CITY OF SEDGWICK, KANSAS

FINANCIAL STATEMENT

December 31, 2025

VARNEY & ASSOCIATES, CPAs, LLC
Manhattan, Kansas

CITY OF SEDGWICK, KANSAS
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VARNEY
& ASSOCIATES, CPAs, LLC

May 13, 2026

Mayor and Council Members
City of Sedgwick, Kansas

Independent Auditor's Report

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

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

Unmodified Opinion on Regulatory Basis of Accounting
In our opinion, the accompanying financial statement referred to above presents fairly, in all material respects, the aggregate cash and unencumbered cash balance of the City as of December 31, 2025, and the aggregate receipts and expenditures for they year then ended in accordance with the financial reporting provisions of the *Kansas Municipal Audit and Accounting Guide* (KMAAG) 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 KMAAG. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statement section of our report. We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. 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 the 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 KMAAG, 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 the financial statement in accordance with KMAAG as described in Note 1; this includes determining 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 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.

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Auditor's Responsibilities for the Audit of the Financial Statement

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

In performing an audit in accordance with GAAS, we:

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

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

Supplementary Information

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

Varney & Associates, CPAs, LLC

Certified Public Accountants
Manhattan, Kansas

CITY OF SEDGWICK, KANSAS
SUMMARY STATEMENT OF CASH RECEIPTS, EXPENDITURES AND UNENCUMBERED CASH
Regulatory Basis
For the Year Ended December 31, 2025

Fund	Beginning Unencumbered Cash Balance	Prior Year Cancelled Encumbrances	Cash Receipts	Expenditures	Ending Unencumbered Cash Balance	Add: Outstanding Encumbrances and Accounts Payable	Ending Cash Balance
Governmental Funds							
General Fund	$ 111,054	$ -	$ 1,477,619	$ 1,502,021	$ 86,652	$ 637	$ 87,289
Special Purpose Funds							
Employee Benefits	126,260	-	374,812	387,212	113,860	-	113,860
Library	194	-	63,348	63,348	194	-	194
Special Street and Highway	-	-	45,119	45,094	25	1	26
Special Sales Tax	-	-	178,577	163,438	15,139	-	15,139
Special Parks and Recreation	1,794	-	5,467	6,000	1,261	-	1,261
Opioid/Drug Settlement	10,459	-	2,985	6,475	6,969	-	6,969
East Park Pond Project	2,379	-	22	1,885	516	-	516
Capital Improvement	959,112	-	721,039	756,344	923,807	-	923,807
Capital Equipment	349,108	-	189,546	186,032	352,622	-	352,622
ARPA	24,987	-	-	24,987	-	-	-
Operating Reserve	9,535	-	4,610	14,145	-	-	-
Chamber of Commerce	-	-	13,092	13,092	-	-	-
Asset Forfeiture	2,000	-	280	2,070	210	-	210
Bond and Interest	-	-	339,742	339,742	-	-	-
Business							
Water Operating	39,651	-	408,005	406,442	41,214	13,321	54,535
Refuse	9,841	-	123,977	121,548	12,270	-	12,270
Wastewater Treatment	25,389	-	282,119	277,308	30,200	(18)	30,182
Total Primary Entity	$ 1,671,763	$ -	$ 4,230,359	$ 4,317,183	$ 1,584,939	$ 13,941	$ 1,598,880
Related Municipal Entity							
Public Building Commission	$ -	$ -	$ 2,168,160	$ 221,843	$ 1,946,317	$ -	$ 1,946,317
Total Reporting Entity	$ 1,671,763	$ -	$ 6,398,519	$ 4,539,026	$ 3,531,256	$ 13,941	$ 3,545,197

Composition of Cash	
Checking	$ 294,792
Money Market	5,413
Savings	48,325
Certificates of deposit	1,250,000
Petty cash	350
Total Primary Entity	$ 1,598,880
Checking - Public Building Commission	1,946,317
Total Reporting Entity	$ 3,545,197

The accompanying notes are an integral part of this financial statement.
See Independent Auditor's Report.

CITY OF SEDGWICK, KANSAS
NOTES TO FINANCIAL STATEMENT
December 31, 2025

Note 1: Summary of Significant Accounting Policies

The City of Sedgwick, Kansas (the City) is a municipal corporation governed by an elected six-member council and mayor. The financial statement presents the City and its related municipal entity. The related municipal entity is included in the City's reporting entity because it was established to benefit the City and/or its constituents.

