CITY OF SPEARVILLE, KANSAS

FINANCIAL STATEMENT
with
INDEPENDENT AUDITOR'S REPORT

YEAR ENDED DECEMBER 31, 2024

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INDEPENDENT AUDITOR'S REPORT

The Honorable Mayor and City Council
City of Spearville, Kansas

Adverse and Unmodified Opinions

We have audited the accompanying fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash of the City of Spearville, Kansas, as of and for the year ended December 31, 2024 and the related notes to the financial statement.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the 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 of Spearville, Kansas, as of December 31, 2024, or changes in financial position and cash flows thereof for the year then ended.

Unmodified Opinion on Regulatory Basis of Accounting

In our opinion, the accompanying financial statement referred to above presents fairly, in all material respects, the aggregate cash and unencumbered cash balances of the City of Spearville, Kansas, as of December 31, 2024, and the aggregate receipts and expenditures for the year then ended in accordance with the financial reporting provisions of the *Kansas Municipal Audit and Accounting Guide* described in Note A.

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 Statement section of our report. We are required to be independent of the City of Spearville, Kansas and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our adverse and unmodified audit opinions.

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

As discussed in Note A of the financial statement, the financial statement is prepared by the City of Spearville, Kansas on the basis of the financial reporting provisions of the *Kansas Municipal Audit and Accounting Guide*, which is a basis of accounting other than accounting principles generally accepted in the United States of America. The effects on the financial statement of the variances between the regulatory basis of accounting described in Note A and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

Responsibilities of Management for the Financial Statement

Management is responsible for the preparation and fair presentation of this financial statement in accordance with the *Kansas Municipal Audit and Accounting Guide* as described in Note A; this includes determining that the regulatory basis of accounting is an acceptable basis for the preparation of the financial statement in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the financial statement that is free from material misstatement, whether due to fraud or error.

In preparing the financial statement, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City of Spearville, Kansas' 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 judgement 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 of Spearville, Kansas' 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 of Spearville, Kansas' 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 (basic financial statement) as a whole. The summary of regulatory basis expenditures – actual and budget, individual fund schedules of regulatory basis receipts and expenditures, and summary of regulatory basis receipts and disbursements – agency funds (Schedules 1, 2 and 3 as listed in the table of contents) are presented for purposes of additional analysis and are not a required part of the basic financial statement, however are required to be presented under the provisions of the *Kansas Municipal Audit and Accounting Guide*. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statement. The information has been subjected to the auditing procedures applied in the audit of the basic financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statement or to the basic financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying supplementary information is fairly stated in all material respects, in relation to the basic financial statement as a whole, on the basis of accounting described in Note A.

We also previously audited, in accordance with auditing standards generally accepted in the United States of America, the basic financial statement of the City of Spearville, Kansas as of and for the year ended December 31, 2023 (not presented herein), and have issued our report thereon dated July 29, 2024, which contained an unmodified opinion on the basic financial statement. The 2023 basic financial statement and our accompanying report are not presented herein, but are available in electronic form from the website of the Kansas Department of Administration at the following link: https://admin.ks.gov/offices/ accounts-reports/local-government/municipal-services/municipal-audits. The 2023 actual column (2023 comparative information) presented in the individual fund schedules of regulatory basis receipts and expenditures for the year ended December 31, 2024 (Schedule 2 as listed in the table of contents) is presented for purposes of additional analysis and is not a required part of the basic financial statement. Such 2023 comparative information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 2023 basic financial statement. The 2023 comparative information was subjected to the auditing procedures applied in the audit of the 2023 basic financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the 2023 basic financial statement or to the 2023 basic financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the 2023 comparative information is fairly stated in all material respects in relation to the basic financial statement as a whole for the year ended December 31, 2023, on the basis of accounting described in Note A.

Kennedy McKee & Company LLP

August 1, 2025

CITY OF SPEARVILLE, KANSAS

SUMMARY STATEMENT OF RECEIPTS, EXPENDITURES
AND UNENCUMBERED CASH
REGULATORY BASIS

For the Year Ended December 31, 2024

Fund	Beginning unencumbered cash balance	Prior year canceled encumbrances
General fund	$ 525,436	$ -
Special purpose funds:		
Special street	3,435	-
Capital improvement	660,270	-
Crime stoppers	1,379	-
Community development	376,052	-
Woodbury trust	18,895	-
Laudick estate	58,574	-
Tom Feist Foundation	164,340	-
Equipment reserve	200,019	-
Grants	13,000	-
Total special purpose funds	1,495,964	-
Bond and interest funds:		
Bond and interest	70,819	-
Public Building Commission bond and interest	61	-
Total bond and interest funds	70,880	-
Capital project fund:		
Spearville Public Building Commission project	8,281	-
Business funds:		
Gas utility	218,719	-
Water utility	487,684	-
Sewer utility	12,495	-
Sanitation utility	28,232	-
Gas utility reserve	85,000	-
Water capital outlay	570,931	-
Total business funds	1,403,061	-
Total - excluding agency funds	$ 3,503,622	$ -
Composition of cash balance:		
Checking accounts		
Money market accounts		
Federated Government Obligation fund		
Savings accounts		
Certificates of deposit		
Petty cash		
Total cash		
Agency funds		
Total cash - excluding agency funds		

