CITY OF WATERVILLE
WATERVILLE, KANSAS

FINANCIAL STATEMENT
DECEMBER 31, 2025

CITY OF WATERVILLE, KANSAS

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INDEPENDENT AUDITOR'S REPORT

To the Mayor and City Council of the
City of Waterville, Kansas

Adverse and Unmodified Opinions

We have audited the accompanying financial statement of the City of Waterville, Kansas (the City), which comprises the Summary Statement of Receipts, Expenditures and Unencumbered Cash – regulatory basis, including the related notes to the financial statement, which collectively comprise the basis financial statement of the City as of and for the year ended December 31, 2025.

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 Opinion on U.S. Generally Accepted Accounting Principles section of our report, the financial statements referred to above do not present fairly, in accordance 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 net position, or cash flows thereof for the year then ended.

Unmodified Opinion on Regulatory Basis of Accounting

In our opinion, the financial statements referred to above present fairly, in all material respects, the cash and unencumbered cash balances of the City, as of December 31, 2025, and the revenues it received and expenditures it paid for the year then ended, in accordance with the financial reporting provisions of *Kansas Municipal Audit and Accounting Guide* as 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 Auditor's Responsibilities for the Audit of the Financial Statements 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 audit opinions.

Matter Giving Rise to Adverse Opinion of U.S. Generally Accepted Accounting Principles

As described in Note 1, the financial statements are 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 statements 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 and pervasive.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the financial reporting provisions of the *Kansas Municipal Audit and Accounting Guide*. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are 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 Statements

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 generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, 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 statements.
- 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 statements.
- 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 Summary Statement of Receipts, Expenditures and Unencumbered Cash (basic financial statement) as a whole. The Summary of Expenditures - Actual and Budget and individual fund Schedules of Receipts and Expenditures - Actual and Budget (Schedules 1 and 2 as listed in the table of contents) are presented for 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 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.

James Gordon & Associates CPA, P.A.

James Gordon & Associates CPA, P.A.
Manhattan, Kansas
June 17, 2026

JGA ACCOUNTANTS ADVISORS

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

Funds	Beginning Unencumbered Cash Balance	Receipts	Expenditures	Ending Unencumbered Cash Balance	Add Encumbrances And Accounts Payable	Ending Cash Balance
General Funds						
General	$ 251,665	$ 1,118,066	$ 977,347	$ 392,384	$ -	$ 392,384
Special Purpose Funds						
Library	7,657	37,888	37,696	7,849	-	7,849
Library Restricted	232,607	-	4,817	227,790	67	227,857
Special Highway	72,609	74,999	56,074	91,534	868	92,402
Ambulance	163,141	163,933	126,451	200,623	7	200,630
Special Machinery (Equipment Reserve)	19,337	10,000	-	29,337	-	29,337
Business Funds						
Sewer Utility	120,962	169,289	212,576	77,675	304	77,979
Water Utility	168,763	302,950	339,875	131,838	322	132,160
Lights Utility	97,506	770,334	772,754	95,086	951	96,037
Total	$ 1,134,247	$ 2,647,459	$ 2,527,590	$ 1,254,116	$ 2,519	$ 1,256,635

Composition of Cash and Investments	
Checking accounts	$ 387,232
Petty cash	211
Certificates of deposit	869,192
Total Cash and Investments	$ 1,256,635

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

CITY OF WATERVILLE, KANSAS

Notes to the Financial Statement
December 31, 2025

Note 1 – Summary of Significant Accounting Policies

Municipal Financial Reporting Entity

The City of Waterville, Kansas, (the City), is a municipal corporation governed by an elected five-member council plus a mayor. This regulatory financial statement presents the City of Waterville, Kansas, as the primary government. A primary government is a legal entity or body politic and includes all funds, organizations, institutions, agencies, departments, and offices that are not legally separate. Such legally separate entities are referred to as component units. The primary government financial statement referred to above does not include the component units of the City.

