CITY OF OSBORNE, KANSAS

Financial Statement
With Independent Auditors' Report

For the Year Ended December 31, 2025

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For the Year Ended December 31, 2025

TABLE OF CONTENTS

Independent Auditors' Report 1

Summary Statement of Receipts, Expenditures, and Unencumbered Cash – Regulatory Basis 4

Notes to Financial Statement 5

Regulatory–Required Supplementary Information

Schedule 1 – Summary of Expenditures – Actual and Budget – Regulatory Basis 14

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

Regulatory Basis Fund Types
General Fund
2-1 General Fund 15

Special Purpose Funds
2-2 Special Highway Fund 18
2-3 Library Fund 19
2-4 Recreation Fund 20
2-5 Special Parks Fund 21
2-6 Equipment Fund 22
2-7 Permanent Recreation, Park Equipment and Facilities Fund 23
2-8 Emergency Services Building Fund 24
2-9 Improvement Reserve Fund 25
2-10 Street Improvement Reserve Fund 26

Capital Project Funds
2-11 Kansas Airport Improvement Grant Fund 27
2-12 KDHE Water Treatment Project Fund 28

Business Funds
2-13 Golf Fund 29
2-14 Electric and Water Fund 30
2-15 Electric Utility Reserve Fund 33
2-16 Sewer Fund 34
2-17 Airport Fund 35

Trust Funds
2-18 Economic Development Revolving Loan Fund 36
2-19 Permanent Trust – Cemetery Fund 37
2-20 Permanent Trust – Park Fund 38

Related Municipal Entity
2-21 Public Library 39

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INDEPENDENT AUDITORS' REPORT

To the City Council
City of Osborne, Kansas
Osborne, Kansas

Adverse and Unmodified Opinions

We have audited the accompanying fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances of **City of Osborne, Kansas**, 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 matters discussed in the Basis for Adverse and Unmodified Opinions section of our report, the accompanying financial statement referred to above does not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the City as of December 31, 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 described in Note 1.

Basis for Adverse and Unmodified Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the *Kansas Municipal Audit and Accounting Guide*. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statement section of our report. We are required to be independent of the City, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our adverse and unmodified audit opinions.

Matter Giving Rise to Adverse Opinion on U.S. Generally Accepted Accounting Principles
As discussed in Note 1 of the financial statement, the financial statement is prepared by the City on the basis of the financial reporting provisions of the *Kansas Municipal Audit and Accounting Guide*, which is a basis of accounting other than accounting principles generally accepted in the United States of America. The effects on the financial statement of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

above+beyond
AdamsBrown, LLC

Responsibilities of Management for the Financial Statement

Management is responsible for the preparation and fair presentation of this financial statement in accordance with the *Kansas Municipal Audit and Accounting Guide* as described in Note 1; this includes determining that the regulatory basis of accounting is an acceptable basis for the preparation of the financial statement in the circumstances. Management is also responsible for the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of the financial statement that is free from material misstatement, whether due to fraud or error.

In preparing the financial statement, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statement

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

In performing an audit in accordance with GAAS, we:

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

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

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the fund summary statement of regulatory basis receipts, expenditures and unencumbered cash balances (basic financial statement) as a whole. The summary of regulatory basis expenditures – actual and budget and individual fund schedules of regulatory basis receipts and expenditures – actual and budget (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 *Kansas Municipal Audit and Accounting Guide*. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statement. The information has been subjected to the auditing procedures applied in the audit of the basic financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statement or to the basic financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying supplementary information is fairly stated, in all material respects, in relation to the basic financial statement as a whole, on the basis of accounting described in Note 1.

We also previously audited, in accordance with auditing standards generally accepted in the United States of America, the basic financial statement of the City as of and for the year ended December 31, 2024 (not presented herein), and have issued our report thereon July 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 web site of the Kansas Department of Administration at the following link https://admin.ks.gov/offices/accounts-reports/local-government/municipal-services/municipal-audits. The 2024 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 is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 2024 basic financial statement. The 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 2024 basic financial statement or to the 2024 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, 2024, on the basis of accounting described in Note 1.

Adams Brown, LLC

ADAMSBROWN, LLC
Certified Public Accountants
Hays, Kansas

July 1, 2026

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

Funds	Beginning Unencumbered Cash Balance	Prior Period Adjustment	Prior Year Cancelled Encumbrances	Receipts	Expenditures	**Ending Unencumbered Cash Balance**	Add Encumbrances and Accounts Payable	**Ending Cash Balance**
Regulatory Basis Fund Types								
General Fund	$ 846,074	-	288	1,363,443	1,470,414	**739,391**	236,240	**975,631**
Special Purpose Funds								
Special Highway Fund	13,121	-	-	34,918	40,981	**7,058**	2,517	**9,575**
Library Fund	8,838	-	-	84,325	89,822	**3,341**	2,098	**5,439**
Recreation Fund	22,762	-	-	67,140	58,633	**31,269**	3,204	**34,473**
Special Parks Fund	22,982	-	-	920	5,000	**18,902**	-	**18,902**
Equipment Fund	41,088	-	-	140,000	10,000	**171,088**	-	**171,088**
Permanent Recreation, Park Equipment and Facilities Fund	24,142	-	-	5,000	600	**28,542**	-	**28,542**
Emergency Services Building Fund	49,586	-	-	12,000	3,485	**58,101**	-	**58,101**
Improvement Reserve Fund	-	-	-	17,752	-	**17,752**	-	**17,752**
Street Improvement Reserve Fund	-	-	-	30,207	-	**30,207**	-	**30,207**
Capital Project Funds								
Kansas Airport Improvement Grant Fund	-	-	-	61,109	104,517	**(43,408)**	43,408	**-**
KDHE Water Treatment Project Fund	-	(867,600)	-	331,114	8,121	**(544,607)**	544,607	**-**
Business Funds								
Golf Fund	129,348	-	-	85,643	68,464	**146,527**	579	**147,106**
Electric and Water Fund	1,704,106	-	2,247	2,639,021	2,174,020	**2,171,354**	38,511	**2,209,865**
Electric Utility Reserve Fund	1,737,687	-	144,172	93,000	743,146	**1,231,713**	58,285	**1,289,998**
Sewer Fund	208,389	-	-	98,458	69,643	**237,204**	495	**237,699**
Airport Fund	8,373	-	-	64,293	72,127	**539**	58,937	**59,476**
Trust Funds								
Economic Development Revolving Loan Fund	759,836	-	-	9,538	769,274	**100**	-	**100**
Permanent Trust - Cemetery Fund	26,637	-	-	250	-	**26,887**	-	**26,887**
Permanent Trust - Park Fund	2,396	-	-	-	-	**2,396**	-	**2,396**
Total Primary Government	5,605,365	(867,600)	146,707	5,138,131	5,688,247	**4,334,356**	988,881	**5,323,237**
Related Municipal Entity								
Public Library	44,480	-	-	61,696	55,604	**50,572**	-	**50,572**
Total Reporting Entity	$ 5,649,845	(867,600)	146,707	5,199,827	5,743,851	**4,384,928**	988,881	**5,373,809**

