CITY OF GARDNER, KANSAS









ANNUAL COMPREHENSIVE FINANCIAL REPORT

For the fiscal year ended
December 31, 2025

ABOUT THE COVER

The City of Gardner continues to prioritize strategic investment, responsible growth and economic opportunity to support a strong and thriving community. Cherokee Street, shown from the city's west limits to Center Street following completion of the Mill and Overlay project, reflects ongoing investment in infrastructure that strengthens mobility, enhances public safety and supports long-term community needs.

Also highlighted are new businesses located in Moonlight Plaza, including Five Below, T.J. Maxx and Dollar Tree, which represent continued commercial growth and expanded retail opportunities for residents. This development reflects confidence in Gardner's future and contributes to the community's economic vitality and long-term sustainability.

Together, these elements represent Gardner's focus on thoughtful planning, infrastructure investment and fostering a resilient community positioned for continued success.

CITY OF GARDNER, KANSAS

ANNUAL COMPREHENSIVE

FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED DECEMBER 31, 2025

Prepared by the Finance Department

Fiscal Services Division

Matt Wolff, Finance Director

Nancy Torneden, Fiscal Services Manager

Jackie Schulz, Senior Accountant

Stephanie Diaz, Senior Accountant

Hunter Hatfield, Accountant

CITY OF GARDNER, KANSAS
ANNUAL COMPREHENSIVE FINANCIAL REPORT
Year Ended December 31, 2025

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ANNUAL COMPREHENSIVE FINANCIAL REPORT

For the fiscal year ended

December 31, 2025

INTRODUCTORY SECTION

June 04, 2026

The Honorable Mayor, City Council, Citizens,
Taxpayers, and Other Interested Parties of the
City of Gardner, Kansas:

We are pleased to present the Annual Comprehensive Financial Report of the City of Gardner (City) for the fiscal year ended December 31, 2025. The report was prepared by the City's Finance Department. Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the City. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds of the government. All disclosures necessary to enable the reader to gain an understanding of the City's financial activities have been included.

City management is responsible for establishing and maintaining internal controls designed to ensure that the assets of the City are protected from loss, theft, or misuse and to ensure that adequate accounting data is compiled to allow for the preparation of financial statements in conformity with accounting principles generally accepted in the United States of America. The internal control structure is designed to provide reasonable assurance that these objectives are met. The concept of reasonable assurance recognizes that (1) the cost of control should not exceed the benefits likely to be derived and (2) the valuation of costs and benefits requires estimates and judgments by management.

In addition, the City maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal requirements of Kansas Statutes. Activities of the General Fund, special revenue funds (unless exempted by a specific statute), enterprise funds, and the Debt Service Fund are included in the annual appropriated budget, as required by Kansas Statutes. Spending in funds, which are not subject to said Statutes, are controlled by federal regulations, other statutes, or by the use of internal spending limits established by the City. For a complete list of budgeted versus non-budgeted governmental funds, please see Note 2.

As demonstrated by the statements and schedules included in the Financial Section of this report, the City continues to meet its responsibility for sound financial management.

Kansas Statutes Annotated 75-1122 requires an annual audit of the accounts, financial records, and transactions of all administrative departments of the City by independent certified public accountants. The accounting firm of Allen, Gibbs & Houlik, L.C. was

selected by the City Council. Allen, Gibbs & Houlik, L.C. issued an unmodified ("clean") opinion on the City of Gardner's financial statements for the year ended December 31, 2025. The independent auditor's report on the financial statements is included in the Financial Section of this report.

Management's discussion and analysis (MD&A) immediately follows the independent auditor's report and provides a narrative introduction, overview, and analysis of the basic financial statements. MD&A complements this letter of transmittal and should be read in conjunction with it.

Profile of the Government

The City of Gardner was established on March 16, 1858 and came under the jurisdiction of the State of Kansas in 1861. The City was incorporated as a Municipal Corporation of the third class in January 1887 and as a Municipal Corporation of the second class in December 2002. The City is located in Johnson County, Kansas, along Interstate 35, about 25 miles southwest of downtown Kansas City, Missouri. Johnson County is the largest county in Kansas with a population of approximately 636,906.

Located on the edge of the Kansas City metropolitan area, the City of Gardner serves as a suburban residential community for individuals employed throughout the metro, as well as the surrounding rural agricultural region. Recently, Gardner was recognized as the fastest-growing city in the metro among those with populations of at least 20,000. The city encompasses approximately 15.50 square miles, with an estimated population of 28,991.

The City has a Mayor-Council-Administrator form of government. There are five members of the City Council; the Mayor and Council Members are elected on an at-large ballot to serve a four-year term on a staggered basis.

Gardner provides a full range of services including police protection and codes enforcement through its Police Department, fire services provided by Johnson County Fire District No. 1, and ambulance services provided by Johnson County Med-Act. The City provides municipal electric, water, and wastewater services, street maintenance, and engineering. Other services include planning, zoning, municipal court, comprehensive parks and recreational activities and facilities, general administrative services, and a municipal airport.

The Governmental Accounting Standards Board has established criteria to determine the financial reporting entity for a municipal government's financial report. This criterion is used to examine the relationship of the City to other associated, but legally separate, entities to determine if their inclusion in this report would be necessary to fairly present the financial position of the City. This criterion generally has to do with the financial

benefit or burden and levels of influence over the activities of these associated, but legally separate, entities.

Using said criterion, it was determined that the City has a blended component unit. The blended component unit - the Public Building Commission (PBC) - although a legally separate entity, is, in substance, part of the City's operations. In 2025, there was no fund balance or activity to report for the PBC.

Economic Condition and Outlook

2026 projections from the county appraiser indicate significant growth in assessed valuation, at 7.52% for taxable properties. Based on the 2025 projections, the City's overall market value increased from $3.211 billion to $3.419 billion, an additional 6.46%.

In 2025, Gardner saw the issuance of 1,070 building and improvement project permits valued at $166.43 million in valuation. This included 159 new single-family homes. Final Development Plan and Final Plat approvals for residential projects during 2025 totaled 136 multi-family units and 490 new single-family attached and detached lots of future development inventory.

The City's financial capacity and ability to leverage its municipally owned utilities, combined with ample undeveloped land around Gardner's two interchanges on Interstate 35, position the City as a central point for commerce and additional growth. The City is also in close proximity to a several thousand-acre railroad and logistics park - an inland port supporting the global supply chain - on its western border and a premiere multi-modal business park. These adjacent businesses create job opportunities that have contributed to a strong demand for housing throughout the City.

2025 Major Initiatives

In 2025, the City made significant investments in its transportation network to enhance safety, improve mobility, and strengthen long-term infrastructure resilience. Key projects included the rehabilitation of Cherokee Drive from the west city limits to Center Street, signal interconnection improvements along the US-56 corridor, and neighborhood street maintenance through the 2025 Pavement Management Program. Design also advanced for improvements to 175th Street from I-35 to Clare Road, and the City initiated a Railroad Crossing Elimination Study for the Moonlight Road and BNSF railway crossing.

The City also remained focused on supporting economic development through strategic infrastructure expansion. Construction progressed on several major utility projects, including the Kill Creek Water Resource Recovery Facility, Winwood Park Relief Sewer Improvements, Cedar Niles Lift Station and force main upgrades, and upgrades to Gas

Turbine Unit 2. Preconstruction activities advanced for key future investments, including a new water intake structure at Hillsdale Lake, a new water transmission line, Electric Substation No. 4, and the Substation No. 1 T2 upgrade. Collectively, these projects will expand the City's water, wastewater, and electric capacity while positioning new areas for future development.

Future/Planned Initiatives

In 2026, the City plans to continue investing in its transportation network to enhance connectivity, safety, and system performance. Planned projects include construction of the Gardner Road Bridge over I-35; improvements to 175th Street from I-35 to Clare Road; rehabilitation of Old US-56; improvements to Grand Street from Pine Street to Center Street; replacement of the Elm Street traffic signal; and implementation of the 2026 Street Maintenance Program.

To support new development and recently annexed areas, the City also plans to advance key utility infrastructure projects focused on system expansion and capacity. These include continued construction of the Kill Creek Water Resource Recovery Facility Phase II expansion, Cedar Niles Lift Station and force main improvements, a new water transmission line, and upgrades to Substation No. 1 T2. Construction is also anticipated to begin on the Kill Creek Interceptor Improvements and Gas Turbine Unit 1 upgrades.

Financial Planning

The General Fund balance met and exceeded the City's policy target of 30% of expenditures. This level also surpasses the Government Finance Officers Association best practice recommendation of maintaining no less than two months of regular general fund operating revenues or expenditures (approximately 16.67%).

The City has planned annual water rate increases of 4.7% (starting in 2026) and ongoing wastewater rate increases of 4.2% through 2031 to support ongoing and future capital improvements. No changes to electric rates are currently planned.

The City remains committed to sound financial oversight and will continue to closely monitor reserve levels. Management is prepared to take action as needed to preserve the City's strong financial position, as reflected in its AA-/Stable credit rating from S&P Global Ratings.

Awards/Acknowledgements

The Government Finance Officers Association of the United States and Canada (GFOA) awarded the Certificate of Excellence in Financial Reporting to the City of Gardner for its Annual Comprehensive Financial Report (ACFR) for the fiscal year ended December 31, 2024. This marks the twenty-first consecutive year the City has received this prestigious recognition. To earn this award, the City must publish an annual comprehensive financial report that is easily readable, efficiently organized, and in full compliance with generally accepted accounting principles and applicable legal requirements.

In addition, the City received the GFOA's Award for Outstanding Achievement in Popular Annual Financial Reporting (PAFR) for the fiscal year ended December 31, 2024. This is the second consecutive year the City has earned this distinction. To qualify, a government must produce a Popular Annual Financial Report that meets established program standards for creativity, presentation, understandability, and reader appeal.

The City also received the GFOA Distinguished Budget Presentation Award for the fiscal year beginning January 1, 2026, marking the twelfth consecutive year the City has earned this recognition. This award reflects the commitment of the Governing Body and staff to uphold the highest principles of governmental budgeting. To receive the award, the City must satisfy nationally recognized guidelines for effective budget presentation.

Each of these GFOA awards is valid for one year. The City believes its current ACFR continues to meet the Certificate of Excellence Program requirements and has submitted it to the GFOA for consideration of continued recognition.

The preparation of this ACFR would not have been possible without the cooperation and support of the Governing Body in maintaining high standards of professionalism in the management of the City's finances. Appreciation is also extended to Administration, all City departments, external auditors, and the Finance Department staff for their dedicated and collaborative efforts.

Sincerely,

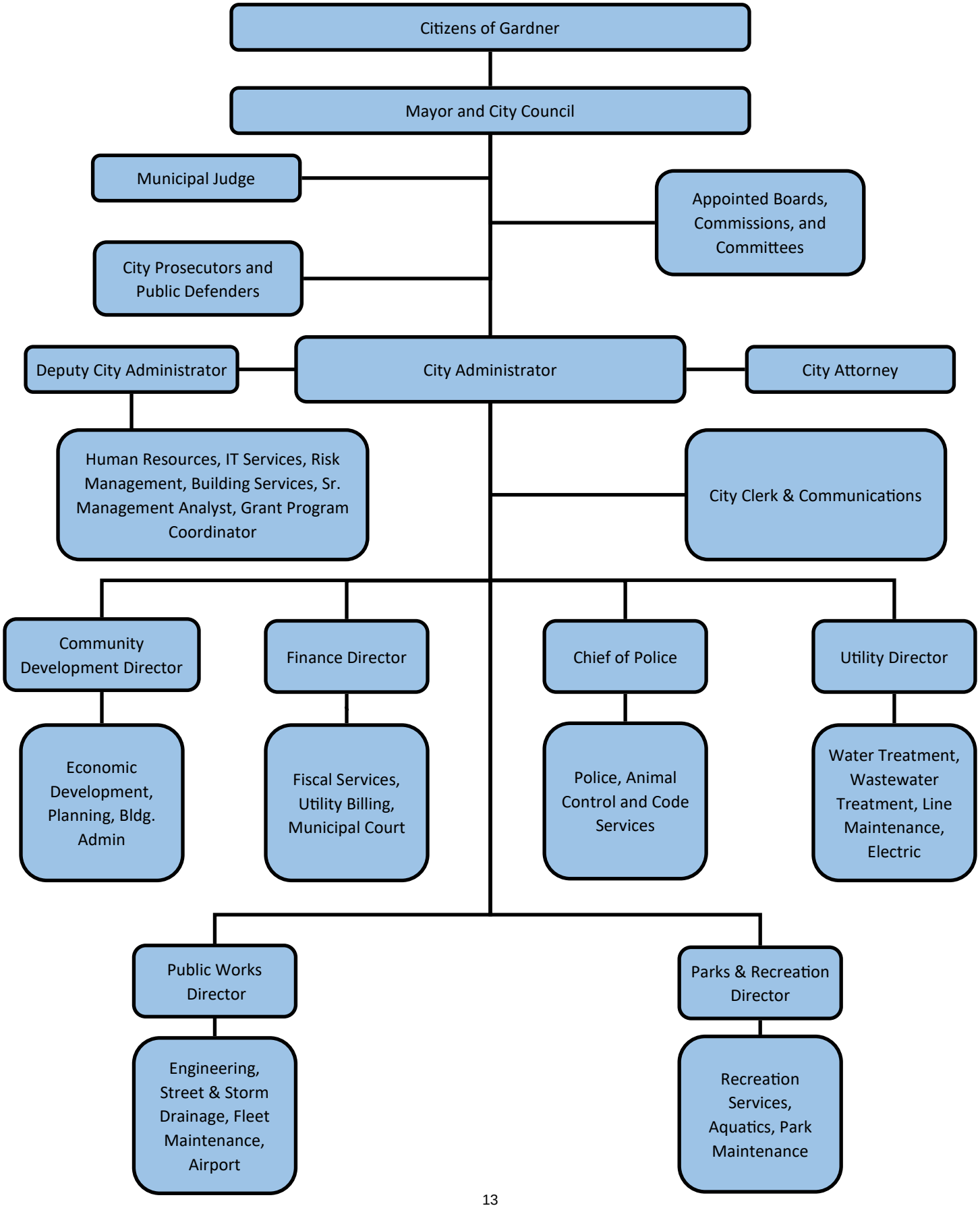




James Pruetting
City Administrator

Matthew Wolff
Finance Director

City of Gardner
Organizational Chart
December 31, 2025



City of Gardner, Kansas

List of Elected and Appointed Officials

December 31, 2025

Elected Officials

		Term Expires
Mayor	Todd Winters	2029
Council President	Mark Baldwin	2029
Council Vice President	Kacy Deaton	2027
Councilmember	Kelly Johnson	2029
Councilmember	Steve McNeer	2027
Councilmember	Mark Wiehn	2027

Appointed Officials

City Administrator	Jim Pruetting
City Clerk	Renee Rich
Municipal Judge	Nora Cooper
Lead Prosecutor	Zach Thomas
City Prosecutor	Michael “Tel” Parrett
City Attorney	Ryan Denk
Community Development Director	David Knopick
Finance Director	Matthew Wolff
Public Works Director	Kellen Headlee
Chief of Police	Pam Waldeck
Parks and Recreation Director	Jason Bruce
Utility Director	David Hunter

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Gardner
Kansas

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

December 31, 2024



Executive Director/CEO



ANNUAL COMPREHENSIVE FINANCIAL REPORT

For the fiscal year ended

December 31, 2025

FINANCIAL SECTION

AGH CPAs & ADVISORS

INDEPENDENT AUDITOR'S REPORT

The Honorable Mayor and City Council Members
City of Gardner, Kansas

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Gardner, 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 as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Gardner, Kansas, as of December 31, 2025, and the respective changes in financial position, and, where applicable, cash flows thereof and the respective budgetary comparison for the general fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS), the *Kansas Municipal Audit and Accounting Guide,* and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States (*Government Auditing Standards*). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, 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 12 months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are 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 statements.

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 statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

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

- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and required supplementary information listed on the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other

knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining and individual nonmajor fund financial statements and schedules are presented for purposes of additional analysis and are not a required part of the basic 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 basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the combining and individual nonmajor fund financial statements and schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory, statistical and annual operating data sections as listed in the table of contents but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 4, 2026 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely 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 effectiveness of the City's 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 City's internal control over financial reporting and compliance.

Allen, Gibbs & Houlik, L.C.
CERTIFIED PUBLIC ACCOUNTANTS

Overland Park, KS
June 4, 2026

MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the City of Gardner (City), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended December 31, 2025. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, the City's basic financial statements and the related notes to the basic financial statements.

FINANCIAL HIGHLIGHTS

- The assets and deferred outflows of resources of the City exceeded its liabilities and deferred inflows of resources at the close of 2025 by $186,883,556 *(net position).* Of this amount, $19,407,600 *(unrestricted net position)* may be used to meet the City's ongoing obligations to citizens and creditors.

- The City's total net position increased by $10,342,405 or 5.9% during the fiscal year. Its governmental activities net position increased by $4.63 million or 5.9%, while the net position of its business-type activities saw an increase of $5.71 million or 5.8%.

- As of the close of 2025, the City's governmental funds reported combined ending fund balances of $30,222,611. Approximately 26% of this total amount, $7,785,592, is fund balance available to meet the City's current and future needs.

- At the close of the current fiscal year, fund balance for the City's primary operating fund, the general fund, was $9,819,013 or 50% of the total general fund revenues of $19,769,947.

- The City's total long-term debt increased $20,377,829 during the current fiscal year. The City issued $28,405,000 of new debt during the current fiscal year. Of this, $725,000 was for bond anticipation notes to temporarily finance certain street, wastewater, and waterline improvements, and $27,680,000 was for general obligation bonds to finance certain wastewater and public building improvements. The new debt issued was partially offset by the retirement of existing debt.

OVERVIEW OF THE FINANCIAL STATEMENTS

The City's financial report consists of the following parts:

- Management's discussion and analysis;
- The basic financial statements, which include the government-wide and the fund financial statements, along with the notes to the basic financial statements;
- Combining and individual statements and schedules for non-major funds;
- Statistical section, including the Annual Operating Data;

The basic financial statements of the City include the government-wide financial statements and the fund financial statements. The notes to the financial statements follow the basic financial statements and are essential for the reader's understanding of the financial statements. Other supplementary

information, including the statistical section and annual operating data, is also included at the end of this report to provide additional information for the reader.

Government-wide Financial Statements

The government-wide financial statements present the results of the City's operations using the accrual basis of accounting, the basis of accounting used by private-sector businesses. These statements focus on the long-term financial picture of the City as a whole.

The *Statement of Net Position* reports all of the City's assets, deferred outflows of resources, liabilities and deferred inflows of resources and net position. Net position, the difference between (a) assets and deferred outflows of resources and (b) liabilities and deferred inflows of resources, are important measures of the City's overall financial health. Over time, the increases and decreases in net position can be monitored to determine whether the City's financial position is improving or deteriorating.

The *Statement of Activities* shows how the net position changed during the most recent fiscal year. The unique feature of this statement is how it shows the revenues and expenses related to specific programs and how much of the programs were supported by the general taxes of the City. Since this statement is prepared on the accrual basis of accounting, all revenues and expenses are included, regardless of when cash is actually received or disbursed.

Both statements show the operations of the City broken down by governmental activities and business-type activities. Governmental activities are the operations of the City generally supported by taxes, such as public works, police, parks and recreation, community development and general administration. Business-type activities are operations of the City that are intended to recover all or a significant portion of their costs through user fees and charges. These consist of the four utilities the City operates: electric, water, wastewater, and stormwater, along with the airport.

Fund Financial Statements

The City uses two types of funds to manage its resources: Governmental Funds and Proprietary Funds. A fund is a grouping of related accounts that are used to maintain control over resources that have been segregated for specific activities or objectives. These funds are separated for the purpose of carrying on specific activities or attaining certain objectives in accordance with regulations, restrictions, or limitations.

Governmental Fund financial statements are prepared on the modified accrual basis. Under the modified accrual basis, revenues are recognized when they become measurable and available, and expenditures are recognized when the related fund liability is incurred, with the exception of long-term debt and other similar items, which are recorded when due. The focus, therefore, is on the short-term financial picture of the operations reported rather than the City as a whole. Most of the City's basic operations are reported in the governmental fund financial statements. The information reported in these statements can be compared to the governmental activities information in the government-wide statements. The reconciliation at the end of the fund financial statements details the relationship between the two types of financial statements.

The City maintains several individual governmental funds. Information is presented separately in the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances for the general fund, debt service fund, capital projects fund, infrastructure special sales tax fund and special highway fund, all of which are considered to be major funds. Data from the remaining governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report.

Proprietary Funds are used by the City to account for activities that operate similar to commercial enterprises found in the private sector. Funds that charge fees for services provided to outside customers including other local governments are called enterprise funds. These funds are used to report the same functions presented as business-type activities in the government-wide financial statements. Funds that charge fees for services provided to departments within the reporting government are known as internal service funds. Proprietary funds use the accrual basis of accounting; thus, the only reconciling items needed between the government-wide financial statements for business-type activities and the proprietary fund financial statements relate to the elimination of internal service fund activity and capital asset ownership transfers.

The City has five enterprise funds: electric fund, water fund, wastewater fund, stormwater fund and the airport fund. The City has five internal service funds: risk services fund, information technology services fund, building services fund, fleet services fund, and the utility billing services fund. The electric fund, water fund, and wastewater fund are the only funds being considered major funds for presentation purposes.

Notes to the Financial Statements

The notes to the financial statements are an integral part of the basic financial statements because they contain valuable additional information necessary for gaining a complete understanding of the City's financial statements.

Other Information

In addition to the financial statements and notes described above, required supplementary information concerning the City's net pension liability and schedule of contributions for KPERS and KP&F and the City's total OPEB liability have been included to give the reader further information. Combining statements for non-major funds and internal service funds are presented following the required supplementary information. Finally, the Statistical Section includes statistical data about the City and the annual operating data.

ANALYSIS OF THE GOVERNMENT-WIDE STATEMENTS

Analysis of Net Position

As noted earlier, net position may serve over time as a useful indicator of a government's financial condition. For the City, assets plus deferred outflows of resources exceeded liabilities plus deferred inflows of resources by $186,883,556 at the close of the current fiscal year. The City's net position increased by $10,342,405 from the prior year, with governmental activities increasing $4,629,313 and business-type activities increasing $5,713,092.

City of Gardner, Kansas
Net Position

	Governmental Activities		Business-type Activities		Total	
	2025	2024	2025	2024	2025	2024
Current and other assets	$52,124,914	$50,123,098	$45,269,004	$35,995,257	$97,393,918	$86,118,355
Capital assets	84,052,626	81,827,344	136,803,346	117,924,767	220,855,972	199,752,111
Total assets	136,177,540	131,950,442	182,072,350	153,920,024	318,249,890	285,870,466
Deferred outflows	2,986,777	2,840,441	784,178	847,773	3,770,955	3,688,214
Long-term liabilities	40,572,649	44,145,084	68,180,687	45,199,760	108,753,336	89,344,844
Other liabilities	8,079,998	5,501,246	10,580,717	11,255,301	18,660,715	16,756,547
Total liabilities	48,652,647	49,646,330	78,761,404	56,455,061	127,414,051	106,101,391
Deferred inflows	7,514,941	6,777,137	208,297	139,001	7,723,238	6,916,138
Net position:						
Net investment in Capital Assets	56,665,467	52,721,184	79,638,120	76,536,967	136,303,587	129,258,151
Restricted for:						
Debt service	16,710,943	16,740,355	-	-	16,710,943	16,740,355
Capital projects	4,499,478	4,554,240	-	-	4,499,478	4,554,240
Streets improvements	7,635,594	7,085,057	-	-	7,635,594	7,085,057
Economic development	1,543,271	1,212,547	-	-	1,543,271	1,212,547
Other purposes	783,083	664,003	-	-	783,083	664,003
Unrestricted	(4,841,107)	(4,609,970)	24,248,707	21,636,768	19,407,600	17,026,798
Total net position	$82,996,729	$78,367,416	$103,886,827	$98,173,735	$186,883,556	$176,541,151

The largest portion of the City's net position (73%) reflects its net investment of $136,303,587 in capital assets (e.g., land, buildings, intangibles, infrastructure, vehicles, machinery and equipment, and construction in progress); less any related debt used to acquire those assets that are still outstanding. The City uses these capital assets to provide services to citizens; consequently, these are not available for future spending.

An additional $31,172,369 of the City's net position represents resources that are subject to external restrictions on how they may be used. The remaining balance of the City's net position of $19,407,600 is unrestricted and may be used to meet ongoing obligations to citizens and creditors.

