# CITY OF HORTON, KANSAS

## Financial Statement

## For the Year Ended December 31, 2025

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CITY OF HORTON, KANSAS
Financial Statements
For the Year Ended December 31, 2025
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# INDEPENDENT AUDITOR'S REPORT

Mayor and City Commissioners
City of Horton, Kansas

**Adverse and Unmodified Opinions**

We have audited the accompanying fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances of the City of Horton, Kansas and its related municipal entity, the Public Library of The City of Horton, Kansas (collectively, the City), as of and for the year ended December 31, 2025 and the related notes to the financial statement.

*Adverse Opinion on U.S. Generally Accepted Accounting Principles*

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

*Unmodified Opinion on Regulatory Basis of Accounting*

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

**Basis for Adverse and Unmodified Opinions**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the *Kansas Municipal Audit and Accounting Guide*. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial 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.

**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.

**Auditor's Responsibilities for the Audit of the Financial Statement**

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

In performing an audit in accordance with GAAS, we:

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

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

***Supplementary Information***

Our audit was conducted for the purpose of forming an opinion on the fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances (basic financial statement) as a whole. The summary of regulatory basis expenditures-actual and budget, individual fund schedules of regulatory basis receipts and expenditures-actual and budget, summary of receipts and disbursements-agency funds and the schedule of regulatory basis receipts and expenditures-related municipal entity (Schedules 1, 2, 3 and 4) as listed in the table of contents) are presented for analysis and are not a required part of the basic financial statement, however, are required to be presented under the provisions of the *Kansas Municipal Audit and Accounting Guide*. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statement. The information has been subjected to the auditing procedures applied in the audit of the basic financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statement or to the basic financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statement as a whole, on the basis of accounting described in Note 1.

***Other Matters***

*Other Matter*

The 2024 actual column presented in the individual fund schedules of regulatory basis receipts and expenditures—actual and budget 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.

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 Horton, Kansas as of and for the year ended December 31, 2024 (not presented herein), and have issued our report thereon dated August 19, 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/oar/municipalservices. 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.

Gordon CPA LLC

Certified Public Accountant
Lawrence, Kansas

August 19, 2026

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

| Funds | Beginning Unencumbered Cash Balance | Receipts | Expenditures | Ending Unencumbered Cash Balance | Outstanding Encumbrances and Accounts Payable | Ending Cash Balance |
|---|---|---|---|---|---|---|
| General Funds: | | | | | | |
| General | $ 639,584 | $ 1,758,317 | $ 1,775,300 | $ 622,601 | $ 32,523 | $ 655,124 |
| Special Purpose Funds: | | | | | | |
| Employee Benefit | [100,000] | - | - | [100,000] | - | [100,000] |
| Industrial | [2,430] | 32 | - | [2,398] | - | [2,398] |
| Library | - | 66,747 | 66,747 | - | - | - |
| Special Highway | 46,018 | 39,774 | 52,000 | 33,792 | - | 33,792 |
| Capital Improvement | 137,053 | 27,777 | 109,768 | 55,062 | - | 55,062 |
| Equipment Reserve | 100,479 | 27,778 | 36,053 | 92,204 | - | 92,204 |
| Public Building Reserve | 8,596 | - | - | 8,596 | - | 8,596 |
| State Grant | 163,724 | 147,594 | 147,579 | 163,739 | - | 163,739 |
| Asset Forfeiture | 5,987 | - | - | 5,987 | - | 5,987 |
| Court Diversion | 36,602 | 5,811 | 27,646 | 14,767 | - | 14,767 |
| Energy Efficiency | 2,775 | - | - | 2,775 | - | 2,775 |
| 911 Wireless | 41,382 | 8,972 | 19,642 | 30,712 | - | 30,712 |
| Sales Tax Revenue | 551,821 | 171,723 | 130,400 | 593,144 | - | 593,144 |
| ARPA | - | - | - | - | - | - |
| VIN Inspections | 120 | 1,900 | 200 | 1,820 | - | 1,820 |
| Opioids | 9,304 | 2,727 | - | 12,031 | - | 12,031 |
| Capital Project Funds: | | | | | | |
| Baseball Field Project | 15 | 5 | - | 20 | - | 20 |
| Capital Improvement - Crime Prevention | 6,335 | 999 | - | 7,334 | - | 7,334 |
| Bond and Interest Fund: | | | | | | |
| Bond and Interest | 3,576 | 8 | - | 3,584 | - | 3,584 |
| Business Funds: | | | | | | |
| Water | 165,253 | 503,172 | 483,481 | 184,944 | [2,157] | 182,787 |
| Sewer | 64,949 | 521,685 | 507,378 | 79,256 | 1,099 | 80,355 |
| Electric | 1,224,178 | 1,745,974 | 1,778,544 | 1,191,608 | [146] | 1,191,462 |
| Solid Waste | 68,181 | 139,499 | 127,965 | 79,715 | - | 79,715 |
| Private-Purpose Trust Funds | 25,233 | 4,304 | 4,262 | 25,275 | - | 25,275 |
| Total Primary Government | 3,198,735 | 5,174,798 | 5,266,965 | 3,106,568 | 31,319 | 3,137,887 |
| Related Municipal Entity: | | | | | | |
| Horton Free Public Library | 18,009 | 98,035 | 83,632 | 32,412 | - | 32,412 |
| Total Reporting Entity | $ 3,216,744 | $ 5,272,833 | $ 5,350,597 | $ 3,138,980 | $ 31,319 | $ 3,170,299 |

| COMPOSITION OF CASH: | |
|---|---|
| GN Bank: | |
| Checking | $ 102,006 |
| Certificates of Deposit | 2,616 |
| Savings | 1,562 |
| Checking - Library | 26,782 |
| Savings - Library | 5,630 |
| Checking - Recreation Commission | 1,199 |
| First Option Bank: | |
| Checking | 2,879,975 |
| Certificates of Deposit | 151,728 |
| Total Cash | $ 3,171,498 |
| Less: Agency Funds per Schedule 4 | [1,199] |
| Total Reporting Agency [Excluding Agency Funds] | $ 3,170,299 |

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

## NOTE 1 - Summary of Significant Accounting Policies

### Financial Reporting Entity

The City of Horton (the City) is a municipal corporation governed by an elected five-member commission. These financial statements present the City of Horton (the municipality) and its related municipal entity. The related municipal entity is included in the City's reporting entity because they were established to benefit the City and its constituents.