Composition of Cash	Checking Accounts	$ **439,761**
	Savings Accounts	**3,283,376**
	Cash on Hand	**100**
	Certificates of Deposit	**1,600,000**
	Total Primary Government	**5,323,237**
	Related Municipal Entity	**50,572**
	Total Reporting Entity	$ **5,373,809**

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

City of Osborne, Kansas has established a uniform system of accounting maintained to reflect compliance with the applicable laws of the State of Kansas. The accompanying financial statement is presented to conform to the cash basis and budget laws of the State of Kansas, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. The following is a summary of such significant policies.

Financial Reporting Entity

The City is a municipal corporation governed by an elected seven-member council. This financial statement presents the City (the municipality) and its related municipal entity, Osborne Public Library, shown below. The related municipal entity is included in the City's reporting entity because it was established to benefit the City and/or its constituents. This financial statement does not include the related municipal entity, Osborne Housing Authority, shown below.

Osborne Public Library

The City's Library Board operates the City's public library. Acquisition or disposition of real property by the board must be approved by the City. Bond issuances must also be approved by the City.

Osborne Housing Authority

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

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, 2025.

Regulatory Basis Fund Types

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

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

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

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

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

Basis of Accounting

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

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

Reimbursements

The City records reimbursable expenditures in the fund that makes the disbursement and records reimbursements as a receipt to the fund that receives the reimbursement. For purposes of budgetary comparisons, the expenditures are properly offset by the reimbursements under KMAAG regulatory basis of accounting.

NOTE 2 – BUDGETARY INFORMATION

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

a. Preparation of the budget for the succeeding calendar year on or before August 1st.

b. Publication in local newspaper on or before August 5th of the proposed budget and notice of public hearing on the budget.

c. Public hearing on or before August 15th, but at least 10 days after publication of notice of hearing.

d. Adoption of the final budget on or before August 25th.

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

The statutes allow for the governing body to increase the originally adopted budget for previously unbudgeted increases in revenue other than ad valorem property taxes. To do this, a notice of public hearing to amend the budget must be published in the local newspaper. At least 10 days after publication, the hearing may be held and the governing body may amend the budget at that time. There were no such budget amendments for this year.

The statutes permit transferring budgeted amounts between line items within an individual fund. However, such statutes prohibit expenditures in excess of the total amount of the adopted budget of expenditures of

individual funds. Budget comparison schedules are presented for each fund showing actual receipts and expenditures compared to legally budgeted receipts and expenditures.

All legal annual operating budgets are prepared using the regulatory basis of accounting, in which revenues are recognized when cash is received and expenditures include disbursements, accounts payable, and encumbrances, with disbursements being adjusted for prior year's accounts payable and encumbrances. Encumbrances are commitments by the City for future payments and are supported by a document evidencing the commitment, such as a purchase order or contract. Any unused budgeted expenditure authority lapses at year end.

A legal operating budget is not required for trust funds or the following special purpose funds: Equipment Fund, Permanent Recreation, Park Equipment and Facilities Fund, Improvement Reserve Fund, and Street Improvement Reserve Fund.

Spending in funds which are not subject to the legal annual operating budget requirement is controlled by federal regulations, other statutes, or by the use of internal spending limits established by the governing body.

NOTE 3 – DEPOSITS AND INVESTMENTS

City of Osborne, Kansas follows the practice of pooling cash and investments of all funds. Each fund's portion of total cash and investments is summarized by fund category in the summary statement of receipts, expenditures and unencumbered cash.

K.S.A. 9-1401 establishes the depositories which may be used by the City. The statute requires banks eligible to hold the City's funds have a main or branch bank in the county in which the City is located, or in an adjoining county if such institution has been designated as an official depository, and the banks provide an acceptable rate of return on funds. In addition, K.S.A. 9-1402 requires the banks to pledge securities for deposits in excess of FDIC coverage. The City has no other policies that would further limit interest rate risk.

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

Concentration of Credit Risk
State statutes place no limit on the amount the City may invest in any one issuer as long as the investments are adequately secured under K.S.A. 9-1402 and K.S.A. 9-1405.

Custodial Credit Risk – Deposits
Custodial credit risk is the risk that in the event of a bank failure, the City's deposits may not be returned to it. State statutes require the City's deposits in financial institutions to be entirely covered by federal depository insurance or by collateral held under a joint custody receipt issued by a bank within the State of Kansas, the Federal Reserve Bank of Kansas City, or the Federal Home Loan Bank of Topeka, except during designated "peak periods" when required coverage is 50%. The City does not use "peak periods". All deposits were legally secured at December 31, 2025.

At December 31, 2025, the City's carrying amount of deposits was $5,323,237 and the bank balance was $5,384,983. The bank balance was held by two banks resulting in a concentration of credit risk. Of the bank balance, $750,000 was covered by federal depository insurance and $4,634,983 was collateralized with securities held by the pledging financial institutions' agents in the City's name.

At December 31, 2025, the Public Library's carrying amount of deposits was $50,572 and the bank balance was $54,254. The bank balance was held by two banks resulting in a concentration of credit risk. Of the bank balance, all was covered by federal depository insurance.

Custodial Credit Risk – Investments
For an investment, this is the risk that, in the event of the failure of the issuer or counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. State statutes require investments to be adequately secured. The City had no investments at December 31, 2025.

