CITY OF CHAPMAN, KANSAS

FINANCIAL STATEMENT

December 31, 2025

VARNEY & ASSOCIATES, CPAs, LLC
Manhattan, Kansas

CITY OF CHAPMAN
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June 3, 2026

VARNEY
& ASSOCIATES, CPAs, LLC

Mayor and Council Members
City of Chapman, 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 Chapman (the City), as of and for the year ended December 31, 2025 and the related notes to the financial statement.

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

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

Basis for Adverse and Unmodified Opinions
We conducted our audits 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 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.

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 a 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.

Supplementary Information (Continued)

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 June 2, 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 website of the Kansas Department of Administration at the following link https://admin.ks.gov/offices/oar/municipal-services. The 2025 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 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 2025 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, 2025, on the basis of accounting described in Note 1.

Varney & Associates, CPAs, LLC

Certified Public Accountants
Manhattan, Kansas

CITY OF CHAPMAN, KANSAS
SUMMARY STATEMENT OF 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	$ 261,770	$ -	$ 1,491,613	$ 1,473,449	$ 279,934	$ 3,645	$ 283,579
Special Purpose Funds							
Fire Equipment	40,189	-	18	23,050	17,157	-	17,157
Recreation	(57,744)	-	57,744	-	-	-	-
Library	738	-	58,362	58,362	738	7,897	8,635
Library Employee Benefits	3,930	-	416	416	3,930	905	4,835
Special Highway	224,339	-	37,349	149,670	112,018	-	112,018
Employee Benefit	98,782	-	266,591	265,330	100,043	-	100,043
Special Parks and Rec	14,413	-	4,844	-	19,257	-	19,257
Equipment Reserve	144,403	-	184,710	235,487	93,626	25,000	118,626
Capital Improvement	398,655	-	240,321	202,611	436,365	-	436,365
Project Fund	-	-	30,000	-	30,000	-	30,000
Bond and Interest	362,491	-	254,268	258,710	358,049	-	358,049
Business Funds							
Electric Utility	959,697	-	1,656,179	1,522,921	1,092,955	-	1,092,955
Water Utility	230,916	-	303,457	331,555	202,818	-	202,818
Sewer Utility	102,730	-	249,884	249,474	103,140	-	103,140
Total Reporting Entity (Excluding Agency Funds)	$ 2,785,309	$ -	$ 4,835,756	$ 4,771,035	$ 2,850,030	$ 37,447	$ 2,887,477

(continued)

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

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

Composition of Cash	
Checking and Money Market Accounts	$ 2,387,177
Certificates of Deposit	500,000
Total Bank Accounts	$ 2,887,177
Petty Cash	300
Total Cash Municipal Reporting Entity	$ 2,887,477

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

Note 1: Summary of Significant Accounting Policies

The City of Chapman, Kansas (the City), is a governmental municipality governed by an elected five-member Council. The accounting policies of the City conform to the cash-basis and budget laws of Kansas (regulatory basis). The following is a summary of the more significant policies:

Municipal Financial Reporting Entity

The municipal financial reporting entity is comprised of the primary government. There are no component units included in the municipal financial reporting entity.

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.

Agency Funds - Agency funds are used to report assets held by the municipal reporting entity in a purely custodial capacity.

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.

Note 1: Summary of Significant Accounting Policies (Continued)

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 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.

If the municipality 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 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: equipment reserve fund and capital 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 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.

Note 2: Deposits and Investments (Continued)

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.

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 the deposits was $2,887,177 and the bank balance was $2,938,837. The bank balance was held by one bank, in checking, money market and certificates of deposit. Of the bank balance, $250,000 was covered by federal depository insurance and the remaining amount was collateralized with securities held by the pledging financial institutions' agents in the City's name.