Regulatory Basis Fund Types

The accounts of the City are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. In the financial statement in this report, the various funds are grouped into generic fund types and broad fund categories as follows:

General Fund - The general fund is the chief operating fund of the City. It is used to account for all resources except those required to be accounted for in another fund.

Special Purpose Funds - Special purpose funds are used to account for the proceeds of specific tax levies and other specific revenue sources intended for specified purposes.

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

Business Funds - Business funds are used to account for funds financed in whole or in part by fees charged to users of the goods or services.

Basis of Accounting

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

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

Budgetary Information

The City Charter establishes the fiscal year as the twelve-month period beginning January 1. The Mayor and City Council prepare a budget of estimated expenditures and receipts for the ensuing fiscal year in accordance with State of Kansas Statutes. These statutes require that an annual operating budget be adopted for the general fund, special purpose funds (unless specifically exempted by statue), bond and interest funds, and business funds. Although directory rather than mandatory, the statues provide for the following sequence and timetable in the adoption of the legal annual operating budget.

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

Note 1: Summary of Significant Accounting Policies (Continued)

Budgetary Information (Continued)

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

The statutes allow for the governing body to increase the originally adopted budget for previously unbudgeted increases in revenue other than ad valorem property taxes. To do this, a notice of public hearing to amend the budget must be published in the local newspaper. At least ten days after publication, the hearing may be held and the governing body may amend the budget at that time. 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 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:

East Park Pond Project	Capital Improvement
Capital Equipment	ARPA
Operating Reserve	Asset Forfeiture
Chamber of Commerce	

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.

Special Assessments

Projects financed in part by special assessments are financed through the issuance of general obligation bonds which are secured in full by the City and are retired from the City's bond and interest fund. Further, state statutes permit the levying of additional general ad valorem property taxes in the City's bond and interest fund to finance delinquent special assessments. Special assessment taxes are levied over a ten or fifteen-year period and the annual installments are due and payable with annual ad valorem property taxes. The City may foreclose liens against property benefited by special assessments when delinquent assessments are two years in arrears.

Note 2: Deposits and Investments

K.S.A. 9-1401 establishes the depositories which may be used by the City. The statute requires banks eligible to hold the City's funds have a main or branch bank in the county in which the City is located, or in an adjoining county if such institution has been designated as an official depository, and the banks provide an acceptable rate of return on funds. In addition, K.S.A. 9-1402 requires the banks to pledge securities for deposits in excess of FDIC coverage. Effective January 1, 2026, K.S.A. 9-1402 authorizes financial institutions to secure deposits of public moneys of governmental units through the Kansas Collateral Pool (public moneys pooled method as defined by 2025 Senate Substitute for House Bill 2152). 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 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 coverage is 50%. The City does not utilize "peak periods". All deposits were legally secured at December 31, 2025.

As of December 31, 2025, the City's carrying amount of deposits was $1,598,530 and the bank balance was $1,430,728. 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 the remaining balance was collateralized with securities held by the pledging financial institutions' agents in the City's name.

As of December 31, 2025, the Public Building Commission's carrying amount of deposits was $1,946,317 and the bank balance was $2,153,599. 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 the remaining balance was collateralized with securities held by the pledging financial institutions' agents in the Public Building Commission's name.

Note 3: Defined Benefit Pension Plan

Plan Description

The City participates in the Kansas Public Employees Retirement System (KPERS), a cost-sharing multiple-employer defined benefit pension plan as provided by K.S.A. 74-4901, et. seq. Kansas law establishes and amends benefit provisions. KPERS issues a publicly available financial report that includes financial statements and required supplementary information. KPERS' financial statements are included in its Comprehensive Annual Financial Report which can be found on the KPERS website at www.kspers.gov or by writing to KPERS (611 S. Kansas Avenue, Suite 100, Topeka, KS 66503) 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 a 6% of covered salary for KPERS 1, KPERS 2 and KPERS 3 members. K.S.A. 74-4975 establishes KP&F member-employee contribution rate at 7.15% of covered salary. Member contributions are withheld by their employer and paid to KPERS according to the provisions of Section 414(h) of the Internal Revenue Code.

