CITY OF BONNER SPRINGS, KANSAS

Financial Statements

For the Year Ended December 31, 2025

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

Mayor and City Council
City of Bonner Springs, Kansas

Report on the Audit of the Financial Statements

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 Bonner Springs, Kansas, (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 of 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 the 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), the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States 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 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 and *Government Auditing Standards* 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 and *Government Auditing Standards*, 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, schedules of regulatory basis receipts and disbursements-related municipal entity, and the summary of receipts and disbursements-agency (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*. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 *U.S. Code of Federal Regulations* (CFR) *Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is not a required part of the basic financial statement. 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 Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated April 17, 2026, on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Gordon CPA LLC

Certified Public Accountant
Lawrence, Kansas

April 17, 2026

CITY OF BONNER SPRINGS, KANSAS

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

Funds	Beginning Unencumbered Cash Balance	Prior Year Cancelled Encumbrances	Receipts	Expenditures	Ending Unencumbered Cash Balance	Add: Encumbrances and Accounts Payable	Ending Cash Balance
General Funds:							
General	$ 8,357,433	$ 25,821	$ 14,236,019	$ 14,221,458	$ 8,397,815	$ 303,221	$ 8,701,036
Special Purpose Funds:							
Library	[377]	-	588,987	588,587	23	-	23
Tourism	415,953	-	210,161	212,249	413,865	28,667	442,532
Drug and Alcohol	393,020	-	127,512	50,190	470,342	-	470,342
Soccer	27,726	-	27,206	23,609	31,323	-	31,323
Park Dedication	34,082	-	76,765	-	110,847	-	110,847
Risk Management	97,905	113,900	453,886	331,835	333,856	91,101	424,957
Senior Center	[25]	-	55,824	55,799	-	4,301	4,301
Special Parks and Recreation	249,278	-	121,420	44,342	326,356	-	326,356
Steet Projects	724,098	9,944	1,142,455	873,736	1,002,761	12,380	1,015,141
Summer Ball	2,757	-	17,550	13,049	7,258	-	7,258
Recreation Program	220,473	-	122,487	98,367	244,593	8,943	253,536
Swimming Pool	-	-	261,411	261,411	-	-	-
Tiblow Transit	783	-	87,037	87,820	-	2,362	2,362
Library Sales Tax	549,360	-	22,991	98,042	474,309	40,395	514,704
Bonner Springs Center CID Sales Tax	3,737	-	117,031	120,768	-	-	-
Bonner Springs TIF Increment	-	-	201,121	201,121	-	-	-
Capital Improvement Sales Tax	521,472	-	806,313	626,194	701,591	43,422	745,013
Cemetery	-	-	117,585	117,585	-	3,595	3,595
Emergency Services Capital	406,899	23,314	821,565	683,943	567,835	142,373	710,208
Economic Development	-	-	502,423	-	502,423	-	502,423
Inspect Engineering Reimbursement	-	-	964	964	-	-	-
Asset Forfeiture	33,505	-	4,424	7,031	30,898	-	30,898
Senior Center Scholarship	661	-	27	-	688	-	688
Recreation Scholarship	20,867	-	789	2,728	18,928	-	18,928
Centennial Park	667	-	-	-	667	-	667
MIH Grant	-	-	1,250,000	1,250,000	-	400,000	400,000
ARPA Grant	636,083	-	11,233	619,715	27,601	-	27,601
Opioid Settlement	51,213	-	16,063	25,041	42,235	-	42,235
Bond and Interest Funds:							
Bond and Interest Fund	600,561	-	1,665,202	1,673,698	592,065	-	592,065
Capital Project Funds:							
Bonner Pointe TIF	2,343	-	-	-	2,343	-	2,343
Water Treatment Plant	-	-	889,967	889,967	-	-	-
Government Services Center	-	-	17,667	17,667	-	-	-
Powell Drive/43rd Street	16,935	-	701	-	17,636	-	17,636
Equipment Reserve	2,181,575	-	2,360,000	1,944,028	2,597,547	622,160	3,219,707
Capital Improvement Reserve	4,414,614	-	2,848	205,346	4,212,116	82,109	4,294,225
JoCo Riverfront Park	360,480	-	14,916	-	375,396	-	375,396
138th Street Project	520,000	-	32,772	354,336	198,436	-	198,436
Scannell Properties Agreement	2,478	-	-	-	2,478	-	2,478
Oak RHID Funding	677	-	-	-	677	-	677
2nd Street Waterline	-	-	619,715	619,715	-	-	-
118th & State STAR Bond Funding Agreement	5,733	-	60,000	65,733	-	-	-
Sandstone Townhomes RHID Funding	-	-	4,573	-	4,573	-	4,573
Nettleton Seven Funding	11,892	-	-	-	11,892	-	11,892
Sidewalk Escrow	50,765	-	2,100	-	52,865	-	52,865
Business Funds:							
Solid Waste	134,355	-	497,389	495,948	135,796	-	135,796
Wastewater Collection/Treatment	1,852,214	-	3,196,113	2,485,068	2,563,259	621,263	3,184,522
Water Treatment/Distribution	4,901,915	-	3,866,592	4,046,630	4,721,877	948,135	5,670,012
Stormwater	155,758	-	235,538	151,134	240,162	12,175	252,337
Trust Funds:							
Law Enforcement Trust	1,661	-	68	-	1,729	-	1,729
Senior Center Trust	16,989	-	698	257	17,430	-	17,430
Bonner Beautiful Trust	1,477	-	2,660	2,571	1,566	-	1,566
Cemetery Trust	1,318	-	89	50	1,357	-	1,357
Police Canine Trust	4,546	-	3,620	4,995	3,171	-	3,171
Police Trust	622	-	26	-	648	-	648
Fire Trust	1,093	-	46	-	1,139	-	1,139
Kerry Roberts Park Trust	13,804	-	572	-	14,376	-	14,376
Total Primary Government	28,001,375	172,979	34,875,121	33,572,727	29,476,748	3,366,602	32,843,350
Related Municipal Entities:							
Bonner Springs City Library	275,162	-	909,044	833,932	350,274	21,376	371,650
Total Reporting Entity [Excluding Agency Funds]	$ 28,276,537	$ 172,979	$ 35,784,165	$ 34,406,659	$ 29,827,022	$ 3,387,978	$ 33,215,000

Composition of Cash	
Checking	$ [934,350]
Money market	33,886,773
Checking - Library	371,425
Petty cash - Library	225
Total Cash	33,324,073
Agency Funds per Schedule 4	[109,073]
Total Reporting Entity [Excluding Agency Funds]	$ 33,215,000

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

NOTE 1 - Summary of Significant Accounting Policies

The City of Bonner Springs, Kansas, (the City) is a municipal corporation governed by a mayor and city council. This financial statement presents the City (the primary government) and its related municipal entity. The related municipal entity is included in the City's reporting entity because it was established to benefit the City and/or its constituents.

Library Board - The Bonner Springs 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.

Basis of Presentation - Regulatory 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.

Reimbursed Expense

K.S.A. 79-2934 provides that reimbursed expenditures, in excess of those budgeted, should be recorded as reductions in expenditures rather than as cash receipts. In the financial statement and budget schedule comparisons presented in this report, reimbursements and refunds are recorded as cash receipts. The reimbursements are recorded as cash receipts when received by the City Treasurer and are often difficult to identify the exact expenditure which they are reimbursing. In funds showing expenditures in excess of the original adopted budget, reimbursements are added to the adopted budget as budget credits for comparison with the actual expenditures.