Note 3: Property Taxes

In accordance with governing state statutes, property taxes levied during the current year are revenue sources to be used to finance the budget of the ensuing year. Taxes are assessed on a calendar year basis and are levied and become a lien on the property on November 1st of each year. The county treasurer is the tax collection agent for all taxing entities within the county. Property owners have the option of paying one-half of the full amount of the taxes levied on or before December 20th of the ensuing year. State statutes prohibit the county treasurer from distributing taxes levied and collected in the year prior to January 1st of the ensuing year.

Note 4: 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 at 6% of covered salary for KPERS 1, KPERS 2 and KPERS 3 members. K.S.A. 74-4975 establishes KP&F member-employee contribution rate at 7.15% of covered salary. Member contributions are withheld by their employer and paid to KPERS according to the provisions of Section 414(h) of the Internal Revenue Code.

State law provides that the employer contribution rates for KPERS 1, KPERS 2, and KPERS 3 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 234.67% for KP&F for the fiscal year ended December 31, 2025. Contributions to the pension plan from the City were $68,457 for KPERS and $60,163 for KP&F for the year ended December 31, 2025.

Note 4: Defined Benefit Pension Plan (Continued)

Plan Description (Continued)

Net Pension Liability. At December 31, 2025, the City's proportionate share of the collective net pension liability reported by KPERS was $486,491 and $531,898 for KP&F. The net pension liability was measured as of June 30, 2025, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2024, which was rolled forward to June 30, 2025. The City's proportion of the net pension liability was based on the ratio of the City's contributions to KPERS, relative to the total employer and non-employer contributions of the Local subgroup within KPERS. Since the KMAAG regulatory basis of accounting does not recognize long-term debt, this liability is not reported in this financial statement.

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

Note 5: Interfund Transfers

Transfers for the year were as follows:

From	To	Authority	Amount
General Fund	Equipment Reserve Fund	K.S.A. 12-1, 117	$ 80,000
General Fund	Parks & Recreation Fund	Council Approved	57,744
General Fund	Capital Improvement Fund	K.S.A. 12-1, 117	70,000
Water Utility	Capital Improvement Fund	K.S.A. 12-825d	30,000
Water Utility	Employee Benefits Fund	K.S.A. 12-825d	42,500
Water Utility	General Fund	K.S.A. 12-825d	60,000
Water Utility	Equipment Reserve Fund	K.S.A. 12-825d	12,500
Electric Utility	General Fund	K.S.A. 12-825d	175,000
Electric Utility	Equipment Reserve Fund	K.S.A. 12-825d	25,000
Electric Utility	Employee Benefits Fund	K.S.A. 12-825d	127,000
Electric Utility	Capital Improvement Fund	K.S.A. 12-825d	33,000
Sewer Utility	General Fund	K.S.A. 12-825d	10,000
Sewer Utility	Employee Benefits Fund	K.S.A. 12-825d	35,000
Sewer Utility	Equipment Reserve Fund	K.S.A. 12-825d	15,000
Total Transfers			$ 772,744

Note 6: Long-Term Debt

All general obligation bonds are secured by the full faith and credit of the City. See Notes 12 and 13 for details of long-term debt.

Upon authorization of the issuance of general obligation bonds for certain improvements, Kansas law permits the temporary financing of such improvements by the issuance of temporary notes. Temporary notes issued may not exceed the aggregate amount of bonds authorized, must be interest-bearing and have a maturity date of not later than four years from the date of issuance of such temporary notes. Temporary notes outstanding are usually retired from the proceeds of the sale of general obligation bonds.

Note 7: 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. These risks are covered by commercial insurance purchased from independent third parties. There have been no decreases in insurance coverage from the prior year.

Note 8: Firemen's Relief Association

During 2025, total revenues received were $7,787, comprised of $7,515 from the State of Kansas, annuity gain of $272, and other income of $0. Total expenditures were $2,815, including $2,622 for insurance premiums and $100 for treasurer's bond. The balance of cash as of December 31, 2025 was $76,774.This cash is held in the following accounts: checking $54,999 and annuity program $21,775.