Note 3: Defined Benefit Pension Plan (Continued)

Contributions (Continued)

State law provides that the employer contribution rates for KPERS 1, KPERS 2, KPERS 3 and KP&F be determined based on the results of each annual actuarial valuation. Kansas law sets a limitation on annual increases in the employer contribution rates. The actuarially determined employer contribution rate (not including the 1% contribution rate for the Death and Disability Program) and the statutory contribution rate was 9.71% for KPERS and 24.67% for KP&F for the fiscal year ended December 31, 2025. Contributions to the pension plan from the City were $50,661 for KPERS and $72,111 for KP&F for the year ended December 31, 2025.

Net Pension Liability

At December 31, 2025, the County's proportionate share of the collective net pension liability reported by KPERS was $428,508 and $303,145 for KP&F. The net pension liability was measured as of June 30, 2025 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2024, which was rolled forward to June 30, 2025. The County's proportion of the net pension liability was based on the ratio of the County'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 assumption and methods, and the report on the allocation of the KPERS collective net pension liability to all participating employers are publically available on the website at www.kspers.org or can be obtained as described above.

Note 4: Post-Employment Benefits

As provided by K.S.A. 12-5040, the City allows retirees to participate in the group health insurance plan. While each retiree pays the full amount of the applicable premium, conceptually, the City is subsidizing the retirees because each participant is charged a level of premium regardless of age. However, the cost of this subsidy has not been quantified in the 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 5: Compensated Absences

Full-time employees are entitled to paid vacation according to the following schedule:

Years of Service	Accrual
After 1 Year	5 Days
Years 3 through 7	10 Days
After 7 Years	15 Days

Employees are allowed to carryover five days into the next year, which must be used or lost. A maximum of five days per year may be purchased in lieu of vacation. Accrued vacation time has not been recorded as a liability in the accompanying financial statement.

Full-time employees earn one day of sick leave per month, which can be accumulated to a maximum of 720 hours. Unused sick leave is not paid upon termination. On retirement from city employment, one-half (1/2) of accumulated sick leave shall be paid if the retiree has retained at least 90% (648 hours) of the maximum accumulated hours or one-third (1/3) of accumulated sick leave shall be paid if the retiree has retained at least 70% (504 hours) of the maximum accumulated hours. Unused sick leave has not been recorded in the accompanying financial statement.

Note 6: Contingencies

Risk Management

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

Grant Programs

The City participates in various federal and state grant programs. These grant programs are often subject to additional audits by agents of the granting agency, the purpose of which is to ensure compliance with the specific conditions of the grant. Any liability for reimbursement which may arise as a result of these audits cannot be reasonably determined at this time, although it is believed the amount, if any, would not be material.

Note 7: Interfund Transfers

Transfers for the year were as follows:

From	To	Regulatory Authority	Amount
Special Sales Tax	Capital Equipment	K.S.A. 12-1,118	$ 17,862
Special Sales Tax	Capital Improvement	K.S.A. 12-1,118	102,759
Special Parks & Recreation	Capital Equipment	K.S.A. 12-1,118	3,016
Operating Reserve	Bond and Interest	Council	14,145
Water Operating	General	K.S.A. 12-825d	20,400
Water Operating	Bond and Interest	K.S.A. 12-825d	11,860
Water Operating	Chamber of Commerce	Council	9,954
Water Operating	Capital Equipment	K.S.A. 12-1,118	23,679
Refuse	General	K.S.A. 12-825d	6,199
Refuse	Capital Equipment	K.S.A. 12-1,118	22,801
Wastewater Treatment	General	K.S.A. 12-825d	14,106
Wastewater Treatment	Capital Equipment	K.S.A. 12-1,118	43,783
Capital Improvement	Capital Equipment	K.S.A. 12-1,118	6,750
Capital Equipment	Capital Improvement	K.S.A. 12-1,118	14,747
			$ 312,061

Note 8: Capital Projects

At year end, capital project authorizations with approved change orders compared with expenditures from inception are as follows:

	Project Authorization	Expenditures to Date
Fire & EMS Project	$ 2,090,000	$ 207,282

Note 9: Subsequent Events

Management has evaluated the effects on the financial statement of subsequent events occurring through the date of this report, which is the date at which the financial statement was available to be issued.