Regulatory Basis Fund Types

The accounts of the City are organized and operated on the basis of funds. A fund is defined as an independent fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources, together with all related liabilities and residual equities or balances, and changes therein, which are segregated for the purpose of carrying out specific activities or attaining certain objectives in accordance with specific regulations, restrictions, or limitations.

The following types of funds were utilized in recording the financial activities of the City for the year 2025:

Regulatory Basis fund types

General 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 revenue sources, other than major capital projects, that are restricted by law or administrative action to expenditures for specified purposes.

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

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

Note 1 – Summary of Significant Accounting Policies (continued)

Basis of Accounting

Regulatory Basis of Accounting and Departure from Accounting Principles Generally Accepted in the United States of America. The Kansas Municipal Audit and Accounting Guide) (KMAAG) regulatory basis of accounting involves the recognition of cash, cash equivalents, marketable investments, and certain accounts payable and encumbrance obligations to arrive at 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 the application of generally accepted accounting principles and allowing the City to use regulatory basis of accounting.

Reimbursed Expenditures

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 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:

1. Preparation of 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 2 – Budgetary Information (continued)

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 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 regulatory receipts 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 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 regulatory receipts 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 municipality for future payments and are supported by a document evidencing the commitment, such as a purchase order or contract. Any unused budgeted expenditure authority lapses at year end.

A legal operating budget is not required for capital project funds, trust funds, and the following special purpose funds: library restricted and special machinery.

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 – Stewardship, Compliance, and Accountability

Expenditures in the Library Fund exceeded the adopted budget for the year ended December 31, 2025, which is a violation of K.S.A. 79-2935.

Note 4 – 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 to have a main or branch bank in the county in which the Municipality 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 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 has not designated "peak periods". All deposits were legally secured at December 31, 2025.

At December 31, 2025, the carrying amount of the City's deposits including certificates of deposit was $1,256,635 and the bank balance was $1,294,444. The bank balance was held at one bank resulting in a concentration of credit risk. The difference between the carrying amount and the bank balance is outstanding checks. Of the bank balance, $250,000 was covered by FDIC insurance and the remainder was collateralized by pledged securities held under joint custody receipts issued by a third-party bank in the City's name. The third-party bank holding the pledged securities is independent of the pledging bank. The pledged securities are held under a tri-party custodial agreement signed by all three parties; the City, the pledging bank, and the independent third-party bank holding the pledged securities.

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 during 2025.

Note 5 – 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 amounts of the taxes levied on or before December 20th during the year levied with the balance to be paid on or before May 10th 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 6 – Interfund Transactions

The following operating transfers have been authorized for the year 2025:

From	To	Authority	Amount
Lights Utility	General	K.S.A. 12-825d	$ 190,000
Sewer Utility	General	K.S.A. 12-825d	108,325
Water Utility	General	K.S.A. 12-825d	121,400
General	Special Highway	K.S.A. 12-197	55,000
Sewer Utility	Special Machinery (Equipment Reserve)	K.S.A. 12-825d	10,000

Note 7 – Long-Term Debt

On October 11, 2023, the City entered into a lease agreement on a 2018 Dulevo 6000 Street Sweeper and 2023 Dodge Durango. The lease will be paid in five annual installments of $19,725 beginning October 11, 2024.

On August 1, 2025, the City entered into a lease agreement for Water System Improvements. The lease will be paid in five annual installments of $24,694 beginning August 1, 2026.

Note 7 – Long-Term Debt (continued)

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

Issue	Interest Rates	Date of Issue	Amount of Issue	Date of Final Maturity	Balance Beginning of Year	Additions	Reductions/ Payments	Balance End of Year	Interest and Service Fee Paid
Finance Leases									
2018 Street Sweeper and 2023 Dodge Durango	5.95%	10/11/23	83,000	10/11/28	$ 68,570	$ -	$ 15,634	$ 52,936	$ 4,091
Water System Improvements	4.90%	8/1/25	107,000	8/1/30	-	107,000	-	107,000	-
					$ 68,570	$ 107,000	$ 15,634	$ 159,936	$ 4,091