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

STATEMENT 1

Receipts	Expenditures	Ending unencumbered cash balance	Add encumbrances and accounts payable	Ending cash balance
$ 523,641	$ 429,419	$ 619,658	$ 3,546	$ 623,204
21,363	19,774	5,024	1,492	6,516
74,031	-	734,301	-	734,301
55	-	1,434	-	1,434
16,019	384,801	7,270	-	7,270
571	-	19,466	-	19,466
1,602	52,556	7,620	-	7,620
511,000	173,124	502,216	-	502,216
50,225	42,350	207,894	-	207,894
45,000	48,000	10,000	-	10,000
719,866	720,605	1,495,225	1,492	1,496,717
9,649	7,255	73,213	-	73,213
136,858	136,800	119	-	119
146,507	144,055	73,332	-	73,332
235	8,516	-	-	-
290,710	343,298	166,131	8,843	174,974
233,694	213,247	508,131	-	508,131
99,580	88,081	23,994	-	23,994
72,695	63,644	37,283	-	37,283
50,000	-	135,000	-	135,000
135,942	71,125	635,748	-	635,748
882,621	779,395	1,506,287	8,843	1,515,130
$ 2,272,870	$ 2,081,990	$ 3,694,502	$ 13,881	$ 3,708,383

	$ 2,536,268
	7,620
	119
	1,158,915
	13,786
	100
	3,716,808
	(8,425)
	$ 3,708,383

CITY OF SPEARVILLE, KANSAS

NOTES TO THE FINANCIAL STATEMENT

December 31, 2024

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This summary of significant accounting policies applied in the preparation of the accompanying financial statement is presented to assist in understanding the City's financial statement. The financial statement, schedules, and notes are representations of the City's management, which is responsible for their integrity and objectivity.

1. Municipal Financial Reporting Entity

The City of Spearville is a municipal corporation governed by an elected mayor and five-member council. This regulatory financial statement presents the City of Spearville (the municipality) and the Public Building Commission (part of the municipality).

Public Building Commission. The City of Spearville, Kansas, pursuant to Ordinance No. 703-A, has created the City of Spearville, Kansas Public Building Commission (PBC), a municipal corporation of the State of Kansas whereas the PBC has been granted the authority to function as a public building commission pursuant to the authority of K.S.A. 12-1757 et seq. For financial reporting, the financial activities of the Public Building Commission are accounted for within a non-budgeted capital project fund, and the revenue bond issue is accounted for in a bond and interest fund.

2. Basis of Presentation – Fund Accounting

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

The following types of funds comprise the financial activities of the City for the year ended December 31, 2024:

REGULATORY BASIS FUND TYPES

General fund – the chief operating fund. Used to account for all resources except those required to be accounted for in another fund.

Special Purpose funds – used to account for the proceeds of specific tax levies and other specific regulatory receipt sources (other than Capital Project and tax levies for long-term debt) that are intended for specified purposes.

Bond and Interest funds – used to account for the accumulation of resources (including tax levies, transfers from other funds) and payment of general long-term debt.

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.

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2. Basis of Presentation – Fund Accounting (Continued)

Business funds – funds financed in whole or in part by fees charged to users of the goods or services.

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

3. 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 a net unencumbered cash and investments balance on a regulatory basis for each fund, and the reporting of changes in unencumbered cash and investments of a fund resulting from the difference in regulatory basis receipts and regulatory basis expenditures for the fiscal year. All recognized assets and liabilities are measured and reported at cost unless they have been permanently impaired and have no future cash value or represent no future obligation against cash. The KMAAG regulatory basis does not recognize capital assets, long-term debt, accrued receivables and payables, or any other assets, liabilities or deferred inflows or outflows other than those mentioned above.

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

4. Budgetary Information

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

a. Preparation of the budget for the succeeding calendar year on or before August 1st.
b. Publication in local newspaper on or before August 5th of the proposed budget and notice of public hearing on the budget.
c. Public hearing on or before August 15th, but at least ten days after publication of notice of hearing.
d. 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 municipality did hold a revenue neutral rate hearing 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 budget amendments for this year.