The Horton Free Public Library (Library) serves the citizens within the City's jurisdiction. Acquisition or disposition of real property by the Library must be approved by the City. Bond issues must also be approved by the City.

*Related Municipal Entity not included:*

The Housing Authority of the City of Horton (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. Financial statements for the Housing Authority may be obtained at the Housing Authority of the City of Horton, 1701 Euclid Avenue, Horton, Kansas.

### Basis of Accounting

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

### Regulatory Basis Fund Types

The following types of funds comprise the financial activities of the City for the year ended December 31, 2025:

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 regulatory receipt 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 acquisition or construction of major capital facilities or equipment.

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

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

NOTE 1 - Summary of Significant Accounting Policies (Continued)

Trust Fund - funds used to report assets held in trust for the benefit of the City (i.e. pension funds, investment trust funds, private purpose trust funds which benefit the City).

Agency Fund - funds used to report assets held by the City in a purely custodial capacity (payroll clearing fund, county treasurer tax collection accounts, etc.)

Budgetary Information

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

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

If the 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 10 days after all statutory notification and publication requirements have been met. Municipal budgets requiring a hearing to exceed the revenue neutral rate should be adopted on or before October 1st but may not be adopted prior to the revenue neutral rate hearing. The City did hold a revenue neutral rate hearing for this year.

The statutes allow for the governing body to increase the originally adopted budget for previously unbudgeted increases in regulatory receipts other than ad valorem property taxes. To do this, a notice of public hearing to amend the budget must be published in the local newspaper. At least ten days after publication the hearing may be held and the governing body may amend the budget at that time. The budget for the year ended December 31, 2025 was not amended.

The statutes permit transferring budgeted amounts between line items within an individual fund. However, such statutes prohibit expenditures in excess of the total amount of the adopted budget of expenditures of individual funds. Budget comparison statements are presented for each fund showing actual receipts and expenditures compared to legally budgeted receipts and expenditures.

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

A legal operating budget is not required for capital project funds, trust funds and the following special purpose funds: State Grant, Asset Forfeiture, Energy Efficiency, ARPA, VIN Inspections, and Opioids.

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

## NOTE 2 - Deposits and Investments

*Deposits.* 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.

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

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

*Custodial credit risk - deposits*. Custodial credit 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 deposits in financial institutions to be entirely covered by federal depository insurance or by collateral held under a joint custody receipt issued by a bank within the State of Kansas, the Federal Reserve Bank of Kansas City, or the Federal Home Loan Bank of Topeka, except during designated "peak periods" when required coverage is 50%. The City has no designated peak periods and all deposits were adequately secured as of December 31, 2025.

As of December 31, 2025, the City's carrying amount of deposits was $3,139,086 and the bank balance was $3,207,848. The bank balance was held by two banks resulting in a concentration of credit risk. Of the bank balance, $357,384 was covered by federal depository insurance and the balance of $2,850,464 was collateralized with securities held by the pledging financial institutions' agents in the City's name.

As of December 31, 2025, the Library's carrying amount of deposits was $32,412 and the bank balance was $34,494. The bank balance was held by one bank resulting in a concentration of credit risk. The Library's entire bank balance was covered by federal depository insurance.

*Custodial credit risk - investment*. 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 investment to be adequately secured.

The City does not have any formal investment policies that would further limit the concentration of credit risk, interest rate, or custodial credit risks beyond state statutes.

## NOTE 3 - Retirement Plans

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

*Funding Policy.* 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.

NOTE 3 - Retirement Plans (Continued)

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 1.00% contribution rate for the Death and Disability Program) and the statutory contribution rate 9.71% for the fiscal year ended December 31, 2025. Contributions to the pension plan from the City were $117,251 for the year ended December 31, 2025. Contributions to the pension plan from the Library were $2,558 for the year ended December 31, 2025.

*Net Pension Liability.* As of December 31, 2025, the City's proportionate share of the collective net pension liability reported by KPERS was $876,557 and the Library's share was $24,423. 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 and Library's proportion of the net pension liability was based on the ratio of the City's and Library's contributions to KPERS, relative to the total employer and non-employer contributions of the Local subgroup of KPERS. Since the KMAAG regulatory basis of accounting does not recognize long-term debt, this liability is not reported in these financial statements.

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

NOTE 4 - Compensated Absences

The City allows certain employees to carry over some of their unused vacation days from one year to the next. These are paid upon termination or retirement if not used. The amount of vacation pay available for use as of December 31, 2025, is $67,760.

NOTE 5 - Long-Term Debt

The following table summarizes changes in the City's long-term debt for the year ended December 31, 2025:

| Type of Issue | Beginning Principal Outstanding | Additions to Principal | Reductions of Principal | Ending Principal Outstanding | Interest Paid |
|---|---|---|---|---|---|
| General Obligation Bonds | $ 10,933,979 | $ - | $ 289,582 | $ 10,644,396 | $ 201,445 |
| Revenue Bonds | 1,525,000 | - | 115,000 | 1,410,000 | 59,138 |
| Finance Leases | 184,074 | 52,413 | 47,264 | 189,224 | 3,171 |
| Total | $ 12,643,053 | $ 52,413 | $ 451,846 | $ 12,243,621 | $ 263,754 |

NOTE 5 - Long-Term Debt (Continued)

*General Obligation Bonds*. The following table details the City's outstanding general obligation debt as of December 31, 2025:

| Purpose | Date of Issue | Date of Final Maturity | Interest Rate | Original Issue Amount | Amount Outstanding |
|---|---|---|---|---|---|
| Paid by Utility Fees: | | | | | |
| 2013 Sewer Improvements General Obligation Bond | 9/27/2013 | 7/27/2053 | 2.13% | $ 2,955,000 | $ 2,311,936 |
| 2015 Sewer Improvements General Obligation Bond | 5/27/2015 | 5/27/2055 | 2.13% | 3,375,000 | 2,776,168 |
| 2020 Sewer Utility System Revenue Bond | 9/28/2020 | 9/28/2060 | 1.13% | 3,303,000 | 2,966,292 |
| 2021 General Obligation Refunding Bonds | 4/8/2021 | 12/1/2047 | 1.75 - 2.38% | 3,065,000 | 2,590,000 |
| | | | | | $ 10,644,396 |