Property Taxes

In accordance with governing state statutes, property taxes levied during the current year are a revenue source to be used to finance the budget of the ensuing year. Taxes are assessed on a calendar year basis and become a lien on the property on November 1st of each year. The County Treasurer is the tax collection agent for all taxing entities within the County. Property owners have the option of paying one-half or the full amount of taxes levied on or before December 20 during the year levied with the balance to be paid on or before May 10 of the ensuing year. State statutes prohibit the County Treasurer from distributing taxes collected in the year levied prior to January 1st of the ensuing year. Consequently, for revenue recognition purposes, taxes levied during the current year are not due and receivable until the ensuing year. On December 31 of each year, such taxes become a lien on the property.

Special Assessments

Kansas statutes require projects financed in part by special assessments to be financed through the issuance of general obligation bonds which are secured by the full faith and credit of the City. Special assessments paid prior to the issuance of general obligation bonds are recorded as cash receipts in the appropriate project. Special assessments received after the issuance of general obligation bonds are recorded as cash receipts in the bond and interest fund. Further, state statutes require levying additional general ad valorem property taxes in the City bond and interest fund to finance delinquent special assessments receivable.

NOTE 1 - Summary of Significant Accounting Policies (Continued)

Regulatory Basis Fund Types

A fund is defined as an independent fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources, together with all related liabilities and residual equities or balances, and changes therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations. The following types of funds comprise the financial activities of the City of Bonner Springs, Kansas, for the year of 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 revenue sources (other than Capital Project and tax levies for long-term debt) that are intended for specified purposes.

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.

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

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

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, scholarship funds, etc.)

Agency Fund - funds used to report assets held by the City in a purely custodial capacity (payroll clearing fund, court bond funds, 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 of the proposed budget and notice of public hearing on the budget on or before August 5th.
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 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 not 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 original budget was amended for the Capital Improvement Sales Tax, Bonner Springs Center CID Sales Tax, and Opioid Settlement funds.

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.

NOTE 1 - Summary of Significant Accounting Policies (Continued)

Budgetary Information (Continued)

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

All legal annual operating budgets are prepared using the regulatory basis of accounting, in which regulatory receipts are recognized when cash is received and expenditures include disbursements, accounts payable, and encumbrances, with disbursements being adjusted for the 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 certain capital project funds, trust funds, and the special purpose funds presented on pages 36-37.

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

NOTE 2 - Deposits and Investments

K.S.A 9-1401 establishes the depositories which may be used by the City. The statute requires banks eligible to hold the City's funds have a main branch 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 bank provides 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 Government may invest in any one issuer as long as the investments are adequately secured under K.S.A. 9-1402 and 9-1405.

Custodial credit risk - deposits. Custodial credit risk is the risk that in the event of a bank failure, the City's deposits may not be returned to it. State statutes require the City's deposits in financial institutions to be entirely covered by federal depository insurance or by collateral held under a joint custody receipt issued by a bank within the State of Kansas, the Federal Reserve Bank of Kansas City, or the Federal Home Loan Bank of Topeka. All deposits were legally secured as of December 31, 2025.

As of December 31, 2025, the City's and Library's carrying amount of deposits were $32,952,423 and $371,650 respectively, and the bank balances was $34,185,586 and $373,318, respectively. The City's bank balance was held by one bank and the Library's bank balance was held by one bank, resulting in a concentration of credit risk. Of the City's bank balance, $250,000 was covered by federal depository insurance and the balance of $33,935,586 was collateralized with pledged securities held by the pledging financial institutions' agents in the City's name. Of the Library's bank balance, $250,000 was covered by federal depository insurance and the balance of $123,318 was collateralized with pledged securities held by the pledging financial institutions' agents in the Library's name.

NOTE 3 - Risk Management

The City is exposed to various risks of loss related to torts; theft of, damage to, or destruction of assets; errors and omissions; injuries to employees; employees' health and life; natural disasters; and other events for which the City carries commercial insurance. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

NOTE 4 - Interfund Transfers

Operating transfers were as follows during the year ended December 31, 2025:

From	To	Amount	Regulatory Authority
General	Tiblow Transit	$ 14,504	K.S.A. 12-1,118
General	Equipment Reserve	2,360,000	K.S.A. 12-1,118
General	Risk Management	250,000	Ordinance 2178
General	Senior Center	37,407	Ordinance 2178
General	Cemetery	80,935	Ordinance 2178
General	Street Projects	200,000	Ordinance 2178
General	Swimming Pool	120,284	Ordinance 2178
Bonner Springs Center CID City Sales Tax	General	120,768	Ordinance 2178
Wastewater Collection/Treatment	General	127,900	K.S.A. 12-825d
Stormwater	General	11,450	K.S.A. 12-825d
Solid Waste	General	24,841	K.S.A. 12-825d
Drug and Alcohol	General	28,195	Ordinance 2178
Water Treatment/Distribution	General	161,350	K.S.A. 12-825d
Stormwater	Bond and Interest	77,661	K.S.A. 12-825d
Water Treatment/Distribution	Bond and Interest	290,708	K.S.A. 12-825d
Wastewater Collection/Treatment	Bond and Interest	261,579	K.S.A. 12-825d
Special Parks and Recreation	Swimming Pool	17,793	Ordinance 2178
ARPA Grant	2nd Street Waterline	619,715	Ordinance 2178
Capital Improvement Sales Tax	138th Street Project	32,772	K.S.A. 12-1,118
Capital Improvement Reserve	Government Services Center	17,667	K.S.A. 12-1,118
Capital Improvement Sales Tax	Street Projects	500,000	K.S.A. 12-1,118
		$ 5,355,530	

NOTE 5 - Defined Benefit Pension Plan

Plan Description. The City and the Library participate 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.

Contributions. K.S.A. 74-4919 and K.S.A. 74-49,210 establish the KPERS member-employee contribution rates. KPERS has multiple benefit structures and contribution rates depending on whether the employee is a KPERS 1, KPERS 2 or KPERS 3 member. KPERS 1 members are active and contributing members hired before July 1, 2009.

KPERS 2 members were first employed in a covered position on or after July 1, 2009, and KPERS 3 members were first employed in a covered position on or after January 1, 2015. Effective January 1, 2015, Kansas law established the KPERS member-employee contribution rate at 6% of covered salary for KPERS 1, KPERS 2 and KPERS 3 members. K.S.A. 74-4975 establishes KP&F member-employee contribution rate at 7.15% of covered salary. Member contributions are withheld by their employer and paid to KPERS according to the provisions of Section 414(h) of the Internal Revenue Code.

NOTE 5 - Defined Benefit Pension Plan (Continued)

State law provides that the employer contribution rates for KPERS 1, KPERS 2, KPERS 3 and KP&F be determined based on the results of each annual actuarial valuation. Kansas law sets a limitation on annual increases in the employer contribution rates. The actuarially determined employer contribution rate (not including the 1% contribution rate for the Death and Disability Program) and the statutory contribution rate was 9.71% for KPERS and 24.67% for KP&F for the fiscal year ended December 31, 2025. Contributions to the pension plan from the City were $355,175 for KPERS and $731,980 for KP&F for the year ended December 31, 2025. Contributions to the pension plan from the Library were $40,109 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 $2,539,180 and $6,153,305 for KP&F. As of December 31, 2025, the Library's proportionate share of the collective net pension liability reported by KPERS was $299,194. 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 and Police & Firemen subgroups 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 KPERS website at www.kspers.gov or can be obtained as described above.