NOTE 4 – INTERFUND TRANSFERS

Interfund transfers within the reporting entity are substantially for the purpose of subsidizing operating functions, funding capital projects and asset acquisitions or maintaining debt service on a routine basis as authorized by Kansas statutes. **City of Osborne, Kansas'** interfund transfers and regulatory authority for the year ended December 31, 2025 were as follows:

From	To	Regulatory Authority	Amount
Electric and Water Fund	Electric Utility Reserve Fund	K.S.A. 12-825d	$ 93,000
Electric and Water Fund	General Fund	K.S.A. 12-825d	99,024
Electric and Water Fund	Equipment Fund	K.S.A. 12-825d	140,000
Electric and Water Fund	Golf Fund	K.S.A. 12-825d	15,000
Recreation Fund	Perm. Rec, Park Equip, and Facilities Fund	K.S.A. 12-1,117	5,000
General Fund	Improvement Reserve Fund	K.S.A. 12-1118	17,752
General Fund	Street Improvement Reserve Fund	K.S.A. 12-1118	30,207

NOTE 5 – LITIGATION

City of Osborne, Kansas is a party to various legal proceedings which normally occur in governmental operations. These legal proceedings are not likely to have a material financial impact on the affected funds of the City.

NOTE 6 – CAPITAL PROJECTS

Capital project authorizations with approved change orders compared with expenditures from inception are as follows:

	Project Authorization	Expenditures to Date
KDHE Water Treatment Project	$ 6,798,400	$ 875,720
Kansas Airport Improvement Grant	969,375	116,130

NOTE 7 – RISK MANAGEMENT

The City is exposed to various risks of loss related to torts; damage to and destruction of assets; business interruptions; errors and omissions; employee injuries and illnesses; natural disasters; and employee health, dental and accident benefits. Commercial insurance coverage is purchased for claims arising from such matters other than related to employee health benefits. Settled claims have not exceeded this commercial coverage in any of the three preceding years. There have not been significant reductions in coverage from prior years.

NOTE 8 – GRANTS AND SHARED REVENUES

City of Osborne, Kansas participates in numerous state and federal grant programs, which are governed by various rules and regulations for the grantor agencies. Costs charged to the respective grant programs are subject to audit and adjustment by the grantor agencies; therefore, to the extent that the City has not complied with the rules and regulations governing the grants, refunds of any money received may be required. In the opinion of the City, any liability for reimbursement, which may arise as the result of the audit, is not believed to be material.

NOTE 9 – DEFINED BENEFIT PENSION PLAN

General Information about the Pension Plan

Plan Description
City of Osborne, Kansas participates in the Kansas Public Employees Retirement System (KPERS), a cost-sharing, multiple-employer defined benefit pension plan as provided by K.S.A. 74-4901, et. seq. Kansas law establishes and amends benefit provisions. KPERS issues a publicly available financial report that includes financial statements and required supplementary information. KPERS' financial statements are included in its Annual Comprehensive Financial Report which can be found on the KPERS website at www.kspers.gov or by writing to KPERS (611 S Kansas, Suite 100; Topeka, KS 66603) or by calling 1-888-275-5737.

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

State law provides that the employer contribution rates for KPERS 1, KPERS 2 and KPERS 3 be determined based on the results of each annual actuarial valuation. Kansas law sets a limitation on annual increases in the employer contribution rates. The actuarially determined employer contribution rate (not including the 1% contribution rate for the Death and Disability Program) and the statutory contribution rate was 9.71% for the fiscal year ended December 31, 2025. Contributions to the pension plan from the City were $75,898 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 $682,185. 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 above.

NOTE 10 – OTHER POST EMPLOYMENT BENEFITS

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

Under the Consolidated Omnibus Budget Reconciliation Act (COBRA), the City makes health care benefits available to eligible former employees and eligible dependents. Certain requirements are outlined by the federal government for this coverage. The premium is paid in full by the insured.

As provided by K.S.A. 74-4927, disabled members in the Kansas Public Employees Retirement System (KPERS) receive long-term disability benefits and life insurance benefits. The plan is administered through a trust held by KPERS that is funded to pay annual benefit payments. The employer contribution rate is set at 1% for the year ended December 31, 2025.

NOTE 11 – LEVEL-FUNDED HEALTH INSURANCE PLAN

The **City of Osborne, Kansas** participates in a level-funded health insurance plan. The City makes fixed monthly payments to BlueCross BlueShield which include amounts for administrative fees, expected claims cost, stop-loss insurance premiums, and a claims funding component. If the City's incurred claims was less than the expected incurred claims, 50% of the surplus will be refunded back to the City.

The City offers four plan options for enrollment, and each plan offers coverage for employee with family, employees with dependents or spouses, and single coverage. Premiums range from $540 to $1,644 with the City covering 75% of the cost and the employee paying 25%.

The City was protected against unanticipated catastrophic individual loss or aggregate loss by stop loss coverage carried through BlueCross BlueShield. Stop loss coverage was in effect for individual claims exceeding $25,000 and 120% aggregate stop loss.

NOTE 12 – COMPENSATED ABSENCES

Vacation

All employees of **City of Osborne, Kansas**, except temporary and part-time employees, accumulate and carry forward vacation as designated in the following schedule. Employees are paid for all accumulated vacation at their current wage rate upon termination of employment. The Public Library follows the same policy as the City. The Library Director is the only eligible employee and is paid by the City.

Years of Service	Amount Earned	Vacation Days Allowed to Carry Over
0-5	10 days/year	15.0 days/year
6	11 days/year	16.5 days/year
7	12 days/year	18.0 days/year
8	13 days/year	19.5 days/year
9	14 days/year	21.0 days/year
10 and over	15 days/year	22.5 days/year

Sick Leave
All employees of the City, except temporary and part-time employees, accumulate sick leave at a rate of 12 days per year. They may accumulate a maximum of 120 days of sick leave. Upon termination of employment, no sick leave is paid to the employee. If an employee retires after age 62 or upon full retirement and has earned 85 points from KPERS, the employee is paid one-half of his/her accumulated sick leave. The Public Library follows the same policy as the City. The Library Director is the only eligible employee and is paid by the City.

Comp Time
Full-time employees of the City earn comp time at the rate of time and a half for every hour over 40 hours worked during a week, which is paid on the following pay day. However, at the discretion of the department head, an employee may be given compensatory time off in lieu of cash payments. The Public Library follows the same policy as the City. The Library Director is the only eligible employee and is paid by the City.