Annual debt service requirements to maturity for the City's outstanding general obligation debt is as follows:

| Year Ending December 31, | Principal | Interest | Total |
|---|---|---|---|
| 2026 | $ 293,029 | $ 196,100 | $ 489,129 |
| 2027 | 296,541 | 190,688 | 487,229 |
| 2028 | 305,032 | 185,296 | 490,328 |
| 2029 | 308,764 | 179,564 | 488,328 |
| 2030 | 312,480 | 173,847 | 486,327 |
| 2031 - 2035 | 1,660,590 | 782,836 | 2,443,426 |
| 2036 - 2040 | 1,819,687 | 623,226 | 2,442,913 |
| 2041 - 2045 | 1,999,303 | 440,735 | 2,440,038 |
| 2046 - 2050 | 1,770,329 | 243,440 | 2,013,769 |
| 2051 - 2055 | 1,380,881 | 95,918 | 1,476,799 |
| 2056 - 2060 | 497,760 | 16,935 | 514,695 |
| Total | $ 10,644,396 | $ 3,128,585 | $ 13,772,981 |

*Revenue Bonds*. The following table details the City's outstanding revenue bond debt as of December 31, 2025:

| Purpose | Date of Issue | Date of Final Maturity | Interest Rate | Original Issue Amount | Amount Outstanding |
|---|---|---|---|---|---|
| Paid by Utility Fees: | | | | | |
| 2015 Electric Utility System Revenue Bond | 7/27/2015 | 10/1/2030 | 3.50 to 4.00% | $ 490,000 | $ 190,000 |
| Paid by Taxes: | | | | | |
| 2016-A Sales Tax Revenue Bond | 11/3/2016 | 5/1/2037 | 2.00 to 4.00% | 1,765,000 | 1,220,000 |
| | | | | | $ 1,410,000 |

NOTE 5 - Long-Term Debt (Continued)

Annual debt service requirements to maturity for the City's outstanding revenue bond debt is as follows:

| Year Ending December 31, | Principal | Interest | Total |
|---|---|---|---|
| 2026 | $ 115,000 | $ 54,713 | $ 169,713 |
| 2027 | 120,000 | 50,100 | 170,100 |
| 2028 | 130,000 | 45,200 | 175,200 |
| 2029 | 130,000 | 40,000 | 170,000 |
| 2030 | 135,000 | 34,700 | 169,700 |
| 2031 - 2035 | 535,000 | 103,900 | 638,900 |
| 2036 - 2037 | 245,000 | 9,900 | 254,900 |
| Total | $ 1,410,000 | $ 338,513 | $ 1,748,513 |

*Finance Leases*. The following table details the City's outstanding finance lease obligations as of December 31, 2025:

| Purpose | Date of Issue | Final Maturity | Interest Rate | Original Amount | Amount Outstanding |
|---|---|---|---|---|---|
| Police Vehicle | 10/27/2022 | 10/27/2027 | 4.19% | $ 44,743 | $ 9,712 |
| 2002 GMC | 1/24/2023 | 1/24/2027 | 4.66% | 48,882 | 19,968 |
| 2024 Mecalac Excavator | 11/5/2024 | 11/5/2029 | 4.36% | 149,001 | 107,131 |
| 2024 Durango | 7/30/2025 | 5/28/2028 | 4.39% | 52,413 | 52,413 |
| | | | | | $ 189,224 |

Annual debt service requirements to maturity for the City's finance lease obligations are as follows:

| Year Ending December 31, | Principal | Interest | Total |
|---|---|---|---|
| 2026 | $ 61,542 | $ 7,766 | $ 69,308 |
| 2027 | 53,730 | 5,633 | 59,363 |
| 2028 | 45,431 | 3,243 | 48,674 |
| 2029 | 28,521 | 1,244 | 29,764 |
| Total | $ 189,224 | $ 17,885 | $ 69,308 |

NOTE 6 - Interfund Transfers

A reconciliation of operating transfers by fund type for 2025 follows:

| From | To | Amount | Regulatory Authority |
|---|---|---|---|
| Electric | General | $ 442,000 | K.S.A. 12-825d |
| Electric | Water | 67,500 | K.S.A. 12-825d |
| Capital Improvement | Water | 67,500 | K.S.A. 12-1118 |
| Capital Improvement | Sewer | 30,749 | K.S.A. 12-1118 |
| Sewer | General | 3,325 | K.S.A. 12-825d |
| General | Capital Improvement | 27,777 | K.S.A. 12-1118 |
| General | Equipment Reserve | 27,778 | K.S.A. 12-1117 |
| | | $ 666,629 | |

NOTE 7 - 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 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.

*Death and Disability Other Post-Employment Benefits.* As provided by K.S.A. 74-4927, disabled members of the Kansas Public Employees Retirement System (KPERS) received 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 8 - Related Party Transactions

During the year ended December 31, 2025, the City paid $10,653 to a company owned by the mayor's family member for hauling and trucking services during the year.

NOTE 9 - Commitments and Contingencies

The City receives significant financial assistance from numerous federal and state governmental agencies in the form of grants and state pass-through aid. The disbursements of funds received under these programs generally require compliance with terms and conditions specified in the grant agreements and are subject to audit. Any disallowed claims resulting from such audits could become a liability of the General Fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material effect on the financial statements of the City as of December 31, 2025.

NOTE 10 - Risk Management

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

NOTE 11 - Contingencies

The City is a party to various claims, none of which is expected to have material financial impact on the City.

NOTE 12 - Statutory Violations

The Employee Benefit and Industrial funds had negative ending unencumbered cash as of December 31, 2025, which is a violation of K.S.A. 10-1113.

