-	1,556	5,879	**-**	-	**-**
Total Primary Government	598,899	2,522	618,137	779,331	**440,227**	181,557	**621,784**
Related Municipal Entity							
Kanopolis Public Library Fund	39,249	-	10,773	6,792	**43,230**	-	**43,230**
Total Reporting Entity (Excluding Agency Funds)	$ 638,148	2,522	628,910	786,123	**483,457**	181,557	**665,014**

Composition of Cash		
Certificates of Deposit	$	**165,901**
Money Market and Savings Accounts		**272,572**
Checking Accounts		**214,417**
Petty Cash		**151**
Total Primary Government		**653,041**
Total Related Municipal Entity		**43,230**
Agency Funds per Schedule 3		**(31,257)**
Total Reporting Entity (Excluding Agency Funds)	$	**665,014**

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

City of Kanopolis, Kansas has established a uniform system of accounting maintained to reflect compliance with the applicable laws of the State of Kansas. The accompanying financial statement is presented to conform to the cash basis and budget laws of the State of Kansas, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. The following is a summary of such significant policies.

Financial Reporting Entity

The City is a municipal corporation governed by an elected mayor and five elected council members. This financial statement presents the City (the municipality) and its related municipal entity, Kanopolis Public Library, shown below. The related municipal entity is included in the City's reporting entity because they established to benefit the City and/or its constituents.

Kanopolis Public Library

The 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.

Basis of Presentation – Fund Accounting

The accounts of the City are organized and operated on the basis of funds. In governmental accounting, a fund is defined as an independent fiscal and accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance related legal and contractual provisions. The minimum number of funds is maintained consistent with legal and managerial requirements.

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

Regulatory Basis Fund Types

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 revenue sources (other than Capital Project and tax levies for long-term debt) that are intended for specified purposes.

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

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

Agency Fund – fund 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 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.

Reimbursements
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 KMAAG regulatory basis of accounting.

NOTE 2 – BUDGETARY INFORMATION

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

a. Preparation of the budget for the succeeding calendar year on or before August 1st.

b. Publication in local newspaper on or before August 5th of the proposed budget and notice of public hearing on the budget.

c. Public hearing on or before August 15th, but at least 10 days after publication of notice of hearing.

d. Adoption of the final budget on or before August 25th.

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

The statutes allow for the governing body to increase the originally adopted budget for previously unbudgeted increases in 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 10 days after publication the hearing may be held and the governing body may amend the budget at that time. There were no such budget amendments this year.

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

All legal annual operating budgets are prepared using the regulatory basis of accounting, in which revenues 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 City for future payments and are supported by a document evidencing the commitment, such as a purchase order or contract. Any unused budgeted expenditure authority lapses at year end.

A legal operating budget is not required for capital project funds, trust funds, and the following special purpose funds: Municipal Equipment Fund and Municipal Improvement Fund.

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

NOTE 3 – DEPOSITS AND INVESTMENTS

City of Kanopolis, Kansas follows the practice of pooling cash and investments of all funds. Each fund's portion of total cash and investments is summarized by fund category in the summary statement of receipts, expenditures and unencumbered cash.

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

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

Custodial Credit Risk - Deposits
Custodial credit risk is the risk that in the event of a bank failure, the City's deposits may not be returned to it. State statutes require the City's deposits in financial institutions to be entirely covered by federal depository insurance or by collateral held under a joint custody receipt issued by a bank within the State of Kansas, the Federal Reserve Bank of Kansas City, or the Federal Home Loan Bank of Topeka, except during designated "peak periods" when required coverage is 50%. The City does not use "peak periods". All deposits were legally secured at December 31, 2025.

At December 31, 2025, the City's carrying amount of deposits was $653,041 and the bank balance was $659,117. The bank balance was held by one bank resulting in a concentration of credit risk. Of the bank balance, $250,000 was covered by federal depository insurance, and $409,117 was collateralized with securities held by the pledging financial institutions' agents in the City's name.