Personal Leave
Employees considered to be in a supervisory position will be entitled up to five personal days per year not to exceed one day per month. Personal leave is not accumulative.

NOTE 13 – DEBT RESTRICTIONS AND COVENANTS

KDHE Water Pollution Loan
City of Osborne, Kansas entered into a loan agreement with the Kansas Department of Health and Environment to fund repairs of the sewer line in the amount of $292,010. The loan agreement requires that the City provide for the repayment of this loan by providing dedicated funds. The City is in compliance with this requirement as of December 31, 2025 as it is providing dedicated funds through wastewater fees.

KDHE Water Supply Loans
City of Osborne, Kansas entered into loan agreements with the Kansas Department of Health and Environment acting on behalf of the State of Kansas to fund improvements to the water treatment plant in the amount of $6,794,800. The loan agreements require that the City provide for the repayment of this loan by providing dedicated funds. The City is in compliance with this requirement as of December 31, 2025 as it is providing dedicated funds through water fees.

NOTE 14 – PRIOR PERIOD ADJUSTMENT

City of Osborne, Kansas determined that a prior year encumbrance was not accurately reflected in the beginning unencumbered cash balance. This resulted in a prior period adjustment of $867,600.

NOTE 15 – LONG-TERM DEBT

City of Osborne, Kansas has the following types of long-term debt.

KDHE Revolving Loan
The City entered into a $292,010 revolving loan agreement on December 20, 2007 with the Kansas Department of Health and Environment acting on behalf of the State of Kansas to finance the repairs of the sewer line. This agreement was amended on April 28, 2009. The City uses proceeds generated by the operation of the facility for loan repayment, which began March 17, 2010.

KDHE Water Supply Loans

The City entered into two loan agreements with the Kansas Department of Health and Environment acting on behalf of the State of Kansas to fund improvements to the water treatment plant. The first loan is in the amount of $3,000,000, of which $3,000,000 will be forgiven. The second loan is in the amount of $3,794,800, of which $1,897,400 will be forgiven.

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 Paid
KDHE Loans										
KDHE Water Pollution	2.67%	2009	$ 292,010	2030	$ 9,858	-	(9,858)	**-**		155
KDHE Water Supply 3217	2.48%	2025	3,000,000	2028	-	-	-	**-**	*	-
KDHE Water Supply 3218	2.48%	2025	3,794,800	2048	-	331,114	-	**331,114**	**	66
Lease										
Two Generators for the Light Plant	4.91%	2025	1,900,000	2035	-	1,900,000	-	**1,900,000**		-
Total Contractual Indebtedness					$ 9,858	2,231,114	(9,858)	**2,231,114**		221

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

	YEAR									
	2026	2027	2028	2029	2030	2031-2035	2036-2040	2041-2045	2046-2048	**Total**
Principal										
KDHE Loans	$ -	-	36,927	75,234	77,111	415,398	469,878	531,504	291,348	**1,897,400**
Lease	151,241	158,771	166,460	174,965	183,677	1,064,886	-	-	-	**1,900,000**
Total Principal	**151,241**	**158,771**	**203,387**	**250,199**	**260,788**	**1,480,284**	**469,878**	**531,504**	**291,348**	**3,797,400**
Interest										
KDHE Loans	-	-	3,320	6,446	6,181	117,903	115,666	62,737	9,385	**321,638**
Lease	94,605	87,074	79,386	70,880	62,169	164,341	-	-	-	**558,455**
Total Interest	**94,605**	**87,074**	**82,706**	**77,326**	**68,350**	**282,244**	**115,666**	**62,737**	**9,385**	**880,093**
Total Principal and Interest	$ **245,846**	**245,845**	**286,093**	**327,525**	**329,138**	**1,762,528**	**585,544**	**594,241**	**300,733**	**4,677,493**

* As of December 31, 2025, the City has not expended any of this loan. The City is authorized to expend up to $3,000,000, and KDHE anticipates forgiving all of this amount. As such, no amount is reflected in the KDHE Loans on the maturity schedule for this loan.

** As of December 31, 2025, the City has expended $331,114 of this loan. The City is authorized to expend up to $3,794,800, and KDHE anticipates forgiving $1,897,400. The remainder of $1,897,400 is reflected in the KDHE Loans on the maturity schedule.

CITY OF OSBORNE, KANSAS

Regulatory-Required Supplementary Information

Schedule 1

CITY OF OSBORNE, KANSAS
Summary of Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2025

Funds	Certified Budget	Adjustment for Qualifying Budget Credits	Total Budget for Comparison	**Expenditures Chargeable to Current Year**	Variance Over (Under)
Regulatory Basis Fund Types					
General Fund	$ 1,557,566	-	1,557,566	**1,470,414**	(87,152)
Special Purpose Funds					
Special Highway Fund	79,302	-	79,302	**40,981**	(38,321)
Library Fund	90,050	-	90,050	**89,822**	(228)
Recreation Fund	102,500	-	102,500	**58,633**	(43,867)
Special Parks Fund	23,138	-	23,138	**5,000**	(18,138)
Emergency Services Building Fund	62,980	-	62,980	**3,485**	(59,495)
Business Funds					
Golf Fund	75,000	-	75,000	**68,464**	(6,536)
Electric and Water Fund	3,183,663	-	3,183,663	**2,174,020**	(1,009,643)
Sewer Fund	157,345	-	157,345	**69,643**	(87,702)
Airport Fund	14,033	58,937	72,970	**72,127**	(843)

CITY OF OSBORNE, 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)