NOTE 6 - 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 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.

Compensated Absences. It is the City's policy to permit employees to accumulate earned but unused vacation and sick pay benefits.

Vacation Leave. All full-time employees, including Library employees, who work at least 40 hours per week are entitled to vacation leave time according to the following table:

	Years of Continuous Employment			
	0-4	5-9	10-14	15+
Hours earned per month	8	10	12	14
24 hr. shift, fire/EMS hours earned per month	8	14	16	20

Employees may not accumulate more than 240 hours of vacation leave.

NOTE 6 - Other Long-Term Obligations from Operations (Continued)

Sick Leave. All full-time employees shall be entitled to sick leave with pay for absences. All full-time employees shall earn hours of sick leave for each month of service according to the following table:

	Years of Continuous Employment (before January 1, 2006)		
	0-4	5-14	15+
Hours earned per month	8	10	14
24 hr. shift, fire/EMS hours earned per month	12	14	20

	Years of Continuous Employment (after January 1, 2006)	
	0-4	5+
Hours earned per month	8	10
24 hr. shift, fire/EMS hours earned per month	12	14

Employees may not accumulate more than 480 hours of sick leave. Employees hired before January 1, 2006, may not accumulate more than 720 hours of sick leave on their anniversary date. City employees are entitled to a sick leave payout upon retirement from the City.

The City's estimated liability as of December 31, 2025, was $332,580 for vacation leave and $670,541 for sick leave. The Library's estimated liability as of December 31, 2025, was $17,574 for vacation leave.

NOTE 7 - Long-Term Debt

The following table summarizes changes in the City's long-term liabilities during 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	$ 17,255,000	$ -	$ 1,195,000	$ 16,060,000	$ 478,698
Revolving Loans	27,810,480	889,967	516,337	28,184,110	103,118
Finance Leases	1,299,361	66,122	148,460	1,217,023	69,461
Total	$ 46,364,841	$ 956,089	$ 1,859,797	$ 45,461,133	$ 651,277

General Obligation Bonds. The following table details the City's outstanding general obligation bonds:

General Obligation Bonds	Interest Rates	Amount Outstanding	Original Amount	Date of Issue	Final Maturity
Series 2014-A	2.00% - 3.00%	$ 270,000	$ 1,978,784	4/16/2014	9/1/2028
Series 2016-A	0.80% - 2.55%	1,050,000	4,995,000	5/19/2016	9/1/2029
Series 2018-A	3.00%	1,030,000	1,740,000	6/28/2018	9/1/2033
Series 2019-A	3.00% - 5.00%	6,705,000	9,320,000	6/5/2019	9/1/2044
Series 2020-A	2.00% - 4.00%	6,295,000	7,500,000	3/26/2020	9/1/2040
Series 2022-A	1.97%	710,000	980,000	3/9/2022	9/1/2032
		$ 16,060,000			

NOTE 7 - Long-Term Debt(Continued)

Annual debt service requirements to maturity for the general obligation bonds are as follows:

Year Ending December 31,	Principal	Interest
2026	$ 1,225,000	$ 437,064
2027	1,275,000	393,943
2028	1,315,000	348,953
2029	1,130,000	309,358
2030	1,105,000	281,171
2031 - 2035	4,095,000	1,062,137
2036 - 2040	4,195,000	571,300
2041 - 2044	1,720,000	130,950
Total	$ 16,060,000	$ 3,534,876

Revolving Loans. The following table details the City's outstanding revolving loans:

Revolving Loans	Interest Rate	Amount Outstanding	Original Amount	Date of Issue	Final Maturity
Settling Tank and Replacement Well	2.25%	$ 464,094	$ 880,026	9/30/2015	2/1/2035
Water Treatment Plant	1.61%	27,720,016	30,000,000	6/1/2021	8/1/2054
		$ 28,184,110			

On June 1, 2021, the City entered into a loan agreement with the Kansas Department of Health and Environment (KDHE) to finance the construction of a water treatment plant. The loan is for a maximum principal of $30,000,000, carries a gross interest rate of 1.61%, and is payable in semi-annual installments. $28,130,496 had been drawn against the agreement during the year ended December 31, 2025.

Annual debt service requirements to maturity for the revolving loans are as follows:

Year Ending December 31,	Principal	Interest
2026	$ 824,947	$ 106,494
2027	796,995	102,824
2028	810,171	99,156
2029	823,567	209,344
2030	837,186	314,131
2031 - 2035	4,371,037	1,400,763
2036 - 2040	4,484,409	1,117,109
2041 - 2045	4,858,765	824,134
2046 - 2050	5,264,373	506,702
2051 - 2055	5,112,660	162,770
Total	$ 28,184,110	$ 4,843,427

Finance Leases. The following table details the City's outstanding finance leases:

NOTE 7 - Long-Term Debt(Continued)

Finance Lease	Interest Rate	Amount Outstanding	Original Amount	Date of Issue	Final Maturity
Aerial Fire Truck	5.49%	$ 1,160,934	$ 1,983,520	9/26/2023	3/26/2033
Fire Department Printers	0.00%	13,672	16,564	2/3/2025	6/3/2030
City Hall Printers	0.00%	30,349	37,490	3/10/2025	7/10/2030
Police Department Printers	0.00%	12,068	12,068	12/26/2025	4/26/2031
		$ 1,217,023			

Annual debt service requirements to maturity for the finance leases are as follows:

Year Ending December 31,	Principal	Interest
2026	$ 158,726	$ 61,757
2027	166,859	53,624
2028	175,444	45,039
2029	184,507	35,976
2030	186,616	26,408
2031 - 2033	344,871	23,408
Total	$ 1,217,023	$ 246,212

NOTE 8 - Economic Development Bonds

From time to time, the City has issued Industrial Revenue Bonds to provide financial assistance to private-sector entities for the acquisition and construction of industrial and commercial facilities deemed to be in the public interest. The bonds are secured by the property financed and are payable solely from payments received on the underlying mortgage loans. Upon repayment of the bonds, ownership of the acquired facilities transfers to the private-sector entity served by the bond issuance. Neither the City, the State of Kansas, nor any political subdivision thereof is obligated in any manner for repayment of the bonds. As of December 31, 2025, there were eight industrial revenue bond issues with principal balances due totaling $27,450,543.

NOTE 9 - 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 disbursement of funds received under these programs generally requires compliance with the terms and conditions specified in the grant agreements and is 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 would not have a material effect on the financial statement of the City as of December 31, 2025.