Schedule 1

CITY OF HORTON, 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 Budget | Variance Positive [Negative] |
|---|---|---|---|---|---|
| General Funds: | | | | | |
| General | $ 2,272,766 | $ - | $ 2,272,766 | $ 1,775,300 | $ [497,466] |
| Special Purpose Funds: | | | | | |
| Employee Benefit | - | - | - | - | - |
| Industrial | - | - | - | - | - |
| Library | 70,347 | - | 70,347 | 66,747 | [3,600] |
| Special Highway | 103,149 | - | 103,149 | 52,000 | [51,149] |
| Capital Improvement | 172,500 | - | 172,500 | 109,768 | [62,732] |
| Equipment Reserve | 142,536 | - | 142,536 | 36,053 | [106,483] |
| Public Building Reserve | 8,596 | - | 8,596 | - | [8,596] |
| Court Diversion | 52,302 | - | 52,302 | 27,646 | [24,656] |
| 911 Wireless | 35,798 | - | 35,798 | 19,642 | [16,156] |
| Sales Tax Revenue | 130,400 | - | 130,400 | 130,400 | - |
| Bond and Interest Fund: | | | | | |
| Bond and Interest | 3,572 | - | 3,572 | - | [3,572] |
| Enterprise Funds: | | | | | |
| Water | 509,569 | - | 509,569 | 483,481 | [26,088] |
| Sewer | 540,084 | - | 540,084 | 507,378 | [32,706] |
| Electric | 2,211,362 | - | 2,211,362 | 1,778,544 | [432,818] |
| Solid Waste | 129,365 | - | 129,365 | 127,965 | [1,400] |

See independent auditor's report on the financial statements.

CITY OF HORTON, KANSAS
General Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2025
(With Comparative Actual Amounts For the Year Ended December 31, 2024)

| | Prior Year Actual | Current Year Actual | Current Year Budget | Current Year Variance Over [Under] |
|---|---|---|---|---|
| Receipts | | | | |
| Taxes | $ 804,031 | $ 806,915 | $ 838,270 | $ [31,355] |
| Intergovernmental | 32,883 | 32,837 | 31,513 | 1,324 |
| Franchise tax | 37,032 | 44,893 | 40,000 | 4,893 |
| Licenses | 5,673 | 5,684 | 1,280 | 4,404 |
| Fines and fees | 51,969 | 58,708 | 121,394 | [62,686] |
| Interest | 135,144 | 145,063 | 136,000 | 9,063 |
| Use of property | 39,045 | 41,959 | - | 41,959 |
| Charges for services | 138,753 | 101,412 | 163,315 | [61,903] |
| Grants | 4,292 | 4,292 | - | 4,292 |
| Transfer in | 455,325 | 445,325 | 485,325 | [40,000] |
| Lease proceeds | - | 52,413 | - | 52,413 |
| Miscellaneous | 90,753 | 18,816 | 7,105 | 11,711 |
| Total Receipts | 1,794,900 | 1,758,317 | $ 1,824,202 | $ [65,885] |
| Expenditures | | | | |
| General Government | | | | |
| Personnel | 108,319 | 142,083 | $ 189,509 | $ [47,426] |
| Contractual services | 51,217 | 76,036 | 106,322 | [30,286] |
| Commodities | 8,326 | 8,899 | 10,127 | [1,228] |
| Capital outlay | - | 52,413 | 5,000 | 47,413 |
| Debt service | - | - | 9,450 | [9,450] |
| Miscellaneous | 4,953 | 2,385 | 4,637 | [2,252] |
| Law Enforcement | | | | |
| Personnel | 329,130 | 394,914 | 495,434 | [100,520] |
| Contractual services | 19,407 | 47,121 | 79,990 | [32,869] |
| Commodities | 31,261 | 31,321 | 37,000 | [5,679] |
| Capital outlay | 12,319 | 12,601 | 32,000 | [19,399] |
| Debt service | 4,416 | 4,416 | 5,000 | [584] |
| Parks and Recreation | | | | |
| Personnel | 64,308 | 98,479 | 96,431 | 2,048 |
| Contractual services | 17,170 | 16,382 | 17,700 | [1,318] |
| Commodities | 25,639 | 21,828 | 30,786 | [8,958] |
| Capital outlay | 2,082 | - | 20,000 | [20,000] |
| Streets | | | | |
| Personnel | 135,921 | 143,834 | 152,815 | [8,981] |
| Contractual services | 14,758 | 34,881 | 31,258 | 3,623 |
| Commodities | 51,174 | 62,200 | 47,271 | 14,929 |
| Capital outlay | 49,750 | - | 94,704 | [94,704] |
| Cemetery | 2,578 | 3,614 | 12,976 | [9,362] |
| Airport | 3,368 | 4,325 | 4,441 | [116] |

CITY OF HORTON, KANSAS
General Fund (Continued)
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2025
(With Comparative Actual Amounts For the Year Ended December 31, 2024)

| | Prior Year Actual | Current Year Actual | Current Year Budget | Variance Over [Under] |
|---|---|---|---|---|
| Expenditures (Continued) | | | | |
| Firing Range | | | | |
| Contractual services | $ 957 | $ 999 | $ 1,600 | $ [601] |
| Commodities | 534 | 545 | - | 545 |
| Pool | | | | |
| Personnel | 49,454 | 48,364 | 44,525 | 3,839 |
| Contractual services | 3,214 | 1,835 | 4,425 | [2,590] |
| Commodities | 19,407 | 17,126 | 22,170 | [5,044] |
| Capital outlay | 2,805 | - | 2,650 | [2,650] |
| Communications | | | | |
| Personnel | 245,880 | 281,938 | 324,210 | [42,272] |
| Contractual services | 3,083 | 22,966 | 52,823 | [29,857] |
| Commodities | 3,607 | 2,628 | 100 | 2,528 |
| Capital outlay | - | - | 250 | [250] |
| Court | | | | |
| Personnel | 31,363 | 26,021 | 36,956 | [10,935] |
| Contractual services | 18,162 | 16,726 | 46,071 | [29,345] |
| Capital outlay | - | - | 1,000 | [1,000] |
| Commodities | 5,808 | 12,294 | 500 | 11,794 |
| Fire Department | | | | |
| Personnel | 21,850 | 17,831 | 93,956 | [76,125] |
| Contractual services | 14,326 | 13,750 | - | 13,750 |
| Commodities | 17,981 | 15,534 | - | 15,534 |
| Capital outlay | 16,933 | - | - | - |
| Community Building | | | | |
| Personnel | 2,767 | 2,174 | 3,003 | [829] |
| Contractual services | 4,355 | 6,841 | 6,716 | 125 |
| Commodities | 1,405 | 2,432 | 6,625 | [4,193] |
| Capital outlay | 2,980 | - | 3,040 | [3,040] |
| Armory Building | | | | |
| Contractual services | 10,480 | 13,955 | 23,740 | [9,785] |
| Community Services | | | | |
| Commodities | - | 84 | - | 84 |
| Employee benefits | 25,055 | 1,597 | - | 1,597 |
| Building demolition | 21,964 | 41,257 | 60,000 | [18,743] |
| Transfer out | 10,143 | 55,555 | 55,555 | - |
| Debt service | 4,416 | 15,116 | - | 15,116 |
| Total Expenditures | 1,475,025 | 1,775,300 | $ 2,272,766 | $ [497,466] |
| Receipts Over [Under] Expenditures | 319,875 | [16,983] | | |
| Unencumbered Cash, Beginning | 319,709 | 639,584 | | |
| Unencumbered Cash, Ending | $ 639,584 | $ 622,601 | | |