Note 7 – Long-Term Debt (continued)

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

	2026	2027	2028	2029	2030	Total
Principal						
2018 Street Sweeper and 2023 Dodge Durango	$ 16,496	$ 17,505	$ 18,935	$ -	$ -	$ 52,936
Water System Improvements	19,451	20,404	21,404	22,453	23,288	107,000
Total Principal	35,947	37,909	40,339	22,453	23,288	159,936
Interest						
2018 Street Sweeper and 2023 Dodge Durango	3,229	2,220	921	-	-	6,370
Water System Improvements	5,243	4,290	3,290	2,241	1,141	16,205
Total Interest	8,472	6,510	4,211	2,241	1,141	22,575
Total Principal and Interest	$ 44,419	$ 44,419	$ 44,550	$ 24,694	$ 24,429	$ 182,511

Note 8 – Other Leases

The City has entered into an operating lease with the Waterville Preservation Society for the Weaver Hotel. Under the lease terms, the City owns the Weaver Hotel which the Waterville Preservation Society operates. The Waterville Preservation Society pays an annual lease amount of $1 for the use of the building. No attempt has been made to determine the fair value of the rent. However, it is presumed that the income relating to any rental value over and above $1 and expenses for the subsequent contribution of rental property, would net to zero causing this difference to be immaterial.

Note 9 – Other Long-Term Obligations from Operations

Compensated Absences

Expenses for accumulated vacation and sick leave earned by the employees are recorded when paid or taken by the employees. Only full-time employees, defined as employees who work at least 1,000 hours per year, shall be entitled to benefits of leave accumulation, holidays, insurance programs, and other similar benefits. No benefits are available or can be accrued by a part-time or seasonal employee. Full-time employees are entitled to 12 days paid vacation leave after one year, based on an eight-hour workday. Employees earn 15 days of vacation per year after they have been employed five to ten years, 18 days of vacation per year after they have been employed eleven to fifteen years, 21 days of vacation per year after they have been employed sixteen to twenty years and 30 days of vacation per year after they have been employed twenty or more years. Vacation may be accumulated to 240 hours. Full-time employees earn 10 hours of sick leave for each full month of service. Sick leave may be accumulated to 720 hours or 90 days. An employee is able to collect 10% of their accumulated sick leave, up to 72 hours, upon retirement with KPERS. The total unpaid compensated absences were $16,635 at December 31, 2025.

Note 10 – 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.kpers.org or by writing to KPERS (611 South Kansas, Suite 100, Topeka, KS 66603) or by calling 1-888-275-5737.

Note 10 – Defined Benefit Pension Plan (continued)

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 employer contribution rates. The actuarially determined employer contribution rate (not including the 1% for the Death and Disability Program) and the statutory contribution rate was 9.71% for the fiscal year ended December 31, 2024. Contributions to the pension plan from the City were $32,418 for the year ended December 31, 2025.

Net Pension Liability
At December 31, 2025, the City's proportionate share of the collective net pension liability reported by KPERS was $251,252. 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 nonemployer 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 these financial statements.

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 11 – Other Long – Term Obligations from Operations

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 government under this program.

Note 12 – Risk Management

The City is exposed to various risks of loss related to torts; theft of, damage to or destruction of assets; errors and omissions; injuries to employees; and natural disasters. These risks are covered by commercial insurance purchased from independent third parties. Settled claims from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years. There have been no decreases in insurance coverage from the prior year

Note 13 – Evaluation of Subsequent Events

The City has evaluated events and transactions for potential recognition or disclosure through June 17, 2026, which is the date the financial statement was available for issue.