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

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SCHEDULE 1

CITY OF BONNER SPRINGS, KANSAS

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

Funds	Certified Budget	Adjustment for Qualifying Budget Credit	Total Budget for Comparison	Expenditures Chargeable to Current Year	Variance-Over [Under]
General Funds:					
General	$ 19,251,199	$ -	$ 19,251,199	$ 14,221,458	$ [5,029,741]
Special Purpose Funds:					
Library	561,680	55,436	617,116	588,587	[28,529]
Convention and Tourism Promotion	219,955	-	219,955	212,249	[7,706]
Drug and Alcohol	103,195	-	103,195	50,190	[53,005]
Soccer	24,655	-	24,655	23,609	[1,046]
Park Dedication	-	-	-	-	-
Risk Management	332,700	194,730	527,430	331,835	[195,595]
Senior Center	138,099	-	138,099	55,799	[82,300]
Special Parks and Recreation	58,000	-	58,000	44,342	[13,658]
Street Projects	1,600,000	-	1,600,000	873,736	[726,264]
Summer Ball	16,079	-	16,079	13,049	[3,030]
Recreation Program	271,875	-	271,875	98,367	[173,508]
Swimming Pool	322,920	-	322,920	261,411	[61,509]
Tiblow Transit	95,988	-	95,988	87,820	[8,168]
Library Sales Tax	190,300	-	190,300	98,042	[92,258]
Bonner Springs Center CID Sales Tax	121,737	-	121,737	120,768	[969]
Bonner Springs TIF Increment	260,000	-	260,000	201,121	[58,879]
Capital Improvement Sales Tax	822,772	-	822,772	626,194	[196,578]
Cemetery	144,567	-	144,567	117,585	[26,982]
Emergency Services Capital	746,000	-	746,000	683,943	[62,057]
Opioid Settlement	34,984	-	34,984	25,041	[9,943]
Bond and Interest Funds:					
Bond and Interest Fund	2,220,668	-	2,220,668	1,673,698	[546,970]
Capital Project Funds:					
Sidewalk Escrow	51,134	-	51,134	-	[51,134]
Business Funds:					
Solid Waste	497,071	-	497,071	495,948	[1,123]
Wastewater Collection/Treatment	2,922,578	-	2,922,578	2,485,068	[437,510]
Water Treatment/Distribution	4,292,628	62,500	4,355,128	4,046,630	[308,498]
Stormwater	280,111	-	280,111	151,134	[128,977]

See independent auditor's report on the financial statements.

CITY OF BONNER SPRINGS, KANSAS

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

	Actual	Budget	Variance-Over [Under]
Receipts			
Taxes	$ 10,764,605	$ 10,109,752	$ 654,853
Intergovernmental	20,261	5,000	15,261
Licenses and permits	279,043	128,500	150,543
Charges for services	420,601	235,000	185,601
Fines and fees	463,270	419,000	44,270
Use of money and property	740,963	600,000	140,963
Reimbursements	100,443	150,000	[49,557]
Miscellaneous	972,329	795,000	177,329
Transfer in	474,504	475,473	[969]
Total receipts	14,236,019	$ 12,917,725	$ 1,318,294
Expenditures			
City council			
Salaries	12,014	$ 12,193	$ [179]
Contractual services	11,302	11,100	202
Commodities	298	2,050	[1,752]
Total city council	23,614	25,343	[1,729]
City manager			
Salaries	478,490	511,111	[32,621]
Contractual services	88,706	91,100	[2,394]
Commodities	9,196	6,600	2,596
Total city manager	576,392	608,811	[32,419]
City clerk			
Salaries	155,995	160,856	[4,861]
Contractual services	25,146	38,842	[13,696]
Commodities	2,545	4,600	[2,055]
Total city clerk	183,686	204,298	[20,612]

CITY OF BONNER SPRINGS, KANSAS

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

	Actual	Budget	Variance-Over [Under]
Expenditures (Continued)			
Budget & finance			
Salaries	$ 447,416	$ 453,690	$ [6,274]
Contractual services	114,648	129,335	[14,687]
Commodities	4,795	4,700	95
Total budget & finance	566,859	587,725	[20,866]
Municipal court			
Salaries	140,412	160,219	[19,807]
Contractual services	173,026	180,000	[6,974]
Commodities	1,143	3,400	[2,257]
Total municipal court	314,581	343,619	[29,038]
Police			
Salaries	2,755,657	3,118,246	[362,589]
Contractual services	446,480	477,703	[31,223]
Commodities	128,380	143,500	[15,120]
Capital outlay	48,487	-	48,487
Total police	3,379,004	3,739,449	[360,445]
Fire			
Salaries	2,478,536	2,769,840	[291,304]
Contractual services	400,050	495,000	[94,950]
Commodities	157,742	217,000	[59,258]
Capital outlay	21,799	56,000	[34,201]
Total fire	3,058,127	3,537,840	[479,713]
Parks & recreation			
Salaries	378,300	419,330	[41,030]
Contractual services	156,300	150,300	6,000
Commodities	18,485	22,520	[4,035]
Total parks & recreation	553,085	592,150	[39,065]
Public works			
Salaries	970,904	1,167,282	[196,378]
Contractual services	428,707	513,100	[84,393]
Commodities	223,980	219,500	4,480
Total public works	1,623,591	1,899,882	[276,291]

CITY OF BONNER SPRINGS, KANSAS

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

	Actual	Budget	Variance-Over [Under]
Expenditures (Continued)			
Community & economic development			
Salaries	$ 357,229	$ 573,920	$ [216,691]
Contractual services	230,253	99,157	131,096
Capital outlay	-	25,000	[25,000]
Commodities	5,810	12,000	[6,190]
Total community & economic development	593,292	710,077	[116,785]
City hall operations			
Salaries	-	119,264	[119,264]
Contractual services	268,029	243,300	24,729
Commodities	10,795	8,950	1,845
Total city hall operations	278,824	371,514	[92,690]
Transfer out	3,063,130	3,157,018	[93,888]
Appropriations	7,273	125,000	[117,727]
Cash basis reserve	-	3,348,473	[3,348,473]
Total expenditures	14,221,458	$ 19,251,199	$ [5,029,741]
Receipts over [under] expenditures	14,561		
Unencumbered cash, beginning	8,357,433		
Prior year cancelled encumbrances	25,821		
Unencumbered cash, ending	$ 8,397,815		

SCHEDULE 2 - 2

CITY OF BONNER SPRINGS, KANSAS

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

	Actual	Budget	Variance-Over [Under]
Receipts			
Taxes	$ 533,551	$ 536,680	$ [3,129]
Reimbursements	55,436	25,000	30,436
Total receipts	588,987	$ 561,680	$ 27,307
Expenditures			
Personal services	35,636	$ -	$ 35,636
Contractual services	16,130	-	16,130
Commodities	154	-	154
Capital outlay	2,545	-	2,545
Component unit transfer out	534,076	536,680	[2,604]
Miscellaneous	46	25,000	[24,954]
Adjustment for qualifying budget credit	-	55,436	[55,436]
Total expenditures	588,587	$ 617,116	$ [28,529]
Receipts over [under] expenditures	400		
Unencumbered cash, beginning	[377]		
Unencumbered cash, ending	$ 23		

See independent auditor's report on the financial statements.

CITY OF BONNER SPRINGS, KANSAS

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

	Actual	Budget	Variance-Over [Under]
Receipts			
Taxes	$ 191,499	$ 165,000	$ 26,499
Intergovernmental	250	-	250
Miscellaneous	350	-	350
Use of money and property	18,062	10,000	8,062
Total receipts	210,161	$ 175,000	$ 35,161
Expenditures			
Personal services	61,231	$ 64,925	$ [3,694]
Contractual services	95,393	104,930	[9,537]
Commodities	56	100	[44]
Capital outlay	55,569	50,000	5,569
Total expenditures	212,249	$ 219,955	$ [7,706]
Receipts over [under] expenditures	[2,088]		
Unencumbered cash, beginning	415,953		
Unencumbered cash, ending	$ 413,865		

See independent auditor's report on the financial statements.