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4. Budgetary Information (Continued)

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, utility reserve funds, agency funds, or the Capital Improvement, Crime Stoppers, Community Development, Woodbury Trust, Laudick Estate, Tom Feist Foundation, Equipment Reserve, and Grants special purpose funds.

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.

B. 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 City is located, or in an adjoining county if such institution has been designated as an official depository, and the banks provide an acceptable rate of return on funds. In addition, K.S.A. 9-1402 requires the banks to pledge securities for deposits in excess of FDIC coverage. The City has no other policies that would further limit interest rate risk.

K.S.A. 12-1675 limits the City's investment of idle funds to time deposits, open accounts, and certificates of deposit with allowable financial institutions; U.S. government securities; temporary notes; no-fund warrants; repurchase agreements; and the Kansas Municipal Investment Pool. The City has no investment policy that would further limit its investment choices.

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. All deposits were legally secured at December 31, 2024.

B. DEPOSITS AND INVESTMENTS (CONTINUED)

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.

At December 31, 2024 the carrying amount of the City's deposits, including certificates of deposit, was $3,716,708 and the bank balance was $3,829,700. Of the bank balance, $1,000,000 was covered by federal depository insurance and $2,829,700 was collateralized with securities held by the pledging financial institutions agents in the City's name.

C. LONG-TERM DEBT

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

Issue	Balance beginning of year	Additions	Reductions/ net change	Balance end of year	Interest paid
General obligation bonds:					
Street Improvements					
Issued July 31, 2017					
In the amount of $78,000					
At interest rate of 4.25%					
Maturing September 1, 2032	$ 53,000	$ -	$ 5,000	$ 48,000	$ 2,253
Water Improvements Refunding					
Issued October 14, 2020					
In the amount of $1,210,000					
At interest rate of 0.90 - 3.00%					
Maturing October 1, 2043	1,065,000	-	50,000	1,015,000	21,125
Total GO bonds	1,118,000	-	55,000	1,063,000	23,378
Revenue bonds:					
Spearville PBC Revenue Bonds					
Series 2022					
Issued October 5, 2022					
In the amount of $1,500,000					
At interest rate of 4.00%					
Maturing September 1, 2037	1,420,000	-	80,000	1,340,000	54,333
Weather event loan:					
City Utility Low-Interest Loan					
Issued March 23, 2021					
In the amount of $250,000					
At variable interest rate of 2.68%					
Maturing January 1, 2026	101,520	-	50,052	51,468	2,504
Total long-term debt	$2,639,520	$ -	$ 185,052	$2,454,468	$ 80,215

C. LONG-TERM DEBT (CONTINUED)

Current maturities of general obligation bonds and interest for the next five years and in five-year increments through maturity are as follows:

	Principal due	Interest due	Total due
2025	$ 55,000	$ 22,715	$ 77,715
2026	55,000	22,052	77,052
2027	56,000	21,265	77,265
2028	56,000	20,435	76,435
2029	56,000	19,480	75,480
2030-2034	270,000	81,818	351,818
2035-2039	270,000	54,813	324,813
2040-2043	245,000	18,150	263,150
Total	$ 1,063,000	$ 260,728	$ 1,323,728

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

	Principal due	Interest due	Total due
2025	$ 80,000	$ 53,600	$ 133,600
2026	85,000	50,400	135,400
2027	85,000	47,000	132,000
2028	90,000	43,600	133,600
2029	95,000	40,000	135,000
2030-2034	530,000	140,200	670,200
2035-2037	375,000	30,400	405,400
Total	$ 1,340,000	$ 405,200	$ 1,745,200

The revenue bond payments are made by the PBC solely from the rentals received from the Unified School District #381, and the Spearville Recreation Commission.

Current maturities of the weather event loan and interest through maturity are as follows:

	Principal due	Interest due	Total due
2025	$ 51,468	$ 1,087	$ 52,555

D. CONDUIT DEBT OBLIGATIONS

The City has issued Industrial Revenue Bonds to provide financial assistance to a private-sector entity for the acquisition and construction of industrial and commercial facilities deemed to be in the public interest. The bonds are secured by the property financed and are payable solely from payments received on the underlying mortgage loans. Upon repayment of the bonds, ownership of the acquired facilities transfers to the private-sector entity served by the bond issuance. Neither the City nor the State, or any political subdivision thereof is obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as liabilities in this financial statement.

D. CONDUIT DEBT OBLIGATIONS (CONTINUED)

As of December 31, 2024, there was one series of Industrial Revenue Bonds outstanding, with an aggregate principal amount payable of $5,304,192.