At December 31, 2025, the Public Library's carrying amount of deposits was $43,230 and the bank balance was $43,230. The bank balance was held by one bank resulting in a concentration of credit risk. Of the bank balance, all was covered by federal depository insurance.

Custodial Credit Risk – Investments
For an investment, this is the risk that, in the event of the failure of the issuer or counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. State statutes require investments to be adequately secured. The City had no investments at December 31, 2025.

NOTE 4 – INTERFUND TRANSFERS

Interfund transfers within the reporting entity are substantially for the purpose of subsidizing operating functions, funding capital projects and asset acquisitions or maintaining debt service on a routine basis as authorized by Kansas statutes. **City of Kanopolis, Kansas'** interfund transfers and regulatory authority for the year ended December 31, 2025 were as follows:

From	To	Regulatory Authority		Amount
General Fund	Employee Benefits Fund	K.S.A. 12-1,119	$	12,000
Sewer Fund	Employee Benefits Fund	K.S.A. 12-825d		12,000

NOTE 5 – CAPITAL PROJECTS

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

		Project Authorization	Expenditures To Date
Water System Improvement Project	$	3,198,148	2,011,724

NOTE 6 – LITIGATION

City of Kanopolis, Kansas is a party to various legal proceedings which normally occur in governmental operations. These legal proceedings are not likely to have a material financial impact on the affected funds of the City.

NOTE 7 – RISK MANAGEMENT

City of Kanopolis, Kansas is exposed to various risks or loss related to torts, theft of, damage to, and destruction of assets, errors and omissions, injuries to employees, and natural disasters. The City has been unable to obtain workers' compensation insurance at a cost it considered to be economically justifiable. For this reason, the City joined together with other cities in the State to participate in the Kansas Municipal Insurance Trust (KMIT), a public entity risk pool currently operating as a common risk management and insurance program for 175 participating members.

The City pays an annual premium to Kansas Municipal Insurance Trust (KMIT) for its workers' compensation insurance coverage. The agreement to participate provides that the Kansas Municipal Insurance Trust will be self-sustaining through member premiums and will reinsure through commercial companies for claims in excess of $500,000 for each insured event. During 2025, the City contributed

$2,947 to the fund for this insurance coverage. Additional premiums may be due if total claims for the pool are different than what has been anticipated by Kansas Municipal Insurance Trust management.

Commercial insurance coverage is purchased for claims arising from such matters other than related to employee health benefits. Settled claims resulting from these risks have not exceeded commercial coverage in any of the three preceding years. There have not been significant reductions in coverage from prior years.

NOTE 8 – GRANTS AND SHARED REVENUES

City of Kanopolis, Kansas participates in numerous state and federal grant programs, which are governed by various rules and regulations for the grantor agencies. Costs charged to the respective grant programs are subject to audit and adjustment by the grantor agencies; therefore, to the extent that the City has not complied with the rules and regulations governing the grants, refunds of any money received may be required. In the opinion of the City, any liability for reimbursement, which may arise as the result of the audit, is not believed to be material.

NOTE 9 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

The City did not hold the required RNR budget hearing between September 20th and October 20th, which is in violation of K.S.A. 79-2988.

NOTE 10 – DEFERRED COMPENSATION PLAN

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

NOTE 11 – OTHER POST EMPLOYMENT BENEFITS

As provided by K.S.A. 12-5040, **City of Kanopolis, Kansas** 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.

NOTE 12 – COMPENSATED ABSENCES

Vacation
City of Kanopolis, Kansas' policy regarding vacation for full-time employees is as follows:

Years Worked	Amount Earned
0-5	8 hours/month
6 and over	10 hours/month

The maximum accumulation employees may accrue should not exceed 120 hours (15 days) of vacation. Any earned, but unused leave for any permanent employee leaving the service of the City shall be compensated at the employee's hourly rate.

Sick Leave
The City's policy regarding sick leave for full-time employees is received at a rate of one day per month of continuous service. Sick leave may be accumulated but not taken until such employee has completed three continual months of service. Employees may accumulate sick leave up to a maximum of 30 days. Sick leave credits are considered as having cash value of one-half time of sick days at the employee's hourly rate if the employee terminates at retirement in good standing.

