CITY OF BIRD CITY, KANSAS

Financial Statement
With Independent Auditors' Report

For the Year Ended December 31, 2024

CITY OF BIRD CITY, KANSAS
Financial Statement With Independent Auditors' Report
For the Year Ended December 31, 2024

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 13

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

Regulatory Basis Fund Types
General Fund
2-1 General Fund 14

Special Purpose Funds
2-2 Library Fund 15
2-3 Special Highway Fund 16
2-4 Special Parks Fund 17
2-5 Capital Equipment Fund 18
2-6 Capital Improvements Fund 19
2-7 Community Projects Fund 20
2-8 American Rescue Plan Act Fund 21

Business Funds
2-9 Solid Waste Fund 22
2-10 Water and Sewer Fund 23
2-11 Wastewater Treatment Facility Debt Fund 24
2-12 Water Improvement Fund 25

Trust Funds
2-13 Eggers Trust Fund 26
2-14 Prosecutors Trust 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 Bird City, Kansas
Bird City, KS

Adverse and Unmodified Opinions

We have audited the accompanying fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances of **City of Bird City, Kansas**, as of and for the year ended December 31, 2024 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, 2024, 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, 2024, 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, 2023 (not presented herein), and have issued our report thereon dated July 1, 2024, which contained an unmodified opinion on the basic financial statement. The 2023 basic financial statement and our accompanying report are not presented herein, but are available in electronic form from the web site of the Kansas Department of Administration at the following link https://admin.ks.gov/offices/accounts-reports/local-government/municipal-services. The 2023 actual column (2023 comparative information) presented in the individual fund schedules of regulatory basis receipts and expenditures – actual and budget for the year ended December 31, 2024 (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 2023 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 2023 basic financial statement. The 2023 comparative information was subjected to the auditing procedures applied in the audit of the 2023 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 2023 basic financial statement or to the 2023 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 2023 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, 2023, on the basis of accounting described in Note 1.

Adams Brown, LLC

ADAMSBROWN, LLC
Certified Public Accountants
Colby, Kansas

June 2, 2025

CITY OF BIRD CITY, KANSAS
Summary Statement of Receipts, Expenditures and Unencumbered Cash
Regulatory Basis
For the Year Ended December 31, 2024

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	$ 259,686	-	397,460	358,808	**298,338**	19,878	**318,216**
Special Purpose Funds							
Library Fund	-	-	22,149	21,372	**777**	-	**777**
Special Highway Fund	91,784	-	46,915	17,269	**121,430**	6,954	**128,384**
Special Parks Fund	4,652	-	3,824	3,858	**4,618**	-	**4,618**
Capital Equipment Fund	55,496	-	25,199	23,827	**56,868**	-	**56,868**
Capital Improvements Fund	31,046	-	4,000	-	**35,046**	-	**35,046**
Community Projects Fund	7,144	-	16,153	9,181	**14,116**	-	**14,116**
American Rescue Plan Act Fund	4,916	-	-	4,916	**-**	11,916	**11,916**
Business Funds							
Solid Waste Fund	41,266	-	89,466	85,821	**44,911**	4,760	**49,671**
Water and Sewer Fund	166,259	-	321,234	298,758	**188,735**	32,352	**221,087**
Wastewater Treatment Facility Debt Fund	78,693	-	35,000	35,131	**78,562**	-	**78,562**
Water Improvement Fund	52,852	-	23,000	22,229	**53,623**	-	**53,623**
Trust Funds							
Eggers Trust Fund	30,827	-	119	2,902	**28,044**	-	**28,044**
Prosecutors Trust Fund	17	-	150	149	**18**	-	**18**
Total Primary Government (Excluding Agency Funds)	$ 824,638	-	984,669	884,221	**925,086**	75,860	**1,000,946**

Composition of Cash		
Checking Accounts		$ **1,038,083**
Petty Cash		**150**
Total Primary Government		**1,038,233**
Agency Funds Per Schedule 3		**(37,287)**
Total Primary Government (Excluding Agency Funds)		$ **1,000,946**

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

City of Bird City, 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 five-member council. This financial statement does not include the related municipal entities shown below. A related municipal entity is an entity established to benefit the City and/or its constituents.