CITY OF BONNER SPRINGS, KANSAS

Drug and Alcohol Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2025

	Actual	Budget	Variance-Over [Under]
Receipts			
Taxes	$ 109,992	$ 100,000	$ 9,992
Use of money and property	17,520	8,000	9,520
Total receipts	127,512	$ 108,000	$ 19,512
Expenditures			
Contractual services	13,000	$ 75,000	$ [62,000]
Capital outlay	8,995	-	8,995
Transfer out	28,195	28,195	-
Total expenditures	50,190	$ 103,195	$ [53,005]
Receipts over [under] expenditures	77,322		
Unencumbered cash, beginning	393,020		
Unencumbered cash, ending	$ 470,342		

CITY OF BONNER SPRINGS, KANSAS

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

	Actual	Budget	Variance-Over [Under]
Receipts			
Charges for services	$ 25,685	$ 20,350	$ 5,335
Use of money and property	1,521	250	1,271
Total receipts	27,206	$ 20,600	$ 6,606
Expenditures			
Personal services	4,001	$ 4,855	$ [854]
Contractual services	8,021	4,300	3,721
Commodities	7,451	9,500	[2,049]
Capital outlay	4,136	6,000	[1,864]
Total expenditures	23,609	$ 24,655	$ [1,046]
Receipts over [under] expenditures	3,597		
Unencumbered cash, beginning	27,726		
Unencumbered cash, ending	$ 31,323		

See independent auditor's report on the financial statements.

SCHEDULE 2 - 6

CITY OF BONNER SPRINGS, KANSAS

Park Dedication Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2025

	Actual	Budget	Variance-Over [Under]
Receipts			
Charges for services	$ 73,500	$ 4,000	$ 69,500
Use of money and property	3,265	900	2,365
Total receipts	76,765	$ 4,900	$ 71,865
Expenditures			
Capital outlay	-	$ -	$ -
Total expenditures	-	$ -	$ -
Receipts over [under] expenditures	76,765		
Unencumbered cash, beginning	34,082		
Unencumbered cash, ending	$ 110,847		

See independent auditor's report on the financial statements.

CITY OF BONNER SPRINGS, KANSAS

Risk Management Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2025

	Actual	Budget	Variance-Over [Under]
Receipts			
Reimbursements	$ 194,730	$ -	$ 194,730
Transfer in	250,000	250,000	-
Use of money and property	9,156	2,000	7,156
Total receipts	453,886	$ 252,000	$ 201,886
Expenditures			
Contractual services	229,520	$ 332,700	$ [103,180]
Capital outlay	102,315	-	102,315
Adjustment for qualifying budget credit	-	194,730	[194,730]
Total expenditures	331,835	$ 527,430	$ [195,595]
Receipts over [under] expenditures	122,051		
Unencumbered cash, beginning	97,905		
Prior year cancelled encumbrances	113,900		
Unencumbered cash, ending	$ 333,856		

See independent auditor's report on the financial statements.

SCHEDULE 2 - 8

CITY OF BONNER SPRINGS, KANSAS

Senior Center Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2025

	Actual	Budget	Variance-Over [Under]
Receipts			
Intergovernmental	$ 8,223	$ 8,223	$ -
Miscellaneous	10,194	80,000	[69,806]
Transfer in	37,407	52,385	[14,978]
Total receipts	55,824	$ 140,608	$ [84,784]
Expenditures			
Personal services	44,092	$ 54,389	$ [10,297]
Contractual services	11,112	83,310	[72,198]
Commodities	595	400	195
Total expenditures	55,799	$ 138,099	$ [82,300]
Receipts over [under] expenditures	25		
Unencumbered cash, beginning	[25]		
Unencumbered cash, ending	$ -		

See independent auditor's report on the financial statements.

CITY OF BONNER SPRINGS, KANSAS

Special Parks and Recreation Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2025

	Actual	Budget	Variance-Over [Under]
Receipts			
Taxes	$ 109,992	$ 100,000	$ 9,992
Use of money and property	11,428	4,000	7,428
Total receipts	121,420	$ 104,000	$ 17,420
Expenditures			
Capital outlay	26,549	$ 35,000	$ [8,451]
Transfer out	17,793	23,000	[5,207]
Total expenditures	44,342	$ 58,000	$ [13,658]
Receipts over [under] expenditures	77,078		
Unencumbered cash, beginning	249,278		
Unencumbered cash, ending	$ 326,356		

See independent auditor's report on the financial statements.

CITY OF BONNER SPRINGS, KANSAS

Street Projects Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2025

	Actual	Budget	Variance-Over [Under]
Receipts			
Intergovernmental	$ 406,812	$ 864,000	$ [457,188]
Use of money and property	35,643	5,000	30,643
Transfer in	700,000	700,000	-
Total receipts	1,142,455	$ 1,569,000	$ [426,545]
Expenditures			
Contractual services	616,160	$ 1,100,000	$ [483,840]
Capital outlay	257,576	500,000	[242,424]
Total expenditures	873,736	$ 1,600,000	$ [726,264]
Receipts over [under] expenditures	268,719		
Unencumbered cash, beginning	724,098		
Prior year cancelled encumbrances	9,944		
Unencumbered cash, ending	$ 1,002,761		

See independent auditor's report on the financial statements.

CITY OF BONNER SPRINGS, KANSAS

Summer Ball Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2025

	Actual	Budget	Variance-Over [Under]
Receipts			
Charges for services	$ 17,550	$ 17,500	$ 50
Use of money and property	-	20	[20]
Total receipts	17,550	$ 17,520	$ 30
Expenditures			
Personal services	4,106	$ 8,159	$ [4,053]
Contractual services	3,628	3,250	378
Commodities	5,315	4,670	645
Total expenditures	13,049	$ 16,079	$ [3,030]
Receipts over [under] expenditures	4,501		
Unencumbered cash, beginning	2,757		
Unencumbered cash, ending	$ 7,258		

See independent auditor's report on the financial statements.

CITY OF BONNER SPRINGS, KANSAS

Recreation Program Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2025

	Actual	Budget	Variance-Over [Under]
Receipts			
Charges for services	$ 111,414	$ 259,600	$ [148,186]
Miscellaneous	809	-	809
Interest	10,264	2,000	8,264
Total receipts	122,487	$ 261,600	$ [139,113]
Expenditures			
Personal services	73,842	$ 220,706	$ [146,864]
Contractual services	6,431	29,619	[23,188]
Commodities	18,094	21,550	[3,456]
Total expenditures	98,367	$ 271,875	$ [173,508]
Receipts over [under] expenditures	24,120		
Unencumbered cash, beginning	220,473		
Unencumbered cash, ending	$ 244,593		

CITY OF BONNER SPRINGS, KANSAS

Swimming Pool Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2025

	Actual	Budget	Variance-Over [Under]
Receipts			
Charges for services	$ 121,511	$ 126,070	$ [4,559]
Miscellaneous	1,822	-	1,822
Transfer in	138,078	196,850	[58,772]
Total receipts	261,411	$ 322,920	$ [61,509]
Expenditures			
Personal services	151,910	$ 199,520	$ [47,610]
Contractual services	61,397	70,500	[9,103]
Commodities	30,311	29,900	411
Capital outlay	17,793	23,000	[5,207]
Total expenditures	261,411	$ 322,920	$ [61,509]
Receipts over [under] expenditures	-		
Unencumbered cash, beginning	-		
Unencumbered cash, ending	$ -		

CITY OF BONNER SPRINGS, KANSAS

Tiblow Transit Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2025

	Actual	Budget	Variance-Over [Under]
Receipts			
Charges for services	$ 8,335	$ 7,632	$ 703
Intergovernmental	64,198	67,192	[2,994]
Transfer in	14,504	12,516	1,988
Total receipts	87,037	$ 87,340	$ [303]
Expenditures			
Personal services	72,447	$ 69,373	$ 3,074
Contractual services	7,952	9,615	[1,663]
Commodities	7,421	15,300	[7,879]
Capital outlay	-	1,700	[1,700]
Total expenditures	87,820	$ 95,988	$ [8,168]
Receipts over [under] expenditures	[783]		
Unencumbered cash, beginning	783		
Unencumbered cash, ending	$ -		

See independent auditor's report on the financial statements.