NOTE 13 – DEBT RESTRICTIONS AND COVENANTS

KDHE Revolving Loan
The City entered into a loan agreement with the Kansas Department of Health and Environment to fund the sewer improvements in the amount of $120,000. The loan agreement requires that the City provide for the repayment of this loan by providing dedicated funds. The City is in compliance with this requirement as of December 31, 2025.

NOTE 14 – LONG-TERM DEBT

City of Kanopolis, Kansas has the following types of long-term debt.

General Obligation Bonds
On May 28, 2020, the City issued $1,558,000 in Series 2020 General Obligation bonds for the purpose of financing the cost of certain improvements to the City.

KDHE Revolving Loan
The City entered into a $120,000 revolving loan agreement on October 28, 2004 with the Kansas Department of Health and Environment acting on behalf of the State of Kansas to finance sewer improvements.

Loan Warrant
The City entered into a loan warrant on March 8, 2022 under K.S.A. 40-1707(f) with the Firefighters Relief Association for $180,000 to finance the construction of a fire station.

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

Issue	Interest Rates	Date of Issue	Amount of Issue	Date of Final Maturity	Balance Beginning of Year	Additions	Reductions/ Payments	**Balance End of Year**	Interest Paid
General Obligation Bonds									
Series 2020	1.88%	5/28/2020	$ 1,558,000	2060	$ 1,449,047	-	28,545	**1,420,502**	27,170
KDHE Revolving Loan									
Water Pollution Control	2.83%	10/28/2004	120,000	2025	5,756	-	5,756	**-**	122
Loan Warrant									
Fire Station	1%	3/8/2022	180,000	2043	162,269	-	4,442	**157,827**	135
Total Contractual Indebtedness					$ 1,617,072	-	38,743	**1,578,329**	27,427

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

	YEARS											
	2026	2027	2028	2029	2030	2031 - 2035	2036 - 2040	2041 - 2045	2046 - 2050	2051 - 2055	2056 - 2060	**Total**
Principal												
General Obligation Bonds	$ 29,091	29,636	30,122	30,757	31,333	165,636	181,715	199,470	218,892	240,207	263,643	**1,420,502**
Loan Warrant	13,349	8,918	8,932	8,947	8,962	45,036	45,412	18,271	-	-	-	**157,827**
Total Principal	**42,440**	**38,554**	**39,054**	**39,704**	**40,295**	**210,672**	**227,127**	**217,741**	**218,892**	**240,207**	**263,643**	1,578,329
Interest												
General Obligation Bonds	26,633	26,088	25,602	24,968	24,391	112,986	96,907	79,152	59,729	38,415	15,028	**529,899**
Loan Warrant	384	237	222	207	192	737	331	38	-	-	-	**2,348**
Total Interest	**27,017**	**26,325**	**25,824**	**25,175**	**24,583**	**113,723**	**97,238**	**79,190**	**59,729**	**38,415**	**15,028**	532,247
Total Principal and Interest	$ **69,457**	**64,879**	**64,878**	**64,879**	**64,878**	**324,395**	**324,365**	**296,931**	**278,621**	**278,622**	**278,671**	2,110,576

CITY OF KANOPOLIS, KANSAS

Regulatory-Required Supplementary Information

Schedule 1

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

Funds	Certified Budget	Adjustment for Qualifying Budget Credits	Total Budget for Comparison	**Expenditures Chargeable to Current Year**	Variance Over (Under)
Regulatory Basis Fund Types					
General Fund	$ 331,807	-	331,807	**209,277**	(122,530)
Special Purpose Funds					
Employee Benefits Fund	64,000	-	64,000	**36,000**	(28,000)
Library Fund	31,894	-	31,894	**6,109**	(25,785)
Noxious Weed Fund	1,870	-	1,870	**122**	(1,748)
Special Highway Fund	24,470	-	24,470	**11,715**	(12,755)
Recreation Fund	2,240	-	2,240	**124**	(2,116)
Cemetery Fund	28,370	-	28,370	**50**	(28,320)
Business Funds					
Solid Waste Fund	49,936	-	49,936	**46,734**	(3,202)
Water Utility Fund	240,946	-	240,946	**206,013**	(34,933)
Sewer Utility Fund	194,508	-	194,508	**62,649**	(131,859)
Sewer Utility Revolving Fund	11,221	-	11,221	**5,879**	(5,342)