Note 9: Compliance with Finance-Related Legal and Contractual Provisions

We did not identify any instances of noncompliance.

Note 10: Other Post Employment Benefits

As provided by K.S.A. 12-5040, the local government allows retirees to participate in the group health insurance plan. While each retiree pays the full amount of the applicable premium, conceptually, the local government 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 government makes health care benefits available to eligible former employees and eligible dependents. Certain requirements are outlined by the federal government for this coverage. The premium is paid in full by the insured. There is no cost to the City under this program.

Note 11: 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 12: Changes in Long-Term Debt

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 2017-A GO Bond	1.10-3.55%	3/22/17	$ 2,090,000	10/1/31	$ 670,000	$ -	$ 125,000	$ (125,000)	$ 545,000	$ 21,118
Series 2022 GO Bond	1.50%	2/22/22	3,368,000	3/3/62	3,243,059	-	63,947	(63,947)	3,179,112	48,646
Total General Obligation Bonds					$ 3,913,059	$ -	$ 188,947	$ (188,947)	$ 3,724,112	$ 69,764
Finance Leases										
Street Sweeper	4.75%	6/18/2018	$ 125,000	6/13/30	$ 71,237	$ -	$ 10,521	$ (10,521)	$ 60,716	$ 3,430
Fairway Greens Mower	4.75%	8/22/2018	53,455	8/15/28	24,395	-	5,680	(5,680)	18,715	1,176
Golf Carts	4.50%	3/27/2018	68,000	2/15/28	30,749	-	7,174	(7,174)	23,575	1,406
JD Mini Excavator	4.85%	12/14/2018	40,000	12/1/28	18,191	-	4,252	(4,252)	13,939	900
JD Skid Steer	3.95%	12/23/19	43,238	12/31/26	13,575	-	6,668	(6,668)	6,907	545
Total Leases					$ 158,147	$ -	$ 34,295	$ (34,295)	$ 123,852	$ 7,457
TOTAL LONG-TERM DEBT					$ 4,071,206	$ -	$ 223,242	$ (223,242)	$ 3,847,964	$ 77,221

Note 13: Maturity of Long-Term Debt

PRINCIPAL	2026	2027	2028	2029	2030	2031-2035	2036-2040	2041-2045
General Obligation Bonds								
Series 2017-A GO Bond	$ 135,000	$ 120,000	$ 70,000	$ 70,000	$ 75,000	$ 75,000	$ -	$ -
Series 2022 GO Bond	64,906	65,880	66,743	67,869	68,887	360,130	387,886	417,982
Total GO Bonds	$ 199,906	$ 185,880	$ 136,743	$ 137,869	$ 143,887	$ 435,130	$ 387,886	$ 417,982
Finance Leases								
Street Sweeper	$ 11,028	$ 11,559	$ 12,110	$ 12,709	$ 13,310	$ -	$ -	$ -
Fairway Greens Mower	5,954	6,241	6,520	-	-	-	-	-
Golf Carts	7,505	7,848	8,222	-	-	-	-	-
JD Mini Excavator	4,461	4,680	4,798	-	-	-	-	-
JD Skid Steer	6,907	-	-	-	-	-	-	-
Total Leases	$ 35,855	$ 30,328	$ 31,650	$ 12,709	$ 13,310	$ -	$ -	$ -
Total Principal	$ 235,761	$ 216,208	$ 168,393	$ 150,578	$ 157,197	$ 435,130	$ 387,886	$ 417,982
INTEREST								
General Obligation Bonds								
Series 2017-A GO Bond	$ 17,743	$ 13,895	$ 10,295	$ 7,810	$ 7,988	$ -	$ -	$ -
Series 2022 GO Bond	47,687	46,713	45,850	44,724	43,706	202,835	175,080	144,983
Total GO Bonds Interest	$ 65,430	$ 60,608	$ 56,145	$ 52,534	$ 51,694	$ 202,835	$ 175,080	$ 144,983
Finance Leases								
Street Sweeper	$ 2,924	$ 2,392	$ 1,841	$ 1,253	$ 641	$ -	$ -	$ -
Golf Carts	1,075	732	374	-	-	-	-	-
Fairway Greens Mower	902	616	316	-	-	-	-	-
JD Mini Excavator	691	471	242	-	-	-	-	-
JD Skid Steer	277	-	-	-	-	-	-	-
Total Leases Interest	$ 5,869	$ 4,211	$ 2,773	$ 1,253	$ 641	$ -	$ -	$ -
Total Interest	$ 71,299	$ 64,819	$ 58,918	$ 53,787	$ 52,335	$ 202,835	$ 175,080	$ 144,983
Total Principal and Interest	$ 307,060	$ 281,027	$ 227,311	$ 204,365	$ 209,532	$ 637,965	$ 562,966	$ 562,965