Note 10: Changes in Long-Term Debt

The following is a summary of changes in long-term debt for the year:

ISSUE	Interest Rates	Date of Issue	Amount of Issue	Date of Final Maturity	Balance Beginning of Year	Additions	Reductions/ Payments	Net Change	Balance End of Year	Interest Paid
General Obligation Bonds										
Series 2010	2.00 - 4.38%	7/15/2010	$ 2,620,000	9/1/2025	$ 140,000	$ -	$ 140,000	$ (140,000)	$ -	$ 5,775
Series 2011	3.75%	11/28/2011	195,000	11/28/2041	135,674	-	5,849	(5,849)	129,825	5,088
Series 2015-A	.45 - 2.80%	4/28/2015	255,000	9/1/2025	25,000	-	25,000	(25,000)	-	700
Series 2016	1.00 - 3.20%	5/10/2016	215,000	9/1/2026	44,000	-	22,000	(22,000)	22,000	1,320
Series 2017	3.00%	7/27/2017	1,325,000	9/1/2030	980,000	-	100,000	(100,000)	880,000	29,400
Series 2021	3.50%	1/21/2021	53,981	9/1/2036	46,000	-	3,000	(3,000)	43,000	1,610
Series 2025	4.5 - 5.85%	5/22/2025	370,000	9/1/2045	-	370,000	-	370,000	370,000	-
Total General Obligation Bonds					$ 1,370,674	$ 370,000	$ 295,849	$ 74,151	$ 1,444,825	$ 43,893
Finance Leases										
Police vehicles	3.50%	10/6/2021	$ 87,234	3/1/2027	$ 45,449	$ -	$ 14,728	$ (14,728)	$ 30,721	$ 1,292
Revenue Bonds										
Public Building Commission										
Series 2025	3.20 - 4.00%	12/11/2025	$ 2,205,000	10/1/2041	$ -	$ 2,205,000	$ -	$ 2,205,000	$ 2,205,000	$ -
TOTAL LONG-TERM DEBT					$ 1,416,123	$ 2,575,000	$ 310,577	$ 2,264,423	$ 3,680,546	$ 45,185

Note 10: Changes in Long-Term Debt (Continued)

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

	2026	2027	2028	2029	2030	2031 - 2035	2036 - 2040	2041 - 2045	Total
Principal									
General Obligation Bonds									
Series 2011	$ 6,069	$ 6,296	$ 6,532	$ 6,777	$ 7,031	$ 39,317	$ 47,262	$ 10,541	$ 129,825
Series 2016	22,000	-	-	-	-	-	-	-	22,000
Series 2017	160,000	170,000	180,000	185,000	185,000	-	-	-	880,000
Series 2021	3,000	3,000	4,000	4,000	4,000	20,000	5,000	-	43,000
Series 2025	5,000	10,000	10,000	15,000	15,000	75,000	105,000	135,000	370,000
Finance Leases									
Police vehicles	15,146	15,575	-	-	-	-	-	-	30,721
Revenue Bonds - PBC									
Series 2025	-	-	-	-	-	895,000	1,070,000	240,000	2,205,000
Total Principal	$ 211,215	$ 204,871	$ 200,532	$ 210,777	$ 211,031	$ 1,029,317	$ 1,227,262	$ 385,541	$ 3,680,546
Interest									
General Obligation Bonds									
Series 2011	$ 6,868	$ 4,641	$ 4,405	$ 4,160	$ 3,906	$ 15,370	$ 7,425	$ 395	$ 47,170
Series 2016	704	-	-	-	-	-	-	-	704
Series 2017	26,400	21,600	16,500	11,100	5,550	-	-	-	81,150
Series 2021	1,505	1,400	1,295	1,155	1,015	2,975	175	-	9,520
Series 2025	25,863	20,060	19,610	19,160	18,410	80,725	57,800	24,570	266,198
Finance Leases									
Police vehicles	874	444	-	-	-	-	-	-	1,318
Revenue Bonds - PBC									
Series 2025	64,124	81,571	81,571	81,571	81,571	350,392	177,570	9,600	927,970
Total Interest	$ 126,338	$ 129,716	$ 123,381	$ 117,146	$ 110,452	$ 449,462	$ 242,970	$ 34,565	$ 1,334,030
Total Principal and Interest	$ 337,553	$ 334,587	$ 323,913	$ 327,923	$ 321,483	$ 1,478,779	$ 1,470,232	$ 420,106	$ 5,014,576

REGULATORY-REQUIRED SUPPLEMENTAL INFORMATION

CITY OF SEDGWICK, KANSAS
SUMMARY STATEMENT OF CASH RECEIPTS, EXPENDITURES AND UNENCUMBERED CASH
Regulatory Basis
For the Year Ended December 31, 2025