Housing Authority

The City's Housing Authority operates the City's housing projects. The housing authority can sue and be sued, and can buy, sell, or lease real property. Bond issuances must be approved by the City. Audited financial statements can be obtained by contacting the housing authority's office.

Public Library

The City's 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. Unaudited financial statements can be obtained by contacting 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 year ended December 31, 2024.

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.

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

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

Agency Fund – 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 for 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 schedules are presented for each fund showing actual receipts and expenditures compared to legally budgeted receipts and expenditures.

All legal annual operating budgets are prepared using the regulatory basis of accounting, in which 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: Capital Equipment Fund, Capital Improvements Fund, Community Projects Fund, and American Rescue Plan Act 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 Bird City, 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, 2024.

At December 31, 2024, the City's carrying amount of deposits was $1,038,233 and the bank balance was $1,041,437. 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 $791,437 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. The City had no investments at December 31, 2024.

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 Bird City, Kansas'** interfund transfers and regulatory authority for the year ended December 31, 2024 were as follows:

From	To	Regulatory Authority		Amount
Water and Sewer Fund	Capital Improvements Fund	K.S.A. 12-825d	$	4,000
Water and Sewer Fund	Wastewater Treatment Facility Debt Fund	K.S.A. 12-825d		35,000
Water and Sewer Fund	Water Improvement Fund	K.S.A. 12-825d		23,000
Water and Sewer Fund	Capital Equipment Fund	K.S.A. 12-825d		25,000
Water and Sewer Fund	Special Highway Fund	K.S.A. 68-590		35,000

NOTE 5 – LITIGATION

City of Bird City, 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 6 – RISK MANAGEMENT

City of Bird City, Kansas is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; Injuries to employees; natural disasters; and employee health, dental and accident benefits. 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, 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 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 2024, the City contributed $4,255 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.

The City has been unable to obtain health 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 State Employee Health Plan, a public entity risk pool currently operating as a common risk management and insurance program for 82,285 participating members.

The City pays monthly premiums to the State Employee Health Plan for its health insurance coverage. The agreement to participate provides that the State Employee Health Plan will be self-sustaining through

member premiums and will not reinsure through commercial companies. Additional premiums may be due if total claims for the pool are different than what has been anticipated by State Employee Health Plan management.

Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

NOTE 7 – GRANTS AND SHARED REVENUES

City of Bird City, 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 8 – DEFINED BENEFIT PENSION PLAN

General Information about the Pension Plan

Plan Description
City of Bird City, Kansas 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 at www.kpers.org or by writing to KPERS (611 S Kansas, Suite 100; Topeka, KS 66603) or by calling 1-888-275-5737.

Contributions
K.S.A. 74-4919 and K.S.A. 74-49,210 establish the KPERS member-employee contribution rates. KPERS has multiple benefit structures and contribution rates depending on whether the employee is a KPERS 1, KPERS 2 or KPERS 3 member. KPERS 1 members are active and contributing members hired before July 1, 2009. KPERS 2 members were first employed in a covered position on or after July 1, 2009, and KPERS 3 members were first employed in a covered position on or after January 1, 2015. Effective January 1, 2015, Kansas law established the KPERS member-employee contribution rate at 6% of covered salary for KPERS 1, KPERS 2 and KPERS 3 members. 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 9.26% for the fiscal year ended December 31, 2024. Contributions to the pension plan from the City were $12,083 for the year ended December 31, 2024.

Net Pension Liability

At December 31, 2024, the City's proportionate share of the collective net pension liability reported by

KPERS was $118,808. The net pension liability was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2023, which was rolled forward to June 30, 2024. 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.