E. INTERFUND TRANSACTIONS

Operating transfers were as follows:

From	To	Statutory authority	Amount
General	Capital improvement	K.S.A. 12-1,118	$ 47,215
General	Equipment reserve	K.S.A. 12-1,117	50,000
Gas utility	Gas utility reserve	K.S.A. 12-825d	50,000
Water utility	Water capital outlay	K.S.A. 12-825d	29,160
			$ 176,375

F. OTHER LONG-TERM OBLIGATIONS FROM OPERATIONS

Other 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.

Death and disability other post-employment benefits. As provided by K.S.A. 74-4927, disabled members in the Kansas Public Employees Retirement System (KPERS) receive long-term disability benefits and life insurance benefits. The plan is administered through a trust held by KPERS that is funded to pay annual benefit payments. The employer contribution rate was set at 1% and contributions were $2,420 for the year ended December 31, 2024.

Paid time off benefits. Effective for the year ended December 31, 2024, all full-time employees are eligible to receive paid time off based on their years of employment. An employee can carry unused paid time off at the end of the calendar year and place it into either their paid time off bank or family medical leave bank (FMLA). The paid time off bank can accumulate a maximum of 10 days and this is payable upon the employee's separation. The FMLA bank can accumulate a maximum of 15 days that is not paid upon separation.

G. 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; natural disasters; and medical needs of employees. The City purchases commercial insurance to cover health, property, liability, and worker's compensation claims. There has been no reduction in coverage from the prior year and settlements have not exceeded coverage in the past three years.

H. DEFINED BENEFIT PENSION PLAN

General Information About the 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 S. Kansas, Suite 100; Topeka, KS 66603) or by calling 1-888-275-5737.

Contributions. K.S.A. 74-4919 and K.S.A. 74-49,210 establish the KPERS member-employee contribution rates. KPERS has multiple benefit structures and contribution rates depending on whether the employee is a KPERS 1, KPERS 2 or KPERS 3 member. KPERS 1 members are active and contributing members hired before July 1, 2009. KPERS 2 members were first employed in a covered position on or after July 1, 2009, and KPERS 3 members were first employed in a covered position on or after January 1, 2015. Effective January 1, 2015, Kansas law established the KPERS member-employee contribution rate at 6% of covered salary for KPERS 1, KPERS 2 and KPERS 3 members. Member contributions are withheld by the City and paid to KPERS according to the provisions of Section 414(h) of the Internal Revenue Code.

State law provides that the employer contribution rates for KPERS 1, KPERS 2 and KPERS 3 be determined based on the results of each annual actuarial valuation. Kansas law sets a limitation on annual increases in the employer contribution rates. The actuarially determined employer contribution rate (not including the 1% contribution rate for the Death and Disability Program) and the statutory contribution rate was 9.26% for the fiscal year ended December 31, 2024. Contributions to the pension plan from the City were $22,409 for the year ended December 31, 2024.

Net Pension Liability

At December 31, 2024, the City's proportionate share of the collective net pension liability reported by KPERS was $249,172. The net pension liability was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2023, which was rolled forward to June 30, 2024. The City's proportion of the net pension liability was based on the ratio of the City's contributions to KPERS, relative to the total employer and non-employer contributions of the Local subgroup within KPERS. Since the KMAAG regulatory basis of accounting does not recognize long-term debt, this liability is not reported in this financial statement.

The complete actuarial 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.

I. JOINT VENTURES

In March 2022, the City of Spearville, pursuant to Ordinance No 703-A, created the City of Spearville, Kansas Public Building Commission (PBC). The governing body of the PBC adopted Resolution No. 2022-4 on September 14, 2022, authorizing the Issuer to (1) issue the City of Spearville, Kansas Public Building Commission Revenue Bonds, Series 2022 (Unified School District No. 381 (the District)/Spearville Recreation Commission (the Commission) Project) (the "Series 2022 Bonds") in the amount of $1,500,000 for the purpose of providing a portion of the funds necessary to construct, furnish and equip a new swimming pool and all improvements related thereto (the "Facility"); (2) enter into an Indenture, with Security Bank of Kansas City for the purpose of issuing and securing the Series 2022 Bonds (the Bonds), as therein provided, and (3) enter into the lease with the District, dated October 5, 2022 herewith (the "Lease"), pursuant to which the Issuer will cause the proceeds of the Series 2022 Bonds to be used to construct the Facility and will lease the Project to the District in consideration of rental payments which are to be sufficient, during any term of the Lease, to pay the principal of, redemption premium, if any, and interest on the Bonds as the same become due.

The District adopted Resolution No. 523 on August 8, 2022, which resolution: (a) authorized the District to enter into the Lease; and (b) authorized the District, as sublessor, to enter into this sublease with the Commission, as sublessee, pursuant to which the District will sublease the Project to the Commission. The Bonds of the PBC are payable from the rentals received by the PBC from the Commission per a sublease agreement entered into with the District.