Analysis of Changes in Net Position

Governmental activities increased the City's net position by $4,629,313, while business-type activities increased the City's net position by $5,713,092. The following table reflects the revenues and expenses for the City's activities for the year ended December 31, 2025, and illustrates the comparison between 2025 and the prior year:

City of Gardner, Kansas
Changes in Net Position

	Governmental Activities			Business-type Activities			Total		
	2025	2024*	Increase (Decrease)	2025	2024*	Increase (Decrease)	2025	2024*	Increase (Decrease)
Revenues:									
Program Revenues:									
Charges for services	$ 4,894,099	$ 4,349,963	$ 544,136	$ 37,376,251	$ 35,124,535	$ 2,251,716	$ 42,270,350	$ 39,474,498	$ 2,795,852
Operating grants and contributions	4,824,265	4,396,897	427,368	-	-	-	4,824,265	4,396,897	427,368
Capital grants and contributions	4,648,520	5,707,627	(1,059,107)	5,111,705	1,261,079	3,850,626	9,760,225	6,968,706	2,791,519
General Revenues:									-
Property taxes	7,057,395	6,508,084	549,311	-	-	-	7,057,395	6,508,084	549,311
Sales and use taxes	7,582,598	7,089,733	492,865	-	-	-	7,582,598	7,089,733	492,865
Other taxes	1,539,857	1,370,479	169,378	-	-	-	1,539,857	1,370,479	169,378
Unrestricted Investment earnings	1,130,415	1,371,925	(241,510)	1,400,652	1,352,671	47,981	2,531,067	2,724,596	(193,529)
Lease interest revenue	-	-	-	26	38	(12)	26	38	(12)
Other	479,734	216,814	262,920	-	-	-	479,734	216,814	262,920
Total Revenue	32,156,883	31,011,522	1,145,361	43,888,634	37,738,323	6,150,311	76,045,517	68,749,845	7,295,672
Expenses:									
General government	6,063,723	4,888,880	1,174,843	-	-	-	6,063,723	4,888,880	1,174,843
Police	8,818,433	7,724,400	1,094,033	-	-	-	8,818,433	7,724,400	1,094,033
Public works	6,791,917	7,084,932	(293,015)	-	-	-	6,791,917	7,084,932	(293,015)
Culture and recreation	3,748,396	3,753,153	(4,757)	-	-	-	3,748,396	3,753,153	(4,757)
Community Development	1,394,982	1,089,208	305,774	-	-	-	1,394,982	1,089,208	305,774
Interest on long-term debt	977,910	1,129,062	(151,152)	-	-	-	977,910	1,129,062	(151,152)
Electric	-	-	-	21,061,898	18,451,920	2,609,978	21,061,898	18,451,920	2,609,978
Water	-	-	-	7,523,258	8,156,819	(633,561)	7,523,258	8,156,819	(633,561)
Wastewater	-	-	-	8,919,529	5,699,960	3,219,569	8,919,529	5,699,960	3,219,569
Stormwater	-	-	-	138,291	111,647	26,644	138,291	111,647	26,644
Airport	-	-	-	264,775	304,641	(39,866)	264,775	304,641	(39,866)
Total Expenses	27,795,361	25,669,635	2,125,726	37,907,751	32,724,987	5,182,764	65,703,112	58,394,622	7,308,490
Increase (decrease) in net position before transfers	4,361,522	5,341,887	(980,365)	5,980,883	5,013,336	967,547	10,342,405	10,355,223	(12,818)
Transfers	267,791	912,757	(644,966)	(267,791)	(912,757)	644,966	-	-	-
Change in net position	4,629,313	6,254,644	(1,625,331)	5,713,092	4,100,579	1,612,513	10,342,405	10,355,223	(12,818)
Net position, 1/1, as previously reported	78,367,416	72,310,059	6,057,357	98,173,735	94,172,010	4,001,725	176,541,151	166,482,069	10,059,082
Restatement - GASB 101	-	(197,287)	197,287	-	(98,854)	98,854	-	(296,141)	296,141
Net position, 1/1, as restated	78,367,416	72,112,772	6,254,644	98,173,735	94,073,156	4,100,579	176,541,151	166,185,928	10,355,223
Net position, 12/31	$ 82,996,729	$ 78,367,416	$ 4,629,313	$ 103,886,827	$ 98,173,735	$ 5,713,092	$ 186,883,556	$ 176,541,151	$ 10,342,405

*2024 beginning balance was restated due to the implementation of GASB 101

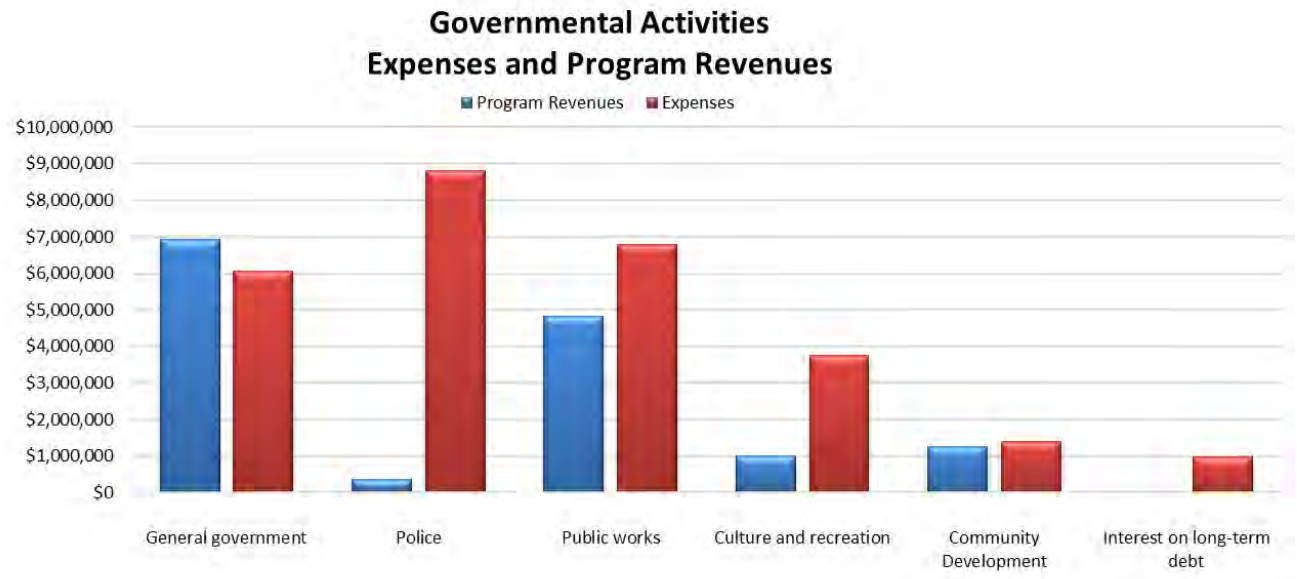
Governmental Activities

The City's net position related to governmental activities increased $4,629,313 during the year, a decrease of $1,625,331 from the prior year.

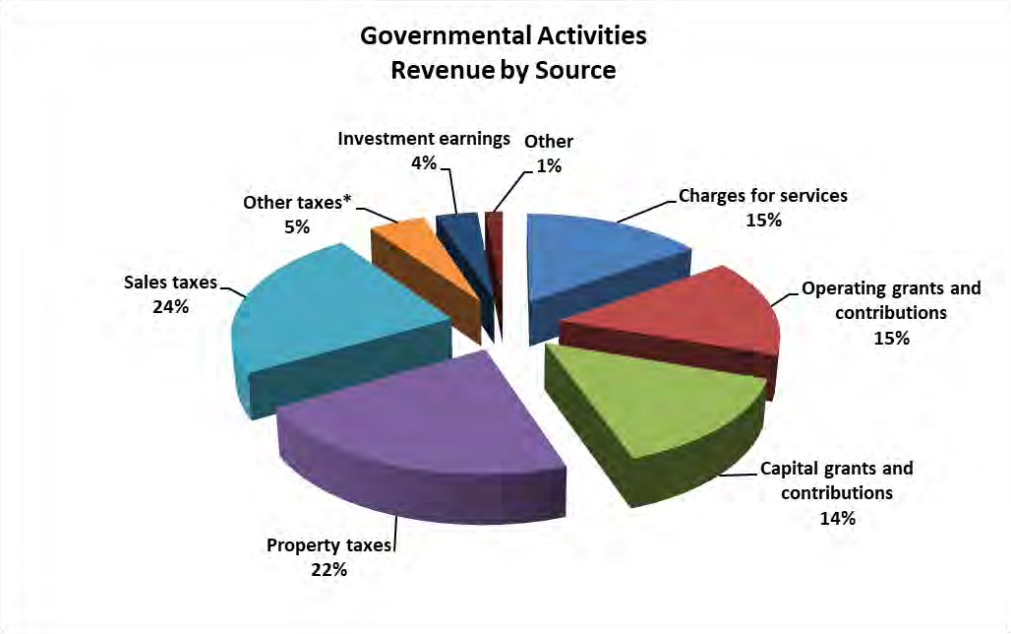
Total governmental revenues increased $1,145,361 from the prior year. The City saw a slight decrease in program revenues of $87,603. This decrease is primarily due to a large special assessment certified in 2024 that did not recur in 2025. This decrease was offset by an increase in revenues from charges for services largely related to new development and an increase in operating grants due to grant funding from the County for a street rehab project. Additionally, the City's property and sales tax increased by $1,042,176 compared to the prior year due to increased development, assessed values, population growth, and inflation.

Total governmental expenses increased $2,125,726 compared to the previous year. The largest increases came from general government and police, totaling $2,268,876, of which $347,044 was the write down to market value on the purchase of property held for resale intended for future use in the Gardner Destination Downtown Plan. Additionally, the City saw increased expenses for personnel-related costs including merit/market salary increases, increases in health insurance premiums, and inflation. The City also had increases in expenses for economic development related activities, risk services, IT-related expenses (including the purchase of IT security software) and expenses related to a special election to renew the City's infrastructure special sales tax.

The graph below illustrates how the City's various governmental activities program revenues vs. program expenses fared in 2025.



The chart below illustrates the City's overall program and general revenues for governmental activities as presented in the statement of activities:

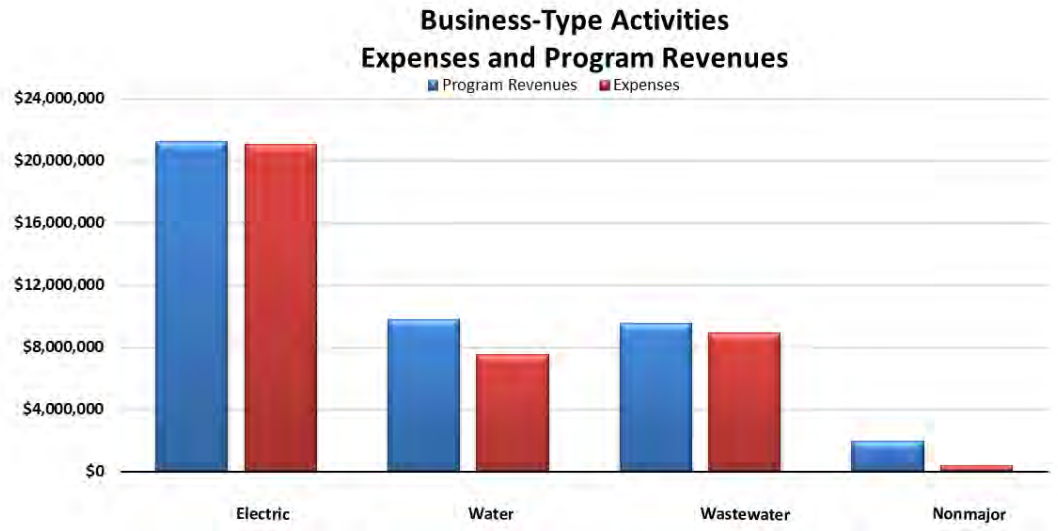


*Includes franchise tax, excise tax and transient guest tax.

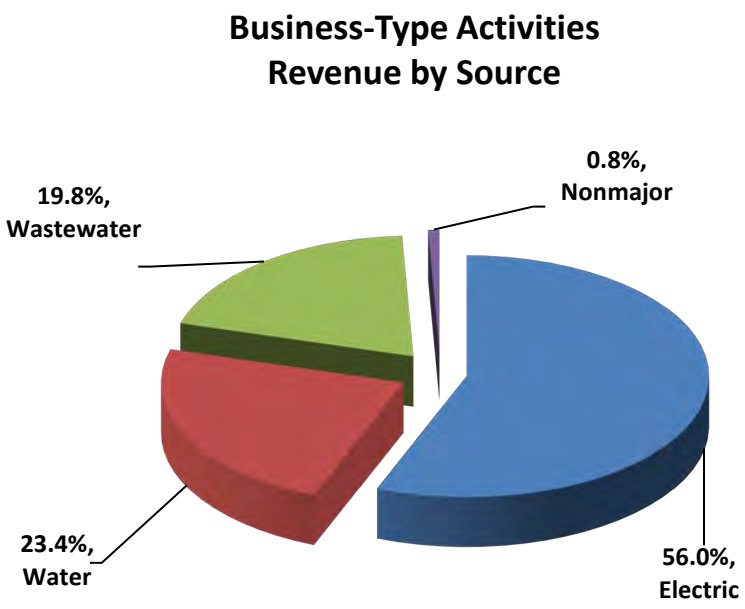
Business-Type Activities

The City's net position related to business-type activities increased $5,713,092. The electric fund remained relatively flat, experiencing a change of -0.2%. Whereas the water and wastewater funds experienced positive changes (10.0% and 8.1%, respectively) primarily due to increased rates and developer contributions.

The City's water base rates increased 3.7%, wastewater rates increased 4.2% while electric base rates were unchanged in 2025. The program revenues vs. program expenses for business-type activities chart below illustrates the overall increase in net position for the business-type activities.



The chart below illustrates the City's charges for services from business-type activities as presented in the statement of activities, which account for 85.2% of their revenues:



FINANCIAL ANALYSIS OF THE CITY'S FUNDS:

The City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds

The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and balances of resources that are available for spending. Such information is useful in assessing the City's financing requirements. In particular, unassigned fund balance may serve as a useful measure of the City's net resources available for spending at the end of the fiscal year. Types of governmental funds reported by the City include the general fund, debt service funds, capital projects funds and special revenue funds.

As of the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of $30,222,611, an increase of $1,597,750 in comparison with the prior year. Approximately 26% of this total amount or $7,785,592 constitutes fund balance that is available to meet the City's current and future needs. The remainder of the fund balance totaling $22,437,019 is restricted for specific spending or nonspendable in form.

The general fund is the chief operating fund of the City. At the end of the current fiscal year, the total fund balance was $9,819,013. As a measure of the general fund's liquidity, it may be useful to compare the available fund balance to total general fund expenditures. Available fund balance of $7,785,592 represents 36% of total general fund expenditures of $21,920,462.

The fund balance in the City's general fund had a slight increase of $99,023 during the current fiscal year. Total revenues in the general fund increased $1,541,662, and total expenditures increased $3,897,705 compared to the previous year. Revenues were higher mainly due to increased property tax collections and sales and use tax collections within the Johnson County area, as well as increased building permits, inspection fees and origination fees from new development. The increased expenditures are primarily related to merit/market salary increases and increases in health insurance premiums. Additionally, capital outlay expenditures increased due to the purchase of a track loader and IT switches, as well as increased expenditures for police vehicles and a new Subscription-Based Information Technology Arrangement.

The debt service fund had an ending fund balance of $4,568,270, all of which is restricted for the payment of debt service. This is an increase of $975,130 from the prior year. The change in the current year can be attributed to increased property tax collections and a decrease in debt service expenditures.

The capital projects fund had an ending fund balance of $2,678,637. This is a decrease of $318,564 from the prior year that is primarily due to increased capital outlay expenses for sewer improvements related to the Lone Star Prairie Special Benefit District project.

The infrastructure special sales tax fund had an ending fund balance of $1,947,622, all of which is restricted for rehabilitation of streets and pedestrian bridges and trails. This is a slight decrease of $58,689 from the previous year.

The special highway fund had an ending fund balance of $5,058,343, all of which is restricted for the construction and maintenance of streets, curbs, and sidewalks within the City. This is a decrease of $419,438 from the prior year.

Proprietary funds

The City's proprietary funds financial statements provide the same type of information found in the government-wide financial statements, but in more detail.

At the end of the current fiscal year, total net position for proprietary funds amounted to $103,847,619 which was an increase of $5,713,091 from the prior year. Total unrestricted net position for proprietary funds amounted to $24,209,499, which was an increase of $2,611,938 from the prior year.

The electric fund had total net position of $37,051,922 at the end of the current fiscal year. This is a slight decrease of $63,182 or -0.2% from the previous year. This was due to increases in operating expenses related to wholesale power purchases and electric distribution costs that were partially offset by increases in operating revenues and transfers. Additionally, the electric fund disposed of several assets that resulted in a loss of $554,414.

The water fund had total net position of $24,405,733 at the end of the current fiscal year. This is an increase of $2,213,967 or 10% from the previous year. This is mostly due to increases in operating revenues from an increased base rate and increases in capital contributions.

The wastewater fund had total net position of $32,719,936 at the end of the current fiscal year. This is an increase of $2,458,667 or 8.1%, from the previous year. The increase in net position is due to increased rates, developer contributions and investment earnings that were partially offset by increases in interest expense, losses on asset disposals, and issuance costs related to a new debt issue in 2025.

The airport fund (a non-major proprietary fund) had total net position of $5,232,768 at the end of the current fiscal year. This is an increase of $176,180 or 3.5% from the previous year due to an increase in capital grants mostly for a property acquisition for the runway protection zone that was partially offset by an increase in transfers out. The airport transferred $500,000 back to the Electric Fund in 2025 which reverses the transfer in that the electric fund provided in 2024 to temporarily finance the property acquisition.

The stormwater fund (a non-major proprietary fund) had total net position of $4,437,260 at the end of the current fiscal year. This is an increase of $927,459 or 26.4% from the previous year due to the receipt of capital contributions from developers.

The City's internal service funds had total net position of $305,958 at the end of the current fiscal year.

GENERAL FUND BUDGETARY HIGHLIGHTS:

The City's general fund budget was not amended during 2025; therefore, the original budget and the final budget are the same. During the year, total revenues were higher than budgetary estimates by $955,796. Total expenditures were $6,829,872 less than budgeted, which resulted in a positive variance of $7,785,668. General fund project reserves of $6,875,707 remain available at the end of 2025, down 8.6% from the prior year. These large reserves will provide funding to undertake major initiatives planned for the future and any unforeseen expenditures. A summary of differences between budgetary estimates for revenues and expenditures is as follows:

- Sales and use taxes were $391,253 more than estimated due to higher than expected sales and use tax collections.
- Licenses and permits revenues were $553,590 more than estimated due to increased building and construction permits from new development in the City.
- General government expenditures were $253,188 more than estimated due to higher than anticipated personnel costs, an unplanned purchase of IT security software, charges for a special election to renew the Infrastructure Special Sales Tax, higher than anticipated charges for benefit-related consulting and administration fees, and legal and consulting fees related to economic development projects.
- Police expenditures were $220,407 less than estimated due to lower than anticipated utilization of prisoner care services, significantly reduced costs for veterinary services for animal control due to a change in service providers and lower than projected charges from the building services internal service fund.
- Capital outlay expenditures were unfavorable by $179,382 due to unbudgeted capital asset purchases for a new track loader and IT switches.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

The City's investment in capital assets for its governmental and business-type activities as of December 31, 2025, amounted to $220,855,972 (net of accumulated depreciation and amortization). This investment in capital assets includes land, construction in progress, buildings, improvements, machinery and equipment, intangibles, vehicles, roads, water lines, sewer collectors and electric lines.

Major capital asset events during the current fiscal year included the following:

- The City received donated infrastructure from new development valued at $7,451,657.
- The City purchased a new street sweeper, replaced several police vehicles and purchased other pieces of equipment and vehicles through the Vehicle and Equipment Replacement Program.
- The City finished street and curb upgrades on Madison Street as part of its Comprehensive Pavement Management Program.
- The City's Wastewater Division completed construction of Winwood Park Relief Sewer and Lone Star Prairie Benefit District, as well as continued progress on sewer improvements for the Kill Creek Wastewater Treatment Facility Expansion project and a new Utility Maintenance Building.

City of Gardner's Capital Assets
(Net of Depreciation)

	Governmental Activities		Business-type Activities		Total	
	2025	2024	2025	2024	2025	2024
Land	$ 6,538,458	$ 6,538,458	$ 4,706,597	$ 4,930,797	$ 11,245,055	$ 11,469,255
Construction in progress	7,555,281	6,535,842	23,997,580	10,105,782	31,552,861	16,641,624
Buildings	13,774,077	14,201,422	37,246,533	38,425,607	51,020,610	52,627,029
Improvements	3,857,517	3,196,771	10,264,705	6,693,928	14,122,222	9,890,699
Infrastructure	48,544,026	48,339,865	57,840,336	54,841,206	106,384,362	103,181,071
Intangibles	-	-	19,002	26,955	19,002	26,955
Machinery and equipment	476,224	458,554	1,075,098	1,064,969	1,551,322	1,523,523
Vehicles	1,420,823	1,210,911	1,653,495	1,785,594	3,074,318	2,996,505
Right to use	1,886,220	1,345,521	-	49,929	1,886,220	1,395,450
	$ 84,052,626	$ 81,827,344	$ 136,803,346	$ 117,924,767	$ 220,855,972	$ 199,752,111

More detailed information about the City's capital assets is presented in Note 4 to the Basic Financial Statements.

Long-Term Debt

At the end of the current fiscal year, the City had total long-term debt outstanding of $97,702,991, excluding pension, OPEB, compensated absences, and issuance premiums. This amount was comprised of $71,592,500 of general obligation debt and $1,780,000 of bond anticipation notes backed by the full faith and credit of the City. Special assessment debt in the amount of $9,587,500 is debt for which the City is liable in the event of default by the property owners subject to the assessment. An additional $5,248,646 of the City's debt is from construction loans with the Kansas Department of Health and Environment for improvements to the wastewater system. Of the

remaining debt, $8,095,647 is from capital financing, $507,000 is from lease liabilities, and $891,698 is from subscription liabilities.

In 2025, the City issued $27,680,000 in Series 2025A General Obligation Bonds to finance certain wastewater systems and public building improvements. The City also issued $725,000 in Series 2025B General Obligation Temporary Notes to temporarily finance street and utility improvements for the Tuscan Farms Phase 1b Special Benefit District.

City of Gardner's Long-Term Debt

	Governmental Activities		Business-type Activities		Total	
	2025	2024	2025	2024	2025	2024
General obligation bonds	$ 18,522,500	$ 21,100,000	$ 53,070,000	$ 29,230,000	$ 71,592,500	$ 50,330,000
Special assessment debt with government commitment	9,587,500	10,470,000	-	-	9,587,500	10,470,000
Bond anticipation notes payable	1,780,000	1,055,000	-	-	1,780,000	1,055,000
Construction loan payable	-	-	5,248,646	5,936,605	5,248,646	5,936,605
Lease liabilities	507,000	710,000	-	50,320	507,000	760,320
Capital financing	-	-	8,095,647	8,531,157	8,095,647	8,531,157
Subscription liabilities	891,698	242,080	-	-	891,698	242,080
	$ 31,288,698	$ 33,577,080	$ 66,414,293	$ 43,748,082	$ 97,702,991	$ 77,325,162

The City was assigned an “AA-” rating from Standard & Poor’s for its general obligation bonds and a “SP-1+” for its general obligation temporary notes. State statutes limit the amount of net bonded debt (exclusive of revenue, utility, and refunding bonds) a government entity may issue to 30% of its total assessed valuation of property. The current debt limitation for the City is $120,623,026, which is significantly in excess of the City’s outstanding net bonded debt.

More detailed information about the City’s long-term debt is presented in Note 11 and 12 to the basic financial statements.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the City’s finances for all interested parties. Questions concerning any of the information provided in this report or requests for additional information should be addressed to: Finance Department, 120 East Main, Gardner, Kansas 66030.

CITY OF GARDNER, KANSAS

STATEMENT OF NET POSITION

December 31, 2025

	Primary Government		
	Governmental Activities	Business-type Activities	Total
Assets:			
Deposits and investments	$ 24,852,022	$ 32,467,981	$ 57,320,003
Receivables, net of allowance for uncollectibles:			
Taxes	7,961,748	-	7,961,748
Accounts receivable	-	3,431,629	3,431,629
Intergovernmental	1,441,450	-	1,441,450
Special assessments	12,478,465	-	12,478,465
Other	610,877	149,409	760,286
Lease receivable	-	7,635	7,635
Prepaid items	458,691	-	458,691
Inventories	171,593	1,879,309	2,050,902
Property held for redevelopment	968,900	-	968,900
Restricted deposits and investments	3,181,168	7,333,041	10,514,209
Capital assets, net of accumulated depreciation, where applicable:			
Land	6,538,458	4,706,597	11,245,055
Construction in progress	7,555,281	23,997,580	31,552,861
Buildings	13,774,077	37,246,533	51,020,610
Improvements	3,857,517	10,264,705	14,122,222
Infrastructure	48,544,026	57,840,336	106,384,362
Intangible	-	19,002	19,002
Machinery and equipment	476,224	1,075,098	1,551,322
Vehicles	1,420,823	1,653,495	3,074,318
Right to use lease and subscription assets, net of accumulated amortization, where applicable:			
Land	355,262	-	355,262
Infrastructure	701,032	-	701,032
Subscriptions	829,926	-	829,926
Total assets	136,177,540	182,072,350	318,249,890
Deferred outflows of resources:			
Unamortized portion of refunding gain	30,886	-	30,886
Pension deferred outflow	2,952,002	781,679	3,733,681
OPEB deferred outflow	3,889	2,499	6,388
Total deferred outflows of resources	2,986,777	784,178	3,770,955
Liabilities:			
Accounts payable	1,295,573	2,030,272	3,325,845
Accrued payroll	363,971	136,169	500,140
Deposits	60,375	-	60,375
Accrued interest payable	276,382	545,392	821,774
Unearned revenue	139,577	3,362,132	3,501,709
Liabilities payable from restricted assets	-	337,666	337,666
Noncurrent liabilities:			
Due within one year	5,944,120	4,169,086	10,113,206
Due in more than one year	40,572,649	68,180,687	108,753,336
Total liabilities	48,652,647	78,761,404	127,414,051
Deferred inflows of resources:			
Property tax receivable	6,908,905	-	6,908,905
Pension deferred inflow	513,033	140,536	653,569
OPEB deferred inflow	93,003	59,741	152,744
Leases deferred inflow	-	8,020	8,020
Total deferred inflows of resources	7,514,941	208,297	7,723,238
Net position:			
Net investment in capital assets	56,665,467	79,638,120	136,303,587
Restricted for:			
Debt service	16,710,943	-	16,710,943
Capital projects	4,499,478	-	4,499,478
Street improvements	7,635,594	-	7,635,594
Economic development	1,543,271	-	1,543,271
Other purposes	783,083	-	783,083
Unrestricted	(4,841,107)	24,248,707	19,407,600
Total net position	$ 82,996,729	$ 103,886,827	$ 186,883,556

The accompanying notes are an integral part of these financial statements.

CITY OF GARDNER, KANSAS

STATEMENT OF ACTIVITIES

Year Ended December 31, 2025

Functions/Programs	Expenses	Indirect Expenses Allocation	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position: Primary Government: Governmental Activities	Net (Expense) Revenue and Changes in Net Position: Primary Government: Business-Type Activities	Net (Expense) Revenue and Changes in Net Position: Primary Government: Total
Primary government:								
Governmental activities:								
General government	$ 7,820,919	$ (1,757,196)	$ 2,772,386	$ 4,167,628	$ -	$ 876,291	$ -	$ 876,291
Police	8,818,433	-	6,768	325,499	31,093	(8,455,073)	-	(8,455,073)
Public works	6,791,917	-	8,492	250,416	4,567,427	(1,965,582)	-	(1,965,582)
Culture and recreation	3,748,396	-	859,045	80,722	50,000	(2,758,629)	-	(2,758,629)
Community development	1,394,982	-	1,247,408	-	-	(147,574)	-	(147,574)
Interest on long-term debt	977,910	-	-	-	-	(977,910)	-	(977,910)
Total governmental activities	29,552,557	(1,757,196)	4,894,099	4,824,265	4,648,520	(13,428,477)	-	(13,428,477)
Business-type activities:								
Electric	20,161,802	900,096	20,938,385	-	282,675	-	159,162	159,162
Water	7,052,258	471,000	8,750,214	-	1,023,130	-	2,250,086	2,250,086
Wastewater	8,533,429	386,100	7,410,129	-	2,092,815	-	583,415	583,415
Stormwater	138,291	-	-	-	1,065,750	-	927,459	927,459
Airport	264,775	-	277,523	-	647,335	-	660,083	660,083
Total business-type activities	36,150,555	1,757,196	37,376,251	-	5,111,705	-	4,580,205	4,580,205
Total primary government	$ 65,703,112	$ -	$ 42,270,350	$ 4,824,265	$ 9,760,225	(13,428,477)	4,580,205	(8,848,272)
	General revenues:							
	Property taxes					7,057,395	-	7,057,395
	Sales and use taxes					7,582,598	-	7,582,598
	Franchise taxes					285,739	-	285,739
	Excise taxes					869,502	-	869,502
	Transient guest tax					384,616	-	384,616
	Unrestricted investment earnings					1,130,415	1,400,652	2,531,067
	Lease interest revenue					-	26	26
	Other					479,734	-	479,734
	Transfers					267,791	(267,791)	-
	Total general revenues and transfers					18,057,790	1,132,887	19,190,677
	Change in net position					4,629,313	5,713,092	10,342,405
	Net position, beginning of year					78,367,416	98,173,735	176,541,151
	Net position, end of year					$ 82,996,729	$ 103,886,827	$ 186,883,556

The accompanying notes are an integral part of these financial statements.