CITY OF HORTON, KANSAS
Employee Benefit Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2025
(With Comparative Actual Amounts For the Year Ended December 31, 2024)

| | | Current Year | | |
|---|---|---|---|---|
| | Prior Year Actual | Actual | Budget | Variance Over [Under] |
| Receipts | | | | |
| Transfer in | $ - | $ - | $ - | $ - |
| Total Receipts | - | - | $ - | $ - |
| Expenditures | | | | |
| Personnel | - | - | $ - | $ - |
| Total Expenditures | - | - | $ - | $ - |
| Receipts Over [Under] Expenditures | - | - | | |
| Unencumbered Cash, Beginning | [100,000] | [100,000] | | |
| Unencumbered Cash, Ending | $ [100,000] | $ [100,000] | | |

See independent auditor's report on the financial statements.

Schedule 2-3

CITY OF HORTON, KANSAS
Industrial Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2025
(With Comparative Actual Amounts For the Year Ended December 31, 2024)

| | | Current Year | | |
|---|---|---|---|---|
| | Prior Year Actual | Actual | Budget | Variance Over [Under] |
| Receipts | | | | |
| Reimbursements | $ - | $ 32 | $ 2,430 | $ [2,398] |
| Total Receipts | - | 32 | $ 2,430 | $ [2,398] |
| Expenditures | | | | |
| Contractual services | - | - | $ - | $ - |
| Total Expenditures | - | - | $ - | $ - |
| Receipts Over [Under] Expenditures | - | 32 | | |
| Unencumbered Cash, Beginning | [2,430] | [2,430] | | |
| Unencumbered Cash, Ending | $ [2,430] | $ [2,398] | | |

See independent auditor's report on the financial statements.

CITY OF HORTON, KANSAS
Library Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2025
(With Comparative Actual Amounts For the Year Ended December 31, 2024)

| | Prior Year Actual | Current Year Actual | Current Year Budget | Current Year Variance Over [Under] |
|---|---|---|---|---|
| Receipts | | | | |
| Taxes | $ 64,374 | $ 66,747 | $ 68,861 | $ [2,114] |
| Transfer in | 839 | - | - | - |
| Total Receipts | 65,213 | 66,747 | $ 68,861 | $ [2,114] |
| Expenditures | | | | |
| Distributions to library board | 67,755 | 66,747 | $ 70,347 | $ [3,600] |
| Total Expenditures | 67,755 | 66,747 | $ 70,347 | $ [3,600] |
| Receipts Over [Under] Expenditures | [2,542] | - | | |
| Unencumbered Cash, Beginning | 2,542 | - | | |
| Unencumbered Cash, Ending | $ - | $ - | | |

Schedule 2-5

CITY OF HORTON, KANSAS
Special Highway Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2025
(With Comparative Actual Amounts For the Year Ended December 31, 2024)

| | | Current Year | | |
|---|---|---|---|---|
| | Prior Year Actual | Actual | Budget | Variance Over [Under] |
| Receipts | | | | |
| Intergovernmental | $ 174,610 | $ 39,774 | $ 45,590 | $ [5,816] |
| Total Receipts | 174,610 | 39,774 | $ 45,590 | $ [5,816] |
| | | | | |
| Expenditures | | | | |
| Contractual services | 140,521 | 52,000 | $ 103,149 | $ [51,149] |
| Total Expenditures | 140,521 | 52,000 | $ 103,149 | $ [51,149] |
| | | | | |
| Receipts Over [Under] Expenditures | 34,089 | [12,226] | | |
| | | | | |
| Unencumbered Cash, Beginning | 11,929 | 46,018 | | |
| | | | | |
| Unencumbered Cash, Ending | $ 46,018 | $ 33,792 | | |

See independent auditor's report on the financial statements.

CITY OF HORTON, KANSAS
Capital Improvement Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2025
(With Comparative Actual Amounts For the Year Ended December 31, 2024)

| | | Current Year | | |
|---|---|---|---|---|
| | Prior Year Actual | Actual | Budget | Variance Over [Under] |
| Receipts | | | | |
| Transfer in | $ - | $ 27,777 | $ 27,777 | $ - |
| Total Receipts | - | 27,777 | $ 27,777 | $ - |
| Expenditures | | | | |
| Capital outlay | 10,447 | $ 11,519 | $ 172,500 | $ [160,981] |
| Transfer out | - | 98,249 | - | 98,249 |
| Total Expenditures | 10,447 | 109,768 | $ 172,500 | $ [62,732] |
| Receipts Over [Under] Expenditures | [10,447] | [81,991] | | |
| Unencumbered Cash, Beginning | 147,500 | 137,053 | | |
| Unencumbered Cash, Ending | $ 137,053 | $ 55,062 | | |

See independent auditor's report on the financial statements.

Schedule 2-7

CITY OF HORTON, KANSAS
Equipment Reserve Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2025
(With Comparative Actual Amounts For the Year Ended December 31, 2024)

| | | Current Year | | |
|---|---|---|---|---|
| | Prior Year Actual | Actual | Budget | Variance Over [Under] |
| Receipts | | | | |
| Transfer in | $ - | $ 27,778 | $ 27,778 | $ - |
| Total Receipts | - | 27,778 | $ 27,778 | $ - |
| Expenditures | | | | |
| Capital outlay | 17,057 | 36,053 | $ 142,536 | $ [106,483] |
| Total Expenditures | 17,057 | 36,053 | $ 142,536 | $ [106,483] |
| Receipts Over [Under] Expenditures | [17,057] | [8,275] | | |
| Unencumbered Cash, Beginning | 117,536 | 100,479 | | |
| Unencumbered Cash, Ending | $ 100,479 | $ 92,204 | | |

See independent auditor's report on the financial statements.