J. CAPTIAL PROJECTS

Capital project authorizations with approved change orders compared with cash disbursements and accounts payable from inception are as follows:

	Project authorization	Cash disbursements and accounts payable to date
Spearville Davis Street Improvements	$ 5,500	$ -
Spearville Waterline Improvements - Hall & Park	120,000	-
	$ 125,000	$ -

As of December 31, 2024, the City received a local grant of $475,000 to be used towards the waterline improvement project.

K. SUBSEQUENT EVENTS

The City has evaluated events subsequent to year end through August 1, 2025 and does not believe any events have occurred other than the following which affect the financial statement as presented:

The City approved in May of 2025 a bid of $685,583 for the waterline project for a total project cost of $805,583. The City received a local grant to cover the remaining portion of the project expected to be completed in 2025.

REGULATORY–REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE 1

CITY OF SPEARVILLE, KANSAS

SUMMARY OF EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS

For the Year Ended December 31, 2024

Fund	Certified budget	Adjustment for qualifying budget credits	Total budget for comparison	Expenditures chargeable to current year	Variance favorable (unfavorable)
General fund	$ 653,000	$ -	$ 653,000	$ 429,419	$ 223,581
Special purpose fund:					
Special street	68,344	-	68,344	19,774	48,570
Bond and interest funds:					
Bond and interest	50,102	-	50,102	7,255	42,847
PBC bond and interest	136,800	-	136,800	136,800	-
Business funds:					
Gas utility	550,000	-	550,000	343,298	206,702
Water utility	520,000	-	520,000	213,247	306,753
Sewer utility	112,500	-	112,500	88,081	24,419
Sanitation utility	99,000	-	99,000	63,644	35,356
Total	$ 2,189,746	$ -	$ 2,189,746	$ 1,301,518	$ 888,228

See Independent Auditor's Report.

CITY OF SPEARVILLE, KANSAS

GENERAL FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS

For the Year Ended December 31, 2024
(With Comparative Actual Totals for the Prior Year Ended December 31, 2023)

		2024		
	2023	Actual	Budget	Variance favorable (unfavorable)
Receipts:				
Taxes and shared revenue:				
Ad valorem property tax	$ 169,490	$ 176,288	$ 179,554	$ (3,266)
Delinquent tax	6,632	2,123	500	1,623
Motor vehicle tax	34,882	35,786	33,319	2,467
Recreational vehicle tax	565	422	648	(226)
16/20M truck tax	-	-	733	(733)
Commercial vehicle tax	3,852	4,888	3,585	1,303
Sales tax	155,577	143,075	90,000	53,075
Licenses and permits	5,138	2,983	1,000	1,983
Fines	1,580	5,098	100	4,998
Charges for services	2,625	3,357	1,500	1,857
Franchise fees	45,909	39,250	30,000	9,250
Interest	90,924	99,803	40,000	59,803
Miscellaneous	10,645	10,568	5,000	5,568
Total receipts	527,819	523,641	$ 385,939	$ 137,702
Expenditures:				
General government	127,406	122,538	$ 223,000	$ 100,462
Public safety	151,205	149,212	190,000	40,788
Highways and streets	20,758	60,454	50,000	(10,454)
Transfer to capital improvement	124,963	47,215	75,000	27,785
Transfer to equipment reserve	5,000	50,000	75,000	25,000
Transfer to special street	-	-	40,000	40,000
Total expenditures	429,332	429,419	$ 653,000	$ 223,581
Receipts over (under) expenditures	98,487	94,222		
Unencumbered cash, beginning of year	426,949	525,436	$ 267,061	$ 258,375
Unencumbered cash, end of year	$ 525,436	$ 619,658		

See Independent Auditor's Report.

CITY OF SPEARVILLE, KANSAS

SPECIAL STREET FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS

For the Year Ended December 31, 2024
(With Comparative Actual Totals for the Prior Year Ended December 31, 2023)

		2024		
	2023	Actual	Budget	Variance favorable (unfavorable)
Receipts:				
Gasoline tax	$ 21,402	$ 21,363	$ 21,210	$ 153
Charges for services	550	-	-	-
Transfer from general	-	-	40,000	(40,000)
Total receipts	21,952	21,363	$ 61,210	$ (39,847)
Expenditures:				
Street maintenance	26,818	19,774	$ 68,344	$ 48,570
Receipts over (under) expenditures	(4,866)	1,589		
Unencumbered cash, beginning of year	8,301	3,435	$ 7,134	$ (3,699)
Unencumbered cash, end of year	$ 3,435	$ 5,024		

See Independent Auditor's Report.