CITY OF GARDNER, KANSAS
BALANCE SHEET
GOVERNMENTAL FUNDS
December 31, 2025

	General	Debt Service	Capital Projects	Infrastructure Special Sales Tax	Special Highway	Non-Major Governmental Funds	Total Governmental Funds
Assets							
Deposits and investments	$ 6,733,062	$ 4,341,712	$ 1,814,243	$ 1,650,412	$ 3,454,313	$ 6,076,081	$ 24,069,823
Receivables (net of allowance for uncollectibles):							
Taxes	5,150,729	2,002,917	-	302,758	-	505,344	7,961,748
Special assessments	-	12,478,465	-	-	-	-	12,478,465
Intergovernmental	978,152	124,745	3,179	-	335,374	-	1,441,450
Other	412,666	42,403	13,577	16,507	89,431	36,293	610,877
Inventories	171,593	-	-	-	-	-	171,593
Property held for redevelopment	968,900	-	-	-	-	-	968,900
Prepaids	19,000	-	-	-	-	-	19,000
Restricted deposits and investments	873,928	59,410	850,231	-	1,397,599	-	3,181,168
Total assets	$ 15,308,030	$ 19,049,652	$ 2,681,230	$ 1,969,677	$ 5,276,717	$ 6,617,718	$ 50,903,024
Liabilities							
Accounts payable	507,689	-	2,593	22,055	152,374	61,909	746,620
Accrued payroll	346,471	-	-	-	-	-	346,471
Deposits	60,375	-	-	-	-	-	60,375
Unearned revenue	73,577	-	-	-	66,000	-	139,577
Total liabilities	988,112	-	2,593	22,055	218,374	61,909	1,293,043
Deferred Inflows of Resources							
Unavailable revenue - special assessments	-	12,478,465	-	-	-	-	12,478,465
Deferred revenue - property taxes	4,500,905	2,002,917	-	-	-	405,083	6,908,905
Total deferred inflows of resources	4,500,905	14,481,382	-	-	-	405,083	19,387,370
Fund Balances							
Nonspendable	1,159,493	-	-	-	-	-	1,159,493
Restricted							
Debt service	-	4,568,270	-	-	-	-	4,568,270
Capital projects	-	-	2,678,637	1,947,622	-	723,450	5,349,709
Street improvements	-	-	-	-	5,058,343	3,974,850	9,033,193
Economic development	696,000	-	-	-	-	847,271	1,543,271
Other	177,928	-	-	-	-	605,155	783,083
Assigned							
General government	36,990	-	-	-	-	-	36,990
Police	10,705	-	-	-	-	-	10,705
Public works	36,142	-	-	-	-	-	36,142
Community development	5,270	-	-	-	-	-	5,270
Culture and recreation	12,450	-	-	-	-	-	12,450
Unassigned	7,684,035	-	-	-	-	-	7,684,035
Total fund balances	9,819,013	4,568,270	2,678,637	1,947,622	5,058,343	6,150,726	30,222,611
Total liabilities, deferred inflows of resources and fund balances	$ 15,308,030	$ 19,049,652	$ 2,681,230	$ 1,969,677	$ 5,276,717	$ 6,617,718	$ 50,903,024

The accompanying notes are an integral part of these financial statements.

CITY OF GARDNER, KANSAS
RECONCILIATION OF THE BALANCE SHEET OF THE GOVERNMENTAL
FUNDS TO THE STATEMENT OF NET POSITION
December 31, 2025

Total fund balances in Governmental Funds Balance Sheet		$ 30,222,611
Amounts reported for governmental activities in the statement of net position are different		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		82,088,536
Right to use lease assets used in governmental activites are financial resources and therefore are not reported in the funds.		1,775,833
Other long-term assets are not available to pay for current period expenditures and therefore are deferred in the funds.		12,478,465
Deferred outflows of resources are not available and payable in the current period and therefore are not reported in the funds:		
Deferred refunding	30,886	
Deferred outflows related to pensions	2,832,618	
Deferred outflows related to OPEB	3,508	
Total		2,867,012
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds:		
Accrued interest payable	(276,382)	
Bonds:		
General obligation, bond anticipation notes and special assessments bond payable, net of unamortized premium of $1,533,151	(31,423,151)	
Net pension liability	(11,891,535)	
Right to use lease liability	(507,000)	
Right to use subscription liability	(772,110)	
Total OPEB liability	(71,158)	
Compensated absences	(1,185,693)	
Total		(46,127,029)
Other deferred inflows of resources are not due and payable in the current period and therefore are not reported in the funds:		
Deferred inflows - pensions		(491,569)
Deferred inflows - OPEB		(83,880)
Internal service funds are used by management to charge the costs of risk services, building services, fleet services and information technology services to individual funds. The assets and liabilities of these internal service funds are included in governmental activities in the statement of net position.		266,750
Net position of governmental activities		$ 82,996,729

The accompanying notes are an integral part of these financial statements.

CITY OF GARDNER, KANSAS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
Year Ended December 31, 2025

	General	Debt Service	Capital Projects	Infrastructure Special Sales Tax	Special Highway	Non-Major Governmental Funds	Total Governmental Funds
Revenues							
Taxes:							
Property tax	$ 4,787,265	$ 2,050,723	$ -	$ -	$ -	$ 219,407	$ 7,057,395
Sales and use tax	5,327,253	-	-	1,761,013	-	494,332	7,582,598
Franchise tax	285,739	-	-	-	-	-	285,739
Transient guest tax	-	-	-	-	-	384,616	384,616
Excise Tax	-	-	-	-	-	869,502	869,502
Special assessments	-	1,027,423	-	-	-	-	1,027,423
Intergovernmental	3,833,138	682,536	-	-	1,819,167	150,657	6,485,498
Licenses and permits	964,590	-	-	-	-	-	964,590
Charges for services	3,280,038	-	-	-	-	-	3,280,038
Fines and fees	541,390	-	-	-	-	108,081	649,471
Investment earnings	348,016	189,546	120,868	88,775	163,506	219,704	1,130,415
Other	402,518	-	14,580	6,907	-	-	424,005
Total revenues	19,769,947	3,950,228	135,448	1,856,695	1,982,673	2,446,299	30,141,290
Expenditures							
Current:							
General government	4,787,336	-	-	-	-	1,000,929	5,788,265
Police	8,489,742	-	-	-	-	-	8,489,742
Public works	3,385,324	-	-	89,804	505,321	-	3,980,449
Culture and recreation	2,915,998	-	14,580	-	-	-	2,930,578
Community development	1,314,645	-	-	-	-	-	1,314,645
Capital outlay	917,896	-	1,067,107	1,200,942	745,454	54,368	3,985,767
Debt service:							
Principal	109,449	3,098,000	-	565,000	-	-	3,772,449
Interest and fiscal charges	72	1,085,675	-	59,638	-	-	1,145,385
Other	-	-	26,258	-	56,490	-	82,748
Total expenditures	21,920,462	4,183,675	1,107,945	1,915,384	1,307,265	1,055,297	31,490,028
Excess of revenues over (under) expenditures	(2,150,515)	(233,447)	(972,497)	(58,689)	675,408	1,391,002	(1,348,738)
Other financing sources (uses)							
Bond anticipation note issued	-	47,475	677,525	-	-	-	725,000
Proceeds from sale of capital assets	55,729	-	-	-	-	-	55,729
Issuance of SBITAs	881,559	-	-	-	-	-	881,559
Transfers in	1,312,250	1,161,102	-	-	41,654	150,700	2,665,706
Transfers out	-	-	(23,592)	-	(1,136,500)	(221,414)	(1,381,506)
Total other financing sources (uses)	2,249,538	1,208,577	653,933	-	(1,094,846)	(70,714)	2,946,488
Net change in fund balances	99,023	975,130	(318,564)	(58,689)	(419,438)	1,320,288	1,597,750
Fund balances, beginning of year	9,719,990	3,593,140	2,997,201	2,006,311	5,477,781	4,830,438	28,624,861
Fund balances, end of year	$ 9,819,013	$ 4,568,270	$ 2,678,637	$ 1,947,622	$ 5,058,343	$ 6,150,726	$ 30,222,611

The accompanying notes are an integral part of these financial statements.

CITY OF GARDNER, KANSAS

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES OF THE GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
Year Ended December 31, 2025

Net change in fund balances - total governmental funds		$ 1,597,750
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.		
Capital Outlay	3,985,767	
SBITA Issuance	881,559	
Depreciation Expense	(4,287,761)	
SBITA Amortization Expense	(162,019)	
Lease Amortization Expense	(58,419)	
Net Change		359,127
Transfer of capital assets to electric, water, wastewater and stormwater		(1,010,809)
Some revenues reported in the statement of activities do not provide current financial resources and therefore are not reported as revenues in the governmental funds.		
Special assessments		(1,027,423)
Donated capital assets		2,987,287
Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.		
Compensated absences	(215,014)	
Accrued interest	15,240	
Premium amortization	245,292	
Deferred refunding amortization	(10,308)	
Pension	(471,343)	
OPEB	(6,377)	
Total		(442,510)
The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.		
Debt issued or incurred:		
Bond anticipation notes	(725,000)	
SBITA Issuance	(881,559)	
Principal repayments:		
General obligation and special assessment bonds payable	3,460,000	
Lease liability	203,000	
SBITA liability	109,449	
Total		2,165,890
Internal service funds are used by management to charge the costs of risk services, building services, fleet services and information technology services to individual funds. The net revenue (expense) of certain internal service funds is reported with governmental activities.		1
Change in net position of governmental activities		$ 4,629,313

The accompanying notes are an integral part of these financial statements.

CITY OF GARDNER, KANSAS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
GENERAL FUND
Year Ended December 31, 2025

	Original Budgeted Amounts	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues				
Taxes:				
Property	$ 4,758,932	$ 4,758,932	$ 4,787,265	$ 28,333
Sales and use taxes	4,936,000	4,936,000	5,327,253	391,253
Franchise	341,000	341,000	285,739	(55,261)
Intergovernmental	3,650,000	3,650,000	3,800,383	150,383
Licenses and permits	411,000	411,000	964,590	553,590
Charges for services	3,230,400	3,230,400	3,280,038	49,638
Fines and fees	666,000	666,000	541,390	(124,610)
Investment earnings	406,000	406,000	347,456	(58,544)
Other	416,500	416,500	437,514	21,014
Total revenues	18,815,832	18,815,832	19,771,628	955,796
Expenditures				
General government	4,260,900	4,260,900	4,514,088	(253,188)
Police	7,912,800	7,912,800	7,692,393	220,407
Public works	3,303,700	3,303,700	3,273,647	30,053
Culture and recreation	2,988,700	2,988,700	2,961,840	26,860
Community development	1,439,200	1,439,200	1,329,785	109,415
Capital outlay	361,900	361,900	541,282	(179,382)
Project reserve	6,875,707	6,875,707	-	6,875,707
Total expenditures	27,142,907	27,142,907	20,313,035	6,829,872
Excess of revenues over (under) expenditures	(8,327,075)	(8,327,075)	(541,407)	7,785,668
Other financing sources and (uses)				
Transfers in	1,292,900	1,292,900	1,312,250	19,350
Transfers out	(286,100)	(286,100)	-	286,100
Proceeds from sale of capital assets	-	-	55,729	55,729
Total other financing sources and (uses)	1,006,800	1,006,800	1,367,979	361,179
Net change in fund balances	(7,320,275)	(7,320,275)	826,572	8,146,847
Fund balances, beginning of year	7,320,275	7,320,275	7,848,882	528,607
Fund balances, end of year	$ -	$ -	8,675,454	$ 8,675,454
Cumulative effect of GAAP entries for inventory and cost allocations			353,891	
Encumbrances for equipment and supplies ordered but not received are not recorded for GAAP purposes until received			101,557	
GAAP fund balance			$ 9,130,902	
Fund balances for separately budgeted and non-budgeted funds included with the General Fund on GAAP financials:				
Land Bank			505,670	
Municipalities Fight Addiction Fund			177,928	
Special Olympics			4,513	
			$ 9,819,013	

The accompanying notes are an integral part of these financial statements.

CITY OF GARDNER, KANSAS
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
December 31, 2025

	Major Funds		
	Electric	**Water**	**Wastewater**
Assets			
Current assets:			
Cash and cash equivalents	$ 10,840,280	$ 3,869,657	$ 16,842,938
Accounts receivable, net	1,865,342	811,219	744,011
Lease receivable	5,087	-	-
Other receivable	80,749	24,574	41,566
Prepaid items	-	-	-
Inventories	1,680,502	168,500	12,573
Restricted deposits and investments	286,377	43,389	6,995,375
Total current assets	14,758,337	4,917,339	24,636,463
Noncurrent assets:			
Lease receivable	2,548	-	-
Capital assets:			
Land	904,594	1,014,618	710,874
Construction in progress	1,363,789	1,104,876	20,504,178
Buildings	11,581,601	32,964,565	26,647
Infrastructure	40,602,691	22,803,379	58,028,309
Intangible	401,622	259,508	-
Improvements	13,336,510	2,880,460	1,231,782
Machinery and equipment	1,127,738	416,385	1,395,107
Vehicles	1,674,740	639,157	727,566
Right to use subscriptions	-	-	-
Less accumulated depreciation and amortization	(36,677,219)	(19,121,529)	(32,255,523)
Total capital assets	34,316,066	42,961,419	50,368,940
Total noncurrent assets	34,318,614	42,961,419	50,368,940
Total assets	49,076,951	47,878,758	75,005,403
Deferred outflows of resources			
Pension deferred outflow	359,235	176,665	165,841
OPEB deferred outflow	1,148	565	530
Total deferred outflows of resources	360,383	177,230	166,371
Liabilities			
Current liabilities:			
Accounts payable	551,273	361,749	1,087,249
Accrued payroll	50,270	36,120	34,286
Customer and developer deposits	286,377	43,389	-
Accrued interest payable	13,109	155,018	377,265
Unearned revenue	-	-	3,362,132
Bonds payable	365,000	1,215,000	1,105,000
Construction loans payable	-	-	704,487
Capital financing	456,479	-	-
Subscription liability	-	-	-
Compensated absences	119,948	64,764	80,037
Total current liabilities	1,842,456	1,876,040	6,750,456
Noncurrent liabilities:			
Bonds payable, net	1,311,186	20,991,700	30,411,826
Construction loan payable	-	-	4,544,159
Capital financing	7,639,168	-	-
Compensated absences	67,470	36,430	45,021
Net Pension liability	1,401,781	689,367	647,134
Total OPEB liability	23,290	11,454	10,752
Total noncurrent liabilities	10,442,895	21,728,951	35,658,892
Total liabilities	12,285,351	23,604,991	42,409,348
Deferred inflows of resources			
Leases deferred inflow	8,020	-	-
Pension deferred inflow	64,586	31,762	29,816
OPEB deferred inflow	27,455	13,502	12,674
Total deferred inflows of resources	100,061	45,264	42,490
Net position			
Net investment in capital assets	24,352,643	21,627,112	24,518,336
Unrestricted	12,699,279	2,778,621	8,201,600
Total net position	$ 37,051,922	$ 24,405,733	$ 32,719,936

The accompanying notes are an integral part of these financial statements.

CITY OF GARDNER, KANSAS
STATEMENT OF NET POSITION
PROPRIETARY FUNDS (Continued)
December 31, 2025

	Nonmajor Funds Totals	Total	Internal Service Funds
Assets			
Current assets:			
Cash and cash equivalents	$ 507,192	$ 32,060,067	$ 1,190,113
Accounts receivable, net	11,057	3,431,629	-
Lease receivable	-	5,087	-
Other receivable	2,520	149,409	-
Prepaid items	-	-	439,691
Inventories	17,734	1,879,309	-
Restricted deposits and investments	7,900	7,333,041	-
Total current assets	546,403	44,858,542	1,629,804
Noncurrent assets:			
Lease receivable	-	2,548	-
Capital assets:			
Land	2,076,511	4,706,597	-
Construction in progress	1,024,737	23,997,580	47
Buildings	1,745,363	46,318,176	-
Infrastructure	6,584,597	128,018,976	-
Intangible	-	661,130	-
Improvements	880,033	18,328,785	-
Machinery and equipment	17,410	2,956,640	560,588
Vehicles	-	3,041,463	77,057
Right to use subscriptions	-	-	454,767
Less accumulated depreciation and amortization	(3,171,730)	(91,226,001)	(904,202)
Total capital assets	9,156,921	136,803,346	188,257
Total noncurrent assets	9,156,921	136,805,894	188,257
Total assets	9,703,324	181,664,436	1,818,061
Deferred outflows of resources			
Pension deferred outflow	-	701,741	199,322
OPEB deferred outflow	-	2,243	637
Total deferred outflows of resources	-	703,984	199,959
Liabilities			
Current liabilities:			
Accounts payable	17,548	2,017,819	561,406
Accrued payroll	627	121,303	32,366
Customer and developer deposits	7,900	337,666	-
Accrued interest payable	-	545,392	-
Unearned revenue	-	3,362,132	-
Bonds payable	-	2,685,000	-
Construction loans payable	-	704,487	-
Capital financing	-	456,479	-
Subscription liability	-	-	119,588
Compensated absences	4,621	269,370	98,246
Total current liabilities	30,696	10,499,648	811,606
Noncurrent liabilities:			
Bonds payable, net	-	52,714,712	-
Construction loan payable	-	4,544,159	-
Capital financing	-	7,639,168	-
Compensated absences	2,600	151,521	58,684
Net Pension liability	-	2,738,282	777,780
Total OPEB liability	-	45,496	12,923
Total noncurrent liabilities	2,600	67,833,338	849,387
Total liabilities	33,296	78,332,986	1,660,993
Deferred inflows of resources			
Leases deferred inflow	-	8,020	-
Pension deferred inflow	-	126,164	35,836
OPEB deferred inflow	-	53,631	15,233
Total deferred inflows of resources	-	187,815	51,069
Net position			
Net investment in capital assets	9,140,029	79,638,120	68,669
Unrestricted	529,999	24,209,499	237,289
Total net position	$ 9,670,028	103,847,619	$ 305,958
Some amounts reported for business-type activities in the statement of net position are different because certain internal service fund assets and liabilities are included with business-type activities.		39,208	
Net position of business-type activities		$ 103,886,827	

The accompanying notes are an integral part of these financial statements.

CITY OF GARDNER, KANSAS
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
Year Ended December 31, 2025

	Major Funds		
	Electric	Water	Wastewater
Operating revenues			
Charges for sales and services	$ 20,709,745	$ 8,750,214	$ 7,407,453
Other	228,640	-	2,676
Total operating revenues	20,938,385	8,750,214	7,410,129
Operating expenses			
Administration	1,941,112	1,374,720	1,159,643
Wholesale energy cost	11,878,184	-	-
Generation	1,383,842	-	-
Treatment	-	3,048,148	1,320,718
Distribution and collection	2,786,208	884,029	672,355
Contractual services	-	-	-
Other supplies and expenses	-	-	-
Repairs and maintenance	-	-	-
Depreciation and amortization	2,019,800	1,571,434	2,131,888
Lease amortization	49,929	-	-
Other	-	-	-
Total operating expenses	20,059,075	6,878,331	5,284,604
Operating income (loss)	879,310	1,871,883	2,125,525
Nonoperating revenues (expenses)			
Investment earnings	543,231	125,446	715,878
Interest expense	(448,306)	(556,403)	(954,535)
Lease interest income	26	-	-
Lease interest expense	(104)	-	-
Gain (Loss) sale of assets	(554,414)	(88,524)	(2,073,260)
Other	-	-	(607,130)
Total nonoperating revenues (expenses)	(459,567)	(519,481)	(2,919,047)
Income (loss) before transfers and contributions	419,743	1,352,402	(793,522)
Capital grants and contributions	282,675	1,096,765	3,029,989
Transfers in	500,000	-	306,000
Transfers out	(1,265,600)	(235,200)	(83,800)
Change in net position	(63,182)	2,213,967	2,458,667
Total net position, beginning	37,115,104	22,191,766	30,261,269
Total net position, ending	$ 37,051,922	$ 24,405,733	$ 32,719,936

The accompanying notes are an integral part of these financial statements.

CITY OF GARDNER, KANSAS
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS (Continued)
Year Ended December 31, 2025

	Nonmajor Funds Totals	Total	Internal Service Funds
Operating revenues			
Charges for sales and services	$ 277,523	$ 37,144,935	$ 4,517,801
Other	-	231,316	41,265
Total operating revenues	277,523	37,376,251	4,559,066
Operating expenses			
Administration	158,618	4,634,093	1,426,446
Wholesale energy cost	-	11,878,184	-
Generation	-	1,383,842	-
Treatment	-	4,368,866	-
Distribution and collection	-	4,342,592	-
Contractual services	-	-	2,136,458
Other supplies and expenses	-	-	111,163
Repairs and maintenance	11,158	11,158	110,756
Depreciation and amortization	233,290	5,956,412	146,980
Lease amortization	-	49,929	-
Other	-	-	621,661
Total operating expenses	403,066	32,625,076	4,553,464
Operating income (loss)	(125,543)	4,751,175	5,602
Nonoperating revenues (expenses)			
Investment earnings	16,097	1,400,652	-
Interest expense	-	(1,959,244)	-
Lease interest income	-	26	-
Lease interest expense	-	(104)	-
Gain (Loss) sale of assets	-	(2,716,198)	-
Other	-	(607,130)	-
Total nonoperating revenues (expenses)	16,097	(3,881,998)	-
Income (loss) before transfers and contributions	(109,446)	869,177	5,602
Capital grants and contributions	1,713,085	6,122,514	-
Transfers in	-	806,000	-
Transfers out	(500,000)	(2,084,600)	(5,600)
Change in net position	1,103,639	5,713,091	2
Total net position, beginning, as previously reported	8,566,389	98,134,528	305,956
Total net position, ending	$ 9,670,028	103,847,619	$ 305,958
	Change in net position	5,713,091	
Some amounts reported for business-type activities in the statements of activities are different because the net revenue of certain internal service funds is reported with business-type activities.		1	
	Change in net position of business-type activities	$ 5,713,092	

The accompanying notes are an integral part of these financial statements.

CITY OF GARDNER, KANSAS
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
Year Ended December 31, 2025

	Major Funds	
	Electric	**Water**
Cash flows from operating activities:		
Receipts from customers	$ 20,987,299	$ 8,709,385
Other receipts	-	-
Payments to suppliers	(15,964,439)	(3,641,510)
Payments to employees	(2,129,273)	(1,427,105)
Net cash provided by operating activities	2,893,587	3,640,770
Cash flows from noncapital financing activities:		
Transfers from other funds	500,000	-
Transfers to other funds	(1,265,600)	(235,200)
Net cash provided by (used in) noncapital financing activities	(765,600)	(235,200)
Cash flows from capital and related financing activities:		
Capital grants and contributions	-	-
Acquisition and construction of capital assets	(5,442,836)	(931,062)
Principal paid on general obligation bonds	(360,000)	(1,620,000)
Principal paid on construction loan	-	-
Principal paid on capital financing	(435,510)	-
Principal paid on lease liability	(50,320)	-
Principal paid on subscription liability	-	-
Interest paid on general obligation bonds, construction loan, and capital financing	(480,573)	(675,574)
Proceeds from general obligation bonds including premiums	-	-
Proceeds from sale of assets	160,133	4,013
Issuance costs and fees	-	-
Net cash used in capital and related financing activities	(6,609,106)	(3,222,623)
Cash flows from investing activities:		
Maturity of U.S. Treasury bill	3,009,419	687,272
Interest received	543,257	125,446
	3,552,676	812,718
Net increase (decrease) in cash and cash equivalents	(928,443)	995,665
Cash and cash equivalents, beginning of year	12,055,100	2,917,381
Cash and cash equivalents, end of year	$ 11,126,657	$ 3,913,046

CITY OF GARDNER, KANSAS
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
Year Ended December 31, 2025

Wastewater	Nonmajor Funds Totals	Total	Internal Service Funds
$ 7,381,180	$ 421,566	$ 37,499,430	$ 4,517,801
-	-	-	41,265
(3,174,154)	(288,346)	(23,068,449)	(2,853,490)
(1,297,643)	(19,427)	(4,873,448)	(1,532,646)
2,909,383	113,793	9,557,533	172,930
306,000	-	806,000	-
(83,800)	(500,000)	(2,084,600)	(5,600)
222,200	(500,000)	(1,278,600)	(5,600)
-	647,335	647,335	-
(15,788,046)	(133,656)	(22,295,600)	(36,657)
(1,860,000)	-	(3,840,000)	-
(687,959)	-	(687,959)	-
-	-	(435,510)	-
-	-	(50,320)	-
-	-	-	(122,492)
(725,380)	-	(1,881,527)	-
28,523,876	-	28,523,876	-
5,512	-	169,658	-
(592,716)	-	(592,716)	-
8,875,287	513,679	(442,763)	(159,149)
2,230,672	70,915	5,998,278	-
715,878	16,097	1,400,678	-
2,946,550	87,012	7,398,956	-
14,953,420	214,484	15,235,126	8,181
8,884,893	300,608	24,157,982	1,181,932
$ 23,838,313	$ 515,092	$ 39,393,108	$ 1,190,113

The accompanying notes are an integral part of the financial statements

CITY OF GARDNER, KANSAS

STATEMENT OF CASH FLOWS
(Continued)

PROPRIETARY FUNDS

Year Ended December 31, 2025

	Electric	Water
Cash consists of:		
Cash	$ 10,840,280	$ 3,869,657
Restricted deposits and investments	286,377	43,389
	11,126,657	3,913,046
Reconciliation of operating income (loss) to net cash provided by operating activities:		
Operating income (loss)	879,310	1,871,883
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:		
Items not requiring cash:		
Depreciation and amortization expense	2,069,729	1,571,434
OPEB expense	(2,067)	510
Pension expense	(35,992)	16,090
Changes in:		
Receivables	(16,480)	(44,646)
Inventories	(127,513)	34,783
Leases deferred inflow	(4,960)	-
Prepaid expenses	-	-
Accounts payable	57,608	163,819
Accrued liabilities	3,598	23,080
Customer deposits	70,354	3,817
Net cash provided by operating activities	$ 2,893,587	$ 3,640,770
Noncash investing capital and financing activities:		
Contributed capital assets	$ 282,675	$ 1,096,765
Capital related accounts payable/retainage payable	248,820	292,607

CITY OF GARDNER, KANSAS

STATEMENT OF CASH FLOWS
(Continued)

PROPRIETARY FUNDS

Year Ended December 31, 2025

Wastewater	Nonmajor Funds Totals	Total	Internal Service Funds
$ 16,842,938	$ 507,192	$ 32,060,067	$ 1,190,113
6,995,375	7,900	7,333,041	-
23,838,313	515,092	39,393,108	1,190,113
2,125,525	(125,543)	4,751,175	5,602
2,131,888	233,290	6,006,341	146,980
725	-	(832)	(2,322)
20,563	-	661	(46,019)
(28,949)	143,543	53,468	650
(366)	10,091	(83,005)	-
-	-	(4,960)	-
-	-	-	(429,534)
(1,357,494)	(149,310)	(1,285,377)	467,551
17,491	1,222	45,391	30,022
-	500	74,671	-
$ 2,909,383	$ 113,793	$ 9,557,533	$ 172,930
$ 3,029,989	$ 1,065,750	$ 5,475,179	-
1,069,874	16,892	1,628,193	-

The accompanying notes are an integral part of the financial statements

NOTES TO BASIC FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies

The City of Gardner, Kansas (the City) is located in Johnson County, Kansas and was first incorporated in 1887 under the provisions of the constitution and general statutes of the State of Kansas. The City operates under a Mayor-Council-Administrator form of government and provides a full range of services including police; public works; community services; recreation and leisure; planning and codes enforcement; general management; and electric, water, wastewater, and stormwater utilities, as well as a municipal airport.

Reporting Entity

The accompanying financial statements present the City and its component unit, an entity for which the City is considered to be financially accountable. The blended component unit, although a legally separate entity, is, in substance, part of the City's operations.

Blended Component Unit. The Public Building Corporation (PBC) is a not-for-profit corporation governed by the Mayor, certain City Council members and members of the City's management. The PBC's sole purpose is to acquire assets and construct facilities and infrastructure for the benefit of the City through the issuance of revenue bonds pursuant to Kansas Statute 12-1757. In prior years, the financial statements of the PBC have been included within the City's reporting entity as a capital projects fund (City Hall); however, in 2017 - 2025, there was no fund balance or activity to report. Separately issued financial statements of the PBC are not available.

Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the primary government. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds and proprietary funds. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

NOTES TO BASIC FINANCIAL STATEMENTS
(Continued)

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. A 90-day availability period is used for revenue recognition for all governmental funds revenues except property taxes for which a 60-day availability period is used. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

In applying the susceptible to accrual concept to intergovernmental revenues, the legal and contractual requirements of the numerous individual programs are used as guidance. There are, however, essentially two types of these revenues. In one, monies must be expended for the specific purpose or project before any amounts will be paid to the City; therefore, revenues are recognized based upon the expenditures recorded. In the other, monies are virtually unrestricted as to purpose of expenditure and are usually revocable only for failure to comply with prescribed requirements. These resources are reflected as revenues at the time of receipt, or earlier if the susceptible to accrual criteria are met.