CITY OF HORTON, KANSAS
Public Building Reserve Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2025
(With Comparative Actual Amounts For the Year Ended December 31, 2024)

| | | Current Year | | |
|---|---|---|---|---|
| | Prior Year Actual | Actual | Budget | Variance Over [Under] |
| Receipts | | | | |
| Transfer in | $ - | $ - | $ - | $ - |
| Total Receipts | - | - | $ - | $ - |
| Expenditures | | | | |
| Capital outlay | - | - | $ 8,596 | $ [8,596] |
| Total Expenditures | - | - | $ 8,596 | $ [8,596] |
| Receipts Over [Under] Expenditures | - | - | | |
| Unencumbered Cash, Beginning | 8,596 | 8,596 | | |
| Unencumbered Cash, Ending | $ 8,596 | $ 8,596 | | |

Schedule 2-9

CITY OF HORTON, KANSAS
State Grant Fund
Schedule of Receipts and Expenditures - Actual*
Regulatory Basis
For the Year Ended December 31, 2025 and 2024

| | Year Ended December 31, 2024 | 2025 |
|---|---|---|
| Receipts | | |
| Grants | $ 12,684 | $ 147,594 |
| Total Receipts | 12,684 | 147,594 |
| | | |
| Expenditures | | |
| Contractual services | 12,179 | 142,579 |
| Capital outlay | - | 5,000 |
| Total Expenditures | 12,179 | 147,579 |
| | | |
| Receipts Over [Under] Expenditures | 505 | 15 |
| | | |
| Unencumbered Cash, Beginning | 163,219 | 163,724 |
| | | |
| Unencumbered Cash, Ending | $ 163,724 | $ 163,739 |

* This fund is not required to be budgeted.

CITY OF HORTON, KANSAS
Asset Forfeiture Fund
Schedule of Receipts and Expenditures - Actual*
Regulatory Basis
For the Year Ended December 31, 2025 and 2024

| | Year Ended December 31, 2024 | 2025 |
|---|---|---|
| Receipts | | |
| Transfers in | $ - | $ - |
| Total Receipts | - | - |
| Expenditures | | |
| Contractual services | - | - |
| Total Expenditures | - | - |
| Receipts Over [Under] Expenditures | - | - |
| Unencumbered Cash, Beginning | 5,987 | 5,987 |
| Unencumbered Cash, Ending | $ 5,987 | $ 5,987 |

* This fund is not required to be budgeted.

Schedule 2-11

CITY OF HORTON, KANSAS
Court Diversion Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2025
(With Comparative Actual Amounts For the Year Ended December 31, 2024)

| | | Current Year | | |
|---|---|---|---|---|
| | Prior Year Actual | Actual | Budget | Variance Over [Under] |
| Receipts | | | | |
| Charges for services | $ 4,300 | $ 5,811 | $ 10,000 | $ [4,189] |
| Total Receipts | 4,300 | 5,811 | $ 10,000 | $ [4,189] |
| Expenditures | | | | |
| Contractual services | - | 27,646 | $ 52,302 | $ [24,656] |
| Total Expenditures | - | 27,646 | $ 52,302 | $ [24,656] |
| Receipts Over [Under] Expenditures | 4,300 | [21,835] | | |
| Unencumbered Cash, Beginning | 32,302 | 36,602 | | |
| Unencumbered Cash, Ending | $ 36,602 | $ 14,767 | | |

See independent auditor's report on the financial statements.

CITY OF HORTON, KANSAS
Energy Efficiency Fund
Schedule of Receipts and Expenditures - Actual*
Regulatory Basis
For the Year Ended December 31, 2025 and 2024

| | Year Ended December 31, 2024 | 2025 |
|---|---|---|
| Receipts | | |
| Grants | $ - | $ - |
| Total Receipts | - | - |
| Expenditures | | |
| Contractual services | - | - |
| Total Expenditures | - | - |
| Receipts Over [Under] Expenditures | - | - |
| Unencumbered Cash, Beginning | 2,775 | 2,775 |
| Unencumbered Cash, Ending | $ 2,775 | $ 2,775 |

* This fund is not required to be budgeted.

Schedule 2-13

CITY OF HORTON, KANSAS
911 Wireless Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2025
(With Comparative Actual Amounts For the Year Ended December 31, 2024)

| | Prior Year Actual | Current Year Actual | Current Year Budget | Current Year Variance Over [Under] |
|---|---|---|---|---|
| Receipts | | | | |
| 911 Fees | $ 9,584 | $ 8,972 | $ - | $ 8,972 |
| Total Receipts | 9,584 | 8,972 | $ - | $ 8,972 |
| Expenditures | | | | |
| Contractual services | - | 19,642 | $ 35,798 | $ [16,156] |
| Total Expenditures | - | 19,642 | $ 35,798 | $ [16,156] |
| Receipts Over [Under] Expenditures | 9,584 | [10,670] | | |
| Unencumbered Cash, Beginning | 31,798 | 41,382 | | |
| Unencumbered Cash, Ending | $ 41,382 | $ 30,712 | | |

See independent auditor's report on the financial statements.

CITY OF HORTON, KANSAS
Sales Tax Revenue Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2025
(With Comparative Actual Amounts For the Year Ended December 31, 2024)

| | Prior Year Actual | Current Year Actual | Current Year Budget | Current Year Variance Over [Under] |
|---|---|---|---|---|
| Receipts | | | | |
| Taxes | $ 163,487 | $ 171,723 | $ 180,000 | $ [8,277] |
| Total Receipts | 163,487 | 171,723 | $ 180,000 | $ [8,277] |
| Expenditures | | | | |
| Debt service | 127,938 | 130,400 | $ 130,400 | $ - |
| Total Expenditures | 127,938 | 130,400 | $ 130,400 | $ - |
| Receipts Over [Under] Expenditures | 35,549 | 41,323 | | |
| Unencumbered Cash, Beginning | 516,272 | 551,821 | | |
| Unencumbered Cash, Ending | $ 551,821 | $ 593,144 | | |

See independent auditor's report on the financial statements.