NOTE 9 – OTHER POST EMPLOYMENT BENEFITS

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

As provided by K.S.A.74-4927, disabled members in the Kansas Public Employees Retirement System (KPERS) receive long-term disability benefits and life insurance benefits. The plan is administered through a trust held by KPERS that is funded to pay annual benefit payments. The employer contribution rate is set at 1% for the year ended December 31, 2024.

NOTE 10 – COMPENSATED ABSENCES

Paid Time Off

City of Bird City, Kansas' policy regarding paid time off entitles regular full-time employees to accumulate paid time off hours as follows:

0 – 6 months	Earned at 8 hours per month
6 months – 1 year	Earned at 10 hours per month
1 – 3 years	Earned at 12 hours per month
3 – 5 years	Earned at 16 hours per month
Over 5 years	Earned at 20 hours per month

New employees cannot use their earned paid time off until they have been employed for six months. Paid time off is paid at an employee's regular rate of pay and there is no maximum time accumulated of paid time off. Upon voluntary termination of employment, an employee will be paid for any accrued time off up to 120 hours and upon forced resignation, employees are paid up to 80 hours. Upon involuntary termination, an employee will be paid for any accrue paid time off up to 40 hours.

NOTE 11 – DEBT RESTRICTIONS AND COVENANTS

KDHE Loan

On November 30, 2010, **City of Bird City, Kansas** entered into an amended loan agreement with the Kansas Department of Health and Environment to fund improvements to the wastewater treatment facility in the amount of $538,143. 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, 2024 as it is providing dedicated funds through a combination of water rates and fees.

KDHE Water Improvement Loan
On April 19, 2016, **City of Bird City, Kansas** entered into an amended loan agreement with the Kansas Department of Health and Environment to fund improvements for a wastewater treatment project not to exceed $435,998. 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, 2024.

NOTE 12 – LONG-TERM DEBT

City of Bird City, Kansas has the following type of long-term debt.

KDHE Revolving Loans
On September 25, 2008, the City entered into a $545,925 revolving loan agreement with the Kansas Department of Health and Environment on behalf of the State of Kansas to finance the construction of a wastewater treatment facility. The City will use proceeds generated by the operation of the facility for loan repayment, which began September 1, 2008. The loan agreement was amended to $538,143 on November 30, 2010 due to the expenditures on the project being lower than originally expected.

On October 8, 2012, the City entered into a $320,000 revolving loan agreement with the Kansas Department of Health and Environment on behalf of the State of Kansas to finance the replacement of existing waterlines, meters, install valves, and rehabilitate the existing elevated storage tank of the City's water system. The City will use rates, fees, and charges collected for use and services furnished by or through the system for loan repayment, which began August 1, 2014. The loan agreement was amended on June 13, 2014 because no draw downs had been made at this time. The payment beginning date was amended to August 1, 2015. The loan agreement was amended again on April 19, 2016 for the final loan amount of $435,998.

Lease Obligations
The City has entered into lease agreements for equipment with an option to purchase at the expiration of the lease terms. The leases contain a fiscal funding clause.

Changes in long-term liabilities for the City for the year ended December 31, 2024, were as follows:

	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
KDHE Loans									
KDHE Revolving Loan Sewer System	2.65%	11/30/2010	$ 538,143	9/1/2028	$ 134,294	-	31,782	**102,512**	3,034
KDHE Revolving Loan Water Project	2.25%	4/19/2016	435,998	2/1/2035	224,137	-	17,283	**206,854**	4,177
Finance Leases									
CNH - Skid steer	6.30%	3/10/2023	29,345	3/10/2027	29,345	-	9,191	**20,154**	1,849
KOIS Brothers - Trash Truck	5.99%	10/21/2024	150,300	10/21/2031	-	150,300	-	**150,300**	-
Total Contractual Indebtedness					$ **387,776**	**150,300**	**58,256**	**479,820**	**9,060**