Property taxes, sales taxes, franchise taxes, interest associated with the current fiscal period, and certain state and federal grants and entitlements are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the City. While property taxes are shown on the balance sheet as current assets of the City, they are not recognized as revenue at year-end because statutory provisions prohibit their use until the year for which they were raised and budgeted. Instead, they are offset by deferred inflows of resources accounts.

Central service costs are allocated between all City divisions, departments, and funds to recognize the cross support provided between central service and the departments.

The City reports the following major governmental funds:

The general fund is the City's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund. This fund accounts for the general operating transactions of the City including police, public works, parks and recreation, community development and administration.

The debt service fund accounts for the resources accumulated and payments made for principal and interest on long-term debt of governmental funds.

The capital projects fund accounts for the acquisition and construction of major capital facilities and the construction of infrastructure for special benefit districts other than those financed by enterprise funds.

The infrastructure special sales tax fund accounts for the sales tax revenues that are restricted to expenditures relating to the rehabilitation of streets and pedestrian trails and bridges.

The special highway fund accounts for the State's motor fuel tax and special county sales and use tax revenues that are restricted to expenditures related to the construction and maintenance of streets, curbs and sidewalks.

The City reports the following major proprietary funds:

The electric fund accounts for the planning, development, production, purchase, transmission and distribution of all electricity for the City.

The water fund accounts for the operation and maintenance activities of the City's water treatment and distribution system.

The wastewater fund accounts for the operation and maintenance activities of the City's wastewater collection and treatment system.

Additionally, the City reports the following fund type:

Internal service funds account for risk services, information technology services, building services, fleet services, and utility billing services provided to other departments on a cost reimbursement basis.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. An exception to this rule is charges between the City's enterprise funds and various other functions of the City. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the electric, water, wastewater, and stormwater funds are charges to customers for sales and services. Operating revenues in the electric fund also include lease revenues. The principal operating revenues for the municipal airport are hangar rental and fuel sales. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted resources first, then unrestricted resources as they are needed.

Pooled Cash and Investments

Cash and investments of the individual funds are combined to form a pool that is managed by the Finance Director. Each fund's equity in the pool is included in "deposits and investments" in the financial statements. These pooled deposits and investments consist of operating accounts, certificates of deposit, and pooled municipal investment pool. The municipal investment pool is not an SEC registered pool. The Pooled Money Investment Board (PMIB) provides the regulatory oversight for this pool. The reported value of the pool is the same as the fair value of the pool shares. Investment earnings, including interest income, are allocated to the funds required to accumulate interest; other investment earnings are allocated based on management discretion and upon their average daily equity balances. If a fund is not required to account for its own earnings by law or regulation, the earnings are allocated to the General Fund.

Investments are measured at fair value. Fair value is defined as the exchange price that would be received to sell an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction. There is a fair value hierarchy which requires an entity to maximize the use of observable inputs when measuring fair value.

Statement of Cash Flows

For purposes of the statement of cash flows, the City considers deposits and highly liquid investments with an original maturity of three months or less to be cash equivalents. See Note 3, Deposits and Investments for a detailed breakdown of the City's investments.

Allowances for Uncollectibles

All trade receivables are shown net of an allowance for uncollectibles. Trade accounts receivable in excess of 238 days comprise the trade accounts receivable allowance for uncollectibles. The allowance for trade uncollectibles is as follows at December 31, 2025:

Electric Fund	$ 998,859
Water Fund	$ 398,718
Wastewater Fund	$ 359,975

Restricted Assets

The State of Kansas requires the City to maintain customer utility and developer deposits separate from City assets in the enterprise funds. Interest earned on deposits is credited back to customers as required by State statutes. Restricted deposits and investments are also set aside for capital projects and debt service.

Property Taxes

The City's property tax is levied each year on the assessed value of all real estate listed as of the prior January 1, the lien date. Assessed values are established by Johnson County.

Property taxes are legally restricted for use in financing operations of the ensuing year. Accordingly, the City defers revenue recognition until the year for which they are to be used. Property taxes are levied on November 1 of each year. Property owners have the option of paying one-half of the full amount of the taxes levied on or before December 20 during the year levied with the balance to be paid on or before May 10 of the following year. Property taxes become delinquent on December 20 of each fiscal year if the taxpayer has not remitted at least one-half of the amount due. The Johnson County Treasurer is the tax collection agent for all taxing entities within the County. Property taxes levied in prior years that remain uncollected are recorded as receivables, net of estimated uncollectibles.

Inventories

Inventories consist of expendable supplies and merchandise held for consumption. All inventories are valued at cost.

Prepaid Items

Prepaid items are those paid out in the current year but which benefit future accounting periods. The City uses the consumption method and records these items as an asset.

Capital Assets

Capital assets, which include property, plant, equipment, infrastructure (e.g., roads, bridges, sidewalks and similar items), intangibles, vehicles and construction in progress are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined as follows:

Major Asset Class	Minimum Cost Threshold	Useful-life Threshold
Land	$25,000	Not Applicable
Buildings and Improvements	$250,000	10 years
Machinery and Equipment	$25,000	3 years
Vehicles	$25,000	3 years
Infrastructure	$250,000	10 years
Intangible Assets	$100,000	3 years

Capital assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets, donated works of art and similar items, and capital assets received in a service concession arrangement are recorded at acquisition value.

Lease assets and subscriptions are amortized in a systematic and rational manner over the shorter of the lease or subscription term or the useful life of the underlying asset. The City's right-to-use asset – land is not being amortized in accordance with the exception to the amortization rule in paragraph 32 of GASB Statement No. 87.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the life of the asset are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed.

Property, plant, and equipment of the primary government, as well as the component unit, are depreciated using the straight-line method. Additionally, a full year of depreciation expense is recognized in the year of acquisition and none in the year of disposal. Depreciation is recognized over the following estimated useful lives.

Buildings and improvements	10 - 40 years
Machinery and equipment	3 - 10 years
Vehicles	3 - 10 years
Infrastructure	10 - 50 years

The City will, from time to time, acquire electric utility customers and water utility customers. These transactions will be reported in the electric fund and the water fund, respectively and will also be reported in the business-type activities column in the government-wide financial statements as an intangible capital asset. The city is amortizing these assets based on the revenue generated from the acquired customers.

Lease Arrangements

For arrangements where the City is a lessee, a lease liability and a right to use (RTU) intangible asset are recognized at the commencement of the lease term. RTU assets represent the City's right to use underlying assets for the lease term and lease liabilities represent the City's obligation to make lease payments arising from the lease. RTU assets and lease liabilities are recognized at the lease commencement date based on the estimated present value of lease payments over the lease term.

For governmental fund statements, an expenditure and other financing source are reported in the period the lease is initially recognized. The expenditure and other financing source are measured as noted in the previous paragraph. Subsequent governmental fund lease payments are accounted for consistent with principles of debt service payments on long-term debt.

For government-wide and proprietary fund statements, for arrangements in which the City is the lessor, a lease receivable and a deferred inflow of resources is recognized at the commencement of the lease term. The lease receivable is measured at the present value of the lease payments expected to be received during the lease term. The deferred inflows of resources should be measured at the value of the lease receivable plus any payments received at or before the commencement of the lease term that relates to future periods. The City is only a lessor for business-type activities.

The City uses an incremental borrowing rate to calculate the present value of lease payments when the rate implicit in the lease is not known. This incremental borrowing rate is a combination of an applicable market rate and a credit spread based on market data points as of the most recent quarter end corresponding to the lease commencement date. The City includes lease extension and termination options in the lease term, if after considering relevant economic factors, it is reasonably certain the City will exercise the option. The City has elected to not recognize RTU assets and lease liabilities for lease terms for 12 months or less. Additionally the City has applied a lease recognition threshold similar to the threshold applied to capital assets. See the Capital Asset section above.

Subscription-Based Information Technology Arrangements

A subscription liability and a right to use (RTU) intangible asset are recognized at the commencement of the subscription-based information technology arrangement (SBITA). RTU assets represent the City's right to use underlying assets for the SBITA term and subscription liabilities represent the City's obligation to make subscription payments arising from the arrangement. RTU assets and subscription liabilities are recognized at the SBITA commencement date based on the estimated present value of subscription payments over the term.

For governmental fund statements, an expenditure and other financing source are reported in the period the SBITA is initially recognized. The expenditure and other financing source are measured

as noted in the previous paragraph. Subsequent governmental fund subscription payments are accounted for consistent with principles of debt service payments on long-term debt.

The City uses an incremental borrowing rate to calculate the present value of subscription payments when the rate implicit in the SBITA is not known. This incremental borrowing rate is calculated as described above for lease arrangements. The City includes SBITA extension and termination options in the SBITA term, if after considering relevant economic factors, it is reasonably certain the City will exercise the option. The City has elected to not recognize RTU assets and subscription liabilities for SBITA terms for 12 months or less. Additionally, the City applies the RTU intangible asset threshold for recognition as defined in the capital asset section above.

Compensated Absences

The City's policies allow employees to accumulate up to one and one half times their annual vacation accrual at any time and can carry over to subsequent years. This carryover, payable upon separation from service, can range from 156 to 300 hours depending upon the employee's length of service.

All vacation pay is accrued when incurred in the government-wide and proprietary fund financial statements. In the governmental fund financial statements, a liability for these amounts is reported only when they have matured, for example, as a result of employee resignations and retirements.

Sick leave for full-time employees accrues at the rate of 3.692 hours per bi-weekly pay period with a maximum accumulation of 1,040 hours. Hours accumulated at the end of the year over the 1,040 hours are paid out the following January at a specified rate. Regular part-time employees accrue sick leave at a proportional rate to full-time employees. Twenty percent of accumulated sick pay under the 1,040 hours is payable upon separation from service and has been included in the compensated absences calculation. This calculation also now includes an estimate of sick leave to be used in the next year based on a five-year historical average of sick leave taken due to the implementation of GASB 101**.**

Long-Term Obligations

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount.

The net pension liability is calculated as the difference between the actuarially calculated value of the projected benefit payments attributed to past periods of employee service and the plan's fiduciary net position. The total pension expense is comprised of the service cost or actuarial present value of projected benefit payments attributed to the valuation year, interest on the total pension liability, plan administrative expenses, current year benefit changes, and other changes in plan fiduciary net position less employee contributions and projected earnings on plan investments. Additionally, the total pension expense includes the annual recognition of outflows and inflows of resources due to pension assets and liability.

For purposes of measuring the collective net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Kansas Public Employees Retirement System (KPERS) and additions to/deductions from KPERS' fiduciary net position have been determined on the same basis as they are reported by KPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Fund Balances

As prescribed by GASB Statement No. 54, governmental funds report fund balance classifications based primarily on the extent to which the City is bound to honor constraints on the specific purposes for which amounts in the funds can be spent. These potential classifications are defined as follows:

Nonspendable fund balance – includes amounts that are (a) not spendable in form, or (b) legally or contractually required to remain intact. The "not in spendable form" criterion includes items that are not expected to be converted to cash, for example: inventories, prepaid amounts, property held for redevelopment, and long-term notes receivable.

Restricted fund balance – includes amounts that can be spent only for the specific purposes stipulated by external resource providers, constitutionally or through enabling legislation. Restrictions may effectively be changed or lifted only with the consent of resource providers.

Committed fund balance – includes amounts that can only be used for specific purposes determined by a formal action of the City's highest level of decision-making authority, the City

Council. Commitments are created by, and can only be changed or removed by, a resolution adopted by the City Council.

Assigned fund balance – includes amounts intended to be used by the City for specific purposes that are neither restricted nor committed. For this type of fund balance, the governing body (City Council) has delegated this authority to the City Administrator and Directors as outlined in the City's Purchasing Policy.

Unassigned fund balance – is the residual classification for the General Fund and includes all amounts not contained in other classifications. Unassigned amounts are technically available for any purpose. A positive unassigned fund balance is only possible in the general fund.

In circumstances when an expenditure is made for a purpose for which amounts are available in multiple fund balance classifications, fund balance is depleted in the order of restricted, committed, assigned, and unassigned.

Deferred outflows/inflows of resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net assets that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then. The government has three items that qualify for reporting in this category. First is the deferred charge on refunding reported in the government-wide statement of net position and proprietary funds statement of net position. A deferred charge on the refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The second is the deferred outflow for pension related items. See Note 6 for more information on this deferred outflow. Lastly, the government reports a deferred outflow for OPEB related items. See Note 8 for more information.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net assets that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. The City has five types of items, unavailable revenue, deferred revenue, deferred inflow for leases, deferred inflow for pension related items, and deferred inflow for OPEB related items that qualify for reporting in this category. Unavailable revenue, which arises only under a modified accrual basis of accounting, is reported only in the governmental funds balance sheet.

The governmental funds report unavailable revenues from special assessments. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. Deferred revenues are reported in both the government-wide statement of net position and the governmental funds balance sheet for property tax receivable. Property taxes are not

recognized as revenue until the period for which they are levied. Deferred inflow for leases are deferred and recognized as revenue in a systematic and rational manner over the term of the lease. See Note 11 for more details. The last two items, deferred inflows for pension related items and deferred inflows for OPEB related items, are reported in the statements of net position. See Notes 6 and 8 for more information on these deferred inflows.

Governmental funds report deferred inflows of resources in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Deferred inflows of resources are reported as follows:

General fund property taxes receivable	$	4,500,905
Debt service fund property taxes receivable		2,002,917
Debt service fund special assessments receivable		12,478,465
Non-major governmental fund property taxes receivable		405,083
	$	19,387,370

Net position

The government-wide statement of net position reports $31,172,369 of restricted net position, of which $3,974,850 is restricted by enabling legislation.

Concentrations of Credit Risk

Loans are extended, on a fully secured basis, to local businesses under an economic development loan program. Credit is extended to citizens for special assessments levied by the City for capital improvements. These special assessments are secured by liens on the related properties. Unsecured credit is extended to customers for electric, water and sewer fees and charges for services. Intergovernmental receivables include unsecured amounts due from federal, state and county agencies for various grant programs.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Pending Governmental Accounting Standards Board Statements

GASB Statement No. 103, *Financial Reporting Model Improvements*, improves five key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability:

1) Management Discussion and Analysis (MD&A) This statement requires that information presented in MD&A be limited to related topics discussed in five sections: 1) Overview of Financial Statements, 2) Financial Summary, 3) Detailed Analyses, 4) Significant Capital Asset and Long-Term Financing Activity and 5) Currently Known Facts, Decisions, or Conditions. MD&A should also explain why balances and results of operations changed and avoid unnecessary duplication by not repeating explanations that may be relevant to multiple sections. MD&A should continue to distinguish between the primary government and its discretely presented component units.

2) Unusual or Infrequent Items are described as transactions and other events that are either unusual in nature or infrequent in occurrence. These items are required to be displayed separately as the last presented flow of resources prior to the net change in resource flows in government-wide, governmental fund, and proprietary fund statements of resource flows.

3) Presentation of Proprietary Fund Statement of Revenues, Expenses and Changes in Fund Net position should continue to distinguish between operating and nonoperating revenues and expenses and provides additional guidance on determining nonoperating revenues and expenses. Additional subtotals are required to be presented to show a subtotal for "operating income (loss) and noncapital subsidies" prior to reporting other nonoperating revenues and expenses. Subsidies are defined within the statement.

4) Major Component Unit Information is required to be presented separately in the reporting entity's statement of net position and statement of activities if it does not reduce the readability of the statements. If readability is impacted, combining statements of major component units should be presented after the fund financial statements.

5) Budgetary Comparison Information is required to be presented as required supplementary information (RSI) and variances between original and final budget amounts and variances between final and actual amounts are required to be presented. Explanation of significant difference must be presented in notes to the RSI.

The provisions of this statement are effective for financial statements for the City's fiscal year ending December 31, 2026.

GASB Statement No. 104, *Disclosure of Certain Capital Assets*, improves financial reporting by providing users of financial statements with essential information about certain types of capital assets in order to make informed decisions and assess accountability. Additionally, the disclosure

requirements will improve consistency and comparability between governments. This statement requires certain capital assets to be disclosed separately in the capital assets note disclosures including lease assets, intangible right-to-use assets recognized in accordance with Public-Private and Public-Public Partnerships and Availability Payment Arrangements and subscription assets. In addition, intangible assets other than those three types must be disclosed separately by major class. This statement also requires additional disclosures on capital assets held for sale. The provisions of this statement are effective for financial statements for the City's fiscal year ending December 31, 2026.

GASB Statement No. 105, *Subsequent Events*, improves financial reporting related to subsequent events by clarifying the time frame for subsequent events and what subsequent events that constitute recognized and nonrecognized events, as well as specifying the items that are required to be disclosed about subsequent events. The provisions of this statement are effective for financial statements for the City's fiscal year ending December 31, 2027.

2. Stewardship, Compliance and Accountability

Budgetary Information

Applicable Kansas statutes require that budgets be legally adopted for the general fund, special revenue funds (unless exempted by a specific statute), enterprise funds and the debt service fund. A legal operating budget is not required for the Capital Project Fund, the Vehicle and Equipment Replacement Fund, the Special Olympics Fund, and the Law Enforcement Trust Fund. Legal operating budgets are, however, required for the Infrastructure Special Sales Tax, Park Improvement, Special Highway, and Street Improvement capital project funds. All budgets are prepared utilizing the modified accrual basis further modified by the encumbrance method of accounting – that is, commitments such as purchase orders and contracts, in addition to disbursements and accounts payable, are recorded as expenditures.

In March 2021, the Kansas Legislature passed Senate Bill (SB) 13 to establish limitations on ad valorem property tax levies by taxing subdivisions without an additional notice and hearing prior to budget adoption. This change in policy applied to the 2022 budget cycle. The bill repeals the tax lid law and computed tax limits imposed by KSA 79-2925b and KSA 79-2925c. Alternatively the bill introduces the use of a "revenue neutral rate" (RNR), defined as the amount of ad valorem tax revenue levied in the prior year over the current year assessed valuation estimates, expressed as a mill. County clerks are responsible for computing and providing the rate to taxing subdivisions with the budget information estimates.

Timeline:

a) **June 15th** Assessed property valuation estimates distributed from County Clerks (will include Revenue Neutral Rate)
b) **July 20th** Last day to notify County Clerk of intent to levy at or above RNR

c) **August 10th** County Clerk notifies taxpayers via mail/email of all taxing subdivisions exceeding RNR
d) **August 10th – September 10th** Publication of hearing 10 days prior to hearing for both the RNR hearing and the budget hearing. The RNR hearing must be done prior to or in conjunction with the budget hearing.
e) **August 20th – September 20th** Hold RNR hearing (if applicable) and budget hearing
f) **August 20th – October 1st** Governing body passes resolution to exceed RNR (if applicable) and formally adopts budget. Governing body certifies budget to County Clerk.

Kansas statutes permit transferring budgeted amounts from one object or purpose to another within the same fund; however, such statutes prohibit creating expenditures in excess of the total amount of the adopted budget of expenditures in an individual fund. The City Administrator is authorized to approve over-expenditures at the departmental level or transfers of budgeted appropriations between departments. However, management may not amend a fund's total budgeted expenditures without Council approval. The legal level of budgetary control is the fund level. 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 City. All unencumbered appropriations lapse at the end of the year.

Encumbered appropriations are not appropriated in the ensuing year's budget but are carried forward until liquidated or cancelled.

Kansas statutes permit original budgets to be increased for previously unbudgeted increases in revenue other than ad valorem property taxes. The City must first publish a notice of public hearing to amend the budget. Ten days after publication, a public hearing is held and the governing body may amend the budget at that time.

3. Deposits and Investments

Deposits

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. Kansas statutes require that deposits be collateralized, and that collateral pledged must have a fair market value equal to 102% of the deposits and investments, less insured amounts, and must be assigned for the benefit of the City. The carrying amount of deposits for the City was not exposed to custodial credit risk.

Fair Value Measurements
The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the investment.

Level 1 inputs are quoted prices in active markets for identical assets;

Level 2 inputs are significant other observable inputs, either directly or indirectly observable, and fair value can be determined through the use of models or other valuation methodologies;

Level 3 inputs are significant unobservable inputs in situations where there is little or no market activity for the asset or liability and the entity makes estimates and assumptions related to the pricing of the asset or liability including assumptions regarding risk.

At December 31, 2025, the City had the following investments:

Schedule of Investments at December 31, 2025

	Interest Rates	Maturities	Par Value	Fair Value	Fair Value Hierarchy
City Investments:					
KMIP - Overnight	2.44-3.02%	On Demand	$ 9,302,615	$ 9,302,615	N/A

Investments

Interest Rate Risk
Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The City's formal investment policy does not limit investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates, but requires that to the extent possible, the City will attempt to match its investments with anticipated cash flow requirements. The City is not exposed to significant interest rate risk.

Credit risk
Kansas statutes authorize the City, with certain restrictions, to deposit or invest in temporary notes, no-fund warrants, open accounts, time deposits, certificates of deposit, repurchase agreements, U.S. Treasury Bills and Notes, the State of Kansas Municipal Investment Pool, or to make direct investments. The City has an investment policy which does not impose limitations beyond those of the State of Kansas.

Custodial Credit Risk – Investments
For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investments that are in the possession of an outside party. As of December 31, 2025, the City was not exposed to custodial credit risk.

NOTES TO BASIC FINANCIAL STATEMENTS
(Continued)

The following is a breakdown of the City's cash by fund type:

Reconciliation of Cash			
	Deposits Including Investments	Restricted Cash and Investments	Total
Government-type activities	$ 24,852,022	$ 3,181,168	$ 28,033,190
Business-type activities	32,467,981	7,333,041	39,801,022
Total	$ 57,320,003	$ 10,514,209	$ 67,834,212

At year-end, a reconciliation of deposits and investments is as follows:

Reconciliation of Deposits and Investments	
	Primary Government
Cash on hand	$ 7,000
Carrying amount of deposits	58,524,597
Carrying amount of investments	9,302,615
Total deposits and investments	$ 67,834,212
Deposits including investments	$ 57,320,003
Restricted cash and investments	10,514,209
Total deposits and investments	$ 67,834,212

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4. Capital Assets

Capital asset activity for the primary government for the year ended December 31, 2025 was as follows:

	December 31, 2024	Increases	Decreases	Transfers	December 31, 2025
Governmental activities:					
Capital assets, not being depreciated					
Land	$ 6,538,458	$ -	$ -	$ -	$ 6,538,458
Construction in progress	6,535,842	3,088,810	(2,069,371)	-	7,555,281
Right to use lease asset, not being amortized					
Land	355,262	-	-	-	355,262
Total capital assets, not being depreciated/amortized	13,429,562	3,088,810	(2,069,371)	-	14,449,001
Capital assets, being depreciated					
Buildings	18,640,846	34,384	-	-	18,675,230
Improvements other than buildings	6,943,068	1,058,562	-	-	8,001,630
Infrastructure	88,433,745	3,850,826	(152,615)	(863,539)	91,268,417
Machinery and Equipment	2,830,529	224,425	(26,349)	-	3,028,605
Vehicles	3,065,187	822,075	(216,854)	(147,270)	3,523,138
Right to use lease and subscription assets, being amortized					
Infrastructure	934,709	-	-	-	934,709
Subscriptions	454,767	881,559	-	-	1,336,326
Total	121,302,851	6,871,831	(395,818)	(1,010,809)	126,768,055
Less accumulated depreciation/amortization for:					
Buildings	(4,439,424)	(461,729)	-	-	(4,901,153)
Improvements other than buildings	(3,746,297)	(397,816)	-	-	(4,144,113)
Infrastructure	(40,093,880)	(2,783,126)	152,615	-	(42,724,391)
Machinery and Equipment	(2,371,975)	(206,755)	26,349	-	(2,552,381)
Vehicles	(1,854,276)	(464,893)	216,854	-	(2,102,315)
Right to use lease infrastructure	(175,258)	(58,419)	-	-	(233,677)
Subscriptions	(223,959)	(282,441)	-	-	(506,400)
Total	(52,905,069)	(4,655,179)	395,818	-	(57,164,430)
Total capital assets, being depreciated/amortized, net	68,397,782	2,216,652	-	(1,010,809)	69,603,625
Governmental activities capital assets, net	$ 81,827,344	$ 5,305,462	$ (2,069,371)	$ (1,010,809)	$ 84,052,626

NOTES TO BASIC FINANCIAL STATEMENTS
(Continued)

Capital asset activity for the primary government for the year ended December 31, 2025 was as follows (continued):

	December 31, 2024	Increases	Decreases	Transfers	December 31, 2025
Business-type activities:					
Capital assets, not being depreciated					
Land	$ 4,930,797	$ -	$ (224,200)	$ -	$ 4,706,597
Construction in progress	10,105,782	22,910,250	(9,018,452)	-	23,997,580
Total capital assets, not being depreciated	15,036,579	22,910,250	(9,242,652)	-	28,704,177
Capital assets, being depreciated/amortized					
Buildings	46,354,313	-	(36,137)	-	46,318,176
Intangibles	666,726	-	(5,596)	-	661,130
Improvements other than buildings	15,729,442	4,993,287	(2,393,944)	-	18,328,785
Infrastructure	122,966,452	7,655,795	(3,466,810)	863,539	128,018,976
Machinery and equipment	2,925,541	219,089	(177,481)	-	2,967,149
Vehicles	2,978,975	-	(84,782)	147,270	3,041,463
Right to use lease assets being amortized					
Vehicles	274,610	-	(274,610)	-	-
Total	191,896,059	12,868,171	(6,439,360)	1,010,809	199,335,679
Less accumulated depreciation/amortization for:					
Buildings	(7,928,706)	(1,156,037)	13,100	-	(9,071,643)
Intangibles	(639,771)	(6,222)	3,865	-	(642,128)
Improvements other than buildings	(9,035,514)	(677,606)	1,649,040	-	(8,064,080)
Infrastructure	(68,125,246)	(3,636,471)	1,583,077	-	(70,178,640)
Machinery and equipment	(1,860,572)	(200,707)	169,228	-	(1,892,051)
Vehicles	(1,193,381)	(279,369)	84,782	-	(1,387,968)
Right to use lease vehicles	(224,681)	(49,929)	274,610	-	-
Total	(89,007,871)	(6,006,341)	3,777,702	-	(91,236,510)
Total capital assets, being depreciated/amortized, net	102,888,188	6,861,830	(2,661,658)	1,010,809	108,099,169
Business-type activities capital assets, net	$ 117,924,767	$29,772,080	$(11,904,310)	$ 1,010,809	$ 136,803,346

NOTES TO BASIC FINANCIAL STATEMENTS
(Continued)

Capital Asset Transfers During the Year*	Governmental activities		Business-type activities	
	Book Value	Accumulated Depreciation	Book Value	Accumulated Depreciation
Transfers In:				
Infrastructure	$ -	$ -	$ 863,539	$ -
Vehicles	-	-	147,270	-
Transfers Out:				
Infrastructure	(863,539)	-	-	-
Vehicles	(147,270)	-	-	-
Net Change:				
Buildings	-	-	-	-
Improvements other than buildings	-	-	-	-
Infrastructure	(863,539)	-	863,539	-
Machinery and Equipment, net	-	-	-	-
Vehicles	(147,270)	-	147,270	-
Capital assets, being depreciated	$ (1,010,809)	$ -	$ 1,010,809	$ -
Capital assets transfers, net		$ (1,010,809)		$ 1,010,809

*These assets were transferred immediately after acquisition to the appropriate owner funds, so no accumulated depreciation existed at the time of transfer.