REGULATORY-REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE 1

CITY OF WATERVILLE, KANSAS

Summary of Expenditures – Actual and Budget
Regulatory Basis
(Budgeted Funds Only)
For the Year Ended December 31, 2025

Funds	Certified Budget	Adjustments for Qualifying Budget Credits	Total Budget for Comparison	Expenditures Chargeable to Current Year	Variance Over (Under)
General Funds					
General	$ 1,203,575	$ -	$ 1,203,575	$ 977,347	$ (226,228)
Special Purpose Funds					
Library	36,135	-	36,135	37,696	1,561
Library Restricted*	232,607	-	232,607	4,817	(227,790)
Special Highway	146,870	-	146,870	56,074	(90,796)
Ambulance	222,509	-	222,509	126,451	(96,058)
Special Machinery (Equipment Reserve)*	30,111	-	30,111	-	(30,111)
Business Funds					
Sewer Utility	217,062	-	217,062	212,576	(4,486)
Water Utility	330,791	11,991	342,782	339,875	(2,907)
Lights Utility	996,880	-	996,880	772,754	(224,126)

* These funds are not required to have a legal operating budget.

See independent auditor's report on regulatory-required supplementary information.

CITY OF WATERVILLE, KANSAS

General Fund
Schedule of Receipts and Expenditures – Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2025

	Actual	Budget	Variance Over (Under)
Receipts			
Ad Valorem Tax	$ 310,750	$ 323,204	$ (12,454)
Delinquent Tax	6,464	-	6,464
Motor Vehicle Tax	40,261	42,452	(2,191)
Recreational Vehicle Tax	371	761	(390)
CMV Tax	630	660	(30)
16/20 M Vehicle Tax	25	23	2
Watercraft Tax	-	274	(274)
Local Alcoholic Liquor	41	165	(124)
Local Sales Tax	111,016	135,000	(23,984)
Franchise Fees	18,543	20,000	(1,457)
Licenses and Permits	1,213	1,550	(337)
Fines	255	1,000	(745)
Interest Income	35,010	7,000	28,010
Rents	16,933	2,700	14,233
Concessions	1,501	1,250	251
Admissions	3,105	2,000	1,105
Miscellaneous	37,733	10,000	27,733
Donations	11,158	-	11,158
Rural Fire Appropriation	56,868	57,176	(308)
Grants	46,694	-	46,694
Neighborhood Revitalization Rebate	(230)	-	(230)
Transfer from Lights Utility Fund	190,000	231,800	(41,800)
Transfer from Water Utility Fund	121,400	121,400	-
Transfer from Sewer Utility Fund	108,325	108,325	-
Total Receipts	1,118,066	$ 1,066,740	$ 51,326

See independent auditor's report on regulatory-required supplementary information.

CITY OF WATERVILLE, KANSAS

General Fund (Continued)
Schedule of Receipts and Expenditures – Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2025

	Actual	Budget	Variance Over (Under)
Expenditures			
General Administration and Streets:			
Personal Services	$ 309,135	$ 333,875	$ (24,740)
Contractual Services	70,937	142,000	(71,063)
Commodities	113,658	58,500	55,158
Total General Administration and Streets	493,730	534,375	(40,645)
Police Department:			
Personal Services	58,069	65,000	(6,931)
Contractual	5,317	10,500	(5,183)
Commodities	9,118	11,000	(1,882)
Lease Purchase - Police Truck	6,575	6,575	-
Total Police Department	79,079	93,075	(13,996)
Other Expenditures:			
Capital Outlay	37,125	-	37,125
Employees' Health Insurance	121,875	132,000	(10,125)
Retirement Contributions	32,418	36,000	(3,582)
Fire - City	45,218	38,000	7,218
Community Service	9,400	1,000	8,400
Parks/Ballfield/Community Center Maintenance	72,420	44,500	27,920
Library Appropriation	17,500	17,500	-
Appropriations - USD #498	432	-	432
Lease Purchase Payment (Sweeper)	13,150	13,150	-
Transfer to Special Highway Fund	55,000	55,000	-
Cash Forward	-	238,975	(238,975)
Total Other Expenditures	404,538	576,125	(171,587)
Total Expenditures	977,347	$ 1,203,575	$ (226,228)
Receipts Over (Under) Expenditures	140,719		
Unencumbered Cash, Beginning	251,665		
Unencumbered Cash, Ending	$ 392,384		

See independent auditor's report on regulatory-required supplementary information.