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

	YEAR							
	2025	2026	2027	2028	2029	2030-2034	2035	**Total**
Principal								
KDHE Loans								
KDHE Loan - Sewer System	$ 32,630	33,500	17,084	19,298	-	-	-	**102,512**
KDHE Loan - Water Project	17,674	18,074	18,483	18,900	19,328	103,404	10,991	**206,854**
Finance Leases								
CNH - Skid steer	9,770	10,384	-	-	-	-	-	**20,154**
KOIS Brothers - Trash Truck	17,911	18,984	20,122	21,327	22,604	49,352	-	**150,300**
Total Principal	**77,985**	**80,942**	**55,689**	**59,525**	**41,932**	**152,756**	**10,991**	**479,820**
Interest								
KDHE Loans								
KDHE Loan - Sewer System	2,266	1,477	437	255	-	-	-	**4,435**
KDHE Loan - Water Project	3,847	3,509	3,164	2,811	2,449	6,538	104	**22,422**
Finance Leases								
CNH - Skid steer	1,270	656	-	-	-	-	-	**1,926**
KOIS Brothers - Trash Truck	9,003	7,930	6,793	5,588	4,310	4,477	-	**38,101**
Total Interest	**16,386**	**13,572**	**10,394**	**8,654**	**6,759**	**11,015**	**104**	**66,884**
Total Principal and Interest	$ **94,371**	**94,514**	**66,083**	**68,179**	**48,691**	**163,771**	**11,095**	**546,704**

CITY OF BIRD CITY, KANSAS

Regulatory-Required Supplementary Information

Schedule 1

CITY OF BIRD CITY, KANSAS
Summary of Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2024

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	$ 667,035	-	667,035	**358,808**	(308,227)
Special Purpose Funds					
Library Fund	21,372	-	21,372	**21,372**	-
Special Highway Fund	118,849	-	118,849	**17,269**	(101,580)
Special Parks Fund	6,554	-	6,554	**3,858**	(2,696)
Business Funds					
Solid Waste Fund	121,170	-	121,170	**85,821**	(35,349)
Water and Sewer Fund	434,304	-	434,304	**298,758**	(135,546)

CITY OF BIRD CITY, KANSAS
General Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2024
(With Comparative Actual Totals For the Prior Year Ended December 31, 2023)

	Prior Year Actual	Current Year Actual	Current Year Budget	Current Year Variance Over (Under)
Receipts				
Taxes and Shared Revenues				
Ad Valorem Tax	$ 184,196	**197,445**	200,878	(3,433)
Delinquent Tax	1,742	**7,776**	2,390	5,386
Motor Vehicle Tax	31,725	**29,577**	23,577	6,000
Recreational Vehicle Tax	205	**364**	181	183
16/20M Vehicle Tax	272	**428**	267	161
Commercial Motor Vehicle Fees	1,046	**327**	1,003	(676)
Gross Earning (Intangible) Tax	3,065	**1,951**	1,828	123
Intergovernmental Revenues				
Local Alcoholic Liquor Tax	3,466	**3,824**	3,048	776
Local Sales Tax	50,768	**63,994**	45,000	18,994
Licenses and Permits				
Franchise Tax	46,679	**40,891**	48,000	(7,109)
Dog Tags and Fines	6,116	**1,900**	4,150	(2,250)
Licenses and Permits	871	**888**	700	188
Use of Money and Property				
Rent	4,800	**4,500**	4,800	(300)
Interest	4,949	**5,414**	3,000	2,414
Other				
Donations	17,638	**25,695**	3,000	22,695
Miscellaneous	1,310	**825**	50	775
Pool	7,820	**11,661**	9,500	2,161
Reimbursed Expenses	147	**-**	500	(500)
Total Receipts	366,815	**397,460**	351,872	45,588
Expenditures				
Personal Services	10,408	**10,918**	11,000	(82)
County Economic Development	1,400	**1,501**	3,000	(1,499)
Employee Benefits	60,457	**68,365**	67,000	1,365
Fire	21,047	**13,883**	19,000	(5,117)
Library	-	**-**	500	(500)
Capital Improvements	-	**-**	5,000	(5,000)
Capital Outlay	4,698	**-**	295,367	(295,367)
Insurance	30,413	**35,434**	48,000	(12,566)
Legal and Accounting	23,434	**24,186**	23,750	436
Miscellaneous	1,558	**2,971**	1,650	1,321
Noxious Weed	-	**-**	300	(300)
Park	1,132	**1,704**	3,800	(2,096)
Police	43,400	**43,400**	44,268	(868)
Pool	41,307	**38,825**	39,550	(725)
Street	102,438	**99,156**	84,350	14,806
Street Lighting	14,634	**14,682**	15,000	(318)
Solid Waste	44,593	**-**	-	-
Utilities	4,422	**3,783**	5,500	(1,717)
Total Expenditures	405,341	**358,808**	667,035	(308,227)
Receipts Over (Under) Expenditures	(38,526)	**38,652**		
Unencumbered Cash - Beginning	298,212	**259,686**		
Unencumbered Cash - Ending	$ 259,686	**298,338**		