Depreciation and amortization expense on capital assets was charged to functions/programs of the government as follows:

Governmental activities	
Depreciation Expense	
General Government	$ 159,236
Police	669,018
Public Works	2,740,307
Culture and Recreation	709,229
Community Development	9,971
Internal Service Funds	26,558
Total depreciation expense	4,314,319
Lease and Subscription Amortization Expense	
Police	162,019
Culture and Recreation	58,419
Internal Service Funds	120,422
Total lease and subscription amortization expense	340,860
Total depreciation and amortization expense for governmental activities	$ 4,655,179

Business-type activities		
Depreciation Expense		
Electric	$	2,019,800
Water		1,571,434
Wastewater		2,131,888
Stormwater		138,291
Airport		94,999
Total depreciation expense		5,956,412
Lease Amortization Expense		
Electric		49,929
Total depreciation and lease amortization expense for business-type activities	$	6,006,341

5. Capital Financed Assets

In March 2018, the City entered into an asset purchase agreement with KMEA to assume the costs of a 32.26% participation in KMEA's 10.1% undivided interest in the Dogwood Energy Facility. Payments began in April 2019 and will continue on a semi-annual basis until maturity in 2038.

The following table details capital financed assets by major classification at December 31, 2025.

Capital Financed Assets	
	Business-Type Activities
Buildings	10,750,645
Less accumulated depreciation	(2,082,938)
Total	$ 8,667,707

6. Defined Benefit Pension Plans

Plan Description

The City participates in the Kansas Public Employees Retirement System (KPERS), a cost-sharing multiple-employer defined benefit pension plan as provided by K.S.A. 74-4901, *et seq.* Kansas law establishes and amends benefit provisions. KPERS issues a publicly available financial report that includes financial statements and required supplementary information. KPERS' financial

statements are included in its Annual Comprehensive Financial Report, which can be found on the KPERS website at http://www.kpers.org or by writing to KPERS (611 S. Kansas Avenue, Suite 100, Topeka, Kansas 66603-3803) or by calling 1-888-275-5737.

Benefits Provided

KPERS provides retirement benefits, life insurance, disability income benefits, and death benefits. Benefits are established by statute and may only be changed by the Legislature. Member employees (except Police and Firemen) with ten or more years of credited service, may retire as early as age 55 (Police and Firemen may be age 50 with 20 years of credited service), with an actuarially reduced monthly benefit. Normal retirement is at age 65, age 62 with ten years of credited service, or whenever an employee's combined age and years of credited service equal 85 "points" (Police and Firemen's normal retirement ages are age 60 with 15 years of credited service, age 55 with 20 years, age 50 with 25 years, or any age with 36 years of service).

Monthly retirement benefits are based on a statutory formula that includes final average salary and years of service. When ending employment, member employees may withdraw their contributions from their individual accounts, including interest. Member employees who withdraw their accumulated contributions lose all rights and privileges of membership. The accumulated contributions and interest are deposited into and disbursed from the membership accumulated reserve fund as established by K.S.A. 74-4922.

Member employees choose one of seven payment options for their monthly retirement benefits. At retirement, a member employee may receive a lump-sum payment of up to 50% of the actuarial present value of the member employee's lifetime benefit. His or her monthly retirement benefit is then permanently reduced based on the amount of the lump-sum. Benefit increases, including ad hoc post-retirement benefit increases, must be passed into law by the Kansas Legislature. Benefit increases are under the authority of the Legislature and the Governor of the State of Kansas.

The 2012 Legislature made changes affecting new hires, current member employees and employers. A new KPERS 3 cash balance retirement plan for new hires starting January 1, 2015, was created. Normal retirement age for KPERS 3 is 65 with five years of service or 60 years with 30 years of service. Early retirement is available at age 55 with ten years of service, with a reduced benefit. Monthly benefit options are an annuity benefit based on the account balance at retirement.

For all pension coverage groups, the retirement benefits are disbursed from the retirement benefit payment reserve fund as established by K.S.A. 74-4922.

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 the Police and Firemen (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.

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. KPERS is funded on an actuarial reserve basis. Kansas law sets a limitation on annual increases in the employer contribution rates. The actuarially determined employer contribution rate (not including the 1.0% contribution rate for the Death and Disability Program) and the statutory contribution rate were 9.71% for KPERS and 24.67% for KP&F for the fiscal year ended December 31, 2025.

House Substitute for SB21 included changes to the working after retirement rules for members who retire on or after January 1, 2018. The key provisions of the bill were to lengthen the waiting period for KPERS members to return to work from 60 days to 180 days for members who retire before attaining age 62, removing the earnings limitation for all retirees and establish a single employer contribution schedule for all retirees. For employees working after retirement, KPERS employers will pay the same statutorily required rate as the other KPERS plans (for the City that rate is 9.71% for 2025) on earnings up to $25,000 and 30% on earnings over $25,000.

The 2024 Legislature enacted House Bill 2711, which provided for changes to working after retirement, increased the retiree death benefit, and increased KPERS' alternative investments cap. All changes were effective July 1, 2024.

The bill increased the 30 percent threshold on working after retirement employer contributions from $25,000 to $40,000 and raised KP&F retirees' earnings limits from $25,000 to $40,000. It increased the retiree death benefit from $4,000 to $6,000; this benefit was last changed in 1993. And the bill increased the cap on KPERS' alternative investments (such as private equity, infrastructure and real estate) from 15% to no more than 25% of total Trust Fund assets.

Contributions to the pension plan from the City were $965,861 for KPERS and $963,486 for KP&F for the year ended December 31, 2025.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

Although KPERS administers one cost sharing multiple-employer defined benefit pension plan, separate (sub) actuarial valuations are prepared to determine the actuarial determined contribution rate by group. Following this method, the measurement of the collective net pension liability, deferred outflows of resources, deferred inflows of resources, and pension expense are determined separately for each group of the plan. The City participates in the local (KPERS) group and the Police and Firemen (KP&F) group.

At December 31, 2025, the City reported a liability of $7,798,704 for KPERS and $7,608,893 for KP&F for its proportionate share of the KPERS' collective net pension liability. The collective net pension liability was measured by KPERS as of June 30, 2025, and the total pension liability used to calculate the collective net pension liability was determined by an actuarial valuation as of December 31, 2024, which was rolled forward to June 30, 2025. The City's proportion of the collective net pension liability was based on the ratio of the City's actual contributions to KPERS and KP&F, relative to the total employer and nonemployer contributions to KPERS and KP&F for the fiscal year ended June 30, 2025. The contributions used exclude contributions made for prior service, excess benefits and irregular payments. At June 30, 2025, the City's proportion and change from its proportion measured as of June 30, 2024 were as follows:

	Governmental Activities	Business-Type Activities	Total net pension liability as of December 31, 2025	Proportion as of June 30, 2025	Change in proportion from June 30, 2024
KPERS (local)	$ 4,748,491	$ 3,050,213	$ 7,798,704	0.389109%	0.013389%
KP&F	7,608,893	-	7,608,893	0.469268%	0.013645%
Total	$ 12,357,384	$ 3,050,213	$ 15,407,597		

For the year ended December 31, 2025, the City recognized pension expense of $1,089,932 for KPERS and $1,263,482 for KP&F for a total pension expense of $2,353,414. At December 31, 2025, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Governmental Activities		Business-Type Activities		Total	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$ 1,507,002	$ -	$ 393,049	$ -	$ 1,900,051	$ -
Net difference between projected and actual earnings on pension plan investments	-	360,742	-	104,755	-	465,497
Changes in proportionate share	359,659	152,291	124,980	35,781	484,639	188,072
Changes in assumptions	303,542	-	75,400	-	378,942	-
City contributions subsequent to measurement date	781,799	-	188,250	-	970,049	-
Total	$ 2,952,002	$ 513,033	$ 781,679	$ 140,536	$ 3,733,681	$ 653,569

The $970,049 (KPERS and KP&F) reported as deferred outflows of resources related to pensions resulting from the City's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability for the year ended December 31, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as increases (decreases) to pension expense as follows:

	Deferred Outflows (Inflows) of Resources		
Year ended December 31:	Governmental Activities	Business-Type Activities	Total
2026	$ 1,205,636	$ 342,329	$ 1,547,965
2027	298,330	78,078	376,408
2028	99,064	35,418	134,482
2029	54,140	(2,932)	51,208
2030	-	-	-
	$ 1,657,170	$ 452,893	$ 2,110,063

	Deferred Outflows (Inflows) of Resources		
Year ended December 31:	KPERS	KPF	Total
2026	$ 875,259	$ 672,706	$ 1,547,965
2027	199,629	176,779	376,408
2028	90,555	43,927	134,482
2029	(7,496)	58,704	51,208
2030	-	-	-
	$ 1,157,947	$ 952,116	$ 2,110,063

Actuarial assumptions

The total pension liability was determined by an actuarial valuation as of December 31, 2024, which was rolled forward to June 30, 2025, using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Cost Method	Entry age normal
Price Inflation	2.75 percent
Salary increase	3.50 to 15.50 percent, including price inflation
Investment rate of return	7.00 percent compounded annually, net of investment expense, including price inflation

Mortality rates were based on the PUB 2010 Mortality Tables, with age setbacks and age set forwards based on different membership groups. Future mortality improvements are anticipated using Scale MP-2021.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage. Best estimates of arithmetic real rates of return for each major asset class as of the most recent experience study, dated January 29, 2024, as provided by KPERS' investment consultant, are summarized in the following table:

Asset class	Long-term target allocation	Long-term expected real rate of return
Global Equity	43.00 %	8.20 %
Alternatives	11.00	12.00
Real Estate	15.00	5.70
Yield Driven	12.00	5.30
Infrastructure	3.00	6.80
Core Fixed Income	13.00	2.20
Short-term investment	3.00	0.30
Total	100.00 %	

Discount rate

The discount rate used to measure the total pension liability was 7.00 percent. The projection of cash flows used to determine the discount rate was based on member and employer contributions as outlined below.

In KPERS, the State/School and Local groups do not necessarily contribute the full actuarial contribution rate. Based on legislation first passed in 1993, the employer contribution rates certified by the Board may not increase by more than the statutory cap. Subsequent legislation in

2012 set the statutory cap at 0.90 percent for Fiscal Year 2014, 1.0 percent for Fiscal Year 2015, 1.1 percent for Fiscal Year 2016 and 1.2 percent for Fiscal Years 2017 and beyond.

Sensitivity of the City's proportionate share of the collective net pension liability to changes in the discount rate

The following presents the City's proportionate share of the collective net pension liability calculated using the discount rate of 7.00 percent, as well as what the City's proportionate share of the collective net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.00%) or 1-percentage-point higher (8.00%) than the current rate:

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
City's KPERS proportionate share of the net pension liability	$ 11,508,436	$ 7,798,704	$ 4,683,025
City's KP&F proportionate share of the net pension liability	10,468,122	7,608,893	5,213,319
	$ 21,976,558	$ 15,407,597	$ 9,896,344

Pension plan fiduciary net position

Detailed information about the pension plan's fiduciary net position is available in the separately issued Kansas Public Employees Retirement System financial report, which can be found here: https://www.kpers.org/about/reports.html

7. Deferred Compensation Plan

The City offers employees a deferred compensation plan in accordance with Internal Revenue Code Section 457. The plan, available to all full-time and regular part-time employees, permits them to defer a portion of their salary until future years. The City of Gardner is the plan sponsor and has delegated fiduciary duties to MissionSquare, formerly known as International City/County Management Association (ICMA) Retirement Corporation, as our engaged provider. Accordingly, the plan assets and related liabilities to plan participants are not included in the basic financial statements. For 2025, the City's contributions were $72,067.

8. Other Postemployment Benefits

KPERS Death and Disability OPEB Plan

Plan Description. The City of Gardner participates in an agent multiple-employer defined benefit other postemployment benefit (OPEB) plan (the Plan) which is administered by the Kansas Public Employees Retirement System (KPERS). The Plan provides long-term disability benefits and a life insurance benefit for disabled KPERS members, as provided by K.S.A. 74-04927. The Plan is administered through a trust held by KPERS that is funded to pay annual benefit payments. However because the trust's assets are used to pay employee benefits other than OPEB, the trust does not meet the criteria in paragraph 4 of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. Accordingly, the Plan is considered to be administered on a pay-as-you-go basis. There is no stand-alone financial report for the plan.

Benefits

Benefits are established by statute and may be amended by the KPERS Board of Trustees. The Plan provides long-term disability benefits equal to 60 percent (prior to January 1, 2006, 66 2/3 percent) of annual compensation, offset by other benefits. Members receiving long-term disability benefits also receive credit towards their KPERS retirement benefits and have their group life insurance coverage continued under the waiver of premium provision.

The monthly long-term disability benefit is 60 percent of the member's monthly compensation, with a minimum of $100 and a maximum of $5,000. The monthly benefit is subject to reduction by deductible sources of income, which include Social Security primary disability or retirement benefits, workers compensation benefits, other disability benefits from any other sources by reason of employment, and earnings from any form of employment. If the disability begins before age 60, benefits are payable while the disability continues until the member's 65th birthday or retirement date, whichever occurs first. If the disability begins at or after age 60, benefits are payable while the disability continues, for a period of five years or until the member retires, whichever occurs first.

Benefit payments for disabilities caused or contributed to by substance abuse or non-biologically-based mental illnesses are limited to the shorter of the term of the disability or 24 months per lifetime, whichever is less. There are no automatic cost-of-living provisions. KPERS has the authority to implement an ad hoc cost-of-living increase.

The death benefit paid to beneficiaries of disabled members is 150% of the greater of 1) the member's annual rate of compensation at the time of disability, or 2) the member's previous 12 months of compensation at the time of the last date on payroll. If the member has been disabled for five or more years, the annual compensation or salary rate at the time of death will be indexed using the consumer price index, less one percentage point, to compute the death benefit. If a member is diagnosed as terminally ill with a life expectancy of 12 months or less, the member may

be eligible to receive up to 100% of the death benefit rather than having the benefit paid to the beneficiary. If a member retires or disability benefits end, the member may convert the group life insurance coverage to an individual insurance policy.

Covered Employees

The City of Gardner has the following employees covered by the Plan as of December 31, 2024:

Active members	127
Disabled members	-
	127

OPEB Liability

The City of Gardner's total OPEB liability of $129,577 related to KPERS reported as of December 31, 2025, was measured as of June 30, 2025 (the measurement date), and was determined by an actuarial valuation as of December 31, 2024, which was rolled forward to June 30, 2025, using the following actuarial assumptions:

Valuation Date	December 31, 2024
Measurement Date	June 30, 2025
Inflation	2.75%
Payroll Growth	3.00%
Discount rate	5.20%
Salary increases including inflation	3.5% to 10.0%, including price inflation
Healthcare cost trend rates	Not applicable for the coverage in this plan
Retirees' share of benefit-related costs	Not applicable for the coverage in this plan

The discount rate was based on the Bond Buyer General Obligation 20-Year Municipal Bond Index. Mortality rates were based on the RP-2014 Mortality Table, as appropriate, with adjustment for mortality improvements based on Scale MP-2021.

The actuarial assumptions used in the December 31, 2024 valuation were based on the results of an actuarial experience study conducted during 2019-2022. Other demographic assumptions are set to be consistent with the actuarial assumptions reflected in the most recent pension valuation.

Changes in Total OPEB Liability

Changes in Total OPEB Liability	
Total OPEB Liability, beginning of year	$ 130,159
Service cost	23,413
Interest cost	6,035
Effect of economic/demographic gains or losses	(22,644)
Effect of assumption changes or inputs	(7,386)
Benefit payments	-
Net change	(582)
Total OPEB Liability, end of year	$ 129,577

Changes of assumptions. Changes of assumptions and other inputs reflect the changes in the discount rate each period. The discount rate increased from 3.93% to 5.20%.

Sensitivity Analysis. The following presents the City of Gardner's total OPEB liability calculated using the discount rate of 5.20%, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage point lower (4.20%) or 1-percentage point higher (6.20%) than the current rate:

	1% Decrease (4.20%)	Current Discount Rate (5.20%)	1% Increase (6.20%)
Total OPEB liability	$135,424	$129,577	$ 123,557

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates. The healthcare trend rates do not affect the liabilities related to the long-term disability benefits sponsored by KPERS. Therefore, there is no sensitivity to a change in healthcare trend rates.

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended December 31, 2025, the City of Gardner recognized OPEB expense of $3,223. At December 31, 2025, the City of Gardner reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Governmental Activities		Business-Type Activities		Total	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ -	$ 70,856	$ -	$ 45,515	$ -	$ 116,371
Changes in assumptions	3,889	22,147	2,499	14,226	6,388	36,373
	$ 3,889	$ 93,003	$ 2,499	$ 59,741	$ 6,388	$ 152,744

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

	Deferred Outflows (Inflows) of Resources		
Year ended December 31:	Governmental Activities	Business-Type Activities	Total
2026	$ (15,884)	$ (10,203)	$ (26,087)
2027	(15,127)	(9,716)	(24,843)
2028	(13,549)	(8,703)	(22,252)
2029	(12,716)	(8,168)	(20,884)
2030	(12,057)	(7,744)	(19,801)
2031 & Thereafter	(19,781)	(12,708)	(32,489)
	$ (89,114)	$ (57,242)	$ (146,356)

9. Risk Services

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

The City obtains workers' compensation insurance through its membership in the Kansas Eastern Region Insurance Trust (KERIT), whose members consist of local cities and counties. KERIT is a risk-sharing pool organized under the insurance laws of the State of Kansas which self-insures workers' compensation and other related expenses up to certain limits and reinsures additional excess amounts up to certain limits. The City pays annual premiums to KERIT based upon historical experience and legal requirements mandated by the State of Kansas. The trust agreement allows for member assessments in the event claims and expenses exceed KERIT's self-insured retention limit. The City does not anticipate any additional assessments in excess of premiums paid as a result of its participation in this trust.

10. Capital Projects

The City is currently improving its water, wastewater and electrical systems, working on street and stormwater projects and performing various new developments. These projects are being funded primarily by the issuance of bonds, both general obligation and special assessment.

Following is a summary of project-to-date costs to December 31, 2025 on the capital projects compared to the amount authorized:

Primary Government
Project Authorizations and Expenditures Since Inception

Project Category	Authorization	Expenditures Since Inception
Governmental Improvements	$ 33,390,348	$ 7,555,234
Electric Improvements	24,005,000	1,363,789
Water Improvements	28,565,000	1,104,876
Wastewater Improvements	59,165,000	20,504,178
Airport Improvements	5,464,000	1,024,737
IT Internal Service Improvements	108,321	47
Total	$ 150,697,669	$ 31,552,861

11. Lease and Subscription-Based Information Technology Arrangement Liabilities

A. Leases

Governmental Activities - Lessee

The City has entered into lease agreements for land and infrastructure. The lease contracts expire at various dates through 2028. The right to use assets are intangible assets and are recorded in capital assets as land and infrastructure as shown in Note 4. Details of the lease arrangements are as follows:

Governmental Activities

Description/Purpose	Date of lease agreement	Amount of original agreement	Lease term	Interest rates	Amount outstanding December 31, 2025
Golf Course Improvements	6/1/2018	$ 1,218,000	120 months	4.69%	$ 433,000
Justice Center Land	12/29/2016	678,000	120 months	2.40%	74,000
		$ 1,896,000			$ 507,000

The following represents the future minimum lease payments for governmental activities required under the lease arrangements as of December 31:

Governmental Activities			
	Principal	Interest	Total
2026	$ 212,000	$ 20,434	$ 232,434
2027	144,000	12,171	156,171
2028	151,000	5,323	156,323
Total	$ 507,000	$ 37,928	$ 544,928

Business-Type Activities – Lessor

The City has entered into two arrangements to lease pole attachments to others. The lease contracts expire at various dates through 2027. During 2025, the City recognized $4,961 in lease revenue which represents the total amount of inflows of resources recognized in the reporting period from leases.

The following represents the future minimum lease revenue due for business-type activities under the lease arrangements as of December 31:

Business-Type Activities			
	Principal	Interest	Total
2026	$ 5,087	$ 14	$ 5,101
2027	2,548	2	2,550
Total	$ 7,635	$ 16	$ 7,651

B. Subscription-Based Information Technology Arrangement

Governmental Activities

The City has entered into two subscription-based information technology arrangements (SBITA) for software. The SBITA arrangements expire at various dates through 2029. The right to use asset is an intangible asset and is recorded in capital assets as a subscription as shown in Note 4. Details of the arrangement are as follows:

Governmental Activities				
Description/Purpose	Amount of original agreement	SBITA term	Interest rates	Amount outstanding December 31, 2025
Software	$ 1,336,327	60 months	2.676%-2.925%	$ 891,698

The following represents the future minimum subscription payments due for governmental activities as of December 31:

Governmental Activities			
	Principal	Interest	Total
2026	$ 304,350	$ 24,190	$ 328,540
2027	190,166	17,180	207,346
2028	195,728	11,618	207,346
2029	201,454	5,893	207,347
Total	$ 891,698	$ 58,881	$ 950,579

12. Debt

A. Governmental Activities Long-Term Debt

Changes in Governmental Activities Debt

The following table summarizes the changes in governmental activities long-term debt of the City for the year ended December 31, 2025.

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Summary of Governmental Activities Debt for the year ended December 31, 2025

	January 1	Additions	Reductions	Outstanding December 31	Due Within One Year
Governmental activities:					
Bonds:					
General obligation	$ 21,100,000	$ -	$ 2,577,500	$ 18,522,500	$ 2,677,500
Plus: issuance premium	1,778,443	-	245,292	1,533,151	-
Special assessment debt with government commitment	10,470,000	-	882,500	9,587,500	927,500
Bond anticipation notes payable	1,055,000	725,000	-	1,780,000	1,055,000
Lease liabilities	710,000	-	203,000	507,000	212,000
Subscription liability	242,080	881,559	231,941	891,698	304,350
Net Pension liability	12,051,822	2,512,947	2,207,385	12,357,384	-
Compensated absences	1,035,183	852,500	629,045	1,258,638	767,770
Total OPEB liability	78,103	795	-	78,898	-
Total	$ 48,520,631	$ 4,972,801	$ 6,976,663	$ 46,516,769	$ 5,944,120

For the governmental activities, total other postemployment benefit liability and the net pension liability are generally liquidated by the general and internal service funds.

Governmental Activities General Obligation Bonds

General obligation bonds payable at December 31, 2025 are comprised of the following issues:

Outstanding Governmental Activities
General Obligation Bonds as of December 31, 2025

	Original Issue Amount	Current Bonds Outstanding	Interest Rates	Original Term in Years
2014A	$ 1,975,000	$ 612,500	2.000%-3.125%	15
2014B	4,140,000	1,100,000	2.000%-3.000%	15
2016A	1,380,000	155,000	3.000%	10
2017A	1,350,000	300,000	2.250%-3.000%	10
2018A	14,985,000	9,675,000	3.000%-5.000%	19
2019E	2,465,000	1,060,000	2.000%-3.000%	10
2020B	4,825,000	2,570,000	2.000%-3.000%	10
2022A	4,040,000	3,050,000	5.000%	10
Total	$ 35,160,000	$ 18,522,500		

The City issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities and projects.

The future annual requirements for general obligation bonds outstanding as of December 31, 2025 are as follows:

Debt Service Requirements Governmental Activities for General Obligation Bonds			
	Principal	Interest	Total
2026	$ 2,677,500	$ 640,747	$ 3,318,247
2027	2,605,000	537,900	3,142,900
2028	2,315,000	442,700	2,757,700
2029	2,395,000	365,900	2,760,900
2030	1,725,000	293,200	2,018,200
2031-2035	5,005,000	774,726	5,779,726
2036-2040	1,800,000	91,631	1,891,631
Total	$ 18,522,500	$ 3,146,804	$ 21,669,304

Bond Anticipation Notes Payable

The City issues bond anticipation notes to provide temporary financing for capital improvement projects.

In August 2024, the City issued Series 2024B General Obligation Temporary Notes in the amount of $1,055,000 to temporarily finance utility improvements for the Lone Star Prairie Special Benefit District.

In May 2025, the City issued Series 2025B General Obligation Temporary Notes in the amount of $725,000 to temporarily finance utility improvements for the Tuscan Farms Phase 1b Special Benefit District.

Bond anticipation notes payable as of December 31, 2025 were as follows:

Outstanding Governmental Activities Bond Anticipation Notes Payable as of December 31, 2025				
	Original Issue Amount	Current Notes Outstanding	Interest Rates	Original Term in Years
2024B Lone Star Prairie Special BD	$ 1,055,000	$ 1,055,000	4.00%	2
2025B Tuscan Farms Phase 1b	725,000	725,000	3.73%	2
Total	$ 1,780,000	$ 1,780,000		

Annual debt service requirements to maturity for bond anticipation notes payable are as follows:

Debt Service Requirements Governmental Activities for Bond Anticipation Notes Payable			
	Principal	Interest	Total
2026	$ 1,055,000	$ 69,243	$ 1,124,243
2027	725,000	27,043	752,043
Total	$ 1,780,000	$ 96,286	$ 1,876,286

Governmental Activities Special Assessment Bonds

The City's special assessment debt was issued to provide funds for the construction of infrastructure in new commercial and residential developments. These bonds will be repaid from amounts levied against the property owners benefited by this construction. In the event that a deficiency exists because of unpaid or delinquent special assessments at the time a debt service payment is due, the government must provide resources to cover the deficiency until other resources, for example, foreclosure proceeds, are received.

Special assessment bonds at December 31, 2025 are comprised of the following issues:

Outstanding Governmental Activities Special Assessment Bonds as of December 31, 2025				
	Original Issue Amount	Current Bonds Outstanding	Interest Rates	Original Term in Years
2014A	$ 1,975,000	$ 612,500	2.00%-3.125%	15
2016A	1,490,000	485,000	3.00%	12
2021A	1,550,000	980,000	1.00%-3.00%	10
2021A	2,385,000	1,625,000	1.00%-3.00%	11
2021B	2,185,000	1,820,000	2.00%-2.25%	20
2022A	2,950,000	2,670,000	3.00%-5.00%	20
2024A	1,435,000	1,395,000	3.50%-5.00%	20
	$ 13,970,000	$ 9,587,500		

Annual debt service requirements to maturity for special assessment bonds are as follows:

Debt Service Requirements Governmental Activities for Special Assessment Bonds			
	Principal	Interest	Total
2026	$ 927,500	$ 290,132	$ 1,217,632
2027	945,000	260,859	1,205,859
2028	980,000	230,311	1,210,311
2029	850,000	198,409	1,048,409
2030	700,000	178,060	878,060
2031-2035	2,315,000	667,109	2,982,109
2036-2040	1,940,000	363,326	2,303,326
2041-2045	930,000	64,838	994,838
Total	$ 9,587,500	$ 2,253,044	$ 11,840,544

B. Business-Type Activities Debt

Changes in Business-Type Activities Debt

The following table summarizes the changes in business-type activities long-term debt of the City for the year ended December 31, 2025.

Summary of Business-Type Activities Debt for the year ended December 31, 2025					
	January 1	Additions	Reductions	Outstanding December 31	Due Within One Year
Business-type activities:					
General obligation bonds	$ 29,230,000	$ 27,680,000	$ 3,840,000	$ 53,070,000	$ 2,685,000
Issuance premiums	1,667,442	843,876	181,606	2,329,712	-
Construction loans payable	5,936,605	-	687,959	5,248,646	704,487
Compensated absences	476,528	334,837	306,489	504,876	323,120
Capital financing	8,531,157	-	435,510	8,095,647	456,479
Lease liabilities	50,320	-	50,320	-	-
Net Pension Liability	3,192,000	144,398	286,185	3,050,213	-
Total OPEB Liability	52,056	-	1,377	50,679	-
Total	$ 49,136,108	$ 29,003,111	$ 5,789,446	$ 72,349,773	$ 4,169,086

Business-Type Activities General Obligation Bonds

The City issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities and projects.

In May 2025, the City issued Series 2025A General Obligation Bonds in the amount of $27,680,000. The bonds were issued to finance certain wastewater systems and building improvements.