CITY OF KANOPOLIS, KANSAS
General Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2025
(With Comparative Actual Totals for the Prior Year Ended December 31, 2024)

		Current Year		
	Prior Year Actual	**Actual**	Budget	Variance Over (Under)
Receipts				
Taxes and Shared Receipts				
Ad Valorem Property	$ 100,961	**101,673**	104,522	(2,849)
Delinquent	6,931	**4,482**	2,840	1,642
Motor Vehicle	11,567	**12,370**	14,013	(1,643)
Recreational Vehicle	262	**413**	523	(110)
Commercial Vehicle	884	**780**	615	165
Sales Tax	59,516	**82,604**	64,000	18,604
Franchise Fees	38,137	**39,530**	42,000	(2,470)
Licenses and Permits	682	**757**	900	(143)
Fines and Fees	-	**125**	210	(85)
Fire	5,604	**5,600**	6,000	(400)
Dividends	98	**32**	6,500	(6,468)
Community Center	2,500	**2,750**	1,950	800
Library Community Room	1,250	**900**	700	200
Reimbursed Expenses	52	**-**	20,000	(20,000)
Interest	2,047	**2,406**	1,500	906
Transfers In	20,000	**-**	-	-
Insurance proceeds	16,467	**-**	-	-
Miscellaneous	4,433	**1,740**	10,000	(8,260)
Total Receipts	271,391	**256,162**	276,273	(20,111)
Expenditures				
Personal Services	43,600	**29,485**	62,000	(32,515)
Contractual Services	54,442	**49,977**	75,000	(25,023)
Commodities	22,702	**45,181**	19,000	26,181
Capital Outlay	807	**616**	5,000	(4,384)
Community Center	8,329	**6,452**	7,500	(1,048)
Fire Department	32,015	**17,609**	35,000	(17,391)
Fire Relief Loan	9,155	**4,577**	9,155	(4,578)
Police Department	16,107	**2,008**	20,000	(17,992)
Park Department	28,135	**156**	330	(174)
Street Department	71,522	**20,120**	20,000	120
Street Lighting	11,798	**12,523**	13,000	(477)
Miscellaneous	10,107	**8,573**	-	8,573
Cash Forward	-	**-**	56,822	(56,822)
Transfers Out	-	**12,000**	9,000	3,000
Total Expenditures	308,719	**209,277**	331,807	(122,530)
Receipts Over (Under) Expenditures	(37,328)	**46,885**		
Unencumbered Cash - Beginning	39,301	**23,973**		
Prior Year Cancelled Encumbrances	22,000	**-**		
Unencumbered Cash - Ending	$ 23,973	**70,858**		

CITY OF KANOPOLIS, KANSAS
Employee Benefits Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2025
(With Comparative Actual Totals for the Prior Year Ended December 31, 2024)

		Current Year		
	Prior Year Actual	**Actual**	Budget	Variance Over (Under)
Receipts				
Taxes and Shared Receipts				
Ad Valorem Property	$ 15,131	**14,860**	15,682	(822)
Delinquent	527	**629**	280	349
Motor Vehicle	1,527	**1,807**	2,080	(273)
Recreational Vehicle	35	**61**	79	(18)
Commercial Vehicle	117	**117**	113	4
Transfers In	12,000	**24,000**	24,000	-
Total Receipts	29,337	**41,474**	42,234	(760)
Expenditures				
Employee Benefits	21,898	**36,000**	36,000	-
Cash Forward	-	**-**	28,000	(28,000)
Total Expenditures	21,898	**36,000**	64,000	(28,000)
Receipts Over (Under) Expenditures	7,439	**5,474**		
Unencumbered Cash - Beginning	13,890	**21,329**		
Unencumbered Cash - Ending	$ 21,329	**26,803**		