CITY OF BIRD CITY, KANSAS
Library Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2024
(With Comparative Actual Totals For the Prior Year Ended December 31, 2023)

		Prior Year Actual	Current Year **Actual**	Current Year Budget	Current Year Variance Over (Under)
Receipts					
Taxes and Shared Revenues					
Ad Valorem Property Tax	$	17,344	**18,591**	18,914	(323)
Delinquent Tax		139	**681**	100	581
Motor Vehicle Tax		2,813	**2,775**	2,220	555
Recreational Vehicle Tax		18	**34**	17	17
16/20 Vehicle Tax		21	**37**	25	12
Commercial Motor Vehicle Fees		90	**31**	94	(63)
Total Receipts		20,425	**22,149**	21,370	779
Expenditures					
Library Operations		21,250	**21,372**	21,372	-
Receipts Over (Under) Expenditures		(825)	**777**		
Unencumbered Cash - Beginning		825	**-**		
Unencumbered Cash - Ending	$	-	**777**		

CITY OF BIRD CITY, KANSAS
Special Highway Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2024
(With Comparative Actual Totals For the Prior Year Ended December 31, 2023)

		Current Year		
	Prior Year Actual	**Actual**	Budget	Variance Over (Under)
Receipts				
Taxes and Shared Revenues				
State of Kansas Gas Tax	$ 11,721	**11,915**	11,690	225
Transfers In				
Water and Sewer Fund	12,500	**35,000**	15,000	20,000
Total Receipts	24,221	**46,915**	26,690	20,225
Expenditures				
Street Repairs and Maintenance	14,000	**17,269**	26,690	(9,421)
Cash Forward	-	**-**	92,159	(92,159)
Total Expenditures	14,000	**17,269**	118,849	(101,580)
Receipts Over (Under) Expenditures	10,221	**29,646**		
Unencumbered Cash - Beginning	81,563	**91,784**		
Unencumbered Cash - Ending	$ 91,784	**121,430**		

CITY OF BIRD CITY, KANSAS
Special Parks Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2024
(With Comparative Actual Totals For the Prior Year Ended December 31, 2023)

		Current Year		
	Prior Year Actual	**Actual**	Budget	Variance Over (Under)
Receipts				
Local Alcoholic Liquor Tax	$ 3,466	**3,824**	3,048	776
Expenditures				
Park Improvement	1,615	**3,358**	2,598	760
Utilities	514	**500**	450	50
Cash Forward	-	**-**	3,506	(3,506)
Total Expenditures	2,129	**3,858**	6,554	(2,696)
Receipts Over (Under) Expenditures	1,337	**(34)**		
Unencumbered Cash - Beginning	3,315	**4,652**		
Unencumbered Cash - Ending	$ 4,652	**4,618**		

CITY OF BIRD CITY, KANSAS
Capital Equipment Fund
Schedule of Receipts and Expenditures
Regulatory Basis
For the Year Ended December 31, 2024
(With Comparative Actual Totals For the Prior Year Ended December 31, 2023)