Fund	Certified Budget	Adjustment for Qualifying Budget Credits	Total Budget for Comparison	Expenditures Chargeable to Current Year	Variance Over (under)
Governmental Funds					
General	$ 1,919,662	$ -	$ 1,919,662	$ 1,502,021	$ (417,641)
Special Purpose Funds					
Employee Benefits	530,857	-	530,857	387,212	(143,645)
Library	68,385	-	68,385	63,348	(5,037)
Special Street and Highway	111,642	-	111,642	45,094	(66,548)
Special Parks and Recreation	6,000	-	6,000	6,000	-
Special Sales Tax	163,438	-	163,438	163,438	-
Opioid/Drug Settlement	6,475	-	6,475	6,475	-
Bond and Interest	349,388	-	349,388	339,742	(9,646)
Business					
Water Operating	508,541	-	508,541	406,442	(102,099)
Refuse	151,745	-	151,745	121,548	(30,197)
Wastewater Treatment	365,882	-	365,882	277,308	(88,574)
Totals	$ 4,182,015	$ -	$ 4,182,015	$ 3,318,628	$ (863,387)

The accompanying notes are an integral part of this financial statement.
See Independent Auditor's Report.

CITY OF SEDGWICK, KANSAS
GENERAL
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
Regulatory Basis
For the Year Ended December 31, 2025

	Actual	Budget	Variance Over (Under)
CASH RECEIPTS			
Ad valorem tax	$ 431,171	$ 471,247	$ (40,076)
Delinquent taxes	12,922	13,136	(214)
Motor vehicle taxes	70,336	64,151	6,185
Recreational vehicle tax	1,414	1,196	218
16/20 tax	18	258	(240)
Local alcoholic liquor tax	5,467	6,837	(1,370)
Sales tax	482,416	472,509	9,907
Ambulance tax	45,348	48,620	(3,272)
State assessed utilities	25,985	30,589	(4,604)
Licenses and permits	27,166	13,142	14,024
Franchise tax	120,792	109,207	11,585
Ambulance services	51,156	50,000	1,156
Police fines and fees	27,032	44,315	(17,283)
Pool admissions and concessions	27,290	29,743	(2,453)
Reimbursements	17,057	21,384	(4,327)
Township fire protection fees	27,689	30,173	(2,484)
Intergovernmental/grants	1,055	-	1,055
Interest	49,904	26,891	23,013
Miscellaneous	12,696	7,999	4,697
Transfers in	40,705	40,677	28
Total Cash Receipts	$ 1,477,619	$ 1,482,074	$ (4,455)
EXPENDITURES			
Administration	$ 324,650	$ 319,882	$ 4,768
Ambulance	445,380	413,764	31,616
Police	277,974	318,478	(40,504)
Fire	45,919	57,185	(11,266)
Legal	47,718	49,937	(2,219)
Swimming pool	79,858	80,227	(369)
Community relations	48,893	42,000	6,893
Parks	24,405	29,172	(4,767)
Cemetery	12,431	10,840	1,591
Streets	117,383	137,610	(20,227)
Maintenance	77,410	77,497	(87)
Transfers out	-	191,645	(191,645)
Cash forward	-	191,425	(191,425)
Total Expenditures	$ 1,502,021	$ 1,919,662	$ (417,641)
RECEIPTS OVER (UNDER) EXPENDITURES	$ (24,402)		
UNENCUMBERED CASH - JANUARY 1	111,054		
UNENCUMBERED CASH - DECEMBER 31	$ 86,652		

CITY OF SEDGWICK, KANSAS
EMPLOYEE BENEFITS
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
Regulatory Basis
For the Year Ended December 31, 2025

	Actual	Budget	Variance Over (Under)
CASH RECEIPTS			
Ad valorem tax	$ 317,893	$ 347,551	$ (29,658)
Delinquent taxes	4,855	1,300	3,555
Motor vehicle taxes	22,971	1,607	21,364
Recreational vehicle tax	463	410	53
16/20 tax	8	89	(81)
State assessed utilities	19,391	10,982	8,409
Interest	2	-	2
Reimbursements	9,229	-	9,229
Transfers in	-	61,880	(61,880)
Total Cash Receipts	$ 374,812	$ 423,819	$ (49,007)
EXPENDITURES			
Personnel services	$ 387,212	$ 494,643	$ (107,431)
Cash basis reserve	-	36,214	(36,214)
Total Expenditures	$ 387,212	$ 530,857	$ (143,645)
RECEIPTS OVER (UNDER) EXPENDITURES	$ (12,400)		
UNENCUMBERED CASH - JANUARY 1	126,260		
UNENCUMBERED CASH - DECEMBER 31	$ 113,860		