CITY OF BONNER SPRINGS, KANSAS

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

	Actual	Budget	Variance-Over [Under]
Receipts			
Use of money and property	$ 22,991	$ 15,000	$ 7,991
Total receipts	22,991	$ 15,000	$ 7,991
Expenditures			
Capital outlay	98,042	$ 190,300	$ [92,258]
Total expenditures	98,042	$ 190,300	$ [92,258]
Receipts over [under] expenditures	[75,051]		
Unencumbered cash, beginning	549,360		
Unencumbered cash, ending	$ 474,309		

CITY OF BONNER SPRINGS, KANSAS

Bonner Springs Center CID Sales Tax Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2025

	Actual	Budget	Variance-Over [Under]
Receipts			
Intergovernmental	$ 117,031	$ 105,000	$ 12,031
Total receipts	117,031	$ 105,000	$ 12,031
Expenditures			
Transfer out	120,768	$ 121,737	$ [969]
Total expenditures	120,768	$ 121,737	$ [969]
Receipts over [under] expenditures	[3,737]		
Unencumbered cash, beginning	3,737		
Unencumbered cash, ending	$ -		

CITY OF BONNER SPRINGS, KANSAS

Bonner Springs TIF Increment Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2025

	Actual	Budget	Variance-Over [Under]
Receipts			
Intergovernmental	$ 201,121	$ 260,000	$ [58,879]
Total receipts	201,121	$ 260,000	$ [58,879]
Expenditures			
Contractual services	201,121	$ 260,000	$ [58,879]
Total expenditures	201,121	$ 260,000	$ [58,879]
Receipts over [under] expenditures	-		
Unencumbered cash, beginning	-		
Unencumbered cash, ending	$ -		

CITY OF BONNER SPRINGS, KANSAS

Capital Improvement Sales Tax Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2025

	Actual	Budget	Variance-Over [Under]
Receipts			
Taxes	$ 770,577	$ 695,000	$ 75,577
Use of money and property	35,736	10,000	25,736
Total receipts	806,313	$ 705,000	$ 101,313
Expenditures			
Capital outlay	93,422	$ 290,000	$ [196,578]
Transfer out	532,772	532,772	-
Total expenditures	626,194	$ 822,772	$ [196,578]
Receipts over [under] expenditures	180,119		
Unencumbered cash, beginning	521,472		
Unencumbered cash, ending	$ 701,591		

See independent auditor's report on the financial statements.

CITY OF BONNER SPRINGS, KANSAS

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

	Actual	Budget	Variance-Over [Under]
Receipts			
Charges for services	$ 36,650	$ 40,300	$ [3,650]
Transfer in	80,935	104,267	[23,332]
Total receipts	117,585	$ 144,567	$ [26,982]
Expenditures			
Personal services	87,751	$ 86,917	$ 834
Contractual services	26,239	54,050	[27,811]
Commodities	3,595	3,600	[5]
Total expenditures	117,585	$ 144,567	$ [26,982]
Receipts over [under] expenditures	-		
Unencumbered cash, beginning	-		
Unencumbered cash, ending	$ -		

CITY OF BONNER SPRINGS, KANSAS

Emergency Services Capital Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2025

	Actual	Budget	Variance-Over [Under]
Receipts			
Taxes	$ 770,577	$ 695,000	$ 75,577
Miscellaneous	26,450	-	26,450
Use of money and property	24,538	5,000	19,538
Total receipts	821,565	$ 700,000	$ 121,565
Expenditures			
Capital outlay	683,943	$ 746,000	$ [62,057]
Total expenditures	683,943	$ 746,000	$ [62,057]
Receipts over [under] expenditures	137,622		
Unencumbered cash, beginning	406,899		
Prior year cancelled encumbrances	23,314		
Unencumbered cash, ending	$ 567,835		

See independent auditor's report on the financial statements.

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CITY OF BONNER SPRINGS, KANSAS

Nonbudgeted Special Purpose Funds
Schedule of Receipts and Expenditures - Actual *
Regulatory Basis
For the Year Ended December 31, 2025

	Economic Development	Inspect Engineering Reimbursement	Asset Forfeiture	Senior Center Scholarship
Receipts				
Use of money and property	$ 2,423	$ -	$ 1,324	$ 27
Intergovernmental	-	-	-	-
Reimbursements	-	964	-	-
Miscellaneous	500,000	-	3,100	-
Total receipts	502,423	964	4,424	27
Expenditures				
Contractual services	-	964	7,031	-
Transfer out	-	-	-	-
Total expenditures	-	964	7,031	-
Receipts over [under] expenditures	502,423	-	[2,607]	27
Unencumbered cash, beginning	-	-	33,505	661
Unencumbered cash, ending	$ 502,423	$ -	$ 30,898	$ 688

* These funds are not required to be budgeted.

Recreation Scholarship	Centennial Park	MIH Grant	ARPA Grant	Total
$ 789	$ -	$ -	$ 11,233	$ 15,796
-	-	1,250,000	-	1,250,000
-	-	-	-	964
-	-	-	-	503,100
789	-	1,250,000	11,233	1,769,860
2,728	-	1,250,000	-	1,260,723
-	-	-	619,715	619,715
2,728	-	1,250,000	619,715	1,880,438
[1,939]	-	-	[608,482]	[110,578]
20,867	667	-	636,083	691,783
$ 18,928	$ 667	$ -	$ 27,601	$ 581,205

CITY OF BONNER SPRINGS, KANSAS

Opioid Settlement Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2025

	Actual	Budget	Variance-Over [Under]
Receipts			
Intergovernmental	$ 14,350	$ -	$ 14,350
Use of money and property	1,713	-	1,713
Total receipts	16,063	$ -	$ 16,063
Expenditures			
Contractual services	602	$ 1,000	$ [398]
Commodities	5,369	5,000	369
Capital outlay	19,070	28,984	[9,914]
Total expenditures	25,041	$ 34,984	$ [9,943]
Receipts over [under] expenditures	[8,978]		
Unencumbered cash, beginning	51,213		
Unencumbered cash, ending	$ 42,235		

CITY OF BONNER SPRINGS, KANSAS

Bond and Interest Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2025

	Actual	Budget	Variance-Over [Under]
Receipts			
Taxes	$ 892,220	$ 895,649	$ [3,429]
Special assessments	102,727	85,000	17,727
Use of money and property	40,307	25,000	15,307
Transfer in	629,948	629,948	-
Total receipts	1,665,202	$ 1,635,597	$ 29,605
Expenditures			
Debt service			
Principal	1,195,000	$ 1,195,000	$ -
Interest	478,698	478,698	-
Cash basis reserve	-	546,970	[546,970]
Total expenditures	1,673,698	$ 2,220,668	$ [546,970]
Receipts over [under] expenditures	[8,496]		
Unencumbered cash, beginning	600,561		
Unencumbered cash, ending	$ 592,065		

See independent auditor's report on the financial statements.