		Current Year		
	Prior Year Actual	**Actual**	Budget	Variance Over (Under)
Receipts				
Ad Valorem Tax	$ 675,095	**684,152**	702,964	(18,812)
Delinquent Tax	16,829	**11,671**	-	11,671
Motor Vehicle Tax	86,259	**81,457**	76,433	5,024
Commercial Vehicle Fees	5,548	**6,585**	5,739	846
Recreational Vehicle Tax	1,792	**1,468**	1,679	(211)
16/20M Vehicle Tax	1,913	**1,659**	1,606	53
Local Sales/Use Tax	72,473	**76,929**	65,000	11,929
Liquor Tax	254	**921**	205	716
Licenses and Permits	11,072	**9,769**	4,500	5,269
Franchise Taxes	33,365	**40,835**	45,000	(4,165)
Highway Connecting Links	15,010	**14,990**	9,000	5,990
Fines and Bond Payments	7,598	**1,890**	7,500	(5,610)
Cemetery Lots and Permits	8,800	**10,950**	2,000	8,950
Osborne County Rock Receipts	6,083	**1,686**	500	1,186
Sale of Fireworks	-	**-**	100	(100)
Refunds	13,807	**15,862**	-	15,862
Insurance Proceeds	-	**122,775**	-	122,775
Rent Income	5,705	**7,806**	6,000	1,806
Swimming Pool	18,375	**18,295**	11,500	6,795
Miscellaneous	9,860	**17,632**	500	17,132
Interest Income	184,470	**154,123**	65,000	89,123
Grant Funds	65,690	**-**	-	-
Transfers In	270,000	**99,024**	99,024	-
Neighborhood Revitalization Rebate	(22,047)	**(17,036)**	(16,566)	(470)
Total Receipts	1,487,951	**1,363,443**	1,087,684	275,759
Expenditures				
General Government				
Personal Services	72,791	**75,341**	80,000	(4,659)
Contractual	68,916	**82,917**	70,000	12,917
Commodities	7,976	**7,782**	8,000	(218)
Miscellaneous	74,798	**126,705**	4,000	122,705
Grant Funds	2,502	**11,512**	-	11,512
Transfers Out	-	**17,752**	17,752	-
Total General Government	$ 226,983	**322,009**	179,752	142,257

CITY OF OSBORNE, 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)

		Current Year		
	Prior Year Actual	**Actual**	Budget	Variance Over (Under)
Expenditures (continued)				
Police Department				
Personal Services	$ 206,392	**210,594**	174,134	36,460
Contractual	26,750	**23,530**	33,300	(9,770)
Commodities	26,432	**22,484**	72,750	(50,266)
Capital Outlay	35,425	**20,915**	23,000	(2,085)
Miscellaneous	2,845	**805**	-	805
Total Police Department	297,844	**278,328**	303,184	(24,856)
Fire Department				
Contractual	3,740	**4,176**	12,000	(7,824)
Commodities	4,885	**6,049**	7,350	(1,301)
Total Fire Department	8,625	**10,225**	19,350	(9,125)
Street Department				
Personal Services	50,750	**52,488**	54,000	(1,512)
Contractual	4,106	**4,848**	7,000	(2,152)
Commodities	81,512	**78,835**	94,000	(15,165)
Capital Outlay	-	**185,748**	225,000	(39,252)
Transfers Out	-	**30,207**	-	30,207
Total Street Department	136,368	**352,126**	380,000	(27,874)
Ball Field				
Personal Services	36,033	**37,599**	37,000	599
Contractual	25	**12**	1,600	(1,588)
Commodities	8,481	**9,613**	13,000	(3,387)
Total Ball Field	44,539	**47,224**	51,600	(4,376)
Park Department				
Personal Services	46,868	**44,344**	52,000	(7,656)
Contractual	1,016	**1,384**	3,000	(1,616)
Commodities	10,091	**13,152**	15,000	(1,848)
Capital Outlay	12,891	**-**	-	-
Total Park Department	70,866	**58,880**	70,000	(11,120)
Cemetery				
Contractual	-	**-**	1,000	(1,000)
Commodities	1,666	**4,092**	5,500	(1,408)
Total Cemetery	$ 1,666	**4,092**	6,500	(2,408)

CITY OF OSBORNE, 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)

		Current Year		
	Prior Year Actual	**Actual**	Budget	Variance Over (Under)
Expenditures (continued)				
Swimming Pool				
Personal Services	$ 34,532	**30,885**	40,000	(9,115)
Contractual	449	**941**	2,500	(1,559)
Commodities	11,951	**11,894**	13,500	(1,606)
Capital Outlay	5,094	**16,016**	25,000	(8,984)
Total Swimming Pool	52,026	**59,736**	81,000	(21,264)
Tort Liability				
Contractual	5,872	**6,397**	7,000	(603)
Economic Development				
Personal Services	16,968	**12,309**	43,680	(31,371)
Golf				
Personal Services	54,787	**58,512**	58,000	512
City Office Building				
Personal Services	-	**-**	3,500	(3,500)
Contractual	6,738	**9,417**	10,000	(583)
Commodities	4,425	**1,651**	5,000	(3,349)
Capital Outlay	-	**12,800**	12,000	800
Total City Office Building	11,163	**23,868**	30,500	(6,632)
Ambulance				
Contractual	27,000	**27,000**	27,000	-
Employee Benefits				
Insurance Premiums	93,476	**90,538**	194,000	(103,462)
Payroll Taxes	42,777	**42,257**	29,000	13,257
Retirement	52,638	**52,169**	44,000	8,169
Unemployment Insurance	955	**938**	1,000	(62)
Workman's Compensation	31,331	**23,806**	32,000	(8,194)
Total Employee Benefits	221,177	**209,708**	300,000	(90,292)
Total Expenditures	1,175,884	**1,470,414**	1,557,566	(87,152)
Receipts Over (Under) Expenditures	312,067	**(106,971)**		
Unencumbered Cash - Beginning	533,294	**846,074**		
Prior Year Cancelled Encumbrances	713	**288**		
Unencumbered Cash - Ending	$ 846,074	**739,391**		

CITY OF OSBORNE, 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)

		Current Year		
	Prior Year Actual	**Actual**	Budget	Variance Over (Under)
Receipts				
State Gasoline Tax	$ 35,691	**34,843**	34,420	423
Miscellaneous	-	**75**	-	75
Total Receipts	35,691	**34,918**	34,420	498
Expenditures				
Personal Services	47,062	**33,926**	51,000	(17,074)
Contractual	-	**-**	4,000	(4,000)
Commodities	34,940	**7,055**	24,302	(17,247)
Total Expenditures	82,002	**40,981**	79,302	(38,321)
Receipts Over (Under) Expenditures	(46,311)	**(6,063)**		
Unencumbered Cash - Beginning	59,432	**13,121**		
Unencumbered Cash - Ending	$ 13,121	**7,058**		

CITY OF OSBORNE, 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)