CITY OF SEDGWICK, KANSAS
LIBRARY
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
Regulatory Basis
For the Year Ended December 31, 2025

	Actual	Budget	Variance Over (Under)
CASH RECEIPTS			
Ad valorem tax	$ 52,544	$ 57,440	$ (4,896)
Delinquent taxes	1,263	1,515	(252)
Motor vehicle taxes	6,207	5,610	597
Recreational vehicle tax	126	104	22
16/20 tax	2	23	(21)
State assessed utilities	3,206	2,991	215
Total Cash Receipts	$ 63,348	$ 67,683	$ (4,335)
EXPENDITURES			
Appropriations	$ 63,348	$ 68,385	$ (5,037)
RECEIPTS OVER (UNDER) EXPENDITURES	$ -		
UNENCUMBERED CASH - JANUARY 1	194		
UNENCUMBERED CASH - DECEMBER 31	$ 194		

CITY OF SEDGWICK, KANSAS
SPECIAL STREET AND HIGHWAY
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
Regulatory Basis
For the Year Ended December 31, 2025

	Actual	Budget	Variance Over (Under)
CASH RECEIPTS			
Intergovernmental	$ 42,791	$ 47,200	$ (4,409)
Sales tax	2,328	-	2,328
Total Cash Receipts	$ 45,119	$ 47,200	$ (2,081)
EXPENDITURES			
Contractual services	$ 45,094	$ 34,642	$ 10,452
Transfers out	-	77,000	(77,000)
Total Expenditures	$ 45,094	$ 111,642	$ (66,548)
RECEIPTS OVER (UNDER) EXPENDITURES	$ 25		
UNENCUMBERED CASH - JANUARY 1	-		
UNENCUMBERED CASH - DECEMBER 31	$ 25		

CITY OF SEDGWICK, KANSAS
SPECIAL SALES TAX
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
Regulatory Basis
For the Year Ended December 31, 2025

	Actual	Budget	Variance Over (Under)
CASH RECEIPTS			
Sales tax	$ 178,577	$ 163,638	$ 14,939
EXPENDITURES			
Contractual services	$ 33,217	$ 163,438	$ (130,221)
Commodities	9,600	-	9,600
Transfers out	120,621	-	120,621
Total Expenditures	$ 163,438	$ 163,438	$ -
RECEIPTS OVER (UNDER) EXPENDITURES	$ 15,139		
UNENCUMBERED CASH - JANUARY 1	-		
UNENCUMBERED CASH - DECEMBER 31	$ 15,139		

CITY OF SEDGWICK, KANSAS
SPECIAL PARKS AND RECREATION
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
Regulatory Basis
For the Year Ended December 31, 2025

	Actual	Budget	Variance Over (Under)
CASH RECEIPTS			
Local Alcohol Liquor Tax	$ 5,467	$ 6,604	$ (1,137)
EXPENDITURES			
Commodities	$ 879	$ -	$ 879
Contractual services	2,105	6,000	(3,895)
Transfers out	3,016	-	3,016
Total Expenditures	$ 6,000	$ 6,000	$ -
RECEIPTS OVER (UNDER) EXPENDITURES	$ (533)		
UNENCUMBERED CASH - JANUARY 1	1,794		
UNENCUMBERED CASH - DECEMBER 31	$ 1,261		

CITY OF SEDGWICK, KANSAS
OPIOID/DRUG SETTLEMENT
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
Regulatory Basis
For the Year Ended December 31, 2025

	Actual	Budget	Variance Over (Under)
CASH RECEIPTS			
Miscellaneous	$ 2,985	$ 1,568	$ 1,417
EXPENDITURES			
Miscellaneous	$ 6,475	$ 6,475	$ -
RECEIPTS OVER (UNDER) EXPENDITURES	$ (3,490)		
UNENCUMBERED CASH - JANUARY 1	10,459		
UNENCUMBERED CASH - DECEMBER 31	$ 6,969		