CITY OF WATERVILLE, KANSAS

Library Fund
Schedule of Receipts and Expenditures – Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2025

	Actual	Budget	Variance Over (Under)
Receipts			
Ad Valorem Tax	$ 10,013	$ 10,414	$ (401)
Delinquent Tax	212	-	212
Motor Vehicle Tax	1,323	1,377	(54)
Recreational Vehicle Tax	12	25	(13)
CMV Tax	20	21	(1)
16/20 M Vehicle Tax	1	1	-
Watercraft Tax	-	9	(9)
Interest Income	6,773	1,400	5,373
Miscellaneous	2,041	-	2,041
Appropriation - City	17,500	17,500	-
Neighborhood Revitalization Rebate	(7)	-	(7)
Total Receipts	37,888	$ 30,747	$ 7,141
Expenditures			
Personal Services	29,474	$ 20,085	$ 9,389
Contractual Services	7,359	9,550	(2,191)
Commodities	863	6,500	(5,637)
Total Expenditures	37,696	$ 36,135	$ 1,561
Receipts Over (Under) Expenditures	192		
Unencumbered Cash, Beginning	7,657		
Unencumbered Cash, Ending	$ 7,849		

See independent auditor's report on regulatory-required supplementary information.

CITY OF WATERVILLE, KANSAS

Library Restricted Fund
Schedule of Receipts and Expenditures – Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2025

	Actual	Budget	Variance Over (Under)
Receipts			
Transfer from Library Fund	$ -	$ -	$ -
Total Receipts	-	$ -	$ -
Expenditures			
Commodities	4,817	$ 232,607	$ (227,790)
Total Expenditures	4,817	$ 232,607	$ (227,790)
Receipts Over (Under) Expenditures	(4,817)		
Unencumbered Cash, Beginning	232,607		
Unencumbered Cash, Ending	$ 227,790		

See independent auditor's report on regulatory-required supplementary information.

CITY OF WATERVILLE, KANSAS

Special Highway Fund
Schedule of Receipts and Expenditures – Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2025

	Actual	Budget	Variance Over (Under)
Receipts			
State Gas Tax	$ 17,612	$ 17,210	$ 402
Special Assessments	2,387	-	2,387
Transfer from General Fund	55,000	55,000	-
Total Receipts	74,999	$ 72,210	$ 2,789
Expenditures			
Contractual Services	1,389	$ 5,500	$ (4,111)
Commodities	42,310	75,000	(32,690)
Capital Outlay	12,375	-	12,375
Cash Forward	-	66,370	(66,370)
Total Expenditures	56,074	$ 146,870	$ (90,796)
Receipts Over (Under) Expenditures	18,925		
Unencumbered Cash, Beginning	72,609		
Unencumbered Cash, Ending	$ 91,534		

See independent auditor's report on regulatory-required supplementary information.

CITY OF WATERVILLE, KANSAS

Ambulance Fund
Schedule of Receipts and Expenditures – Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2025

	Actual	Budget	Variance Over (Under)
Receipts			
Appropriation - Marshall County	$ 52,800	$ 45,000	$ 7,800
Charges for Services	94,292	65,000	29,292
Donation (New Ambulance)	1,150	-	1,150
Share of Lease Purchase (Marshall County)	-	13,415	(13,415)
Share of Lease Purchase (City of Blue Rapids)	13,250	13,415	(165)
Interest Income	2,441	1,500	941
Total Receipts	163,933	$ 138,330	$ 25,603
Expenditures			
Personal Services	91,642	$ 71,520	$ 20,122
Contractual Services	18,824	30,000	(11,176)
Commodities	15,985	19,200	(3,215)
Lease Purchase	-	26,828	(26,828)
Cash Forward	-	74,961	(74,961)
Total Expenditures	126,451	$ 222,509	$ (96,058)
Receipts Over (Under) Expenditures	37,482		
Unencumbered Cash, Beginning	163,141		
Unencumbered Cash, Ending	$ 200,623		

See independent auditor's report on regulatory-required supplementary information.