CITY OF KANOPOLIS, KANSAS
Library Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2025
(With Comparative Actual Totals for the Prior Year Ended December 31, 2024)

		Current Year		
	Prior Year Actual	**Actual**	Budget	Variance Over (Under)
Receipts				
Taxes and Shared Receipts				
Ad Valorem	$ 12,831	**12,600**	13,296	(696)
Delinquent	459	**535**	250	285
Motor Vehicle	1,298	**1,533**	1,782	(249)
Recreational Vehicle	29	**52**	67	(15)
Commercial Vehicle	99	**99**	78	21
Donations	275	**-**	-	-
Total Receipts	14,991	**14,819**	15,473	(654)
Expenditures				
Personal Services	6,893	**4,144**	7,700	(3,556)
Contractual Services	1,840	**1,965**	4,194	(2,229)
Commodities	-	**-**	5,000	(5,000)
Capital Outlay	-	**-**	15,000	(15,000)
Total Expenditures	8,733	**6,109**	31,894	(25,785)
Receipts Over (Under) Expenditures	6,258	**8,710**		
Unencumbered Cash - Beginning	9,782	**16,040**		
Unencumbered Cash - Ending	$ 16,040	**24,750**		

CITY OF KANOPOLIS, KANSAS
Noxious Weed Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2025
(With Comparative Actual Totals for the Prior Year Ended December 31, 2024)

		Current Year		
	Prior Year Actual	**Actual**	Budget	Variance Over (Under)
Receipts				
Taxes and Shared Receipts				
Ad Valorem	$ 223	**217**	231	(14)
Delinquent	8	**10**	6	4
Motor Vehicle	22	**27**	31	(4)
Recreational Vehicle	1	**1**	1	-
Commercial Vehicle	2	**2**	1	1
Total Receipts	256	**257**	270	(13)
Expenditures				
Commodities	205	**122**	200	(78)
Cash Forward	-	-	1,670	(1,670)
Total Expenditures	205	**122**	1,870	(1,748)
Receipts Over (Under) Expenditures	51	**135**		
Unencumbered Cash - Beginning	1,530	**1,581**		
Unencumbered Cash - Ending	$ 1,581	**1,716**		

CITY OF KANOPOLIS, KANSAS
Special Highway Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2025
(With Comparative Actual Totals for the Prior Year Ended December 31, 2024)

		Current Year		
	Prior Year Actual	**Actual**	Budget	Variance Over (Under)
Receipts				
Taxes and Shared Receipts				
State of Kansas Gas Tax	$ 11,715	**11,676**	12,230	(554)
Expenditures				
Contractual Services	-	**11,715**	10,000	1,715
Cash Forward	-	**-**	14,470	(14,470)
Total Expenditures	-	**11,715**	24,470	(12,755)
Receipts Over (Under) Expenditures	11,715	**(39)**		
Unencumbered Cash - Beginning	-	**11,715**		
Unencumbered Cash - Ending	$ 11,715	**11,676**		

CITY OF KANOPOLIS, KANSAS
Recreation Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2025
(With Comparative Actual Totals for the Prior Year Ended December 31, 2024)

		Current Year		
	Prior Year Actual	**Actual**	Budget	Variance Over (Under)
Receipts				
Taxes and Shared Receipts				
Ad Valorem	$ 325	**326**	339	(13)
Delinquent	13	**14**	-	14
Motor Vehicle	33	**39**	44	(5)
Recreational Vehicle	1	**1**	2	(1)
Commercial Vehicle	3	**3**	2	1
Donations and Grants	-	**-**	500	(500)
Tournament and Other	330	**-**	500	(500)
Total Receipts	705	**383**	1,387	(1,004)
Expenditures				
Commodities	-	**124**	500	(376)
Cash Forward	-	**-**	1,740	(1,740)
Total Expenditures	-	**124**	2,240	(2,116)
Receipts Over (Under) Expenditures	705	**259**		
Unencumbered Cash - Beginning	-	**705**		
Unencumbered Cash - Ending	$ 705	**964**		