(continued)

Note 13: Maturity of Long-Term Debt (Continued)

PRINCIPAL	**2046-2050**	**2051-2055**	**2056-2060**	**2061-2065**	**Total**
General Obligation Bonds					
Series 2017-A GO Bond	$ -	$ -	$ -	$ -	$ 545,000
Series 2022 GO Bond	450,299	485,115	522,609	220,806	3,179,112
Total GO Bonds	$ 450,299	$ 485,115	$ 522,609	$ 220,806	$ 3,724,112
Finance Leases					
Street Sweeper	$ -	$ -	$ -	$ -	$ 60,716
Fairway Greens Mower	-	-	-	-	18,715
Golf Carts	-	-	-	-	23,575
JD Mini Excavator	-	-	-	-	13,939
JD Skid Steer	-	-	-	-	6,907
Total Leases	$ -	$ -	$ -	$ -	$ 123,852
Total Principal	$ 450,299	$ 485,115	$ 522,609	$ 220,806	$ 3,847,964
INTEREST					
General Obligation Bonds					
Series 2017-A GO Bond	$ -	$ -	$ -	$ -	$ 57,731
Series 2022 GO Bond	112,666	77,850	40,356	4,985	987,435
Total GO Bonds Interest	$ 112,666	$ 77,850	$ 40,356	$ 4,985	$ 1,045,166
Finance Leases					
Street Sweeper	$ -	$ -	$ -	$ -	$ 9,051
Golf Carts	-	-	-	-	2,181
Fairway Greens Mower	-	-	-	-	1,834
JD Mini Excavator	-	-	-	-	1,404
JD Skid Steer	-	-	-	-	277
Total Leases Interest	$ -	$ -	$ -	$ -	$ 14,747
Total Interest	$ 112,666	$ 77,850	$ 40,356	$ 4,985	$ 1,059,913
Total Principal and Interest	$ 562,965	$ 562,965	$ 562,965	$ 225,791	$ 4,907,877

REGULATORY-REQUIRED SUPPLEMENTAL INFORMATION

CITY OF CHAPMAN, KANSAS
SUMMARY OF EXPENDITURES
Regulatory Basis
For the Year Ended December 31, 2025

Fund	Certified Budget	Expenditures Chargeable to Current Year	Variance Over (Under)
Governmental Funds			
General	$ 1,517,250	$ 1,473,449	$ (43,801)
Special Purpose Funds			
Fire Equipment	30,000	23,050	(6,950)
Library	60,000	58,362	(1,638)
Library Employee Benefits	4,500	416	(4,084)
Employee Benefit	278,000	265,330	(12,670)
Special Highway	200,000	149,670	(50,330)
Bond and Interest	258,711	258,710	(1)
Enterprise Funds			
Business Funds			
Electric Utility	2,168,700	1,522,921	(645,779)
Water Utility	489,500	331,555	(157,945)
Sewer Utility	264,500	249,474	(15,026)
TOTAL	$ 5,271,161	$ 4,332,937	$ (938,224)