CITY OF BONNER SPRINGS, KANSAS

Capital Project Funds
Schedule of Receipts and Expenditures - Actual *
Regulatory Basis
For the Year Ended December 31, 2025

	Bonner Pointe TIF	Water Treatment Plant	Government Services Center	Powell Drive/ 43rd Street	Equipment Reserve	Capital Improvement Reserve
Receipts						
Use of money and property	$ -	$ -	$ -	$ 701	$ -	$ -
Intergovernmental	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	2,848
Loan proceeds	-	889,967	-	-	-	-
Transfer in	-	-	17,667	-	2,360,000	-
Total receipts	-	889,967	17,667	701	2,360,000	2,848
Expenditures						
Contractual services	-	889,967	-	-	-	-
Capital outlay	-	-	17,667	-	1,944,028	187,679
Transfer out	-	-	-	-	-	17,667
Total expenditures	-	889,967	17,667	-	1,944,028	205,346
Receipts over [under] expenditures	-	-	-	701	415,972	[202,498]
Unencumbered cash, beginning	2,343	-	-	16,935	2,181,575	4,414,614
Unencumbered cash, ending	$ 2,343	$ -	$ -	$ 17,636	$ 2,597,547	$ 4,212,116

* These funds are not required to be budgeted.

JoCo Riverfront Park	138th Street Project	Scannell Properties Funding	Oak RHID Funding	2nd Street Waterline	118th & State STAR Bond Funding Agreement	Sandstone Townhomes RHID Funding	Nettleton Seven Funding	Total
$ 14,916	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 15,617
-	-	-	-	-	-	4,573	-	4,573
-	-	-	-	-	60,000	-	-	62,848
-	-	-	-	-	-	-	-	889,967
-	32,772	-	-	619,715	-	-	-	3,030,154
14,916	32,772	-	-	619,715	60,000	4,573	-	4,003,159
-	354,336	-	-	-	65,733	-	-	1,310,036
-	-	-	-	619,715	-	-	-	2,769,089
-	-	-	-	-	-	-	-	17,667
-	354,336	-	-	619,715	65,733	-	-	4,096,792
14,916	[321,564]	-	-	-	[5,733]	4,573	-	[93,633]
360,480	520,000	2,478	677	-	5,733	-	11,892	7,516,727
$ 375,396	$ 198,436	$ 2,478	$ 677	$ -	$ -	$ 4,573	$ 11,892	$ 7,423,094

CITY OF BONNER SPRINGS, KANSAS

Sidewalk Escrow Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2025

	Actual	Budget	Variance-Over [Under]
Receipts			
Use of money and property	$ 2,100	$ 1,000	$ 1,100
Total receipts	2,100	$ 1,000	$ 1,100
Expenditures			
Capital outlay	-	$ 51,134	$ [51,134]
Total expenditures	-	$ 51,134	$ [51,134]
Receipts over [under] expenditures	2,100		
Unencumbered cash, beginning	50,765		
Unencumbered cash, ending	$ 52,865		

CITY OF BONNER SPRINGS, KANSAS

Solid Waste Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2025

	Actual	Budget	Variance-Over [Under]
Receipts			
Charges for services	$ 489,915	$ 491,812	$ [1,897]
Use of money and property	7,474	5,000	2,474
Total receipts	497,389	$ 496,812	$ 577
Expenditures			
Contractual services	471,107	$ 472,230	$ [1,123]
Transfer out	24,841	24,841	-
Total expenditures	495,948	$ 497,071	$ [1,123]
Receipts over [under] expenditures	1,441		
Unencumbered cash, beginning	134,355		
Unencumbered cash, ending	$ 135,796		

CITY OF BONNER SPRINGS, KANSAS

Wastewater Collection/Treatment Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2025

	Actual	Budget	Variance-Over [Under]
Receipts			
Charges for services	$ 3,089,236	$ 2,523,000	$ 566,236
Miscellaneous	-	4,000	[4,000]
Use of money and property	106,877	35,000	71,877
Total receipts	3,196,113	$ 2,562,000	$ 634,113
Expenditures			
Personal services	697,818	792,664	$ [94,846]
Contractual services	723,609	821,435	[97,826]
Commodities	121,562	84,000	37,562
Capital outlay	552,600	835,000	[282,400]
Transfer out	389,479	389,479	-
Total expenditures	2,485,068	$ 2,922,578	$ [437,510]
Receipts over [under] expenditures	711,045		
Unencumbered cash, beginning	1,852,214		
Unencumbered cash, ending	$ 2,563,259		

CITY OF BONNER SPRINGS, KANSAS

Water Treatment/Distribution Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2025

	Actual	Budget	Variance-Over [Under]
Receipts			
Charges for services	$ 3,593,767	$ 3,159,000	$ 434,767
Debt proceeds	62,500	-	62,500
Miscellaneous	1,169	-	1,169
Use of money and property	209,156	82,000	127,156
Total receipts	3,866,592	$ 3,241,000	$ 625,592
Expenditures			
Personal services	703,021	$ 796,297	$ [93,276]
Contractual services	521,467	664,335	[142,868]
Commodities	424,741	502,000	[77,259]
Capital outlay	986,765	1,024,000	[37,235]
Debt service:			
Principal	749,436	647,938	101,498
Interest and other charges	209,142	206,000	3,142
Transfer out	452,058	452,058	-
Adjustment for qualifying budget credit	-	62,500	[62,500]
Total expenditures	4,046,630	$ 4,355,128	$ [308,498]
Receipts over [under] expenditures	[180,038]		
Unencumbered cash, beginning	4,901,915		
Unencumbered cash, ending	$ 4,721,877		

See independent auditor's report on the financial statements.

CITY OF BONNER SPRINGS, KANSAS

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

	Actual	Budget	Variance-Over [Under]
Receipts			
Charges for services	$ 227,620	$ 225,000	$ 2,620
Use of money and property	7,918	4,000	3,918
Total receipts	235,538	$ 229,000	$ 6,538
Expenditures			
Contractual services	59,086	$ 141,000	$ [81,914]
Capital outlay	2,937	10,000	[7,063]
Commodities	-	40,000	[40,000]
Transfer out	89,111	89,111	-
Total expenditures	151,134	$ 280,111	$ [128,977]
Receipts over [under] expenditures	84,404		
Unencumbered cash, beginning	155,758		
Unencumbered cash, ending	$ 240,162		

See independent auditor's report on the financial statements.

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CITY OF BONNER SPRINGS, KANSAS

Trust Funds
Schedule of Receipts and Expenditures - Actual *
Regulatory Basis
For the Year Ended December 31, 2025

	Law Enforcement Trust	Senior Center Trust	Bonner Beautiful Trust
Receipts			
Use of money and property	$ 68	$ 698	$ 104
Miscellaneous	-	-	2,556
Total receipts	68	698	2,660
Expenditures			
Contractual services	-	-	-
Commodities	-	257	15
Capital outlay	-	-	2,556
Total expenditures	-	257	2,571
Receipts over [under] expenditures	68	441	89
Unencumbered cash, beginning	1,661	16,989	1,477
Unencumbered cash, ending	$ 1,729	$ 17,430	$ 1,566

* These funds are not required to be budgeted.