CITY OF KANOPOLIS, KANSAS
Cemetery Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2025
(With Comparative Actual Totals for the Prior Year Ended December 31, 2024)

			Current Year		
		Prior Year Actual	**Actual**	Budget	Variance Over (Under)
Receipts					
Taxes and Shared Receipts					
Ad Valorem	$	2,368	**2,324**	2,453	(129)
Delinquent		93	**103**	60	43
Motor Vehicle		256	**287**	328	(41)
Recreational Vehicle		6	**10**	12	(2)
Commercial Vehicle		20	**18**	14	4
Sales of Lots		549	**200**	1,650	(1,450)
Total Receipts		3,292	**2,942**	4,517	(1,575)
Expenditures					
Miscellaneous		50	**50**	500	(450)
Cash Forward		-	**-**	27,870	(27,870)
Total Expenditures		50	**50**	28,370	(28,320)
Receipts Over (Under) Expenditures		3,242	**2,892**		
Unencumbered Cash - Beginning		19,707	**22,949**		
Unencumbered Cash - Ending	$	22,949	**25,841**		

Schedule 2-8

CITY OF KANOPOLIS, KANSAS
Municipal Equipment Fund
Schedule of Receipts and Expenditures
Regulatory Basis
For the Year Ended December 31, 2025
(With Comparative Actual Totals for the Prior Year Ended December 31, 2024)

		Prior Year Actual	**Current Year Actual**
Receipts	$	-	**-**
Expenditures			
Capital Outlay		-	**-**
Receipts Over (Under) Expenditures		-	**-**
Unencumbered Cash - Beginning		6,629	**6,629**
Unencumbered Cash - Ending	$	6,629	**6,629**

CITY OF KANOPOLIS, KANSAS
Municipal Improvement Fund
Schedule of Receipts and Expenditures
Regulatory Basis
For the Year Ended December 31, 2025
(With Comparative Actual Totals for the Prior Year Ended December 31, 2024)

		Prior Year Actual	**Current Year Actual**
Receipts	$	-	**-**
Expenditures			
Contractual		24,522	**-**
Receipts Over (Under) Expenditures		(24,522)	**-**
Unencumbered Cash - Beginning		43,201	**18,679**
Prior Year Cancelled Encumbrances		-	**2,522**
Unencumbered Cash - Ending	$	18,679	**21,201**

Schedule 2-10

CITY OF KANOPOLIS, KANSAS
Capital Projects Fund
Schedule of Receipts and Expenditures
Regulatory Basis
For the Year Ended December 31, 2025
(With Comparative Actual Totals for the Prior Year Ended December 31, 2024)

		Prior Year Actual	**Current Year Actual**
Receipts			
Interest	$	9,122	**7,506**
Grant Proceeds		-	**6,000**
Total Receipts		9,122	**13,506**
Expenditures			
Professional Services		89,089	**194,659**
Construction		2,873	**-**
Total Expenditures		91,962	**194,659**
Receipts Over (Under) Expenditures		(82,840)	**(181,153)**
Unencumbered Cash - Beginning		435,874	**353,034**
Unencumbered Cash - Ending	$	353,034	**171,881**

CITY OF KANOPOLIS, KANSAS
Solid Waste Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2025
(With Comparative Actual Totals for the Prior Year Ended December 31, 2024)

		Current Year		
	Prior Year Actual	**Actual**	Budget	Variance Over (Under)
Receipts				
Customer Collection	$ 48,734	**49,595**	41,200	8,395
Expenditures				
Contractual Services	50,447	**46,734**	43,400	3,334
Cash Forward	-	**-**	6,536	(6,536)
Total Expenditures	50,447	**46,734**	49,936	(3,202)
Receipts Over (Under) Expenditures	(1,713)	**2,861**		
Unencumbered Cash - Beginning	10,937	**9,224**		
Unencumbered Cash - Ending	$ 9,224	**12,085**		

CITY OF KANOPOLIS, KANSAS
Water Utility Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2025
(With Comparative Actual Totals for the Prior Year Ended December 31, 2024)