CITY OF SEDGWICK, KANSAS
EAST PARK POND PROJECT
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL
Regulatory Basis
For the Year Ended December 31, 2025

CASH RECEIPTS		
Interest	$	22
EXPENDITURES		
Miscellaneous	$	1,885
RECEIPTS OVER (UNDER) EXPENDITURES	$	(1,863)
UNENCUMBERED CASH - JANUARY 1		2,379
UNENCUMBERED CASH - DECEMBER 31	$	516

CITY OF SEDGWICK, KANSAS
CAPITAL IMPROVEMENT
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL
Regulatory Basis
For the Year Ended December 31, 2025

CASH RECEIPTS	
Miscellaneous	$ 554,706
Intergovernmental/grants	45,000
Transfers in	121,333
Total Cash Receipts	$ 721,039
EXPENDITURES	
Capital outlay	$ 749,594
Transfers out	6,750
Total Cash Expenditures	$ 756,344
RECEIPTS OVER (UNDER) EXPENDITURES	$ (35,305)
UNENCUMBERED CASH - JANUARY 1	959,112
UNENCUMBERED CASH - DECEMBER 31	$ 923,807

(3,827)

CITY OF SEDGWICK, KANSAS
CAPITAL EQUIPMENT
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL
Regulatory Basis
For the Year Ended December 31, 2025

CASH RECEIPTS	
Intergovernmental	$ 250
Miscellaneous	75,232
Transfers in	114,064
Total Cash Receipts	$ 189,546
EXPENDITURES	
Capital outlay	$ 171,285
Transfers out	14,747
Total Expenditures	$ 186,032
RECEIPTS OVER (UNDER) EXPENDITURES	$ 3,514
UNENCUMBERED CASH - JANUARY 1	349,108
UNENCUMBERED CASH - DECEMBER 31	$ 352,622

CITY OF SEDGWICK, KANSAS
ARPA
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL
Regulatory Basis
For the Year Ended December 31, 2025

CASH RECEIPTS	
Miscellaneous	$ -
EXPENDITURES	
Capital outlay	$ 24,987
RECEIPTS OVER (UNDER) EXPENDITURES	$ (24,987)
UNENCUMBERED CASH - JANUARY 1	24,987
UNENCUMBERED CASH - DECEMBER 31	$ -

CITY OF SEDGWICK, KANSAS
OPERATING RESERVE
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL
Regulatory Basis
For the Year Ended December 31, 2025

CASH RECEIPTS		
Reimbursements	$	4,610
EXPENDITURES		
Transfers out	$	14,145
RECEIPTS OVER (UNDER) EXPENDITURES	$	(9,535)
UNENCUMBERED CASH - JANUARY 1		9,535
UNENCUMBERED CASH - DECEMBER 31	$	-

CITY OF SEDGWICK, KANSAS
CHAMBER OF COMMERCE
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL
Regulatory Basis
For the Year Ended December 31, 2025

CASH RECEIPTS		
Miscellaneous	$	3,138
Transfers in		9,954
Total Cash Receipts	$	13,092
EXPENDITURES		
Miscellaneous	$	13,092
RECEIPTS OVER (UNDER) EXPENDITURES	$	-
UNENCUMBERED CASH - JANUARY 1		-
UNENCUMBERED CASH - DECEMBER 31	$	-

CITY OF SEDGWICK, KANSAS
ASSET FORFEITURE
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL
Regulatory Basis
For the Year Ended December 31, 2025

CASH RECEIPTS		
Miscellaneous	$	280
EXPENDITURES		
Miscellaneous	$	2,070
RECEIPTS OVER (UNDER) EXPENDITURES	$	(1,790)
UNENCUMBERED CASH - JANUARY 1		2,000
UNENCUMBERED CASH - DECEMBER 31	$	210

CITY OF SEDGWICK, KANSAS
BOND AND INTEREST
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
Regulatory Basis
For the Year Ended December 31, 2025