CITY OF SPEARVILLE, KANSAS

CAPITAL IMPROVEMENT FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES
REGULATORY BASIS

For the Year Ended December 31, 2024
(With Comparative Actual Totals for the Prior Year Ended December 31, 2023)

	2023	2024
Receipts:		
Transfer from general	$ 124,963	$ 47,215
Transfer from water utility	75,000	-
Interest	17,569	26,816
Total receipts	217,532	74,031
Expenditures		
Commodities	-	-
Receipts over (under) expenditures	217,532	74,031
Unencumbered cash, beginning of year	442,738	660,270
Unencumbered cash, end of year	$ 660,270	$ 734,301

See Independent Auditor's Report.

CITY OF SPEARVILLE, KANSAS

CRIME STOPPERS FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES
REGULATORY BASIS

For the Year Ended December 31, 2024
(With Comparative Actual Totals for the Prior Year Ended December 31, 2023)

	2023	2024
Receipts:		
Interest and donations	$ 49	$ 55
Expenditures	-	-
Receipts over (under) expenditures	49	55
Unencumbered cash, beginning of year	1,330	1,379
Unencumbered cash, end of year	$ 1,379	$ 1,434

See Independent Auditor's Report.

CITY OF SPEARVILLE, KANSAS

COMMUNITY DEVELOPMENT FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES
REGULATORY BASIS

For the Year Ended December 31, 2024
(With Comparative Actual Totals for the Prior Year Ended December 31, 2023)

	2023	2024
Receipts:		
Loan principal	$ 2,268	$ 2,347
Interest	13,505	13,672
Total receipts	15,773	16,019
Expenditures:		
Administrative	66	29
Return funds to State	-	384,772
Total expenditures	66	384,801
Receipts over (under) expenditures	15,707	(368,782)
Unencumbered cash, beginning of year	360,345	376,052
Unencumbered cash, end of year	$ 376,052	$ 7,270

See Independent Auditor's Report.

CITY OF SPEARVILLE, KANSAS

WOODBURY TRUST FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES
REGULATORY BASIS

For the Year Ended December 31, 2024
(With Comparative Actual Totals for the Prior Year Ended December 31, 2023)

	2023	2024
Receipts:		
Interest	$ 355	$ 571
Expenditures:		
Donations	-	-
Receipts over (under) expenditures	355	571
Unencumbered cash, beginning of year	18,540	18,895
Unencumbered cash, end of year	$ 18,895	$ 19,466

See Independent Auditor's Report.

CITY OF SPEARVILLE, KANSAS

LAUDICK ESTATE FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES
REGULATORY BASIS

For the Year Ended December 31, 2024
(With Comparative Actual Totals for the Prior Year Ended December 31, 2023)

	2023	2024
Receipts:		
Interest	$ 3,144	$ 1,602
Expenditures:		
Debt service:		
Principal	48,769	50,052
Interest	3,703	2,504
Total expenditures	52,472	52,556
Receipts over (under) expenditures	(49,328)	(50,954)
Unencumbered cash, beginning of year	107,902	58,574
Unencumbered cash, end of year	$ 58,574	$ 7,620

See Independent Auditor's Report.

CITY OF SPEARVILLE, KANSAS

TOM FEIST FOUNDATION FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES
REGULATORY BASIS

For the Year Ended December 31, 2024
(With Comparative Actual Totals for the Prior Year Ended December 31, 2023)

	2023	2024
Receipts:		
Donations	$ 100,000	$ 511,000
Refund of construction costs	149,654	-
Total receipts	249,654	511,000
Expenditures:		
Contractual services	-	50,000
Commodities	-	24,164
Capital outlay	92,505	98,960
Total expenditures	92,505	173,124
Receipts over (under) expenditures	157,149	337,876
Unencumbered cash, beginning of year	7,191	164,340
Unencumbered cash, end of year	$ 164,340	$ 502,216

See Independent Auditor's Report.

CITY OF SPEARVILLE, KANSAS

EQUIPMENT RESERVE FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES
REGULATORY BASIS

For the Year Ended December 31, 2024
(With Comparative Actual Totals for the Prior Year Ended December 31, 2023)

	2023	2024
Receipts:		
Miscellaneous	$ -	$ 225
Transfer from general	25,000	50,000
Total receipts	25,000	50,225
Expenditures:		
Capital outlay	69,824	42,350
Receipts over (under) expenditures	(44,824)	7,875
Unencumbered cash, beginning of year	244,843	200,019
Unencumbered cash, end of year	$ 200,019	$ 207,894

See Independent Auditor's Report.