Schedule 2-15

CITY OF HORTON, KANSAS
ARPA Fund
Schedule of Receipts and Expenditures - Actual*
Regulatory Basis
For the Year Ended December 31, 2025 and 2024

| | Year Ended December 31, 2024 | 2025 |
|---|---|---|
| Receipts | | |
| Grants | $ - | $ - |
| Total Receipts | - | - |
| | | |
| Expenditures | | |
| Contractual services | 58,506 | - |
| Transfer out | 13,977 | - |
| Total Expenditures | 72,483 | - |
| | | |
| Receipts Over [Under] Expenditures | [72,483] | - |
| | | |
| Unencumbered Cash, Beginning | 72,483 | - |
| | | |
| Unencumbered Cash, Ending | $ - | $ - |

* This fund is not required to be budgeted.

CITY OF HORTON, KANSAS
VIN Inspections Fund
Schedule of Receipts and Expenditures - Actual*
Regulatory Basis
For the Year Ended December 31, 2025 and 2024

| | Year Ended December 31, 2024 | 2025 |
|---|---|---|
| Receipts | | |
| Miscellaneous revenue | $ 120 | $ 1,900 |
| Total Receipts | 120 | 1,900 |
| Expenditures | | |
| Contractual services | - | 200 |
| Total Expenditures | - | 200 |
| Receipts Over [Under] Expenditures | 120 | 1,700 |
| Unencumbered Cash, Beginning | - | 120 |
| Unencumbered Cash, Ending | $ 120 | $ 1,820 |

* This fund is not required to be budgeted.

Schedule 2-17

CITY OF HORTON, KANSAS
Opioids Fund
Schedule of Receipts and Expenditures - Actual*
Regulatory Basis
For the Year Ended December 31, 2025 and 2024

| | Year Ended December 31, 2024 | 2025 |
|---|---|---|
| Receipts | | |
| Transfer in | $ 9,304 | $ - |
| Miscellaneous | - | 2,727 |
| Total Receipts | 9,304 | 2,727 |
| Expenditures | | |
| Contractual services | - | - |
| Total Expenditures | - | - |
| Receipts Over [Under] Expenditures | 9,304 | 2,727 |
| Unencumbered Cash, Beginning | - | 9,304 |
| Unencumbered Cash, Ending | $ 9,304 | $ 12,031 |

* This fund is not required to be budgeted.

CITY OF HORTON, KANSAS
Baseball Field Project Fund
Schedule of Receipts and Expenditures - Actual*
Regulatory Basis
For the Year Ended December 31, 2025 and 2024

| | Year Ended December 31, 2024 | 2025 |
|---|---|---|
| Receipts | | |
| Miscellaneous revenue | $ 22,500 | $ 5 |
| Total Receipts | 22,500 | 5 |
| Expenditures | | |
| Contractual services | 25,875 | - |
| Total Expenditures | 25,875 | - |
| Receipts Over [Under] Expenditures | [3,375] | 5 |
| Unencumbered Cash, Beginning | 3,390 | 15 |
| Unencumbered Cash, Ending | $ 15 | $ 20 |

* This fund is not required to be budgeted.

Schedule 2-19

CITY OF HORTON, KANSAS
Capital Improvement - Crime Prevention Fund
Schedule of Receipts and Expenditures - Actual*
Regulatory Basis
For the Year Ended December 31, 2025 and 2024

| | Year Ended December 31, 2024 | 2025 |
|---|---|---|
| Receipts | | |
| Donations | $ 1,000 | $ 999 |
| Total Receipts | 1,000 | 999 |
| Expenditures | | |
| Contractual services | - | - |
| Total Expenditures | - | - |
| Receipts Over [Under] Expenditures | 1,000 | 999 |
| Unencumbered Cash, Beginning | 5,335 | 6,335 |
| Unencumbered Cash, Ending | $ 6,335 | $ 7,334 |

* This fund is not required to be budgeted.

CITY OF HORTON, KANSAS
Bond and Interest Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2025
(With Comparative Actual Amounts For the Year Ended December 31, 2024)

| | | Current Year | | |
|---|---|---|---|---|
| | Prior Year Actual | Actual | Budget | Variance Over [Under] |
| Receipts | | | | |
| Taxes | $ 4 | $ 8 | $ - | $ 8 |
| Total Receipts | 4 | 8 | $ - | $ 8 |
| Expenditures | | | | |
| Principal | - | - | $ 3,572 | $ [3,572] |
| Total Expenditures | - | - | $ 3,572 | $ [3,572] |
| Receipts Over [Under] Expenditures | 4 | 8 | | |
| Unencumbered Cash, Beginning | 3,572 | 3,576 | | |
| Unencumbered Cash, Ending | $ 3,576 | $ 3,584 | | |

Schedule 2-21

CITY OF HORTON, KANSAS
Water Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2025
(With Comparative Actual Amounts For the Year Ended December 31, 2024)

| | Prior Year Actual | Current Year Actual | Current Year Budget | Current Year Variance Over [Under] |
|---|---|---|---|---|
| Receipts | | | | |
| Charges for services | $ 368,823 | $ 360,169 | $ 402,215 | $ [42,046] |
| Reimbursements | 3,800 | 2,790 | - | 2,790 |
| Miscellaneous | 7,790 | 5,213 | 1,203 | 4,010 |
| Transfer in | 21,989 | 135,000 | - | 135,000 |
| Total Receipts | 402,402 | 503,172 | $ 403,418 | $ 99,754 |
| Expenditures | | | | |
| Personnel | 177,646 | 175,401 | $ 195,975 | $ [20,574] |
| Contractual services | 51,192 | 97,889 | 71,996 | 25,893 |
| Commodities | 47,643 | 42,050 | 59,728 | [17,678] |
| Capital outlay | - | 16,635 | 30,000 | [13,365] |
| Debt service | 148,306 | 151,506 | 151,507 | [1] |
| Miscellaneous | - | - | 363 | [363] |
| Total Expenditures | 424,787 | 483,481 | $ 509,569 | $ [26,088] |
| Receipts Over [Under] Expenditures | [22,385] | 19,691 | | |
| Unencumbered Cash, Beginning | 187,638 | 165,253 | | |
| Unencumbered Cash, Ending | $ 165,253 | $ 184,944 | | |

See independent auditor's report on the financial statements.