		Prior Year Actual	**Current Year Actual**
Receipts			
Transfers In			
Water and Sewer Fund	$	23,000	**25,000**
Reimbursed Expenses		-	**199**
Total Receipts		23,000	**25,199**
Expenditures			
Equipment		1,588	**23,827**
Receipts Over (Under) Expenditures		21,412	**1,372**
Unencumbered Cash - Beginning		34,084	**55,496**
Unencumbered Cash - Ending	$	55,496	**56,868**

CITY OF BIRD CITY, KANSAS
Capital Improvements Fund
Schedule of Receipts and Expenditures
Regulatory Basis
For the Year Ended December 31, 2024
(With Comparative Actual Totals For the Prior Year Ended December 31, 2023)

	Prior Year Actual	**Current Year Actual**
Receipts		
Transfers In		
Water and Sewer Fund	$ 2,000	**4,000**
Expenditures	-	**-**
Receipts Over (Under) Expenditures	2,000	**4,000**
Unencumbered Cash - Beginning	29,046	**31,046**
Unencumbered Cash - Ending	$ 31,046	**35,046**

CITY OF BIRD CITY, KANSAS
Community Projects Fund
Schedule of Receipts and Expenditures
Regulatory Basis
For the Year Ended December 31, 2024
(With Comparative Actual Totals For the Prior Year Ended December 31, 2023)

		Prior Year Actual	**Current Year Actual**
Receipts			
Grants	$	21,267	**16,153**
Expenditures			
Capital Outlay		18,267	**9,181**
Receipts Over (Under) Expenditures		3,000	**6,972**
Unencumbered Cash - Beginning		4,144	**7,144**
Unencumbered Cash - Ending	$	7,144	**14,116**

CITY OF BIRD CITY, KANSAS
American Rescue Plan Act Fund
Schedule of Receipts and Expenditures
Regulatory Basis
For the Year Ended December 31, 2024
(With Comparative Actual Totals For the Prior Year Ended December 31, 2023)

		Prior Year Actual	**Current Year Actual**
Receipts	$	-	**-**
Expenditures			
Capital Outlay		-	**4,916**
Receipts Over (Under) Expenditures		-	**(4,916)**
Unencumbered Cash - Beginning		4,916	**4,916**
Unencumbered Cash - Ending	$	4,916	**-**

CITY OF BIRD CITY, KANSAS
Solid Waste Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2024
(With Comparative Actual Totals For the Prior Year Ended December 31, 2023)

		Current Year		
	Prior Year Actual	**Actual**	Budget	Variance Over (Under)
Receipts				
Reimbursed Expenses	$ 559	**554**	**-**	554
Charges to Customers	47,083	**88,912**	85,000	3,912
Total Receipts	47,642	**89,466**	85,000	4,466
Expenditures				
Personal Services	10,681	**18,694**	20,000	(1,306)
Operating Expenses	6,533	**59,484**	53,000	6,484
Charges Paid to Landfill	4,632	**7,643**	12,000	(4,357)
Cash Forward	-	**-**	36,170	(36,170)
Total Expenditures	21,846	**85,821**	121,170	(35,349)
Receipts Over (Under) Expenditures	25,796	**3,645**		
Unencumbered Cash - Beginning	15,470	**41,266**		
Unencumbered Cash - Ending	$ 41,266	**44,911**		

Schedule 2-10

CITY OF BIRD CITY, KANSAS
Water and Sewer Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2024
(With Comparative Actual Totals For the Prior Year Ended December 31, 2023)