Cemetery Trust	Police Canine Trust	Police Trust	Fire Trust	Kerry Roberts Park Trust	Total
$ 54	$ 155	$ 26	$ 46	$ 572	$ 1,723
35	3,465	-	-	-	6,056
89	3,620	26	46	572	7,779
50	995	-	-	-	1,045
-	-	-	-	-	272
-	4,000	-	-	-	6,556
50	4,995	-	-	-	7,873
39	[1,375]	26	46	572	[94]
1,318	4,546	622	1,093	13,804	41,510
$ 1,357	$ 3,171	$ 648	$ 1,139	$ 14,376	$ 41,416

SCHEDULE 3

CITY OF BONNER SPRINGS, KANSAS

Bonner Springs City Library
Schedule of Receipts and Expenditures - Related Municipal Entity
Regulatory Basis
For the Year Ended December 31, 2025

Receipts		
State appropriations	$	3,646
County appropriations		302,970
City appropriations		537,640
Grants		16,429
Charges for services		24,892
Miscellaneous		2,353
Use of money and property		13,834
Donations		7,280
Total receipts		909,044
Expenditures		
Personal services		500,343
Contractual services		318,531
Commodities		7,873
Capital outlay		7,185
Total expenditures		833,932
Receipts over [under] expenditures		75,112
Unencumbered cash, beginning		275,162
Unencumbered cash, ending	$	350,274

See independent auditor's report on the financial statements.

CITY OF BONNER SPRINGS, KANSAS

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

Funds	Beginning Cash Balance	Receipts	Disbursements	Ending Cash Balance
Clearing	$ 3,264	$ 36,497	$ 36,755	$ 3,006
Payroll Clearing	1,339	2,268,255	2,274,742	[5,148]
Court and Service Bond	77,730	118,695	104,347	92,078
Alcohol Drug and Safety	19,137	-	-	19,137
Total	$ 101,470	$ 2,423,447	$ 2,415,844	$ 109,073

See independent auditor's report on the financial statements.

CITY OF BONNER SPRINGS, KANSAS
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2025

Federal Grantor/Pass-Through Grantor/Program Title	Federal ALN Number	Expenditures
U.S. Department of Justice		
Bulletproof Vest Partnership Program	16.607	4,148
Total U.S. Department of Justice		4,148
U.S. Department of the Treasury		
Passed Through Kansas Governor's Office:		
Coronavirus State & Local Fiscal Recovery Funds	21.027	619,715
Passed Through Kansas Housing Resources Corporation:		
Coronavirus State & Local Fiscal Recovery Funds	21.027	1,250,000
Total U.S. Department of the Treasury		1,869,715
U.S. Department of Transportation		
Passed Through Kansas Department of Transportation:		
Highway Safety Cluster:		
State and Community Highway Safety	20.600	10,114
Total Highway Safety Cluster		
Formula Grants for Rural Areas and Tribal Transit Program	20.509	64,198
Total U.S. Department of Transportation		74,312
Total Expenditures of Federal Awards		$ 1,948,175

The accompanying notes are an integral part of this schedule.

CITY OF BONNER SPRINGS, KANSAS

Notes to the Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2025

1. Organization

The City of Bonner Springs, Kansas, (the City), is the recipient of several federal awards. All federal awards received directly from federal agencies as well as those awards that are passed through other government agencies, are included on the Schedule of Expenditures of Federal Awards.

2. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the City and is presented on the Kansas regulatory basis of accounting, which includes cash disbursements, accounts payable and encumbrances. The information presented in this schedule is in accordance with the requirements of *Title 2 U.S. Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*. Therefore, some amounts presented in this schedule may differ from amounts presented in or used in the preparation of the basic financial statements. The City elected not to use the 10% de minimis indirect cost rate.

3. Local Government Contributions

Local cost sharing is required by certain federal grants. The amount of cost sharing varies with each program. Only the federal share of expenditures is presented in the Schedule of Expenditures of Federal Awards.

4. Additional Audits

Grantor agencies reserve the right to conduct additional audits of the City's grant programs for economy and efficiency and program results that may result in disallowed costs to the City. However, management does not believe such audits would result in any disallowed costs that would be material to the City's financial position as of December 31, 2025.

5. Outstanding Loans

The City did not have any outstanding loans under any federal grants as of December 31, 2025.

6. Pass Through Numbers

Pass through numbers have not been assigned to pass through grants on the Schedule of Expenditures of Federal Awards.

CITY OF BONNER SPRINGS, KANSAS
Schedule of Findings and Questioned Costs
For the Year Ended December 31, 2025

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued:	Unmodified (Regulatory Basis) Adverse (GAAP)			
Internal control over financial reporting:				
Material weakness(es) identified?		Yes	X	No
Significant deficiency(ies) identified that are not considered to be material weaknesses?		Yes	X	None reported
Noncompliance material to financial statements noted?		Yes	X	No

Federal Awards

Internal control over major programs:				
Material weakness(es) identified?		Yes	X	No
Significant deficiency(ies) identified that are not considered to be material weaknesses?		Yes	X	None reported
Type of auditor's report issued on compliance for major programs:	Unmodified			
Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Uniform Guidance?		Yes	X	No

Identification of major programs:

ALN Number(s)	Name of Federal Program or Cluster
21.027	Coronavirus State & Local Fiscal Recoverly Funds

Dollar threshold used to distinguish between type A and type B programs:	$1,000,000			
Auditee qualified as low-risk auditee?		Yes	X	No

CITY OF BONNER SPRINGS, KANSAS
Schedule of Findings and Questioned Costs (Continued)
For the Year Ended December 31, 2025

Section II - Financial Statement Findings

Current Year Findings

None Noted.

Section III - Federal Award Findings and Questioned Costs

Current Year Findings

None Noted.

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CITY OF BONNER SPRINGS, KANSAS
Schedule of Findings and Questioned Costs (Continued)
For the Year Ended December 31, 2025

Section II - Financial Statement Findings

Prior Year Findings

None Noted.

Section III - Federal Award Findings and Questioned Costs

Prior Year Findings

None Noted.

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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH "GOVERNMENT AUDITING STANDARDS"

Mayor and City Council
City of Bonner Springs, Kansas

We have audited, in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, and the *Kansas Municipal Audit and Accounting Guide*, the financial statements of the City of Bonner Springs, Kansas (the City), as of and for the year ended December 31, 2025, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated April 17, 2026.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

A deficiency in internal controls exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the financial statements will not be prevented or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards.*

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Gordon CPA LLC

Certified Public Accountant
Lawrence, Kansas

April 17, 2026

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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM; REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT ON THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS REQUIRED BY THE UNIFORM GUIDANCE

Mayor and City Council
City of Bonner Springs, Kansas

Report on Compliance for Each Major Federal Program

We have audited the compliance of the City of Bonner Springs, Kansas (the City), with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs for the year ended December 31, 2025. The City's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the City complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2025.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with 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 opinion on compliance for each major federal program. Our audit does not provide a legal determination of the City's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirement referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grants agreements applicable to the City's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion of the City's compliance based on our audit. 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, *Government Auditing Standards,* and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgement made by a reasonable user of the report on compliance about the City's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we

- exercise professional judgement and maintain professional skepticism throughout the audit.

- identify and assess the risks of material noncompliance, 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 City's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.

- obtain an understanding of the City's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies, and material weaknesses in internal control over compliance that we identified during the audit.

Other Matters

The results of our auditing procedures disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards.*

Report on Internal Control Over Compliance

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of the internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in the internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statements of the City as of and for the year ended December 31, 2025, and have issued our report thereon dated April 17, 2026, which contained an unmodified opinion on those financial statements. Our audit was performed for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the financial statements. 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 financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the financial statements as a whole.

Gordon CPA LLC

Certified Public Accountant
Lawrence, Kansas

April 17, 2026