CITY OF CHAPMAN, 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

	Prior Year Actual	Actual	Budget	Variance Over (Under)
CASH RECEIPTS				
Taxes and Shared Revenue				
Ad Valorem property tax	$ 376,350	$ 423,589	$ 451,096	$ (27,507)
Delinquent and foreclosures	5,017	7,716	2,000	5,716
Motor vehicle/Recreational vehicle tax	50,718	60,663	56,745	3,918
Local alcoholic liquor	6,598	4,678	4,471	207
Sales tax	168,199	174,931	155,000	19,931
Swimming pool receipts	14,977	11,023	15,000	(3,977)
Licenses and permits	8,492	7,295	6,000	1,295
Fines and fees	13,295	10,740	7,000	3,740
Franchise tax	31,887	33,519	35,000	(1,481)
Interest	24,067	18,782	1,200	17,582
Miscellaneous	48,833	43,587	-	43,587
In lieu of taxes	-	18,546	-	18,546
Golf receipts	357,675	409,384	300,000	109,384
Donations	10,566	2,112	-	2,112
Parks and recreation receipts	20,236	20,048	30,000	(9,952)
Transfers in	278,887	245,000	340,000	(95,000)
Total Cash Receipts	$ 1,415,797	$ 1,491,613	$ 1,403,512	$ 88,101
EXPENDITURES				
Administration	$ 156,918	$ 168,666	$ 217,000	$ (48,334)
Police	297,131	296,469	309,550	(13,081)
Municipal court	6,180	5,125	9,000	(3,875)
Parks and pool	78,949	115,862	96,300	19,562
Street	107,531	187,151	299,500	(112,349)
Fire, EMT, and EMS	42,711	59,724	74,000	(14,276)
Golf course	337,718	332,422	364,200	(31,778)
Recreation	102,601	100,286	147,700	(47,414)
Transfers out	140,441	207,744	-	207,744
Total Expenditures	$ 1,270,180	$ 1,473,449	$ 1,517,250	$ (43,801)
RECEIPTS OVER (UNDER) EXPENDITURES	$ 145,617	$ 18,164		
UNENCUMBERED CASH - JANUARY 1	116,153	261,770		
UNENCUMBERED CASH - DECEMBER 31	$ 261,770	$ 279,934		

CITY OF CHAPMAN, KANSAS
FIRE EQUIPMENT 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

	Prior Year Actual	Actual	Budget	Variance Over (Under)
CASH RECEIPTS				
Taxes and Shared Revenue				
Delinquent and foreclosures	$ 58	$ 18	$ 100	$ (82)
Motor vehicle/Recreational vehicle tax	191	-	-	-
Total Cash Receipts	$ 249	$ 18	$ 100	$ (82)
EXPENDITURES				
Commodities	$ 1,633	$ -	$ -	$ -
Capital outlay	38,085	23,050	30,000	(6,950)
Total Expenditures	$ 39,718	$ 23,050	$ 30,000	$ (6,950)
RECEIPTS OVER (UNDER) EXPENDITURES	$ (39,469)	$ (23,032)		
UNENCUMBERED CASH - JANUARY 1	79,658	40,189		
UNENCUMBERED CASH - DECEMBER 31	$ 40,189	$ 17,157		

CITY OF CHAPMAN, KANSAS
RECREATION FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL
Regulatory Basis
For the Year Ended December 31, 2025
With Comparative Actual Totals for the Prior Year Ended December 31, 2024

	Prior Year Actual	Actual
CASH RECEIPTS		
Transfers in	$ 50,000	$ 57,744
EXPENDITURES		
Personnel services	$ -	$ -
RECEIPTS OVER (UNDER) EXPENDITURES	$ 50,000	$ 57,744
UNENCUMBERED CASH - JANUARY 1	(107,744)	(57,744)
UNENCUMBERED CASH - DECEMBER 31	$ (57,744)	$ -