General obligation bonds payable at December 31, 2025 are comprised of the following issues:

Outstanding Business-Type Activities General Obligation Bonds as of December 31, 2025

	Original Issue Amount	Current Bonds Outstanding	Interest Rates	Original Term in Years
2014A	$ 945,000	$ 290,000	2.00%-3.125%	15
2016B	855,000	95,000	2.00%-3.25%	10
2019B	1,970,000	695,000	1.85%-2.50%	9
2020A	23,905,000	19,410,000	2.00%-3.50%	20
2020A	3,545,000	1,940,000	3.00%-3.50%	10
2021A	775,000	490,000	1.00%-3.00%	10
2022A	4,435,000	3,800,000	3.00%-5.00%	15
2025A	25,570,000	26,350,000	4.00%-5.00%	30
Total	$ 62,000,000	$ 53,070,000		

The future annual requirements for general obligation bonds outstanding as of December 31, 2025 are as follows:

Debt Service Requirements for Business-Type Activities General Obligation Bonds

	Principal	Interest	Total
2026	$ 2,685,000	$ 2,018,941	$ 4,703,941
2027	2,680,000	1,917,910	4,597,910
2028	2,780,000	1,814,560	4,594,560
2029	2,650,000	1,707,110	4,357,110
2030	2,680,000	1,602,816	4,282,816
2031-2035	12,195,000	6,737,680	18,932,680
2036-2040	13,140,000	4,488,520	17,628,520
2041-2045	5,635,000	2,605,757	8,240,757
2046-2050	4,370,000	1,560,562	5,930,562
2051-2055	4,255,000	489,150	4,744,150
Total	$ 53,070,000	$ 24,943,006	$ 78,013,006

Construction Loans Payable

Construction loans payable at December 31, 2025 are comprised of the following:

Outstanding Business-Type Activities Loans as of December 31, 2025

	Original Issue Amount	Current Bonds Outstanding	Interest Rate	Original Term in Years
Kansas Water Pollution Control Loan # C20 1721 01	$ 3,483,009	$ 359,496	2.40%	20
Kansas Water Pollution Control Loan # C20 1956 01	10,167,808	4,889,150	2.05%	20
Total	$ 13,650,817	$ 5,248,646		

The future annual debt service requirements for the amortizable loans payable are as follows:

Debt Service Requirements for Business-Type Activities Loans

	Principal	Interest	Total
2026	$ 704,487	$ 105,113	$ 809,600
2027	721,410	89,959	811,369
2028	551,772	75,555	627,327
2029	564,536	64,179	628,715
2030	577,594	52,539	630,133
2031-2035	2,128,847	88,280	2,217,127
Total	$ 5,248,646	$ 475,625	$ 5,724,271

Capital Financing

In 2018, the City of Gardner entered into an Asset Purchase Agreement, with a term of 20 years, with KMEA (Kansas Municipal Energy Agency) to assume the costs of a 32.26% participation in KMEA's 10.1% undivided interest in the Dogwood Energy Facility. The future minimum payment obligations and the net present value of these payments as of December 31, 2025 were as follows:

Future Minimum Payments	
Year Ending December 31:	Business-Type Activities
2026	$ 849,849
2027	849,043
2028	848,680
2029	848,680
2030	847,390
2031-2035	4,231,706
2036-2039	2,526,804
Total minimum payments	11,002,152
Less amounts representing interest	(2,906,505)
Present value of minimum payments	$ 8,095,647

13. Special Assessments

Kansas statutes require special benefit district projects financed in part by special assessments to be financed through the issuance of general obligation bonds that are secured by the full faith and credit of the City. Further, state statutes permit levying additional general ad valorem taxes in the City's Debt Service Fund to finance delinquent special assessments receivable. Accordingly, the special assessments receivable is accounted for within the City's debt service fund. Special assessments are levied over the repayment period of the bonds and the annual installments are due and payable with annual ad valorem taxes. At December 31, 2025, the special assessment taxes levied are a lien on the property and are recorded as a special assessment receivable in the debt service fund with a corresponding amount recorded as deferred inflows of resources. Special assessments receivable at December 31, 2025 was $12,478,465.

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14. Interfund Transactions

Interfund transfers for the year ended December 31, 2025 consisted of the following:

Interfund Transfers:		
	Transfers In	Transfers Out
Major funds:		
General Fund	$ 1,312,250	$ -
Debt Service Fund	1,161,102	-
Capital Projects Fund	-	23,592
Special Highway Fund	41,654	1,136,500
Electric Fund	500,000	1,265,600
Water Fund	-	235,200
Wastewater Fund	306,000	83,800
Non-Major Proprietary Fund	-	500,000
Non-Major Governmental Funds	150,700	221,414
Internal Service Funds	-	5,600
Total Transfers In	$ 3,471,706	$ 3,471,706

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, (2) move receipts restricted to debt service from the funds collecting the receipts to the debt service fund as debt service payments become due, and (3) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

15. Commitments and Contingencies

Litigation

The City is involved in various lawsuits incurred through normal operations. It is the opinion of the City's management that the outcome of this litigation will not result in a material loss to the City in excess of applicable insurance coverage.

Industrial Revenue Bonds

The City has issued industrial revenue bonds to provide financial assistance to private businesses for economic development purposes. The lease agreements provide for rentals sufficient to service the related bonds. The debt service on these issues is paid solely from payments from the private businesses involved. Neither the City nor any political subdivision thereof is obligated in any manner for the repayment of the bonds. Accordingly, the bonds are not reported as liabilities

in the accompanying basic financial statements. As of December 31, 2025, there were six industrial revenue bonds outstanding for a total of $95,216,475.

Project	Issue Date	Amount Authorized	Amount Outstanding	Interest Rate	Interest Payment Dates	Maturity Date
Midwest Commerce/Excelligence (Proj 2)	4/6/2018	$ 38,000,000	$ 32,159,762	2.00%	Feb. 1	2/1/2029
Hampton Inn	12/31/2018	14,000,000	13,056,713	2.00%	Dec. 1	12/1/2028
New Trails Multifamily Phase 1	11/28/2022	48,000,000	47,000,000	3.00%	Dec. 1	2/1/2033
Main Street Market Place	5/4/2023	4,000,000	100,000	3.00%	May 1	12/31/2027
New Trails Multifamily Phase 2	11/20/2025	29,000,000	100,000	3.00%	Dec. 1	2/1/2036
M&M Investments, Inc.	9/30/2025	2,800,000	2,800,000	4.00%	Apr. 15	4/15/2026
		$ 135,800,000	$ 95,216,475			

Encumbrances

The City uses encumbrances to control expenditure commitments for the year and to enhance cash management. Encumbrances represent commitments related to executory contracts not yet performed and purchase orders not yet filled. Commitments for such expenditure of monies are encumbered to reserve a portion of applicable appropriations. Encumbrances still open at year-end are not accounted for as expenditures and liabilities, but, rather, as restricted, committed, or assigned fund balance. At December 31, 2025, the City's recorded encumbrances in governmental funds were as follows:

General	$ 101,557
Capital Projects	762,016
Infrastructure Special Sales Tax	110,372
Special Highway	1,530,628
Non-major funds	6,250
	$ 2,510,823

16. Tax Abatements

The City enters into property tax abatement agreements with local businesses pursuant to the provisions of Section 13 of Article 11 of the Kansas Constitution and K.S.A. 12-1740 et seq and 79-201a. Under this section of the Kansas Constitution, the governing body of any city may by resolution or ordinance, as the case requires, exempt from all ad valorem taxation all or any portion of the appraised valuation of buildings, land and tangible personal property, for economic development purposes. Such exemption shall be in effect not more than 10 years.

Resolution No. 1737 was passed by the City on November 19, 2007 and took effect January 1, 2008. The resolution established a policy relating to property tax abatements for new and existing businesses. The resolution recognized that it was essential to stimulate the economic growth and development of existing and new industry and businesses for the benefit of Gardner. Resolution No. 2052 took effect April 2020 and is the current guiding resolution for all abatements.
For the fiscal year ended December 31, 2025, the City abated property taxes totaling $2,170,162 (for all taxing jurisdictions) under this program. The City received PILOT (Payments in Lieu of Taxes) payments on these properties totaling $775,811 in 2025. The active tax abatement projects are described below:

- A 100-percent property tax abatement to a commercial warehouse, manufacturing facility and call center for ten years beginning in 2019. The abatement was granted by the Kansas Board of Tax Appeals pursuant to K.S.A. 79-201a *Second* (Industrial Revenue Bond-Funded Property). In connection with the issuance of the industrial revenue bonds, the City and the Tenant also entered into a Payment in Lieu of Tax Agreement that provided for a payment in lieu of taxes (PILOT) starting in year 6 equal to 20% of the value of the abated tax amount and increasing each succeeding year by 20% through 2028 when the abatement ends. The PILOT payments will be distributed as and/or as a part of the general ad valorem tax collections for all taxing subdivisions in which the Facility is located.

- A 100-percent property tax abatement to a five-story, 84-room hotel, and 200-seat conference center for ten years beginning in 2019. The abatement was granted by the Kansas Board of Tax Appeals pursuant to K.S.A. 79-201a *Second* (Industrial Revenue Bond-Funded Property). In connection with the issuance of the industrial revenue bonds, the City and the Tenant also entered into a Payment in Lieu of Tax Agreement that provided for a fixed annual PILOT. The PILOT payments will approximate 20% of the abated taxes in 2019 and 2020, 30% in 2021 and 2022, and then 40% for the remaining 6 years of the abatement. The PILOT payments will be distributed as and/or as a part of the general ad valorem tax collections for all taxing subdivisions in which the Facility is located.

- A 100-percent property tax abatement to an approximately 288-unit multifamily housing project for ten years beginning in 2023. The abatement was granted by the Kansas Board of Tax Appeals pursuant to K.S.A. 79-201a *Second* (Industrial Revenue Bond-Funded Property). In connection with the issuance of the industrial revenue bonds, the City and the Tenant also entered into a Payment in Lieu of Tax Agreement. The Agreement provided for PILOT payments that will approximate 25% of the abated taxes for the 10-year term. The PILOT payments will be distributed as and/or as a part of the general ad valorem tax collections for all taxing subdivisions in which the Facility is located.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF GARDNER, KANSAS

KPERS and KPF Defined Benefit Pension Plan
Schedule of City's Proportionate Share of the Net Pension Liability

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
City's proportion of the net pension liability (asset):										
KPERS (local group)	0.389109%	0.375721%	0.362307%	0.377227%	0.373918%	0.384769%	0.387588%	0.371954%	0.355167%	0.345680%
KP&F (police & firemen)	0.469268%	0.455622%	0.466430%	0.470165%	0.467063%	0.438285%	0.430911%	0.420059%	0.413915%	0.387631%
City's proportionate share of the net pension liability (asset)	$15,407,597	$15,243,822	$15,050,934	$14,280,298	$ 8,943,757	$12,075,200	$9,777,371	$9,226,055	$9,026,076	$8,947,934
City's covered payroll ^	$13,216,858	$11,933,463	$11,023,546	$10,361,689	$ 9,727,641	$ 9,406,648	$9,209,371	$8,714,608	$8,582,884	$7,675,340
City's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	116.58%	127.74%	136.53%	137.82%	91.94%	128.37%	106.17%	105.87%	105.16%	116.58%
Plan fiduciary net position as a percentage of the total pension liability	75.26%	72.75%	70.70%	69.75%	76.40%	66.30%	69.88%	68.88%	67.12%	65.10%

^ Covered payroll is measured as of the measurement date ending June 30.

KPERS and KPF Defined Benefit Pension Plan
Schedule of City's Contributions

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Contractually required contribution	$ 1,929,347	$ 1,608,266	$ 1,447,493	$ 1,313,403	$1,250,305	$1,212,750	$1,170,761	$1,037,515	$ 940,924	$ 981,506
Contributions in relation to the contractually required contribution	(1,929,347)	(1,608,266)	(1,447,493)	(1,313,403)	(1,250,305)	(1,212,750)	(1,170,761)	(1,037,515)	(940,924)	(981,506)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
City's covered payroll ^	$ 13,870,492	$ 12,357,682	$ 11,558,955	$ 10,335,824	$9,884,554	$9,854,085	$9,413,571	$8,962,317	$8,474,557	$8,424,022
Contributions as a percentage of covered payroll	13.909725%	13.014304%	12.522697%	12.707290%	12.649078%	12.307080%	12.436952%	11.576418%	11.102923%	11.651275%

^Information presented above is as of the City's fiscal year end 12/31

Changes in benefit terms for KPERS. In the state fiscal year 2014, the KP&F group had a change in benefit terms. The Legislature increased this group's employee contributions to 7.15 percent and eliminated the reduction of employee contributions to 2.0 percent after 32 years of service. In addition, the maximum retirement benefit increased to 90 percent of final average salary (reached at 36 years of service). Before this change the maximum retirement benefit was limited to 80 percent of final average salary (reached at 32 years of service).

Effective January 1, 2014, KPERS 1 member's employee contribution rate increased to 5.0 percent and then on January 1, 2015, increased to 6.0 percent, with an increase in benefit multiplier to 1.85 percent for future years of service. For KPERS 2 members retired after July 1, 2012, the cost of living adjustment (COLA) is eliminated, but members will receive a 1.85 percent multiplier for all years of service.

On January 1, 2015, the KPERS 3 cash balance plan became effective. Members enrolled in this plan are ones first employed in a KPERS covered position on or after January 1, 2015, or KPERS 1 or KPERS 2 members who left employment before vesting and returned to employment on or after January 1, 2015. The retirement benefit is an annuity based on the account balance at retirement.

For the state fiscal year 2017, the KP&F group had a change in benefit terms. The Legislature changed the duty-related death benefit for KP&F members to the greater of 50% of final average salary and member's accrued retirement benefit under the 100% joint and survivor option, payable to the member's spouse. Including any benefits that may be due to child beneficiaries, the total monthly benefits may not exceed 90% of the member's final average salary. Prior to this bill, the duty-related spousal death benefit for KP&F members was 50% of the final average salary, and the maximum available to the family was 75% of the member's final average salary.

For the state fiscal year 2017, the Legislature changed the working after retirement rules for members who retire on or after January 1, 2018. The key changes to the working after retirement rules were to lengthen the waiting period for KPERS members to return to work from 60 days to 180 days for members who retire before attaining age 62, remove the earnings limitation for all retirees and establish a single-employer contribution schedule for all retirees.

Changes from the November 2016 experience study that impacted individual groups are listed below:

KPERS:

- The post-retirement healthy mortality assumption was changed to the RP-2014 Mortality Table, with adjustments to better fit the observed experience for the various KPERS groups. The most recent mortality improvement scale, MP-2016, is used to anticipate future mortality improvements in the valuation process through the next experience study.
- The active member mortality assumption was modified to also be based on the RP-2014 Employee Mortality Table with adjustments.
- The retirement rates for the select period (when first eligible for unreduced benefits under Rule of 85) were increased, but all other retirement rates were decreased.
- Disability rates were decreased for all three groups.
- The termination of employment assumption was increased for all three groups.
- The interest crediting rate assumption for KPERS 3 members was lowered from 6.50% to 6.25%.

KP&F:

- The post-retirement health mortality assumption was changed to the RP-2014 Mortality Table with 1-year age set forward and the MP-2016, is used to anticipate future mortality improvements.
- The mortality assumption for disabled members was changed to the RP-2014 Disabled Lives Table (generational using MP-2016) with a 1-year age set forward.
- The active member mortality assumption was modified to the RP-2014 Employee Mortality Table with a 1-year age set forward with a 90% scaling factor.
- The retirement rates for Tier 1 were lowered and the ultimate assumed retirement age was changed from 63 to 65 for Tier 2.
- The termination of employment rates for Tier 2 were increased to better match the observed experience.

As a result of the experience study completed in January 2020, there were several changes made to the actuarial assumptions and methods since the prior valuation. The changes that impact all groups were effective December 31, 2019 and include:

- The investment return assumption was lowered from 7.75% to 7.50%.
- The general wage growth assumption was lowered from 3.50% to 3.25%.
- The payroll growth assumption was lowered from 3.00% to 2.75%.

Changes from the January 2020 experience study that impacted individual groups are listed below:

KPERS:

- Retirement rates were adjusted to partially reflect observed experience.
- Termination rates were increased for most KPERS groups.
- Disability rates were reduced.
- Factors for the State group that are used to anticipate higher liabilities due to higher final average salary at retirement for pre-1993 hires were modified to better reflect actual experience.
- The administrative expense load for contributions rates was increased from 0.16% to 0.18%.

KP&F:

- Retirement rates were adjusted to partially reflect observed experience.
- Factors for the KP&F group that are used to anticipate higher liabilities due to higher final average salary at retirement for pre-1993 hires were modified to better reflect actual experience.
- The administrative expense load for contributions rates was increased from 0.16% to 0.18%.

Changes from the January 2024 experience study that impacted individual groups are listed below:

KPERS

- The mortality assumption was changed to the Pub-2010 family of mortality tables, with the different groups using different tables and age adjustments, projected generationally using MP-2021.
- Retirement rates for the C60 group were adjusted to partially reflect observed experience.
- Disability rates were reduced.
- The probability of KPERS 1 members leaving their contributions with the System were modified to better reflect observed experience.
- Factors for the State and Local groups that are used to anticipate higher liabilities due to higher final average salary at retirement for pre-1993 hires were modified to better reflect actual experience.
- The administrative expense component of the actuarial required contribution rate was increased from 0.18 percent to 0.23 percent.
- The merit salary increase assumption was increased for the School and Local groups.

KP&F

- The mortality assumption was changed to the Pub-2010 Above Median Safety Mortality Tables with a two-year age set forward, projected generationally using MP-2021.
- Retirement rates were adjusted to partially reflect observed experience.
- Disability rates were reduced.
- Termination rates were increased.
- The administrative expense component of the actuarial required contribution rate was increased from 0.18 percent to 0.23 percent.
- The merit salary increase assumption was increased.

Assumption changes effective December 31, 2020 were as follows:

- The investment return assumption was lowered from 7.75% to 7.25%.
- The general wage growth assumption was increased from 3.25% to 3.50%.

Assumption changes effective December 31, 2021 were as follows:

- The investment return assumption was lowered from 7.75% to 7.00%.

Schedule of Changes in the City's Total KPERS OPEB Liability and Related Ratios Last Nine Fiscal Years [a]

Death and Disability OPEB Plan [b]

Schedule of Changes in Total KPERS OPEB Liability and Related Ratios									
	2025	**2024**	**2023**	**2022**	**2021**	**2020**	**2019**	**2018**	**2017**
Service Cost	$ 23,413	$ 21,165	$ 20,435	$ 33,528	$ 32,198	$ 27,673	$ 26,028	$ 25,739	$ 26,816
Interest cost	6,035	5,149	4,962	4,498	4,541	6,265	6,253	5,718	3,828
Changes of benefit terms	-	-	-	-	-	-	-	-	-
Effect of economic/demographic gains or (losses)	(22,644)	(16,999)	(24,714)	(45,280)	(35,586)	(24,283)	(18,777)	(28,208)	-
Effect of assumption changes or inputs	(7,386)	960	(535)	(47,734)	300	12,292	2,265	(1,699)	(4,152)
Benefit payments	-	-	-	-	-	-	-	-	-
Net change in total OPEB liability	$ (582)	$ 10,275	$ 148	$ (54,988)	$ 1,453	$ 21,947	$ 15,769	$ 1,550	$ 26,492
Total OPEB liability, beginning	$ 130,159	$ 119,884	$ 119,736	$ 174,724	$ 173,271	$ 151,324	$ 135,555	$ 134,005	$ 107,513
Total OPEB liability, ending	$ 129,577	$ 130,159	$ 119,884	$ 119,736	$ 174,724	$ 173,271	$ 151,324	$ 135,555	$ 134,005
Covered-employee payroll	$ 8,943,572	$ 8,061,442	$ 7,164,256	$ 6,920,028	$ 6,910,902	$ 6,658,129	$ 6,390,365	$ 6,057,898	$ 5,821,363
Total OPEB liability as a % of covered-employee payroll	1.45%	1.61%	1.67%	1.73%	2.53%	2.60%	2.37%	2.24%	2.30%

[a] GASB 75 requires presentation of ten years. As of December 31, 2025, only nine years are available.
[b] No assets are accumulated in a trust to pay related benefits for this plan.

Changes in assumptions and other inputs reflect the effects of changes in the discount rate each period:

- The discount rate increased from 2.85% on June 30, 2016 to 3.58% on June 30, 2017.
- The discount rate increased from 3.58% on June 30, 2017 to 3.87% on June 30, 2018.
- The discount rate decreased from 3.87% on June 30, 2018 to 3.50% on June 30, 2019.
- The discount rate decreased from 3.50% on June 30, 2019 to 2.21% on June 30, 2020.
- The discount rate decreased from 2.21% on June 30, 2020 to 2.16% on June 30, 2021.
- The discount rate increased from 2.16% on June 30, 2021 to 3.54% on June 30, 2022.
- The discount rate increased from 3.54% on June 30, 2022 to 3.65% on June 30, 2023.
- The discount rate increased from 3.65% on June 30, 2023 to 3.93% on June 30, 2024.
- The discount rate increased from 3.93% on June 30, 2024 to 5.20% on June 30, 2025.

OTHER SUPPLEMENTARY INFORMATION

Nonmajor Governmental Funds

Special Revenue Funds

Special revenue funds are used to account for specific revenues that are legally restricted to expenditures for particular purposes.

Economic Development Reserve Fund – This fund is used to account for transient guest tax revenues that are restricted for the purpose of convention and tourism promotion.

Law Enforcement Trust Fund – This fund is used to account for monies forfeited to the City of Gardner Police Department relating to controlled substance investigations. Expenditures from this fund shall be made only for authorized law enforcement purposes of the Gardner Police Department.

Main Street Marketplace TIF Fund – This fund is used to account for the captured incremental real property taxes from the properties within the Main Street Marketplace Redevelopment District. The captured increments are to be used to reimburse the developer for TIF eligible expenses.

Main Street Marketplace CID Fund – This fund is used to account for the captured CID sales tax from the properties within the Main Street Marketplace Community Improvement District. The captured CID sales tax is to be used to reimburse the developer for CID eligible expenses.

Plaza South CID – This fund is used to account for the receipt of a CID sales tax of 1% collected within the Plaza South Community Improvement District. The captured CID sales tax is to be used to reimburse administrative fees and the developer for CID eligible expenses.

Special Parks and Recreation Fund – This fund is used to account for special alcohol liquor tax revenues that are restricted to expenditures for the purchase, establishment, maintenance, or expansion of park and recreational services, programs, and facilities.

Special Alcohol/Drug Program Fund – This fund is used to account for special alcohol liquor tax revenues that are restricted for the purpose of funding programs for the education, treatment, and intervention of alcohol and drug abuse.

Capital Projects Fund

Park Improvement Fund – This fund is used to account for the receipt of park impact fees which are restricted for park and playground purposes.

Street Improvement Fund – This fund is used to account for receipt of the City's excise fee on platted land. The expenditures in this fund are specifically restricted for the purpose of improvement of existing streets and the construction of new streets necessitated by the City's new development growth.

Vehicle and Equipment Replacement Fund – This fund is used to account for resources assigned to the City's vehicle and equipment replacement program for all departments except for the Police Department and the Electric Utility.

CITY OF GARDNER, KANSAS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS

December 31, 2025

	Special Revenue Funds						
	Economic Development Reserve	Law Enforcement Trust	Main Street Marketplace TIF	Main Street Marketplace CID	Plaza South CID	Special Parks and Recreation	Special Alcohol/ Drug Program
Assets							
Deposits and investments	$ 670,279	$ 14,192	$ 72,958	$ 35,798	$ 6,111	$ 326,903	$ 280,466
Receivables:							
Taxes	100,261	-	405,083	-	-	-	-
Other	3,773	165	-	-	-	1,887	1,542
Total assets	$ 774,313	$ 14,357	$ 478,041	$ 35,798	$ 6,111	$ 328,790	$ 282,008
Liabilities							
Accounts payable	-	-	-	35,798	6,111	-	20,000
Total liabilities	-	-	-	35,798	6,111	-	20,000
Deferred Inflows of Resources							
Deferred revenue - property taxes	-	-	405,083	-	-	-	-
Total deferred inflows of resources	-	-	405,083	-	-	-	-
Fund Balances (Deficits)							
Restricted							
Capital projects	-	-	-	-	-	-	-
Street improvements	-	-	-	-	-	-	-
Economic development	774,313	-	72,958	-	-	-	-
Other	-	14,357	-	-	-	328,790	262,008
Total fund balances	774,313	14,357	72,958	-	-	328,790	262,008
Total liabilities and fund balances	$ 774,313	$ 14,357	$ 478,041	$ 35,798	$ 6,111	$ 328,790	$ 282,008

(Continued)

CITY OF GARDNER, KANSAS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
(Continued)
December 31, 2025

	Total Special Revenue	Capital Projects			Total Capital Projects	Total Nonmajor Governmental Funds
		Park Improvement	Street Improvement	Vehicle Equipment Replacement		
Assets						
Deposits and investments	$ 1,406,707	$ 444,522	$ 3,952,207	$ 272,645	$ 4,669,374	$ 6,076,081
Receivables:						
Taxes	505,344	-	-	-	-	505,344
Other	7,367	2,422	22,643	3,861	28,926	36,293
Total assets	$ 1,919,418	$ 446,944	$ 3,974,850	$ 276,506	$ 4,698,300	$ 6,617,718
Liabilities						
Accounts payable	61,909	-	-	-	-	61,909
Total liabilities	61,909	-	-	-	-	61,909
Deferred Inflows of Resources						
Deferred revenue - property taxes	405,083	-	-	-	-	405,083
Total deferred inflows of resources	405,083	-	-	-	-	405,083
Fund Balances (Deficits)						
Restricted						
Capital projects	-	446,944	-	276,506	723,450	723,450
Street improvements	-	-	3,974,850	-	3,974,850	3,974,850
Economic development	847,271	-	-	-	-	847,271
Other	605,155	-	-	-	-	605,155
Total fund balances	1,452,426	446,944	3,974,850	276,506	4,698,300	6,150,726
Total liabilities and fund balances	$ 1,919,418	$ 446,944	$ 3,974,850	$ 276,506	$ 4,698,300	$ 6,617,718

CITY OF GARDNER, KANSAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
Year Ended December 31, 2025

	Special Revenue Funds						
	Economic Development Reserve	Law Enforcement Trust	Main Street Marketplace TIF	Main Street Marketplace CID	Plaza South CID	Special Parks and Recreation	Special Alcohol/ Drug Program
Revenues							
Property tax	$ -	$ -	$ 219,407	$ -	$ -	$ -	$ -
Sales and use taxes	-	-	-	452,115	42,217	-	-
Transient guest tax	384,616	-	-	-	-	-	-
Excise Tax	-	-	-	-	-	-	-
Intergovernmental	-	5,863	-	-	-	72,397	72,397
Fines and Fees	-	-	-	-	-	-	-
Investment earnings	24,000	664	-	-	-	11,986	10,370
Total revenues	408,616	6,527	219,407	452,115	42,217	84,383	82,767
Expenditures							
Current:							
General government	139,952	9,790	136,751	472,395	69,119	23,562	54,000
Capital outlay	-	-	-	-	-	-	-
Total expenditures	139,952	9,790	136,751	472,395	69,119	23,562	54,000
Excess of revenues over (under) expenditures	268,664	(3,263)	82,656	(20,280)	(26,902)	60,821	28,767
Other financing sources (uses)							
Transfers in	-	-	-	-	-	-	-
Transfers out	(165,100)	-	(41,654)	(13,406)	(1,254)	-	-
Total other financing sources (uses)	(165,100)	-	(41,654)	(13,406)	(1,254)	-	-
Net change in fund balances	103,564	(3,263)	41,002	(33,686)	(28,156)	60,821	28,767
Fund balances, beginning of year	670,749	17,620	31,956	33,686	28,156	267,969	233,241
Fund balances, end of year	$ 774,313	$ 14,357	$ 72,958	$ -	$ -	$ 328,790	$ 262,008