		Current Year		
	Prior Year Actual	**Actual**	Budget	Variance Over (Under)
Receipts				
Collections	$ 259,753	**319,634**	274,250	45,384
Reimbursed Expenses	8,614	**1,600**	500	1,100
Total Receipts	268,367	**321,234**	274,750	46,484
Expenditures				
Personal Services	43,735	**44,116**	43,659	457
Recycle Fee	1,307	**1,461**	1,500	(39)
Production and Distribution	109,393	**104,596**	105,345	(749)
Sales Tax	1,391	**1,433**	1,500	(67)
Sewer Contractual	6,445	**23,283**	17,799	5,484
Water Protection Fee	1,594	**1,869**	2,000	(131)
Transfers Out				
Wastewater Treatment Facility Debt Fund	35,000	**35,000**	36,000	(1,000)
Water Improvement Fund	22,000	**23,000**	23,000	-
Capital Equipment Fund	23,000	**25,000**	25,000	-
Special Highway Fund	12,500	**35,000**	15,000	20,000
Capital Improvements Fund	2,000	**4,000**	4,000	-
Cash Forward	-	**-**	159,501	(159,501)
Total Expenditures	258,365	**298,758**	434,304	(135,546)
Receipts Over (Under) Expenditures	10,002	**22,476**		
Unencumbered Cash - Beginning	156,257	**166,259**		
Unencumbered Cash - Ending	$ 166,259	**188,735**		

CITY OF BIRD CITY, KANSAS
Wastewater Treatment Facility Debt Fund
Schedule of Receipts and Expenditures
Regulatory Basis
For the Year Ended December 31, 2024
(With Comparative Actual Totals For the Prior Year Ended December 31, 2023)

		Prior Year Actual	**Current Year Actual**
Receipts			
Transfers In			
Water and Sewer Fund	$	35,000	**35,000**
Expenditures			
Principal		30,957	**31,782**
Interest		3,781	**3,034**
Fees		394	**315**
Total Expenditures		35,132	**35,131**
Receipts Over (Under) Expenditures		(132)	**(131)**
Unencumbered Cash - Beginning		78,825	**78,693**
Unencumbered Cash - Ending	$	78,693	**78,562**

CITY OF BIRD CITY, KANSAS
Water Improvement Fund
Schedule of Receipts and Expenditures
Regulatory Basis
For the Year Ended December 31, 2024
(With Comparative Actual Totals For the Prior Year Ended December 31, 2023)

		Prior Year Actual	**Current Year Actual**
Receipts			
Transfers In			
Water and Sewer Fund	$	22,000	**23,000**
Expenditures			
Principal		16,900	**17,283**
Interest		4,500	**4,177**
Fees		829	**769**
Total Expenditures		22,229	**22,229**
Receipts Over (Under) Expenditures		(229)	**771**
Unencumbered Cash - Beginning		53,081	**52,852**
Unencumbered Cash - Ending	$	52,852	**53,623**

CITY OF BIRD CITY, KANSAS
Eggers Trust Fund
Schedule of Receipts and Expenditures
Regulatory Basis
For the Year Ended December 31, 2024
(With Comparative Actual Totals For the Prior Year Ended December 31, 2023)

		Prior Year Actual	**Current Year Actual**
Receipts			
Interest Income	$	127	**119**
Expenditures			
Repairs and Maintenance		1,025	**2,902**
Receipts Over (Under) Expenditures		(898)	**(2,783)**
Unencumbered Cash - Beginning		31,725	**30,827**
Unencumbered Cash - Ending	$	30,827	**28,044**

CITY OF BIRD CITY, KANSAS
Prosecutors Trust Fund
Schedule of Receipts and Expenditures
Regulatory Basis
For the Year Ended December 31, 2024
(With Comparative Actual Totals For the Prior Year Ended December 31, 2023)

		Prior Year Actual	**Current Year Actual**
Receipts			
Fines	$	-	**150**
Expenditures			
Scholarships		300	**149**
Receipts Over (Under) Expenditures		(300)	**1**
Unencumbered Cash - Beginning		317	**17**
Unencumbered Cash - Ending	$	17	**18**

Schedule 3

CITY OF BIRD CITY, KANSAS
Agency Funds
Schedule of Receipts and Disbursements
Regulatory Basis
For the Year Ended December 31, 2024

Funds	Beginning Cash Balance	Receipts	Disbursements	**Ending Cash Balance**
Fire Fund	$ 29,993	12,952	5,658	**37,287**