CITY OF CHAPMAN, 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

	Prior Year Actual	Actual	Budget	Variance Over (Under)
CASH RECEIPTS				
Taxes and Shared Revenue				
Ad Valorem property tax	$ 48,182	$ 49,595	$ 52,495	$ (2,900)
Delinquent and foreclosures	813	1,060	400	660
Motor vehicle/Recreational vehicle tax	7,754	7,707	7,177	530
Total Cash Receipts	$ 56,749	$ 58,362	$ 60,072	$ (1,710)
EXPENDITURES				
Appropriations to library	$ 60,000	$ 58,362	$ 60,000	$ (1,638)
RECEIPTS OVER (UNDER) EXPENDITURES	$ (3,251)	$ -		
UNENCUMBERED CASH - JANUARY 1	3,989	738		
UNENCUMBERED CASH - DECEMBER 31	$ 738	$ 738		

CITY OF CHAPMAN, 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

	Prior Year Actual	Actual	Budget	Variance Over (Under)
CASH RECEIPTS				
State payments	$ 37,280	$ 37,349	$ 36,260	$ 1,089
EXPENDITURES				
Street improvements	$ -	$ 149,670	$ 200,000	$ (50,330)
RECEIPTS OVER (UNDER) EXPENDITURES	$ 37,280	$ (112,321)		
UNENCUMBERED CASH - JANUARY 1	187,059	224,339		
UNENCUMBERED CASH - DECEMBER 31	$ 224,339	$ 112,018		

CITY OF CHAPMAN, KANSAS
EMPLOYEE BENEFIT 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

	Prior Year Actual	Actual	Budget	Variance Over (Under)
CASH RECEIPTS				
Taxes and Shared Revenue				
Ad Valorem property tax	$ 28,997	$ 32,809	$ 34,728	$ (1,919)
Delinquent and foreclosures	1,531	1,185	1,000	185
Motor vehicle/Recreational vehicle tax	14,980	6,358	4,322	2,036
Insurance premiums	38,146	21,739	40,000	(18,261)
Transfers in	200,000	204,500	170,000	34,500
Total Cash Receipts	$ 283,654	$ 266,591	$ 250,050	$ 16,541
EXPENDITURES				
KPERS	$ 112,966	$ 128,167	$ 95,000	$ 33,167
Social Security	72,635	81,863	74,000	7,863
Unemployment	2,357	-	4,000	(4,000)
Insurance	58,945	48,538	80,000	(31,462)
Claim and rx payout	4,715	6,762	25,000	(18,238)
Total Expenditures	$ 251,618	$ 265,330	$ 278,000	$ (12,670)
RECEIPTS OVER (UNDER) EXPENDITURES	$ 32,036	$ 1,261		
UNENCUMBERED CASH - JANUARY 1	66,746	98,782		
UNENCUMBERED CASH - DECEMBER 31	$ 98,782	$ 100,043		

CITY OF CHAPMAN, KANSAS
SPECIAL PARKS AND RECREATION FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
Regulatory Basis
For the Year Ended December 31, 2025
With Comparative Actual Totals for the Prior Year Ended December 31, 2024

	Prior Year Actual	Actual	Budget	Variance Over (Under)
CASH RECEIPTS				
Intergovernmental	$ 2,698	$ 4,844	$ 4,471	$ 373
EXPENDITURES				
Cash forward	$ -	$ -	$ -	$ -
RECEIPTS OVER (UNDER) EXPENDITURES	$ 2,698	$ 4,844		
UNENCUMBERED CASH - JANUARY 1	11,715	14,413		
UNENCUMBERED CASH - DECEMBER 31	$ 14,413	$ 19,257		

CITY OF CHAPMAN, KANSAS
EQUIPMENT RESERVE FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL
Regulatory Basis
For the Year Ended December 31, 2025
With Comparative Actual Totals for the Prior Year Ended December 31, 2024