CITY OF HORTON, KANSAS
Sewer Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2025
(With Comparative Actual Amounts For the Year Ended December 31, 2024)

| | | Current Year | | |
|---|---|---|---|---|
| | Prior Year Actual | Actual | Budget | Variance Over [Under] |
| Receipts | | | | |
| Charges for services | $ 487,826 | $ 488,741 | $ 507,604 | $ [18,863] |
| Transfer in | 21,989 | 30,749 | - | 30,749 |
| Miscellaneous | 9,125 | 2,195 | - | 2,195 |
| Total Receipts | 518,940 | 521,685 | $ 507,604 | $ 14,081 |
| Expenditures | | | | |
| Personnel | 179,569 | 90,902 | $ 119,587 | $ [28,685] |
| Contractual services | 23,691 | 55,410 | 52,300 | 3,110 |
| Commodities | 36,302 | 21,545 | 15,875 | 5,670 |
| Capital outlay | 2,082 | - | 12,500 | [12,500] |
| Debt service | 339,521 | 339,521 | 339,522 | [1] |
| Transfer out | - | - | 300 | [300] |
| Total Expenditures | 581,165 | 507,378 | $ 540,084 | $ [32,706] |
| Receipts Over [Under] Expenditures | [62,225] | 14,307 | | |
| Unencumbered Cash, Beginning | 127,174 | 64,949 | | |
| Unencumbered Cash, Ending | $ 64,949 | $ 79,256 | | |

CITY OF HORTON, KANSAS
Electric Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2025
(With Comparative Actual Amounts For the Year Ended December 31, 2024)

| | | Current Year | | |
|---|---|---|---|---|
| | Prior Year Actual | Actual | Budget | Variance Over [Under] |
| Receipts | | | | |
| Charges for services | $ 1,666,420 | $ 1,745,974 | $ 1,767,480 | $ [21,506] |
| Total Receipts | 1,666,420 | 1,745,974 | $ 1,767,480 | $ [21,506] |
| Expenditures | | | | |
| Personnel | 203,567 | 206,973 | $ 314,581 | $ [107,608] |
| Contractual services | 143,377 | 164,243 | 201,924 | [37,681] |
| Commodities | 836,671 | 829,661 | 1,109,372 | [279,711] |
| Capital outlay | 26,426 | 24,429 | 57,650 | [33,221] |
| Debt service | 44,963 | 43,738 | 43,738 | - |
| Miscellaneous | - | - | 2,097 | [2,097] |
| Transfer out | 482,000 | 509,500 | 482,000 | 27,500 |
| Total Expenditures | 1,737,004 | 1,778,544 | $ 2,211,362 | $ [432,818] |
| Receipts Over [Under] Expenditures | [70,584] | [32,570] | | |
| Unencumbered Cash, Beginning | 1,294,762 | 1,224,178 | | |
| Unencumbered Cash, Ending | $ 1,224,178 | $ 1,191,608 | | |

CITY OF HORTON, KANSAS
Solid Waste Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2025
(With Comparative Actual Amounts For the Year Ended December 31, 2024)

| | | Current Year | | |
|---|---|---|---|---|
| | Prior Year Actual | Actual | Budget | Variance Over [Under] |
| Receipts | | | | |
| Charges for services | $ 132,098 | $ 139,499 | $ 130,980 | $ 8,519 |
| Total Receipts | 132,098 | 139,499 | $ 130,980 | $ 8,519 |
| Expenditures | | | | |
| Contractual services | 115,386 | 124,640 | $ 126,040 | $ [1,400] |
| Transfer out | 3,325 | 3,325 | 3,325 | - |
| Total Expenditures | 118,711 | 127,965 | $ 129,365 | $ [1,400] |
| Receipts Over [Under] Expenditures | 13,387 | 11,534 | | |
| Unencumbered Cash, Beginning | 54,794 | 68,181 | | |
| Unencumbered Cash, Ending | $ 68,181 | $ 79,715 | | |

Schedule 3

CITY OF HORTON, KANSAS
Private-Purpose Trust Funds
Schedule of Receipts, Expenditures and Unencumbered Cash
Regulatory Basis
For the Year Ended December 31, 2025

| Fund | Beginning Unencumbered Cash Balance | Receipts | Expenditures | Ending Unencumbered Cash Balance | Outstanding Encumbrances and Accounts Payable | Ending Cash Balance |
|---|---|---|---|---|---|---|
| Schneider Fund | $ 2,551 | $ 65 | $ - | $ 2,616 | $ - | $ 2,616 |
| Heart of Horton | 7,531 | 1,558 | 3,698 | 5,391 | - | 5,391 |
| Restricted Donation (Cemetery Trees) | 13,617 | 2,653 | 564 | 15,706 | - | 15,706 |
| Cemetery Memorial | 1,534 | 28 | - | 1,562 | - | 1,562 |
| Total Private-Purpose Trust Funds | $ 25,233 | $ 4,304 | $ 4,262 | $ 25,275 | $ - | $ 25,275 |

See independent auditor's report on the financial statements.

CITY OF HORTON, KANSAS
Agency Funds
Summary of Receipts and Disbursements
Regulatory Basis
For the Year Ended December 31, 2025

| Fund | Beginning Cash Balance | Receipts | Expenditures | Ending Cash Balance |
|---|---|---|---|---|
| Recreation Commission | $ 2,388 | $ 12,885 | $ 14,074 | $ 1,199 |
| Total | $ 2,388 | $ 12,885 | $ 14,074 | $ 1,199 |

Schedule 5

CITY OF HORTON, KANSAS
Horton Free Public Library - Related Municipal Entity
Schedule of Receipts and Expenditures - Actual*
Regulatory Basis
For the Year Ended December 31, 2025

| | |
|---|---|
| Receipts | |
| Northeast Kansas Library System | $ 26,184 |
| City appropriation | 67,047 |
| Interest | 305 |
| Donations | 2,534 |
| Miscellaneous | 1,965 |
| Total Receipts | 98,035 |
| Expenditures | |
| Personnel | 57,039 |
| Contractual services | 5,936 |
| Commodities | 20,657 |
| Total Expenditures | 83,632 |
| Receipts Over [Under] Expenditures | 14,403 |
| Unencumbered Cash, Beginning | 18,009 |
| Unencumbered Cash, Ending | $ 32,412 |

* This fund is not required to be budgeted.