		Current Year		
	Prior Year Actual	**Actual**	Budget	Variance Over (Under)
Receipts				
Ad Valorem Tax	$ 69,655	**75,383**	77,519	(2,136)
Delinquent Tax	1,920	**1,385**	-	1,385
Motor Vehicle Tax	10,453	**8,405**	7,886	519
Commercial Vehicle Fees	672	**679**	592	87
Recreational Vehicle Tax	217	**151**	173	(22)
16/20M Vehicle Tax	232	**201**	166	35
Neighborhood Revitalization Rebate	(2,275)	**(1,879)**	(1,827)	(52)
Total Receipts	80,874	**84,325**	84,509	(184)
Expenditures				
Personal Services	46,780	**56,931**	45,700	11,231
Contractual	700	**581**	1,000	(419)
Commodities	228	**620**	1,500	(880)
Capital Outlay	-	**-**	1,000	(1,000)
Appropriations to Library Board	40,500	**31,690**	39,850	(8,160)
Miscellaneous	-	**-**	1,000	(1,000)
Total Expenditures	88,208	**89,822**	90,050	(228)
Receipts Over (Under) Expenditures	(7,334)	**(5,497)**		
Unencumbered Cash - Beginning	16,172	**8,838**		
Unencumbered Cash - Ending	$ 8,838	**3,341**		

CITY OF OSBORNE, KANSAS
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)

		Current Year		
	Prior Year Actual	**Actual**	Budget	Variance Over (Under)
Receipts				
Ad Valorem Tax	$ 17,397	**17,324**	17,824	(500)
Delinquent Tax	387	**295**	-	295
Motor Vehicle Tax	2,663	**2,099**	1,969	130
Commercial Vehicle Fees	171	**170**	148	22
Recreational Vehicle Tax	55	**38**	43	(5)
16/20M Vehicle Tax	56	**51**	41	10
Program Fees	32,755	**40,095**	-	40,095
Grant Funds	4,578	**7,500**	75,000	(67,500)
Neighborhood Revitalization Rebate	(568)	**(432)**	-	(432)
Total Receipts	57,494	**67,140**	95,025	(27,885)
Expenditures				
Commodities	2,229	**-**	-	-
Summer Recreation Program	53,889	**45,909**	22,500	23,409
Grant Expenses	7,620	**7,724**	75,000	(67,276)
Transfers Out	5,000	**5,000**	5,000	-
Total Expenditures	68,738	**58,633**	102,500	(43,867)
Receipts Over (Under) Expenditures	(11,244)	**8,507**		
Unencumbered Cash - Beginning	26,430	**22,762**		
Prior Year Cancelled Encumbrances	7,576	**-**		
Unencumbered Cash - Ending	$ 22,762	**31,269**		

CITY OF OSBORNE, KANSAS
Special Parks 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)

		Current Year		
	Prior Year Actual	Actual	Budget	Variance Over (Under)
Receipts				
Liquor Tax	$ 254	**920**	205	715
Expenditures				
Capital Outlay	-	**5,000**	23,138	(18,138)
Receipts Over (Under) Expenditures	254	**(4,080)**		
Unencumbered Cash - Beginning	22,728	**22,982**		
Unencumbered Cash - Ending	$ 22,982	**18,902**		

CITY OF OSBORNE, KANSAS
Equipment Fund
Schedule of Receipts and Expenditures
Regulatory Basis
For the Year Ended December 31, 2025
(With Comparative Actual Totals for the Prior Year Ended December 31, 2024)

		Prior Year Actual	**Current Year Actual**
Receipts			
Transfers In	$	40,000	**140,000**
Expenditures			
Capital Outlay		-	**10,000**
Receipts Over (Under) Expenditures		40,000	**130,000**
Unencumbered Cash - Beginning		1,088	**41,088**
Unencumbered Cash - Ending	$	41,088	**171,088**

CITY OF OSBORNE, KANSAS
Permanent Recreation, Park Equipment and Facilities Fund
Schedule of Receipts and Expenditures
Regulatory Basis
For the Year Ended December 31, 2025
(With Comparative Actual Totals for the Prior Year Ended December 31, 2024)

		Prior Year Actual	**Current Year Actual**
Receipts			
Transfers In	$	5,000	**5,000**
Expenditures			
Capital Outlay		600	**600**
Receipts Over (Under) Expenditures		4,400	**4,400**
Unencumbered Cash - Beginning		19,742	**24,142**
Unencumbered Cash - Ending	$	24,142	**28,542**

CITY OF OSBORNE, KANSAS
Emergency Services Building Fund
Schedule of Receipts and Expenditures
Regulatory Basis
For the Year Ended December 31, 2025
(With Comparative Actual Totals for the Prior Year Ended December 31, 2024)

		Current Year		
	Prior Year Actual	**Actual**	Budget	Variance Over (Under)
Receipts				
Rents	$ 12,000	**12,000**	12,000	-
Expenditures				
Commodities	1,394	**3,485**	62,980	(59,495)
Receipts Over (Under) Expenditures	10,606	**8,515**		
Unencumbered Cash - Beginning	38,980	**49,586**		
Unencumbered Cash - Ending	$ 49,586	**58,101**		

CITY OF OSBORNE, KANSAS
Improvement Reserve Fund
Schedule of Receipts and Expenditures
Regulatory Basis
For the Year Ended December 31, 2025
(With Comparative Actual Totals for the Prior Year Ended December 31, 2024)

		Prior Year Actual	**Current Year Actual**
Receipts			
Transfers In	$	-	**17,752**
Expenditures		-	**-**
Receipts Over (Under) Expenditures		-	**17,752**
Unencumbered Cash - Beginning		-	**-**
Unencumbered Cash - Ending	$	-	**17,752**

CITY OF OSBORNE, KANSAS
Street Improvement Reserve Fund
Schedule of Receipts and Expenditures
Regulatory Basis
For the Year Ended December 31, 2025
(With Comparative Actual Totals for the Prior Year Ended December 31, 2024)

		Prior Year Actual	**Current Year Actual**
Receipts			
Transfers In	$	-	**30,207**
Expenditures		-	**-**
Receipts Over (Under) Expenditures		-	**30,207**
Unencumbered Cash - Beginning		-	**-**
Unencumbered Cash - Ending	$	-	**30,207**

CITY OF OSBORNE, KANSAS
Kansas Airport Improvement Grant Fund
Schedule of Receipts and Expenditures
Regulatory Basis
For the Year Ended December 31, 2025
(With Comparative Actual Totals for the Prior Year Ended December 31, 2024)