	Prior Year Actual	Actual
CASH RECEIPTS		
Intergovernmental	$ -	$ 52,210
Transfers in	131,750	132,500
Total receipts	$ 131,750	$ 184,710
EXPENDITURES		
Capital outlay	$ 172,670	$ 235,487
RECEIPTS OVER (UNDER) EXPENDITURES	$ (40,920)	$ (50,777)
UNENCUMBERED CASH - JANUARY 1	185,323	144,403
UNENCUMBERED CASH - DECEMBER 31	$ 144,403	$ 93,626

CITY OF CHAPMAN, KANSAS
CAPITAL IMPROVEMENT FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL
Regulatory Basis
For the Year Ended December 31, 2025
With Comparative Actual Totals for the Prior Year Ended December 31, 2024

	Prior Year Actual	Actual
CASH RECEIPTS		
Transfers in	$ 75,000	$ 133,000
Utilities	107,756	107,321
Total Cash Receipts	$ 182,756	$ 240,321
EXPENDITURES		
Capital outlay	$ 213,347	$ 202,611
Transfers out	25,000	-
Total Expenditures	$ 238,347	$ 202,611
RECEIPTS OVER (UNDER) EXPENDITURES	$ (55,591)	$ 37,710
UNENCUMBERED CASH - JANUARY 1	454,246	398,655
UNENCUMBERED CASH - DECEMBER 31	$ 398,655	$ 436,365

CITY OF CHAPMAN, KANSAS
PROJECT FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL
Regulatory Basis
For the Year Ended December 31, 2025
With Comparative Actual Totals for the Prior Year Ended December 31, 2024

	Prior Year Actual	Actual
CASH RECEIPTS		
Miscellaneous	$ -	$ 30,000
EXPENDITURES		
Transfers out	$ 38,887	$ -
RECEIPTS OVER (UNDER) EXPENDITURES	$ (38,887)	$ 30,000
UNENCUMBERED CASH - JANUARY 1	38,887	-
UNENCUMBERED CASH - DECEMBER 31	$ -	$ 30,000

CITY OF CHAPMAN, KANSAS
BOND AND INTEREST 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

	Prior Year Actual	Actual	Budget	Variance Over (Under)
CASH RECEIPTS				
Taxes and Shared Revenue				
Delinquent and foreclosures	$ 1,008	$ 485	$ -	$ 485
Special assessments	57,595	55,903	50,000	5,903
City sales tax	185,216	197,880	170,000	27,880
Transfers in	25,000	-	60,000	(60,000)
Total Cash Receipts	$ 268,819	$ 254,268	$ 280,000	$ (25,732)
EXPENDITURES				
Bond principal	$ 206,868	$ 188,947	$ 189,906	$ (959)
Interest	74,551	69,763	68,805	958
Total Expenditures	$ 281,419	$ 258,710	$ 258,711	$ (1)
RECEIPTS OVER (UNDER) EXPENDITURES	$ (12,600)	$ (4,442)		
UNENCUMBERED CASH - JANUARY 1	375,091	362,491		
UNENCUMBERED CASH - DECEMBER 31	$ 362,491	$ 358,049		

CITY OF CHAPMAN, KANSAS
ELECTRIC 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