		Current Year		
	Prior Year Actual	**Actual**	Budget	Variance Over (Under)
Receipts				
Sales to Customers	$ 169,193	**167,372**	167,800	(428)
Sales Tax	492	**540**	360	180
Reimbursements	40	**-**	1,800	(1,800)
Miscellaneous	-	**50**	120	(70)
Interest	1,924	**976**	1,970	(994)
Total Receipts	171,649	**168,938**	172,050	(3,112)
Expenditures				
Personal Services	91,162	**84,938**	72,000	12,938
Contractual Services	24,767	**43,028**	35,000	8,028
Commodities	16,628	**21,356**	19,000	2,356
Bond Principal and Interest	55,715	**55,715**	55,725	(10)
Miscellaneous	1,526	**976**	2,300	(1,324)
Cash Forward	-	**-**	44,921	(44,921)
Transfers Out	12,000	**-**	12,000	(12,000)
Total Expenditures	201,798	**206,013**	240,946	(34,933)
Receipts Over (Under) Expenditures	(30,149)	**(37,075)**		
Unencumbered Cash - Beginning	89,771	**59,622**		
Unencumbered Cash - Ending	$ 59,622	**22,547**		

CITY OF KANOPOLIS, KANSAS
Sewer Utility Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2025
(With Comparative Actual Totals for the Prior Year Ended December 31, 2024)

		Current Year		
	Prior Year Actual	**Actual**	Budget	Variance Over (Under)
Receipts				
Sewer Service Charges	$ 55,720	**56,525**	56,000	525
Interest	579	**304**	200	104
Total Receipts	56,299	**56,829**	56,200	629
Expenditures				
Personal Services	28,860	**36,162**	23,000	13,162
Contractual Services	83,498	**10,145**	3,200	6,945
Commodities	2,352	**4,342**	1,500	2,842
Cash Forward	-	**-**	154,808	(154,808)
Transfers Out	20,000	**12,000**	12,000	-
Total Expenditures	134,710	**62,649**	194,508	(131,859)
Receipts Over (Under) Expenditures	(78,411)	**(5,820)**		
Unencumbered Cash - Beginning	127,507	**49,096**		
Unencumbered Cash - Ending	$ 49,096	**43,276**		

CITY OF KANOPOLIS, KANSAS
Sewer Utility Revolving Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2025
(With Comparative Actual Totals for the Prior Year Ended December 31, 2024)

		Current Year		
	Prior Year Actual	**Actual**	Budget	Variance Over (Under)
Receipts				
Interest	$ -	**1,556**	-	1,556
Expenditures				
Principal	5,597	**5,757**	5,756	1
Interest	282	**122**	123	(1)
Transfers Out	-	**-**	5,342	(5,342)
Total Expenditures	5,879	**5,879**	11,221	(5,342)
Receipts Over (Under) Expenditures	(5,879)	**(4,323)**		
Unencumbered Cash - Beginning	10,202	**4,323**		
Unencumbered Cash - Ending	$ 4,323	**-**		

CITY OF KANOPOLIS, KANSAS
Kanopolis Public Library Fund
Schedule of Receipts and Expenditures
Regulatory Basis
For the Year Ended December 31, 2025
(With Comparative Actual Totals for the Prior Year Ended December 31, 2024)

		Prior Year Actual	**Current Year Actual**
Receipts			
State Aid	$	121	**1,150**
CKLS		8,960	**9,145**
Donations		35	**-**
Interest		301	**478**
Total Receipts		9,417	**10,773**
Expenditures			
Programs		2,170	**1,440**
Books and Periodicals		3,162	**2,581**
Supplies		2,376	**1,955**
Training		700	**290**
Utilities		250	**251**
Miscellaneous		145	**275**
Total Expenditures		8,803	**6,792**
Receipts Over (Under) Expenditures		614	**3,981**
Unencumbered Cash - Beginning		38,635	**39,249**
Unencumbered Cash - Ending	$	39,249	**43,230**

Schedule 3

CITY OF KANOPOLIS, 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**
Meter Deposit Fund	$ 29,714	1,750	207	**31,257**