(Continued)

CITY OF GARDNER, KANSAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES (Continued)
NONMAJOR GOVERNMENTAL FUNDS
Year Ended December 31, 2025

		Capital Projects				
	Total Special Revenue	Park Improvement	Street Improvement	Vehicle Equipment Replacement	Total Capital Projects	Total Nonmajor Governmental Funds
Revenues						
Property tax	$ 219,407	$ -	$ -	$ -	$ -	$ 219,407
Sales and use taxes	494,332	-	-	-	-	494,332
Transient guest tax	384,616	-	-	-	-	384,616
Excise tax	-	-	869,502	-	869,502	869,502
Intergovernmental	150,657	-	-	-	-	150,657
Fines and fees	-	108,081	-	-	108,081	108,081
Investment earnings	47,020	17,435	138,878	16,371	172,684	219,704
Total revenues	1,296,032	125,516	1,008,380	16,371	1,150,267	2,446,299
Expenditures						
Current:						
General government	905,569	95,360	-	-	95,360	1,000,929
Capital outlay	-	-	-	54,368	54,368	54,368
Total expenditures	905,569	95,360	-	54,368	149,728	1,055,297
Excess of revenues over (under) expenditures	390,463	30,156	1,008,380	(37,997)	1,000,539	1,391,002
Other financing sources (uses)						
Transfers in	-	-	-	150,700	150,700	150,700
Transfers out	(221,414)	-	-	-	-	(221,414)
Total other financing sources (uses)	(221,414)	-	-	150,700	150,700	(70,714)
Net change in fund balances	169,049	30,156	1,008,380	112,703	1,151,239	1,320,288
Fund balances, beginning of year	1,283,377	416,788	2,966,470	163,803	3,547,061	4,830,438
Fund balances, end of year	$ 1,452,426	$ 446,944	$ 3,974,850	$ 276,506	$ 4,698,300	$ 6,150,726

CITY OF GARDNER, KANSAS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL

ECONOMIC DEVELOPMENT RESERVE FUND

Year Ended December 31, 2025

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues				
Transient guest tax	$ 311,000	$ 311,000	$ 384,616	$ 73,616
Investment earnings	27,000	27,000	24,000	(3,000)
Total revenues	338,000	338,000	408,616	70,616
Expenditures				
Project reserve	517,182	517,182	-	517,182
Contractual services	120,000	120,000	89,952	30,048
Commodities	75,000	75,000	25,000	50,000
Total expenditures	712,182	712,182	114,952	597,230
Revenues over (under) expenditures	(374,182)	(374,182)	293,664	667,846
Other financing sources (uses)				
Transfers out	(165,100)	(165,100)	(165,100)	-
Total other financing sources (uses)	(165,100)	(165,100)	(165,100)	-
Net change in fund balance	(539,282)	(539,282)	128,564	667,846
Fund balances, beginning of year	539,282	539,282	645,749	106,467
Fund balances, end of year	$ -	$ -	$ 774,313	$ 774,313

CITY OF GARDNER, KANSAS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL

MAIN STREET MARKETPLACE TIF FUND

Year Ended December 31, 2025

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues				
Property tax	$ 499,100	$ 499,100	$ 219,407	$ (279,693)
Total revenues	499,100	499,100	219,407	(279,693)
Expenditures				
Project reserve	18,889	18,889	-	18,889
General government	458,800	458,800	136,751	322,049
Total expenditures	477,689	477,689	136,751	340,938
Revenues over (under) expenditures	21,411	21,411	82,656	61,245
Other financing sources (uses)				
Transfers out	(40,300)	(40,300)	(41,654)	(1,354)
Total other financing sources (uses)	(40,300)	(40,300)	(41,654)	(1,354)
Net change in fund balance	(18,889)	(18,889)	41,002	59,891
Fund balances, beginning of year	18,889	18,889	31,956	13,067
Fund balances, end of year	$ -	$ -	$ 72,958	$ 72,958

CITY OF GARDNER, KANSAS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL

MAIN STREET MARKETPLACE CID FUND

Year Ended December 31, 2025

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues				
Sales and use taxes	$ 516,700	$ 516,700	$ 452,115	$ (64,585)
Total revenues	516,700	516,700	452,115	(64,585)
Expenditures				
Project reserve	32,128	32,128	-	32,128
General Government	501,500	501,500	472,395	29,105
Total expenditures	533,628	533,628	472,395	61,233
Revenues over (under) expenditures	(16,928)	(16,928)	(20,280)	(3,352)
Other financing sources (uses)				
Transfers out	(15,200)	(15,200)	(13,406)	1,794
Total other financing sources (uses)	(15,200)	(15,200)	(13,406)	1,794
Net change in fund balance	(32,128)	(32,128)	(33,686)	(1,558)
Fund balances, beginning of year	32,128	32,128	33,686	1,558
Fund balances, end of year	$ -	$ -	$ -	$ -

CITY OF GARDNER, KANSAS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL

PLAZA SOUTH CID FUND

Year Ended December 31, 2025

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues				
Sales and use taxes	$ 124,800	$ 124,800	$ 42,217	$ (82,583)
Total revenues	124,800	124,800	42,217	(82,583)
Expenditures				
Project reserve	29,886	29,886	-	29,886
General Government	152,500	152,500	69,119	83,381
Total expenditures	182,386	182,386	69,119	113,267
Revenues over (under) expenditures	(57,586)	(57,586)	(26,902)	30,684
Other financing sources (uses)				
Transfers out	(3,700)	(3,700)	(1,254)	2,446
Total other financing sources (uses)	(3,700)	(3,700)	(1,254)	2,446
Net change in fund balance	(61,286)	(61,286)	(28,156)	33,130
Fund balances, beginning of year	61,286	61,286	28,156	(33,130)
Fund balances, end of year	$ -	$ -	$ -	$ -

CITY OF GARDNER, KANSAS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL

SPECIAL ALCOHOL/DRUG PROGRAM FUND

Year Ended December 31, 2025

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues				
Special alcohol tax	$ 70,000	$ 70,000	$ 72,397	$ 2,397
Investment earnings	12,500	12,500	10,370	(2,130)
Total revenues	82,500	82,500	82,767	267
Expenditures				
Project reserve	298,002	298,002	-	298,002
Contractual services	34,000	34,000	54,000	(20,000)
Total expenditures	332,002	332,002	54,000	278,002
Revenues over (under) expenditures	(249,502)	(249,502)	28,767	278,269
Net change in fund balance	(249,502)	(249,502)	28,767	278,269
Fund balances, beginning of year	249,502	249,502	233,241	(16,261)
Fund balances, end of year	$ -	$ -	$ 262,008	$ 262,008

CITY OF GARDNER, KANSAS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL

SPECIAL PARKS AND RECREATION FUND

Year Ended December 31, 2025

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues				
Special alcohol tax	$ 70,000	$ 70,000	$ 72,397	$ 2,397
Investment earnings	5,000	5,000	11,986	6,986
Total revenues	75,000	75,000	84,383	9,383
Expenditures				
Project reserve	107,683	107,683	-	107,683
General Government	-	-	29,812	(29,812)
Capital Outlay	70,000	70,000	-	70,000
Total expenditures	177,683	177,683	29,812	147,871
Revenues over (under) expenditures	(102,683)	(102,683)	54,571	157,254
Net change in fund balance	(102,683)	(102,683)	54,571	157,254
Fund balances, beginning of year	102,683	102,683	267,969	165,286
Fund balances, end of year	$ -	$ -	322,540	$ 322,540
Explanation of difference between budgetary and GAAP fund balances:				
Encumbrances for equipment and supplies ordered but not received are not recorded for GAAP purposes until received			6,250	
GAAP fund balance, end of year			$ 328,790	

CITY OF GARDNER, KANSAS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL

PARK IMPROVEMENT RESERVE FUND

Year Ended December 31, 2025

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues				
Park impact fees	$ 145,900	$ 145,900	$ 108,081	$ (37,819)
Investment earnings	2,000	2,000	17,435	15,435
Total revenues	147,900	147,900	125,516	(22,384)
Expenditures				
Project reserve	197,229	197,229	-	197,229
Total expenditures	197,229	197,229	-	197,229
Revenues over (under) expenditures	(49,329)	(49,329)	125,516	174,845
Net change in fund balance	(49,329)	(49,329)	125,516	174,845
Fund balances, beginning of year	49,329	49,329	321,428	272,099
Fund balances, end of year	$ -	$ -	$ 446,944	$ 446,944

CITY OF GARDNER, KANSAS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL

STREET IMPROVEMENT FUND

Year Ended December 31, 2025

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues				
Excise tax	$ 50,000	$ 50,000	$ 869,502	$ 819,502
Investment earnings	139,000	139,000	138,878	(122)
Total revenues	189,000	189,000	1,008,380	819,380
Expenditures				
Project reserve	2,961,321	2,961,321	-	2,961,321
Total expenditures	2,961,321	2,961,321	-	2,961,321
Revenues over (under) expenditures	(2,772,321)	(2,772,321)	1,008,380	3,780,701
Net change in fund balance	(2,772,321)	(2,772,321)	1,008,380	3,780,701
Fund balances, beginning of year	2,772,321	2,772,321	2,966,470	194,149
Fund balances, end of year	$ -	$ -	$ 3,974,850	$ 3,974,850

CITY OF GARDNER, KANSAS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL

INFRASTRUCTURE SPECIAL SALES TAX FUND

Year Ended December 31, 2025

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues				
Taxes	$ 1,651,000	$ 1,651,000	$ 1,761,013	$ 110,013
Investment earnings	93,000	93,000	88,775	(4,225)
Other	-	-	6,907	6,907
Total revenues	1,744,000	1,744,000	1,856,695	112,695
Expenditures				
Debt Service	624,800	624,800	624,638	162
Public Works	-	-	89,804	(89,804)
Capital Outlay	970,000	970,000	1,311,314	(341,314)
Project Reserve	2,018,692	2,018,692	-	2,018,692
Total expenditures	3,613,492	3,613,492	2,025,756	1,587,736
Revenues over (under) expenditures	(1,869,492)	(1,869,492)	(169,061)	1,700,431
Net change in fund balance	(1,869,492)	(1,869,492)	(169,061)	1,700,431
Fund balances, beginning of year	1,869,492	1,869,492	2,006,311	136,819
Fund balances, end of year	$ -	$ -	1,837,250	$ 1,837,250
Explanation of difference between budgetary and GAAP fund balances:				
Encumbrances for equipment and supplies ordered but not received are not recorded for GAAP purposes until received			110,372	
GAAP fund balance, end of year			$ 1,947,622	

CITY OF GARDNER, KANSAS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL

SPECIAL HIGHWAY FUND

Year Ended December 31, 2025

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues				
Intergovernmental	$ 28,238,600	$ 28,238,600	$ 1,819,167	$ (26,419,433)
Investment earnings	96,000	96,000	163,506	67,506
Other	-	-	66,000	66,000
Total revenues	28,334,600	28,334,600	2,048,673	(26,285,927)
Expenditures				
Project reserve	4,979,102	4,979,102	-	4,979,102
Public works	-	-	1,152,994	(1,152,994)
Capital outlay	29,439,200	29,439,200	1,552,199	27,887,001
Other	-	-	56,490	(56,490)
Total expenditures	34,418,302	34,418,302	2,761,683	31,656,619
Revenues over (under) expenditures	(6,083,702)	(6,083,702)	(713,010)	5,370,692
Other financing sources (uses)				
General obligation bonds issued	5,250,000	5,250,000	-	(5,250,000)
Transfers In	40,300	40,300	41,654	1,354
Transfers out	(1,136,500)	(1,136,500)	(1,136,500)	-
Total other financing sources (uses)	4,153,800	4,153,800	(1,094,846)	(5,248,646)
Net change in fund balance	(1,929,902)	(1,929,902)	(1,807,856)	122,046
Fund balances, beginning of year	1,929,902	1,929,902	5,401,571	3,471,669
Fund balances, end of year	$ -	$ -	3,593,715	$ 3,593,715
Explanation of difference between budgetary and GAAP fund balances:				
Cumulative effect of GAAP entries for revenues			(66,000)	
Encumbrances for equipment and supplies ordered but not received are not recorded for GAAP purposes until received			1,530,628	
GAAP fund balance, end of year			$ 5,058,343	

CITY OF GARDNER, KANSAS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL

DEBT SERVICE FUND

Year Ended December 31, 2025

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues				
Taxes	$ 2,030,700	$ 2,030,700	$ 2,050,723	$ 20,023
Special assessments	789,100	789,100	1,027,423	238,323
Intergovernmental	638,000	638,000	682,536	44,536
Investment earnings	243,000	243,000	189,546	(53,454)
Total revenues	3,700,800	3,700,800	3,950,228	249,428
Expenditures				
Debt Service	4,198,100	4,198,100	4,183,675	14,425
Project Reserve	4,036,923	4,036,923	-	4,036,923
Total expenditures	8,235,023	8,235,023	4,183,675	4,051,348
Revenues over (under) expenditures	(4,534,223)	(4,534,223)	(233,447)	4,300,776
Other financing sources				
Bond anticipation note issued	-	-	47,475	47,475
Transfers in	1,161,100	1,161,100	1,161,102	2
Total other financing sources	1,161,100	1,161,100	1,208,577	47,477
Net change in fund balance	(3,373,123)	(3,373,123)	975,130	4,348,253
Fund balances, beginning of year	3,373,123	3,373,123	3,593,140	220,017
Fund balances, end of year	$ -	$ -	$ 4,568,270	$ 4,568,270

CITY OF GARDNER, KANSAS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL

LAND BANK FUND

Year Ended December 31, 2025

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues				
Investment earnings	$ -	$ -	$ 243	$ 243
Total revenues	-	-	243	243
Expenditures				
Project reserve	505,202	505,202	-	505,202
Total expenditures	505,202	505,202	-	505,202
Revenues over (under) expenditures	(505,202)	(505,202)	243	505,445
Net change in fund balance	(505,202)	(505,202)	243	505,445
Fund balances, beginning of year	505,202	505,202	505,427	225
Fund balances, end of year	$ -	$ -	$ 505,670	$ 505,670

CITY OF GARDNER, KANSAS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL

MUNICIPALITIES FIGHT ADDICTION FUND

Year Ended December 31, 2025

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues				
Operating Contributions	$ -	$ -	$ 32,755	$ 32,755
Total revenues	-	-	32,755	32,755
Expenditures				
Operating Supplies	83,736	83,736	-	83,736
Total expenditures	83,736	83,736	-	83,736
Revenues over (under) expenditures	(83,736)	(83,736)	32,755	116,491
Net change in fund balance	(83,736)	(83,736)	32,755	116,491
Fund balances, beginning of year	83,736	83,736	145,173	61,437
Fund balances, end of year	$ -	$ -	$ 177,928	$ 177,928

Nonmajor Proprietary Funds

Enterprise Funds

Stormwater - The Stormwater Fund accounts for all revenues and expenses of the Stormwater Utility. The principal operating revenues of the stormwater fund are charges to customers for sales and services and grants. Expenses are for the maintenance, construction and renovation of Stormwater projects.

Airport – The Airport Fund accounts for all revenues and expenses of the Airport Operations, as directed by the City of Gardner. Revenues are derived from the hangar and building space rental, the sale of fuel and land rental to bale hay on airport property. Expenses are for the construction, renovation and operation of the airport.

Internal Service Funds

Internal service funds are used to account for the financing of goods or services provided by one department to other departments of the City on a cost reimbursement basis.

Risk Services Fund – This fund is used to account for the accumulation and allocation of costs associated with the City's risk-financing activities.

Information Technology Services Fund – This fund is used to account for the accumulation and allocation of costs associated with electronic data processing.

Building Services Fund – This fund is used to account for the accumulation and allocation of costs associated with maintenance and miscellaneous repairs on city-owned property.

Fleet Services Fund - This fund is used to account for the accumulation and allocation of costs associated with fleet services which includes the repair and maintenance of all City vehicles, except Police Department vehicles and specialized Electric Department vehicles.

Utility Billing Services Fund – This fund is used to account for the accumulation and allocation of costs associated with calculating and billing amounts owed for services provided by the City's utilities and municipal airport.

CITY OF GARDNER, KANSAS
COMBINING STATEMENT OF NET POSITION
NON-MAJOR ENTERPRISE FUNDS
December 31, 2025

	Stormwater	Airport	Total
Assets			
Current assets:			
Cash and cash equivalents	$ -	$ 507,192	$ 507,192
Accounts receivable, net	-	11,057	11,057
Other receivable	-	2,520	2,520
Inventories	-	17,734	17,734
Restricted deposits and investments	-	7,900	7,900
Total current assets	-	546,403	546,403
Noncurrent assets:			
Capital assets:			
Land	-	2,076,511	2,076,511
Construction in progress	-	1,024,737	1,024,737
Buildings	-	1,745,363	1,745,363
Infrastructure	4,548,037	2,036,560	6,584,597
Improvements	737,691	142,342	880,033
Machinery and equipment	-	17,410	17,410
Less accumulated depreciation and amortization	(848,468)	(2,323,262)	(3,171,730)
Total capital assets	4,437,260	4,719,661	9,156,921
Total noncurrent assets	4,437,260	4,719,661	9,156,921
Total assets	4,437,260	5,266,064	9,703,324
Liabilities			
Current liabilities:			
Accounts payable	-	17,548	17,548
Accrued payroll	-	627	627
Customer and developer deposits	-	7,900	7,900
Compensated absences	-	4,621	4,621
Total current liabilities	-	30,696	30,696
Noncurrent liabilities:			
Compensated absences	-	2,600	2,600
Total noncurrent liabilities	-	2,600	2,600
Total liabilities	-	33,296	33,296
Net position			
Net investment in capital assets	4,437,260	4,702,769	9,140,029
Unrestricted	-	529,999	529,999
Total net position	$ 4,437,260	$ 5,232,768	$ 9,670,028

CITY OF GARDNER, KANSAS
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
NON-MAJOR ENTERPRISE FUNDS
Year Ended December 31, 2025

	Stormwater	Airport	Total
Operating revenues			
Charges for sales and services	$ -	$ 277,523	$ 277,523
Total operating revenues	-	277,523	277,523
Operating expenses			
Administration	-	158,618	158,618
Repairs and maintenance	-	11,158	11,158
Depreciation and amortization	138,291	94,999	233,290
Total operating expenses	138,291	264,775	403,066
Operating income (loss)	(138,291)	12,748	(125,543)
Nonoperating revenues (expenses)			
Investment earnings	-	16,097	16,097
Total nonoperating revenues (expenses)	-	16,097	16,097
Income (loss) before transfers and contributions	(138,291)	28,845	(109,446)
Capital grants and contributions	1,065,750	647,335	1,713,085
Transfers out	-	(500,000)	(500,000)
Change in net position	927,459	176,180	1,103,639
Net position, beginning	3,509,801	5,056,588	8,566,389
Net position, ending	$ 4,437,260	$ 5,232,768	$ 9,670,028

CITY OF GARDNER, KANSAS
COMBINING STATEMENT OF CASH FLOWS
NON-MAJOR ENTERPRISE FUNDS
Year Ended December 31, 2025

	Stormwater	Airport	Total
Cash flows from operating activities:			
Receipts from customers	$ -	$ 421,566	$ 421,566
Payments to suppliers	-	(288,346)	(288,346)
Payments to employees	-	(19,427)	(19,427)
Net cash provided by operating activities	-	113,793	113,793
Cash flows from noncapital financing activities:			
Transfers to other funds	-	(500,000)	(500,000)
Net cash provided by (used in) noncapital financing activities	-	(500,000)	(500,000)
Cash flows from capital and related financing activities:			
Capital grants and contributions	-	647,335	647,335
Acquisition and construction of capital assets	-	(133,656)	(133,656)
Net cash used in capital and related financing activities	-	513,679	513,679
Cash flows from investing activities:			
Maturity of U.S. Treasury bill	-	70,915	70,915
Interest received	-	16,097	16,097
Net cash provided from investing activities	-	87,012	87,012
Net increase (decrease) in cash and cash equivalents	-	214,484	214,484
Cash and cash equivalents, beginning of year	-	300,608	300,608
Cash and cash equivalents, end of year	$ -	$ 515,092	$ 515,092
Cash consists of:			
Cash	$ -	$ 507,192	$ 507,192
Restricted deposits and investments	-	7,900	7,900
	$ -	$ 515,092	$ 515,092
Reconciliation of operating income (loss) to net cash provided by operating activities:			
Operating income (loss)	(138,291)	12,748	(125,543)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:			
Items not requiring cash:			
Depreciation and amortization expense	138,291	94,999	233,290
Changes in:			
Receivables	-	143,543	143,543
Inventories	-	10,091	10,091
Accounts payable	-	(149,310)	(149,310)
Accrued liabilities	-	1,222	1,222
Customer deposits	-	500	500
Net cash provided by operating activities	$ -	$ 113,793	$ 113,793
Noncash investing capital and financing activities:			
Contributed capital assets	$ 1,065,750	$ -	$ 1,065,750
Capital related accounts payable/retainage payable	-	16,892	16,892

CITY OF GARDNER, KANSAS

COMBINING STATEMENT OF NET POSITION

INTERNAL SERVICE FUNDS

December 31, 2025

	Governmental Activities				Business-type Activities	
	Risk Services	Information Technology Services	Building Services	Fleet Services	Utility Billing Services	Total
Assets						
Current assets:						
Deposits and investments	$ 66,493	$ 582,532	$ 108,449	$ 24,725	$ 407,914	$ 1,190,113
Prepaid items	403,482	36,209	-	-	-	439,691
Total current assets	469,975	618,741	108,449	24,725	407,914	1,629,804
Noncurrent assets:						
Capital assets:						
Construction in progress	-	-	47	-	-	47
Machinery and equipment	-	535,285	14,794	-	10,509	560,588
Vehicles	-	-	34,488	42,569	-	77,057
Right to use subscriptions	-	454,767	-	-	-	454,767
Less accumulated depreciation/amortization	-	(839,346)	(45,833)	(8,514)	(10,509)	(904,202)
Total capital assets	-	150,706	3,496	34,055	-	188,257
Total assets	469,975	769,447	111,945	58,780	407,914	1,818,061
Deferred outflows of resources						
Pension deferred outflow	13,870	78,150	15,049	12,315	79,938	199,322
OPEB deferred outflow	44	250	48	39	256	637
Total deferred outflows of resources	13,914	78,400	15,097	12,354	80,194	199,959
Liabilities						
Current liabilities:						
Accounts payable	412,714	123,568	6,755	5,916	12,453	561,406
Accrued payroll	2,094	9,996	2,292	3,118	14,866	32,366
Compensated absences	3,562	28,302	6,475	6,157	53,750	98,246
Subscription liability	-	119,588	-	-	-	119,588
Total current liabilities	418,370	281,454	15,522	15,191	81,069	811,606
Noncurrent liabilities:						
Compensated absences	2,277	18,095	4,140	3,937	30,235	58,684
Net Pension liability	54,120	304,951	58,725	48,053	311,931	777,780
Total OPEB liability	899	5,067	976	798	5,183	12,923
Total noncurrent liabilities	57,296	328,113	63,841	52,788	347,349	849,387
Total liabilities	475,666	609,567	79,363	67,979	428,418	1,660,993
Deferred inflows of resources						
Pension deferred inflow	2,494	14,050	2,706	2,214	14,372	35,836
OPEB deferred inflow	1,060	5,972	1,150	941	6,110	15,233
Total deferred inflows of resources	3,554	20,022	3,856	3,155	20,482	51,069
Net position						
Net investment in capital assets	-	31,118	3,496	34,055	-	68,669
Unrestricted	4,669	187,140	40,327	(34,055)	39,208	237,289
Total net position	$ 4,669	$ 218,258	$ 43,823	$ -	$ 39,208	$ 305,958

CITY OF GARDNER, KANSAS

COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION

INTERNAL SERVICE FUNDS

Year Ended December 31, 2025

	Governmental Activities				Business-type Activities	
	Risk Services	Information Technology Services	Building Services	Fleet Services	Utility Billing Services	Total
Operating revenues						
Charges for services	$ 1,237,176	$ 1,132,962	$ 568,247	$ 310,588	$ 1,268,828	$ 4,517,801
Other	41,265	-	-	-	-	41,265
Total operating revenues	1,278,441	1,132,962	568,247	310,588	1,268,828	4,559,066
Operating expenses						
Administration	93,395	537,460	156,351	90,524	548,716	1,426,446
Contractual services	1,074,206	301,544	246,215	27,661	486,832	2,136,458
Other supplies and expenses	32,443	20,384	30,173	22,584	5,579	111,163
Repairs and maintenance	-	4,011	70,559	36,186	-	110,756
Depreciation and amortization	-	139,275	3,448	4,257	-	146,980
Other	78,396	130,288	55,900	129,377	227,700	621,661
Total operating expenses	1,278,440	1,132,962	562,646	310,589	1,268,827	4,553,464
Operating income	1	-	5,601	(1)	1	5,602
Income (loss) before transfers and contributions	1	-	5,601	(1)	1	5,602
Transfers out	-	-	(5,600)	-	-	(5,600)
Change in net position	1	-	1	(1)	1	2
Net position, beginning	4,668	218,258	43,822	1	39,207	305,956
Net position, ending	$ 4,669	$ 218,258	$ 43,823	$ -	$ 39,208	$ 305,958

CITY OF GARDNER, KANSAS
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS

Year Ended December 31, 2025

	Governmental Activities				Business-type Activities	
	Risk Management	Information Technology Services	Building Services	Fleet Services	Utility Billing Services	Total
Cash flows from operating activities:						
Receipts from customers	$ 1,237,176	$ 1,132,962	$ 568,247	$ 310,588	$ 1,268,828	$ 4,517,801
Other receipts	41,265	-	-	-	-	41,265
Payments to suppliers	(1,178,237)	(426,535)	(400,010)	(120,700)	(728,008)	(2,853,490)
Payments to employees	(91,390)	(539,525)	(186,695)	(181,578)	(533,458)	(1,532,646)
Net cash provided by operating activities	8,814	166,902	(18,458)	8,310	7,362	172,930
Cash flows from noncapital financing activities:						
Transfers to other funds	-	-	(5,600)	-	-	(5,600)
Net cash provided by (used in) noncapital financing activities	-	-	(5,600)	-	-	(5,600)
Cash flows from capital and related financing activities:						
Acquisition and construction of capital assets	-	(36,610)	(47)	-	-	(36,657)
Principal paid on subscription liability	-	(122,492)	-	-	-	(122,492)
Net cash provided by capital and related financing activities	-	(159,102)	(47)	-	-	(159,149)
Net increase (decrease) in cash and cash equivalents	8,814	7,800	(24,105)	8,310	7,362	8,181
Cash and cash equivalents, beginning of year	57,679	574,732	132,554	16,415	400,552	1,181,932
Cash and cash equivalents, end of year	$ 66,493	$ 582,532	$ 108,449	$ 24,725	$ 407,914	$ 1,190,113
Reconciliation of operating income to net cash provided by operating activities:						
Operating income	1	-	5,601	(1)	1	5,602
Adjustments to reconcile operating income to net cash provided by operating activities:						
Items not requiring cash:						
Depreciation and amortization expense	-	139,275	3,448	4,257	-	146,980
Total OPEB expense	(59)	(604)	(1,300)	(44)	(315)	(2,322)
Pension expense	(941)	(11,258)	(28,363)	(630)	(4,827)	(46,019)
Changes in:						
Receivables	650	-	-	-	-	650
Prepaid expenses	(403,482)	(26,052)	-	-	-	(429,534)
Accounts payable	410,320	60,743	2,837	1,548	(7,897)	467,551
Accrued liabilites	2,325	4,798	(681)	3,180	20,400	30,022
Net cash provided by operating activities	$ 8,814	$ 166,902	$ (18,458)	$ 8,310	$ 7,362	$ 172,930



ANNUAL COMPREHENSIVE FINANCIAL REPORT

For the fiscal year ended

December 31, 2025

STATISTICAL SECTION

Statistical Section

This part of the City of Gardner's Annual Comprehensive Financial Report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City's overall financial health.