	Prior Year Actual	Actual	Budget	Variance Over (Under)
CASH RECEIPTS				
Sale of electricity	$ 1,500,823	$ 1,497,843	$ 1,450,000	$ 47,843
ECA	86,729	103,317	60,000	43,317
Sales tax	42,787	43,881	40,000	3,881
Utility connect fee	4,010	4,080	4,500	(420)
Utility deposits	6,204	7,058	-	7,058
Reimbursement	1,475	-	-	-
Total Cash Receipts	$ 1,642,028	$ 1,656,179	$ 1,554,500	$ 101,679
EXPENDITURES				
General and Administrative				
Personnel services	$ 249,794	$ 262,620	$ 310,200	$ (47,580)
Commodities	26,125	63,227	110,500	(47,273)
Contractual services	730,033	818,795	821,000	(2,205)
Production				
Commodities	38,992	12,069	37,000	(24,931)
Capital Outlay	393	-	-	-
Other expenditures	10,547	6,210	-	6,210
Transfers out	391,750	360,000	340,000	20,000
Substation transformer	-	-	550,000	(550,000)
Total Expenditures	$ 1,447,634	$ 1,522,921	$ 2,168,700	$ (645,779)
RECEIPTS OVER (UNDER) EXPENDITURES	$ 194,394	$ 133,258		
UNENCUMBERED CASH - JANUARY 1	765,303	959,697		
UNENCUMBERED CASH - DECEMBER 31	$ 959,697	$ 1,092,955		

CITY OF CHAPMAN, 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

	Prior Year Actual	Actual	Budget	Variance Over (Under)
CASH RECEIPTS				
Sale of water	$ 304,346	$ 298,336	$ 310,000	$ (11,664)
Utility connect fee	5,960	5,121	6,000	(879)
Total Cash Receipts	$ 310,306	$ 303,457	$ 316,000	$ (12,543)
EXPENDITURES				
Personnel services	$ 57,583	$ 86,077	$ 81,500	$ 4,577
Commodities	10,468	16,736	57,500	(40,764)
Contractual services	81,510	74,083	83,000	(8,917)
Capital outlay	87,264	5,286	17,500	(12,214)
Miscellaneous	4,990	4,373	-	4,373
Transfers out	115,000	145,000	100,000	45,000
Cash forward	-	-	150,000	(150,000)
Total Expenditures	$ 356,815	$ 331,555	$ 489,500	$ (157,945)
RECEIPTS OVER (UNDER) EXPENDITURES	$ (46,509)	$ (28,098)		
UNENCUMBERED CASH - JANUARY 1	277,425	230,916		
UNENCUMBERED CASH - DECEMBER 31	$ 230,916	$ 202,818		

CITY OF CHAPMAN, 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

	Prior Year Actual	Actual	Budget	Variance Over (Under)
CASH RECEIPTS				
Sewer fees	$ 226,936	$ 228,301	$ 230,000	$ (1,699)
Late charges	22,471	21,583	22,000	(417)
Total Cash Receipts	$ 249,407	$ 249,884	$ 252,000	$ (2,116)
EXPENDITURES				
Personnel services	$ 84,900	$ 96,349	$ 60,000	$ 36,349
Commodities	15,320	22,472	39,000	(16,528)
Contractual services	61,007	57,077	54,500	2,577
Capital outlay	38,996	13,576.00	11,000	2,576
Transfers out	50,000	60,000	100,000	(40,000)
Total Expenditures	$ 250,223	$ 249,474	$ 264,500	$ (15,026)
RECEIPTS OVER (UNDER) EXPENDITURES	$ (816)	$ 410		
UNENCUMBERED CASH - JANUARY 1	103,546	102,730		
UNENCUMBERED CASH - DECEMBER 31	$ 102,730	$ 103,140		

CITY OF CHAPMAN, KANSAS
LIBRARY 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

	Prior Year Actual	Actual	Budget	Variance Over (Under)
CASH RECEIPTS				
Taxes and Shared Revenue				
Ad Valorem property tax	$ 2,961	$ -	$ -	$ -
Delinquent and foreclosures	30	50	40	10
Motor vehicle/Recreational vehicle tax	150	366	440	(74)
Total Cash Receipts	$ 3,141	$ 416	$ 480	$ (64)
EXPENDITURES				
County distribution	$ 4,000	$ 416	$ 4,500	$ (4,084)
RECEIPTS OVER (UNDER) EXPENDITURES	$ (859)	$ -		
UNENCUMBERED CASH - JANUARY 1	4,789	3,930		
UNENCUMBERED CASH - DECEMBER 31	$ 3,930	$ 3,930		