		Prior Year Actual	**Current Year Actual**
Receipts			
State Aid	$	-	**61,109**
Expenditures			
Contractual		-	**104,517**
Receipts Over (Under) Expenditures		-	**(43,408)**
Unencumbered Cash - Beginning		-	**-**
Unencumbered Cash - Ending	$	-	**(43,408)**

CITY OF OSBORNE, KANSAS
KDHE Water Treatment Project Fund
Schedule of Receipts and Expenditures
Regulatory Basis
For the Year Ended December 31, 2025
(With Comparative Actual Totals for the Prior Year Ended December 31, 2024)

		Prior Year Actual	**Current Year Actual**
Receipts			
Federal Aid	$	-	**331,114**
Expenditures			
Contractual		-	**8,121**
Receipts Over (Under) Expenditures		-	**322,993**
Unencumbered Cash - Beginning As Previously Stated		-	**-**
Prior Period Adjustment		-	**(867,600)**
Unencumbered Cash - Beginning As Restated		-	**(867,600)**
Unencumbered Cash - Ending	$	-	**(544,607)**

CITY OF OSBORNE, KANSAS
Golf 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)

		Current Year		
	Prior Year Actual	**Actual**	Budget	Variance Over (Under)
Receipts				
Fees and Collections	$ 49,509	**52,255**	40,000	12,255
Rent	14,150	**17,169**	9,600	7,569
Transfers In	15,000	**15,000**	15,000	-
Miscellaneous	983	**1,219**	-	1,219
Total Receipts	79,642	**85,643**	64,600	21,043
Expenditures				
Personal Services	11,943	**9,504**	12,000	(2,496)
Contractual	3,764	**3,762**	6,000	(2,238)
Commodities	31,130	**35,986**	32,000	3,986
Capital Outlay	826	**19,212**	25,000	(5,788)
Total Expenditures	47,663	**68,464**	75,000	(6,536)
Receipts Over (Under) Expenditures	31,979	**17,179**		
Unencumbered Cash - Beginning	97,369	**129,348**		
Unencumbered Cash - Ending	$ 129,348	**146,527**		

CITY OF OSBORNE, KANSAS
Electric and Water 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)

		Current Year		
	Prior Year Actual	**Actual**	Budget	Variance Over (Under)
Receipts				
Electric Utility				
Customer Sales	$ 2,186,645	**2,209,610**	2,290,000	(80,390)
Penalties	16,030	**12,796**	-	12,796
Licenses and Permits	900	**250**	-	250
Rent	250	**300**	-	300
Miscellaneous	15,459	**14,932**	12,100	2,832
Total Electric Utility	2,219,284	**2,237,888**	2,302,100	(64,212)
Water Utility				
Customer Sales	298,466	**338,553**	322,543	16,010
Miscellaneous	21,495	**62,580**	-	62,580
Total Water Utility	319,961	**401,133**	322,543	78,590
Total Receipts	2,539,245	**2,639,021**	2,624,643	14,378
Expenditures				
Electric Production				
Personal Services	68,246	**44,957**	70,000	(25,043)
Contractual	17,406	**-**	10,000	(10,000)
Commodities	24,333	**42,378**	35,000	7,378
Capital Outlay	25,281	**13,519**	100,000	(86,481)
Fuel and Electricity	820,814	**837,088**	1,220,000	(382,912)
Insurance	49,580	**58,368**	55,000	3,368
Total Electric Production	1,005,660	**996,310**	1,490,000	(493,690)
Electric Distribution				
Personal Services	96,696	**84,143**	180,000	(95,857)
Contractual	5,858	**3,776**	15,000	(11,224)
Commodities	71,408	**84,736**	88,500	(3,764)
Capital Outlay	54,035	**45,814**	76,000	(30,186)
Transfers Out	15,000	**15,000**	99,024	(84,024)
Total Electric Distribution	$ 242,997	**233,469**	458,524	(225,055)

CITY OF OSBORNE, KANSAS
Electric and Water 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	Current Year **Actual**	Current Year Budget	Variance Over (Under)
Expenditures (continued)					
Electric Administration					
Personal Services	$	63,113	**64,762**	66,000	(1,238)
Contractual		20,013	**22,540**	30,000	(7,460)
Commodities		14,328	**9,383**	15,000	(5,617)
Insurance		30,094	**33,675**	35,000	(1,325)
Sales Tax		67,804	**70,203**	87,500	(17,297)
Payroll Taxes		20,101	**18,374**	20,000	(1,626)
Retirement		26,481	**25,313**	25,000	313
Health Insurance		27,444	**19,752**	45,000	(25,248)
Contingency Reserve		10,300	**10,300**	15,000	(4,700)
Economic Development		4,841	**5,868**	16,800	(10,932)
Refunds		2,147	**3,522**	11,500	(7,978)
Transfers Out		530,000	**332,024**	248,000	84,024
Miscellaneous		(355)	**-**	2,000	(2,000)
Total Electric Administration		816,311	**615,716**	616,800	(1,084)
Water Production					
Personal Services		47,746	**47,318**	49,000	(1,682)
Contractual		43,739	**7,768**	15,000	(7,232)
Commodities		19,282	**17,932**	28,000	(10,068)
Capital Outlay		17,483	**65,398**	55,000	10,398
Total Water Production		128,250	**138,416**	147,000	(8,584)
Water Distribution					
Personal Services		37,937	**40,303**	47,000	(6,697)
Contractual		19,901	**24,013**	34,500	(10,487)
Commodities		19,938	**26,250**	20,000	6,250
Capital Outlay		32,402	**38,690**	50,000	(11,310)
Total Water Distribution	$	110,178	**129,256**	151,500	(22,244)

CITY OF OSBORNE, KANSAS
Electric and Water 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)

		Current Year		
	Prior Year Actual	**Actual**	Budget	Variance Over (Under)
Expenditures (continued)				
Water Administration				
Contractual	$ 7,028	**7,905**	10,000	(2,095)
Commodities	3,265	**2,640**	4,300	(1,660)
Insurance	8,973	**9,622**	12,000	(2,378)
Payroll Taxes	5,685	**5,914**	5,000	914
Retirement	8,808	**9,379**	8,700	679
Health Insurance	27,565	**22,991**	30,000	(7,009)
Water Protection Fee	2,651	**2,402**	4,000	(1,598)
Lease Payment	-	**-**	245,839	(245,839)
Total Water Administration	63,975	**60,853**	319,839	(258,986)
Total Expenditures	2,367,371	**2,174,020**	3,183,663	(1,009,643)
Receipts Over (Under) Expenditures	171,874	**465,001**		
Unencumbered Cash - Beginning	1,527,927	**1,704,106**		
Prior Year Cancelled Encumbrances	4,305	**2,247**		
Unencumbered Cash - Ending	$ 1,704,106	**2,171,354**		