CITY OF WATERVILLE, KANSAS

Special Machinery (Equipment Reserve) Fund
Schedule of Receipts and Expenditures – Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2025

	Actual	Budget	Variance Over (Under)
Receipts			
Transfer from Sewer Utility Fund	$ 10,000	$ 10,000	$ -
Total Receipts	10,000	$ 10,000	$ -
Expenditures			
Capital Outlay	-	$ 30,111	$ (30,111)
Total Expenditures	-	$ 30,111	$ (30,111)
Receipts Over (Under) Expenditures	10,000		
Unencumbered Cash, Beginning	19,337		
Unencumbered Cash, Ending	$ 29,337		

See independent auditor's report on regulatory-required supplementary information.

CITY OF WATERVILLE, KANSAS

Sewer Utility Fund
Schedule of Receipts and Expenditures – Actual
Regulatory Basis
For the Year Ended December 31, 2025

	Actual	Budget	Variance Over (Under)
Receipts			
Charges for Services	$ 168,469	$ 174,100	$ (5,631)
Interest Income	820	130	690
Total Receipts	169,289	$ 174,230	$ (4,941)
Expenditures			
Contractual Services	8,608	$ 23,500	$ (14,892)
Commodities	49,248	8,000	41,248
Capital Outlay	36,395	20,000	16,395
Transfers to General Fund	108,325	108,325	-
Transfer to Special Machinery Fund	10,000	10,000	-
Cash Forward	-	47,237	(47,237)
Total Expenditures	212,576	$ 217,062	$ (4,486)
Receipts Over (Under) Expenditures	(43,287)		
Unencumbered Cash, Beginning	120,962		
Unencumbered Cash, Ending	$ 77,675		

See independent auditor's report on regulatory-required supplementary information.

CITY OF WATERVILLE, KANSAS

Water Utility Fund
Schedule of Receipts and Expenditures – Actual
Regulatory Basis
For the Year Ended December 31, 2025

	Actual	Budget	Variance Over (Under)
Receipts			
Charges for Services	$ 195,548	$ 166,300	$ 29,248
Interest Income	402	75	327
Lease Proceeds	107,000	-	107,000
Total Receipts	302,950	$ 166,375	$ 136,575
Expenditures			
Contractual Services	48,567	$ 38,000	$ 10,567
Commodities	13,729	33,000	(19,271)
Capital Outlay	156,179	-	156,179
Transfer to General Fund	121,400	121,400	-
Cash Forward	-	138,391	(138,391)
Adjustment for Qualifying Budget Credit	-	11,991	(11,991)
Total Expenditures	339,875	$ 342,782	$ (2,907)
Receipts Over (Under) Expenditures	(36,925)		
Unencumbered Cash, Beginning	168,763		
Unencumbered Cash, Ending	$ 131,838		

See independent auditor's report on regulatory-required supplementary information.

CITY OF WATERVILLE, KANSAS

Lights Utility Fund
Schedule of Receipts and Expenditures – Actual
Regulatory Basis
For the Year Ended December 31, 2025

	Actual	Budget	Variance Over (Under)
Receipts			
Charges for Services	$ 745,072	$ 865,000	$ (119,928)
Meter Deposits	2,450	-	2,450
Interest Income	-	2,000	(2,000)
Miscellaneous	22,812	-	22,812
Total Receipts	770,334	$ 867,000	$ (96,666)
Expenditures			
Contractual Services	456,339	$ 555,000	$ (98,661)
Commodities	124,985	35,000	89,985
Meter Deposit Refunds	1,430	-	1,430
Transfer to General Fund	190,000	231,800	(41,800)
Refuse Service	-	80,400	(80,400)
Cash Forward	-	94,680	(94,680)
Total Expenditures	772,754	$ 996,880	$ (224,126)
Receipts Over (Under) Expenditures	(2,420)		
Unencumbered Cash, Beginning	97,506		
Unencumbered Cash, Ending	$ 95,086		

See independent auditor's report on regulatory-required supplementary information.