CITY OF SPEARVILLE, KANSAS

GRANTS FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES
REGULATORY BASIS

For the Year Ended December 31, 2024
(With Comparative Actual Totals for the Prior Year Ended December 31, 2023)

	2023	2024
Receipts:		
Federal grants	$ 35,000	$ 35,000
Local grants	26,000	10,000
Total receipts	61,000	45,000
Expenditures:		
Contractual services	13,000	13,000
Transfer to grant reciepent	35,000	35,000
Total expenditures	48,000	48,000
Receipts over (under) expenditures	13,000	(3,000)
Unencumbered cash, beginning of year	-	13,000
Unencumbered cash, end of year	$ 13,000	$ 10,000

See Independent Auditor's Report.

CITY OF SPEARVILLE, KANSAS

BOND AND INTEREST FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS

For the Year Ended December 31, 2024
(With Comparative Actual Totals for the Prior Year Ended December 31, 2023)

		2024		
	2023	Actual	Budget	Variance favorable (unfavorable)
Receipts:				
Special assessments	$ 27,495	$ 9,649	$ 5,000	$ 4,649
Expenditures:				
Debt service:				
Principal	5,000	5,000	$ 5,000	$ -
Interest and commissions	2,468	2,255	2,352	97
Cash basis reserve	-	-	42,750	42,750
Total expenditures	7,468	7,255	$ 50,102	$ 42,847
Receipts over (under) expenditures	20,027	2,394		
Unencumbered cash, beginning of year	50,792	70,819	$ 48,226	$ 22,593
Unencumbered cash, end of year	$ 70,819	$ 73,213	$ 3,124	$ 70,089

See Independent Auditor's Report.

CITY OF SPEARVILLE, KANSAS

PUBLIC BUILDING COMMISSION BOND AND INTEREST FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS

For the Year Ended December 31, 2024
(With Comparative Actual Totals for the Prior Year Ended December 31, 2023)

		2024		
	2023	Actual	Budget	Variance favorable (unfavorable)
Receipts:				
Lease income	$ 136,299	$ 136,723	$ 136,800	$ (77)
Interest income	95	135	-	135
Total receipts	136,394	136,858	$ 136,800	$ 58
Expenditures:				
Debt service:				
Principal	80,000	80,000	$ 80,000	$ -
Interest and commissions	56,333	56,800	56,800	-
Total expenditures	136,333	136,800	$ 136,800	$ -
Receipts over (under) expenditures	61	58		
Unencumbered cash, beginning of year	-	61	$ -	$ 61
Unencumbered cash, end of year	$ 61	$ 119		

See Independent Auditor's Report.

CITY OF SPEARVILLE, KANSAS

SPEARVILLE PUBLIC BUILDING COMMISION PROJECT FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES
REGULATORY BASIS

For the Year Ended December 31, 2024
(With Comparative Actual Totals for the Prior Year Ended December 31, 2023)

	2023	2024
Receipts:		
Return of bond issuance costs	$ 7,639	$ -
Interest income	5,898	235
Total receipts	13,537	235
Expenditures:		
Capital outlay	546,068	8,516
Receipts over (under) expenditures	(532,531)	(8,281)
Unencumbered cash, beginning of year	540,812	8,281
Unencumbered cash, end of year	$ 8,281	$ -

See Independent Auditor's Report.

CITY OF SPEARVILLE, KANSAS

GAS UTILITY FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS

For the Year Ended December 31, 2024
(With Comparative Actual Totals for the Prior Year Ended December 31, 2023)

		2024		
	2023	Actual	Budget	Variance favorable (unfavorable)
Receipts:				
Customer charges	$ 414,774	$ 290,710	$ 450,000	$ (159,290)
Expenditures:				
Personal services	86,015	76,924	$ 80,000	$ 3,076
Contractual services	290,239	207,022	300,000	92,978
Commodities	9,370	9,352	15,000	5,648
Capital outlay	-	-	25,000	25,000
Transfer to gas utility reserve	-	50,000	20,000	(30,000)
Transfer to capital improvement	-	-	70,000	70,000
Transfer to equipment reserve	-	-	40,000	40,000
Total expenditures	385,624	343,298	$ 550,000	$ 206,702
Receipts over (under) expenditures	29,150	(52,588)		
Unencumbered cash, beginning of year	189,569	218,719	$ 100,569	$ 118,150
Unencumbered cash, end of year	$ 218,719	$ 166,131	$ 569	$ 165,562

See Independent Auditor's Report.