CITY OF OSBORNE, KANSAS
Electric Utility Reserve 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	**Current Year Actual**
Receipts			
Transfers In	$	220,000	**93,000**
Expenditures			
Capital Outlay		374,167	**743,146**
Receipts Over (Under) Expenditures		(154,167)	**(650,146)**
Unencumbered Cash - Beginning		1,891,854	**1,737,687**
Prior Year Cancelled Encumbrances		-	**144,172**
Unencumbered Cash - Ending	$	1,737,687	**1,231,713**

CITY OF OSBORNE, KANSAS
Sewer 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)

		Current Year		
	Prior Year Actual	**Actual**	Budget	Variance Over (Under)
Receipts				
Customer Sales	$ 101,636	**98,458**	116,719	98,458
Expenditures				
Personal Services	8,269	**25,787**	50,000	(24,213)
Contractual	4,324	**8,543**	23,000	(14,457)
Commodities	6,821	**8,948**	9,000	(52)
Capital Outlay	-	**-**	8,000	(8,000)
KDHE Water Pollution Loan	18,630	**10,029**	18,345	(8,316)
Insurance	8,449	**9,622**	12,000	(2,378)
Payroll Taxes	577	**1,847**	5,000	(3,153)
Health Insurance	1,884	**3,227**	25,000	(21,773)
Retirement	848	**1,640**	7,000	(5,360)
Total Expenditures	49,802	**69,643**	157,345	(87,702)
Receipts Over (Under) Expenditures	51,834	**28,815**		
Unencumbered Cash - Beginning	156,555	**208,389**		
Unencumbered Cash - Ending	$ 208,389	**237,204**		

CITY OF OSBORNE, KANSAS
Airport 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)

		Current Year		
	Prior Year Actual	**Actual**	Budget	Variance Over (Under)
Receipts				
Rent	$ 9,974	**5,356**	8,000	(2,644)
Local Grants	-	**58,937**	-	58,937
Total Receipts	9,974	**64,293**	8,000	56,293
Expenditures				
Personal Services	-	**-**	4,000	(4,000)
Contractual	6,284	**6,827**	7,000	(173)
Commodities	7,603	**6,363**	3,033	3,330
Grant Funds	-	**58,937**	-	58,937
(a) Adjustment for Qualifying Budget Credit	-	**-**	58,937	(58,937)
Total Expenditures	13,887	**72,127**	72,970	(843)
Receipts Over (Under) Expenditures	(3,913)	**(7,834)**		
Unencumbered Cash - Beginning	12,286	**8,373**		
Unencumbered Cash - Ending	$ 8,373	**539**		

(a) Adjustment for Qualifying Budget Credit

Local Grants Over Amount Budgeted	$ 58,937

CITY OF OSBORNE, KANSAS
Economic Development Revolving Loan Fund
Schedule of Receipts and Expenditures
Regulatory Basis
For the Year Ended December 31, 2025
(With Comparative Actual Totals for the Prior Year Ended December 31, 2024)

		Prior Year Actual	**Current Year Actual**
Receipts			
Loan Repayments	$	36,192	**6,032**
Interest Income		20,063	**3,506**
Total Receipts		56,255	**9,538**
Expenditures		-	**769,274**
Receipts Over (Under) Expenditures		56,255	**(759,736)**
Unencumbered Cash - Beginning		703,581	**759,836**
Unencumbered Cash - Ending	$	759,836	**100**

CITY OF OSBORNE, KANSAS
Permanent Trust - Cemetery Fund
Schedule of Receipts and Expenditures
Regulatory Basis
For the Year Ended December 31, 2025
(With Comparative Actual Totals for the Prior Year Ended December 31, 2024)

		Prior Year Actual	**Current Year Actual**
Receipts			
Cemetery Lots and Permits	$	700	**250**
Expenditures		-	**-**
Receipts Over (Under) Expenditures		700	**250**
Unencumbered Cash - Beginning		25,937	**26,637**
Unencumbered Cash - Ending	$	26,637	**26,887**

CITY OF OSBORNE, KANSAS
Permanent Trust - Park Fund
Schedule of Receipts and Expenditures
Regulatory Basis
For the Year Ended December 31, 2025
(With Comparative Actual Totals for the Prior Year Ended December 31, 2024)

		Prior Year Actual	**Current Year Actual**
Receipts	$	-	**-**
Expenditures		-	**-**
Receipts Over (Under) Expenditures		-	**-**
Unencumbered Cash - Beginning		2,396	**2,396**
Unencumbered Cash - Ending	$	2,396	**2,396**

CITY OF OSBORNE, KANSAS
Public Library
Schedule of Receipts and Expenditures
Regulatory Basis
For the Year Ended December 31, 2025
(With Comparative Actual Totals for the Prior Year Ended December 31, 2024)

		Prior Year Actual	**Current Year Actual**
Receipts			
CKLS	$	17,097	**16,151**
State Aid		372	**1,787**
Interest Income		3	**29**
Fines and Copies		1,561	**2,707**
Contributions		6,150	**3,053**
Grants		3,514	**1,900**
Appropriations From City of Osborne		40,500	**31,690**
Miscellaneous		3,208	**4,379**
Total Receipts		72,405	**61,696**
Expenditures			
Salaries		20,540	**20,280**
Utilities		2,212	**2,469**
Books, Periodicals, and Records		17,126	**11,437**
Supplies		1,344	**2,554**
Capital Outlay		6,861	**3,982**
Miscellaneous		23,140	**10,289**
Mileage		807	**738**
Cleaning		4,209	**3,855**
Total Expenditures		76,239	**55,604**
Receipts Over (Under) Expenditures		(3,834)	**6,092**
Unencumbered Cash - Beginning		48,314	**44,480**
Unencumbered Cash - Ending	$	44,480	**50,572**