	Actual	Budget	Variance Over (Under)
CASH RECEIPTS			
Taxes and Shared Revenue			
Ad valorem tax	$ 175,981	$ 192,391	$ (16,410)
Delinquent tax	7,715	5,000	2,715
Motor vehicle tax	24,958	22,109	2,849
Recreational vehicle tax	505	410	95
16/20 vehicle	10	89	(79)
Special assessments	93,834	114,796	(20,962)
State assessed utilities	10,734	6,556	4,178
Transfers in	26,005	-	26,005
Total Cash Receipts	$ 339,742	$ 341,351	$ (1,609)
EXPENDITURES			
Principal	$ 295,849	$ 295,849	$ -
Interest	43,893	43,893	-
Cash basis reserve	-	9,646	(9,646)
Total Expenditures	$ 339,742	$ 349,388	$ (9,646)
RECEIPTS OVER (UNDER) EXPENDITURES	$ -		
UNENCUMBERED CASH - JANUARY 1	-		
UNENCUMBERED CASH - DECEMBER 31	$ -		

CITY OF SEDGWICK, KANSAS
WATER OPERATING
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
Regulatory Basis
For the Year Ended December 31, 2025

	Actual	Budget	Variance Over (Under)
CASH RECEIPTS			
Sales	$ 397,119	$ 389,280	$ 7,839
Late charges	6,016	5,899	117
Water tax	4,823	4,856	(33)
Miscellaneous	47	4,478	(4,431)
Total Cash Receipts	$ 408,005	$ 404,513	$ 3,492
EXPENDITURES			
Personnel services	$ 67,202	$ 66,696	$ 506
Contractual services	240,272	267,176	(26,904)
Commodities	33,075	36,499	(3,424)
Transfers out	65,893	96,950	(31,057)
Cash forward	-	41,220	(41,220)
Total Expenditures	$ 406,442	$ 508,541	$ (102,099)
RECEIPTS OVER (UNDER) EXPENDITURES	$ 1,563		
UNENCUMBERED CASH - JANUARY 1	39,651		
UNENCUMBERED CASH - DECEMBER 31	$ 41,214		

CITY OF SEDGWICK, KANSAS
REFUSE
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
Regulatory Basis
For the Year Ended December 31, 2025

	Actual	Budget	Variance Over (Under)
CASH RECEIPTS			
Refuse charges	$ 95,325	$ 92,741	$ 2,584
Recycle fees	28,602	28,182	420
Miscellaneous	50	1,786	(1,736)
Total Cash Receipts	$ 123,977	$ 122,709	$ 1,268
EXPENDITURES			
Personnel services	$ 1,036	$ 1,037	$ (1)
Contractual services	90,102	94,783	(4,681)
Commodities	1,410	2,079	(669)
Transfers out	29,000	41,574	(12,574)
Cash forward	-	12,272	(12,272)
Total Expenditures	$ 121,548	$ 151,745	$ (30,197)
RECEIPTS OVER (UNDER) EXPENDITURES	$ 2,429		
UNENCUMBERED CASH - JANUARY 1	9,841		
UNENCUMBERED CASH - DECEMBER 31	$ 12,270		

CITY OF SEDGWICK, KANSAS
WASTEWATER TREATMENT
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
Regulatory Basis
For the Year Ended December 31, 2025

	Actual	Budget	Variance Over (Under)
CASH RECEIPTS			
Sewer charges	$ 276,372	$ 271,303	$ 5,069
Late charges	5,723	5,525	198
Miscellaneous	24	1,945	(1,921)
Total Cash Receipts	$ 282,119	$ 278,773	$ 3,346
EXPENDITURES			
Personnel services	$ 65,171	$ 61,081	$ 4,090
Contractual services	130,581	181,972	(51,391)
Commodities	23,667	22,404	1,263
Transfers out	57,889	70,221	(12,332)
Cash forward	-	30,204	(30,204)
Total Expenditures	$ 277,308	$ 365,882	$ (88,574)
RECEIPTS OVER (UNDER) EXPENDITURES	$ 4,811		
UNENCUMBERED CASH - JANUARY 1	25,389		
UNENCUMBERED CASH - DECEMBER 31	$ 30,200		

CITY OF SEDGWICK, KANSAS
RELATED MUNICIPAL ENTITY
PUBLIC BUILDING COMMISSION
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL
Regulatory Basis
For the Year Ended December 31, 2025

CASH RECEIPTS	
Bond proceeds	$ 2,123,894
Interest income	166
Miscellaneous	44,100
Total Cash Receipts	$ 2,168,160
EXPENDITURES	
Fees	$ 14,561
Project expenses	207,282
Total Expenditures	$ 221,843
RECEIPTS OVER (UNDER) EXPENDITURES	$ 1,946,317
UNENCUMBERED CASH - JANUARY 1	-
UNENCUMBERED CASH - DECEMBER 31	$ 1,946,317