CITY OF SPEARVILLE, KANSAS

WATER UTILITY FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET REGULATORY BASIS

For the Year Ended December 31, 2024
(With Comparative Actual Totals for the Prior Year Ended December 31, 2023)

		2024		
	2023	Actual	Budget	Variance favorable (unfavorable)
Receipts:				
Customer charges	$ 233,123	$ 227,154	$ 260,000	$ (32,846)
Miscellaneous	-	6,540	-	6,540
Total receipts	233,123	233,694	$ 260,000	$ (26,306)
Expenditures:				
Personal services	99,413	90,914	$ 90,000	$ (914)
Contractual services	54,620	64,739	90,000	25,261
Commodities	24,785	27,432	40,000	12,568
Capital outlay	3,637	1,002	100,000	98,998
Transfer to water capital outlay	29,160	29,160	100,000	70,840
Transfer to capital improvement	75,000	-	50,000	50,000
Transfer to equipment reserve	-	-	50,000	50,000
Total expenditures	286,615	213,247	$ 520,000	$ 306,753
Receipts over (under) expenditures	(53,492)	20,447		
Unencumbered cash, beginning of year	541,176	487,684	$ 331,175	$ 156,509
Unencumbered cash, end of year	$ 487,684	$ 508,131	$ 71,175	$ 436,956

See Independent Auditor's Report.

CITY OF SPEARVILLE, KANSAS

SEWER UTILITY FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS

For the Year Ended December 31, 2024
(With Comparative Actual Totals for the Prior Year Ended December 31, 2023)

		2024		
	2023	Actual	Budget	Variance favorable (unfavorable)
Receipts:				
Customer charges	$ 92,391	$ 99,580	$ 87,000	$ 12,580
Expenditures:				
Personal services	69,030	69,964	$ 60,000	$ (9,964)
Contractual services	14,531	16,676	25,000	8,324
Commodities	1,210	1,441	2,500	1,059
Capital outlay	-	-	25,000	25,000
Total expenditures	84,771	88,081	$ 112,500	$ 24,419
Receipts over (under) expenditures	7,620	11,499		
Unencumbered cash, beginning of year	4,875	12,495	$ 32,375	$ (19,880)
Unencumbered cash, end of year	$ 12,495	$ 23,994	$ 6,875	$ 17,119

See Independent Auditor's Report.

CITY OF SPEARVILLE, KANSAS

SANITATION UTILITY FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET REGULATORY BASIS

For the Year Ended December 31, 2024
(With Comparative Actual Totals for the Prior Year Ended December 31, 2023)

		2024		
	2023	Actual	Budget	Variance favorable (unfavorable)
Receipts:				
Customer charges	$ 71,319	$ 72,695	$ 75,000	$ (2,305)
Expenditures:				
Contractual services	61,087	63,644	$ 75,000	$ 11,356
Transfer to capital improvement	-	-	10,000	10,000
Transfer to equipment reserve	20,000	-	14,000	14,000
Total expenditures	81,087	63,644	$ 99,000	$ 35,356
Receipts over (under) expenditures	(9,768)	9,051		
Unencumbered cash, beginning of year	38,000	28,232	$ 24,000	$ 4,232
Unencumbered cash, end of year	$ 28,232	$ 37,283		

See Independent Auditor's Report.

CITY OF SPEARVILLE, KANSAS

GAS UTILITY RESERVE FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES
REGULATORY BASIS

For the Year Ended December 31, 2024
(With Comparative Actual Totals for the Prior Year Ended December 31, 2023)

	2023	2024
Receipts:		
Transfer from gas utility	$ -	$ 50,000
Expenditures:	-	-
Receipts over (under) expenditures	-	50,000
Unencumbered cash, beginning of year	85,000	85,000
Unencumbered cash, end of year	$ 85,000	$ 135,000

See Independent Auditor's Report.

CITY OF SPEARVILLE, KANSAS

WATER CAPITAL OUTLAY FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES
REGULATORY BASIS

For the Year Ended December 31, 2024
(With Comparative Actual Totals for the Prior Year Ended December 31, 2023)

	2023	2024
Receipts:		
Cash rent and leases	$ 65,808	$ 106,782
Transfers from water utility	29,160	29,160
Total receipts	94,968	135,942
Expenditures:		
Debt service:		
Principal	50,000	50,000
Interest	21,625	21,125
Total expenditures	71,625	71,125
Receipts over (under) expenditures	23,343	64,817
Unencumbered cash, beginning of year	547,588	570,931
Unencumbered cash, end of year	$ 570,931	$ 635,748

See Independent Auditor's Report.

SCHEDULE 3

CITY OF SPEARVILLE, KANSAS

AGENCY FUNDS

SUMMARY OF RECEIPTS AND DISBURSEMENTS
REGULATORY BASIS

For the Year Ended December 31, 2024

Fund	Beginning cash balance	Receipts	Disbursements	Ending cash balance
Utility deposits	$ 8,675	$ 1,625	$ 1,875	$ 8,425
RHID construction	1	85,915	85,916	-
	$ 8,676	$ 87,540	$ 87,791	$ 8,425

See Independent Auditor's Report.