Contents **Page**

Financial Trends **124 - 127**

These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.

Revenue Capacity **128 - 136**

These schedules contain information to help the reader assess the factors affecting the City's ability to generate its most significant local revenue source, which is the electric, water and wastewater revenues, as well as its property taxes.

Debt Capacity **137 - 140**

These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.

Demographic and Economic Information **141 - 143**

These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place and to help make comparisons over time with other governments.

Operating Information **144 - 146**

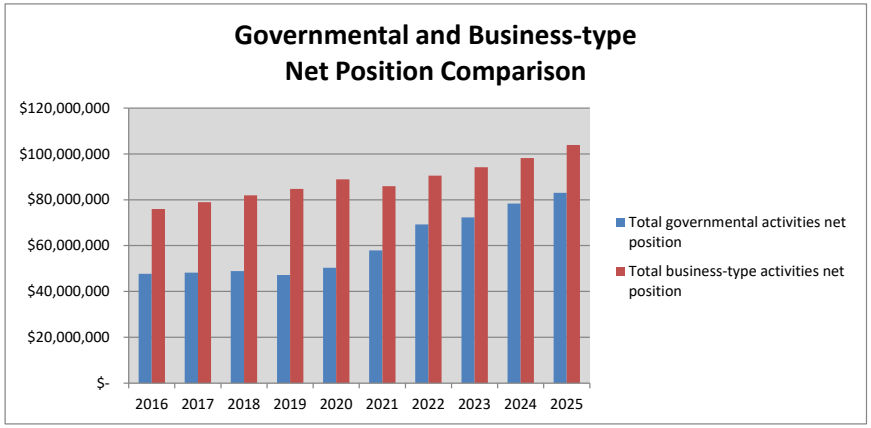
These schedules contain information about the City's operations and resources to help the reader understand how the City's financial information relates to the services the City provides and the activities it performs.

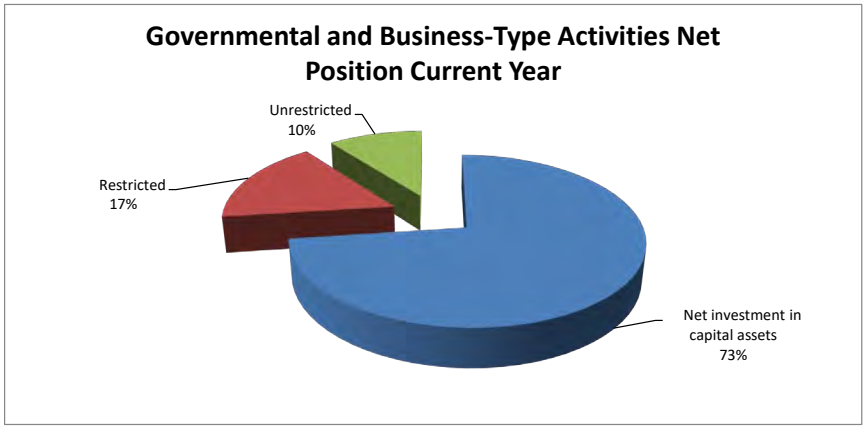
Sources: Unless otherwise noted, the information in these schedules is derived from the annual comprehensive financial reports for the relevant year.

City of Gardner, Kansas
Net Position by Component
Last Ten Fiscal Years
(accrual basis of accounting)

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Governmental activities										
Net investment in capital assets	$ 29,574,314	$ 31,189,584	$ 34,541,491	$ 32,182,882	$ 36,297,226	$ 40,365,621	$ 41,395,607	$ 45,679,092	$ 52,721,184	$ 56,665,467
Restricted	17,920,702	17,866,534	16,120,122	17,533,282	16,392,206	18,150,536	27,575,953	27,746,204	30,256,202	31,172,369
Unrestricted	161,452	(837,444)	(1,788,810)	(2,541,211)	(2,326,241)	(611,267)	287,855	(1,115,237)	(4,609,970)	(4,841,107)
Total governmental activities net position	$ 47,656,468	$ 48,218,674	$ 48,872,803	$ 47,174,953	$ 50,363,191	$ 57,904,890	$ 69,259,415	$ 72,310,059	$ 78,367,416	$ 82,996,729
Business-type activities										
Net investment in capital assets	$ 61,598,308	$ 62,611,603	$ 63,039,388	$ 66,658,777	$ 67,028,494	$ 67,367,298	$ 61,586,615	$ 62,708,043	$ 76,536,967	$ 79,638,120
Unrestricted	14,341,092	16,313,315	18,916,385	18,087,690	21,845,455	18,582,709	28,953,130	31,463,967	21,636,768	24,248,707
Total business-type activities net position	$ 75,939,400	$ 78,924,918	$ 81,955,773	$ 84,746,467	$ 88,873,949	$ 85,950,007	$ 90,539,745	$ 94,172,010	$ 98,173,735	$ 103,886,827
Primary government										
Net investment in capital assets	$ 91,172,622	$ 93,801,187	$ 97,580,879	$ 98,841,659	$ 103,325,720	$ 107,732,919	$ 102,982,222	$ 108,387,135	$ 129,258,151	$ 136,303,587
Restricted	17,920,702	17,866,534	16,120,122	17,533,282	16,392,206	18,150,536	27,575,953	27,746,204	30,256,202	31,172,369
Unrestricted	14,502,544	15,475,871	17,127,575	15,546,479	19,519,214	17,971,442	29,240,985	30,348,730	17,026,798	19,407,600
Total primary government net position	$ 123,595,868	$ 127,143,592	$ 130,828,576	$ 131,921,420	$ 139,237,140	$ 143,854,897	$ 159,799,160	$ 166,482,069	$ 176,541,151	$ 186,883,556

Source: *City of Gardner Finance Department*





City of Gardner, Kansas
Changes in Net Position
Last Ten Fiscal Years
(accrual basis of accounting)

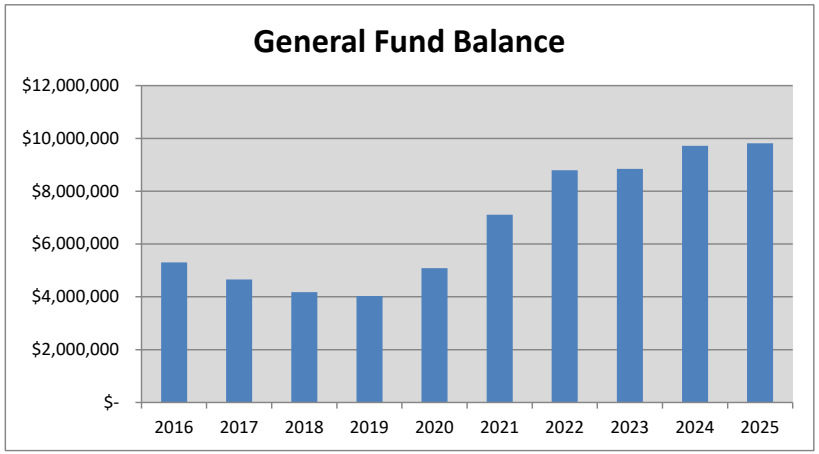
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Expenses										
Governmental activities:										
General government	$ 4,598,982	$ 3,068,153	$ 3,332,171	$ 3,091,437	$ 3,504,843	$ 3,760,357	$ 4,016,862	$ 4,644,561	$ 4,888,880	$ 6,063,723
Police	5,315,430	4,395,424	5,040,277	5,600,299	5,992,914	6,128,179	6,843,357	7,769,282	7,724,400	8,818,433
Public Works	3,744,547	4,247,297	4,653,338	5,353,865	4,745,816	4,780,947	6,424,667	6,350,060	7,084,932	6,791,917
Culture and recreation	2,604,472	3,219,356	3,363,570	3,531,547	2,591,111	3,082,003	3,347,444	3,817,507	3,753,153	3,748,396
Community Development	-	893,753	947,501	1,061,554	967,771	861,708	899,992	1,103,220	1,089,208	1,394,982
Interest on long-term debt	609,604	696,847	1,453,025	1,404,127	1,319,387	1,208,794	1,179,226	1,118,930	1,129,062	977,910
Total governmental activities expenses	16,873,035	16,520,830	18,789,882	20,042,829	19,121,842	19,821,988	22,711,548	24,803,560	25,669,635	27,795,361
Business-type activities:										
Electric	12,006,709	12,699,174	16,829,253	14,817,684	14,644,403	28,977,189	21,914,251	18,508,090	18,451,920	21,061,898
Water	4,032,587	4,228,110	3,901,601	4,772,701	5,685,051	8,267,952	6,339,583	7,524,306	8,156,819	7,523,258
Wastewater	4,591,624	4,503,508	4,706,539	5,086,690	5,469,660	5,601,851	6,153,081	6,041,531	5,699,960	8,919,529
Stormwater	28,298	28,298	28,443	33,155	49,186	66,470	95,403	104,891	111,647	138,291
Airport	204,879	251,234	268,698	292,205	246,693	269,781	319,877	238,810	304,641	264,775
Total business-type activities expenses	20,864,097	21,710,324	25,734,534	25,002,435	26,094,993	43,183,243	34,822,195	32,417,628	32,724,987	37,907,751
Total primary government expenses	$ 37,737,132	$ 38,231,154	$ 44,524,416	$ 45,045,264	$ 45,216,835	$ 63,005,231	$ 57,533,743	$ 57,221,188	$ 58,394,622	$ 65,703,112
Program Revenues										
Governmental activities:										
Charges for services:										
General government	$ 2,171,668	$ 2,085,061	$ 961,333	$ 417,849	$ 2,597,085	$ 2,818,108	$ 2,956,854	$ 2,495,806	$ 2,582,709	$ 2,772,386
Police	8,228	6,525	8,616	8,427	8,687	7,745	9,576	7,656	6,263	6,768
Public Works	-	-	-	-	5,165	7,853	7,585	8,126	7,942	8,492
Culture and recreation	963,169	1,002,553	1,074,914	923,514	413,567	807,255	1,141,611	885,181	958,041	859,045
Community Development	-	323,431	435,976	378,933	393,650	542,225	887,343	417,041	795,008	1,247,408
Operating grants and contributions	3,397,426	3,672,663	3,734,419	3,835,400	3,530,893	3,590,921	4,012,507	5,046,226	4,396,897	4,824,265
Capital grants and contributions	206,879	493,301	2,253,302	1,673,007	3,642,976	8,379,221	11,230,770	2,736,341	5,707,627	4,648,520
Total govtl activities program revenues	6,747,370	7,583,534	8,468,560	7,237,130	10,592,023	16,153,328	20,246,246	11,596,377	14,454,487	14,366,884
Business-type activities:										
Charges for services:										
Electric	14,440,663	14,414,445	17,534,000	16,545,548	16,749,055	25,221,237	23,213,696	19,301,065	19,564,106	20,938,385
Water	5,440,947	5,612,380	6,248,707	5,927,668	6,225,920	6,379,148	7,225,638	7,729,061	8,297,636	8,750,214
Wastewater	5,073,706	5,168,047	5,452,335	5,428,736	5,434,314	5,480,160	6,156,537	6,730,588	6,960,583	7,410,129
Stormwater	-	-	144	-	-	-	-	-	-	-
Airport	648,050	252,380	258,295	249,908	229,035	250,068	263,251	260,156	302,210	277,523
Operating grants and contributions	-	-	-	-	98	1,098	-	150	-	-
Capital grants and contributions	358,459	57,574	32,121	700,141	2,403,147	1,405,534	2,333,423	1,664,852	1,261,079	5,111,705
Total business-type program revenues	25,961,825	25,504,826	29,525,602	28,852,001	31,041,569	38,737,245	39,192,545	35,685,872	36,385,614	42,487,956
Total primary govt program revenues	$ 32,709,195	$ 33,088,360	$ 37,994,162	$ 36,089,131	$ 41,633,592	$ 54,890,573	$ 59,438,791	$ 47,282,249	$ 50,840,101	$ 56,854,840
Net (Expense)/Revenue										
Governmental activities	$ (10,125,665)	$ (8,937,296)	$ (10,321,322)	$ (12,805,699)	$ (8,529,819)	$ (3,668,660)	$ (2,465,302)	$ (13,207,183)	$ (11,215,148)	$ (13,428,477)
Business-type activities	5,097,728	3,794,502	3,791,068	3,849,566	4,946,576	(4,445,998)	4,370,350	3,268,244	3,660,627	4,580,205
Total primary government net expense	$ (5,027,937)	$ (5,142,794)	$ (6,530,254)	$ (8,956,133)	$ (3,583,243)	$ (8,114,658)	$ 1,905,048	$ (9,938,939)	$ (7,554,521)	$ (8,848,272)
General Revenues and Other Changes in Net Position										
Governmental activities:										
Taxes										
Property taxes	$ 5,246,198	$ 4,037,863	$ 4,206,575	$ 4,476,355	$ 4,810,228	$ 5,394,940	$ 5,373,238	$ 5,892,875	$ 6,508,084	$ 7,057,395
Sales taxes	3,827,653	4,041,798	4,171,850	4,333,660	5,079,085	5,931,142	6,702,300	6,733,890	7,089,733	7,582,598
Franchise taxes	269,736	360,268	282,893	257,002	245,477	264,835	325,352	327,114	277,450	285,739
Excise taxes	-	-	686,718	451,991	28,227	359,835	559,109	171,003	736,682	869,502
Transient guest taxes	74,272	71,383	66,361	153,661	217,553	244,697	299,861	309,869	356,347	384,616
Other	70,505	28,852	328,963	78,002	235,353	496,004	449,241	350,219	216,814	479,734
Unrestricted investment earnings	9,533	65,538	311,797	335,633	137,134	17,313	240,530	1,408,357	1,371,925	1,130,415
Gain on disposal of asset	(82,063)	-	-	-	-	-	-	-	-	-
Transfers	(1,445,460)	893,800	969,500	1,008,200	965,000	(1,498,407)	(4,944)	1,064,500	912,757	267,791
Total governmental activities	7,970,374	9,499,502	11,024,657	11,094,504	11,718,057	11,210,359	13,944,687	16,257,827	17,469,792	18,057,790
Business-type activities:										
Unrestricted investment earnings	10,284	84,816	240,469	376,630	145,906	23,649	214,318	1,428,446	1,352,671	1,400,652
Lease interest revenue	-	-	-	-	-	-	126	75	38	26
Transfers	1,445,460	(893,800)	(969,500)	(1,008,200)	(965,000)	1,498,407	4,944	(1,064,500)	(912,757)	(267,791)
Total business-type activities	1,455,744	(808,984)	(729,031)	(631,570)	(819,094)	1,522,056	219,388	364,021	439,952	1,132,887
Total primary government	$ 9,426,118	$ 8,690,518	$ 10,295,626	$ 10,462,934	$ 10,898,963	$ 12,732,415	$ 14,164,075	$ 16,621,848	$ 17,909,744	$ 19,190,677
Change in Net Position										
Governmental activities	$ (2,155,291)	$ 562,206	$ 703,335	$ (1,711,195)	$ 3,188,238	$ 7,541,699	$ 11,479,385	$ 3,050,644	$ 6,254,644	$ 4,629,313
Business-type activities	6,553,472	2,985,518	3,062,037	3,217,996	4,127,482	(2,923,942)	4,589,738	3,632,265	4,100,579	5,713,092
Total primary government	$ 4,398,181	$ 3,547,724	$ 3,765,372	$ 1,506,801	$ 7,315,720	$ 4,617,757	$ 16,069,123	$ 6,682,909	$ 10,355,223	$ 10,342,405

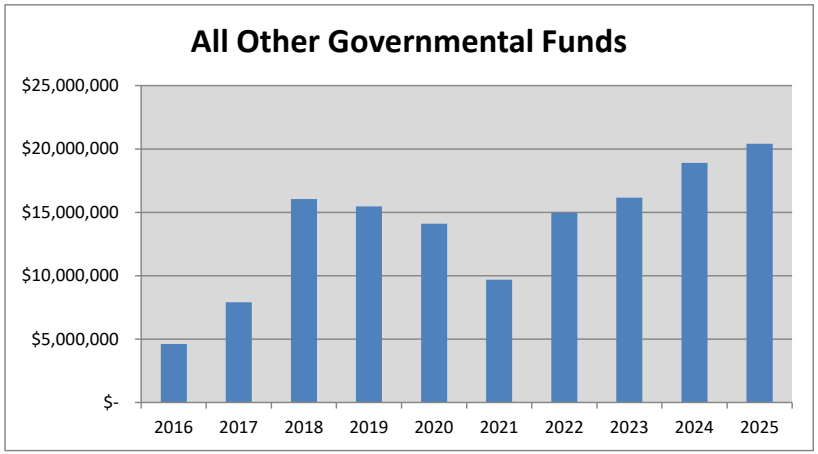
Source: *City of Gardner Finance Department*

City of Gardner, Kansas
Fund Balances of Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
General Fund										
Nonspendable	$ -	$ -	$ 29,694	$ 23,758	$ 28,584	$ 75,719	$ 122,108	$ 127,483	$ 857,487	$ 1,159,493
Restricted	-	-	-	-	-	-	-	515,936	593,173	873,928
Assigned	22,221	184,992	166,052	306,996	45,957	155,886	163,278	213,252	1,312,727	101,557
Unassigned	5,280,652	4,471,284	3,980,094	3,701,788	5,012,435	6,879,876	8,509,475	7,991,138	6,956,603	7,684,035
Total General Fund	$ 5,302,873	$ 4,656,276	$ 4,175,840	$ 4,032,542	$ 5,086,976	$ 7,111,481	$ 8,794,861	$ 8,847,809	$ 9,719,990	$ 9,819,013
All Other Governmental Funds										
Restricted	$ 4,611,811	$ 7,911,908	$ 16,046,623	$ 15,464,558	$ 14,096,969	$ 9,685,387	$ 14,960,706	$ 16,149,124	$ 18,904,871	$ 20,403,598
Total all other governmental funds	$ 4,611,811	$ 7,911,908	$ 16,046,623	$ 15,464,558	$ 14,096,969	$ 9,685,387	$ 14,960,706	$ 16,149,124	$ 18,904,871	$ 20,403,598

Source: *City of Gardner Finance Department*





City of Gardner, Kansas
Changes in Fund Balances, Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Revenues										
Taxes	$ 9,417,859	$ 8,511,312	$ 9,414,397	$ 9,672,669	$ 10,380,570	$ 12,195,449	$ 13,259,860	$ 13,434,751	$ 14,968,296	$ 16,179,850
Licenses and permits	293,055	337,987	452,521	306,785	337,714	307,314	664,523	403,623	694,225	964,590
Fines and fees	591,913	632,258	634,207	651,540	704,130	795,294	1,195,077	669,793	588,880	649,471
Charges for services	2,253,903	2,444,420	2,593,495	2,882,631	2,371,488	3,080,578	3,143,369	2,740,394	3,066,858	3,280,038
Special assessments	1,869,075	1,235,823	1,220,611	1,119,494	1,216,401	1,124,026	1,280,106	1,276,083	1,547,184	1,027,423
Intergovernmental	3,604,305	4,165,964	4,780,797	4,008,417	5,963,090	6,507,828	5,965,238	5,953,227	6,396,858	6,485,498
Investment earnings	9,533	65,538	311,797	335,633	137,134	17,313	240,530	1,408,357	1,371,925	1,130,415
Other revenues	68,397	25,221	311,488	54,283	204,041	476,285	414,546	831,901	197,619	424,005
Total revenues	18,108,040	17,418,523	19,719,313	19,031,452	21,314,568	24,504,087	26,163,249	26,718,129	28,831,845	30,141,290
Expenditures										
General government	4,408,175	2,980,122	3,202,406	2,919,687	3,191,213	3,478,577	3,786,701	4,429,294	4,726,374	5,788,265
Police	5,087,946	3,994,544	4,315,082	4,774,678	4,977,084	5,434,698	5,754,066	6,447,144	6,735,353	8,489,742
Public works	1,944,363	2,725,561	2,892,920	3,503,786	2,869,204	2,731,221	4,033,710	3,837,543	4,583,320	3,980,449
Culture and recreation	2,272,346	2,600,834	2,646,171	2,771,474	1,809,340	2,386,493	2,584,267	3,006,512	2,991,549	2,930,578
Community Development	-	883,428	925,371	1,030,985	946,782	865,692	863,715	1,062,246	1,072,994	1,314,645
Capital outlay	2,445,875	3,058,193	10,614,356	9,404,314	9,224,447	7,902,394	2,516,812	2,751,270	2,037,417	3,985,767
Debt service:										
Interest	690,690	684,294	900,201	1,309,268	1,294,205	1,198,963	1,101,929	1,369,780	1,257,523	1,145,385
Principal	2,971,806	2,227,937	4,231,683	5,025,987	8,516,593	10,511,966	8,577,984	5,174,079	5,464,666	3,772,449
Other	155,738	192,427	434,986	184,671	154,146	138,470	159,715	33,304	119,560	82,748
Total expenditures	19,976,939	19,347,340	30,163,176	30,924,850	32,983,014	34,648,474	29,378,899	28,111,172	28,988,756	31,490,028
Excess of revenues over (under) expenditures	(1,868,899)	(1,928,817)	(10,443,863)	(11,893,398)	(11,668,446)	(10,144,387)	(3,215,650)	(1,393,043)	(156,911)	(1,348,738)
Other Financing Sources (Uses)										
Bonds issued	3,548,000	3,505,000	14,985,000	2,465,000	4,825,000	6,120,000	6,990,000	-	1,435,000	-
Proceeds from capital lease	-	-	1,218,000	180,000	-	-	-	-	-	-
Premium on G.O. Bonds	124,700	179,886	908,167	112,771	343,479	312,362	698,761	5,333	133,915	-
Bond Anticipation notes issued	-	-	-	7,365,000	5,205,000	-	1,385,000	1,515,000	1,055,000	725,000
Sale of capital assets	2,108	3,631	17,475	23,719	16,812	17,542	43,688	45,976	43,418	55,729
Issuance of SBITAs	-	-	-	-	-	-	-	-	-	881,559
Transfers in	1,714,113	1,159,400	1,178,702	1,221,412	1,168,680	2,959,498	4,011,706	3,757,989	3,007,488	2,665,706
Transfers out	(835,173)	(265,600)	(209,202)	(213,212)	(203,680)	(1,652,092)	(2,954,806)	(2,689,889)	(1,889,982)	(1,381,506)
Total other financing sources (uses)	4,553,748	4,582,317	18,098,142	11,154,690	11,355,291	7,757,310	10,174,349	2,634,409	3,784,839	2,946,488
Net change in fund balances	$ 2,684,849	$ 2,653,500	$ 7,654,279	$ (738,708)	$ (313,155)	$ (2,387,077)	$ 6,958,699	$ 1,241,366	$ 3,627,928	$ 1,597,750
Debt service as a percentage of noncapital expenditures	20.9%	17.9%	26.3%	29.4%	41.3%	43.8%	36.0%	25.8%	24.9%	17.9%

Source: *City of Gardner Finance Department*

City of Gardner, Kansas
Utilities Produced, Consumed, and Treated
Last Ten Fiscal Years

Fiscal Year	Electricity Generated & Purchased	Electricity Sold To Customers	[a] Electricity Consumed & Unbilled	[a] Average Percent Unbilled	Gallons of Water Produced & Purchased	Gallons of Water Sold	[a] Gallons of Water Unbilled	[a] Average Percent Unbilled	Gallons of Wastewater Treated	Total Direct Rate					
										Electric		Water		Wastewater	
										Base [b] Rate	Usage [c] Rate	Base [b] Rate	Usage [c] Rate	Base [b] Rate	Usage [c] Rate
2016	150,351	136,060	14,291	9.51%	794	633	74	9.32%	668	$ 6.72	$ 0.1082	$ 13.45	$ 5.99	$ 13.73	$ 8.78
2017	144,632	136,157	8,723	6.03%	841	699	142	16.88%	591	$ 6.72	$ 0.1082	$ 13.45	$ 5.99	$ 13.73	$ 8.78
2018	155,841	148,934	6,907	4.43%	999	761	138	13.81%	593	$ 6.72	$ 0.1082	$ 13.45	$ 5.99	$ 13.73	$ 8.78
2019	154,281	147,686	6,595	4.27%	969	684	285	29.41%	833	$ 6.72	$ 0.1082	$ 13.45	$ 5.99	$ 13.73	$ 8.78
2020	149,688	142,404	7,284	4.87%	952	708	244	25.63%	760	$ 6.72	$ 0.1038	$ 13.95	$ 6.21	$ 13.73	$ 8.78
2021	154,373	149,224	5,149	3.34%	977	754	223	22.82%	763	$ 6.72	$ 0.1038	$ 14.47	$ 6.44	$ 13.73	$ 8.78
2022	161,712	152,339	9,373	5.80%	1022	764	258	25.24%	827	$ 6.72	$ 0.1038	$ 15.01	$ 6.68	$ 13.73	$ 8.78
2023	162,134	156,443	5,691	3.51%	1086	798	288	26.52%	953	$ 2.72	$ 0.1017	$ 15.57	$ 6.93	$ 14.31	$ 9.15
2024	169,292	161,982	7,310	4.32%	1125	845	280	24.89%	823	$ 2.72	$ 0.1017	$ 16.15	$ 7.19	$ 14.91	$ 9.53
2025	174,275	166,363	7,912	4.54%	1140	831	309	27.11%	860	$ 2.72	$ 0.1017	$ 16.75	$ 7.46	$ 15.54	$ 9.93

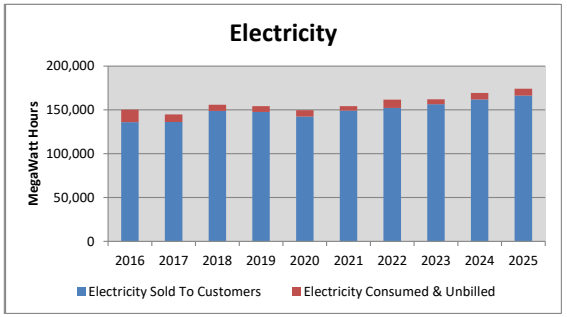
Notes: *Electricity is presented in MegaWatt Hours and gallons are presented in millions.*

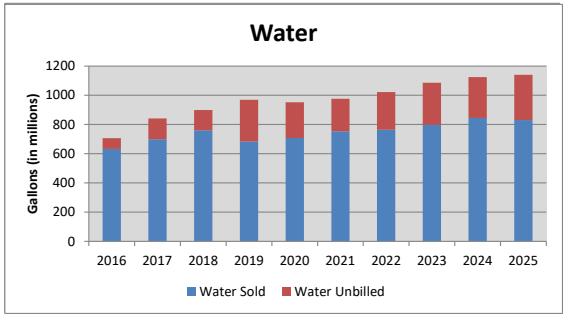
[a] *Unbilled amounts include electric and water used by the City of Gardner for government operations.*

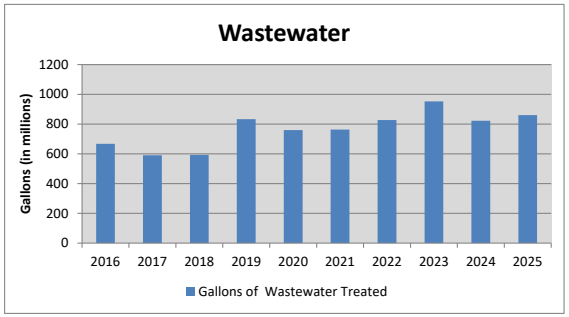
[b] *Rates shown are for residential customers. For more detail on utility rates see the Electric, Water, and Sewer Rate schedule in this section.*

[c] *Per 1,000 gallons.*

Source: *City of Gardner Public Works Department & Utility Department*



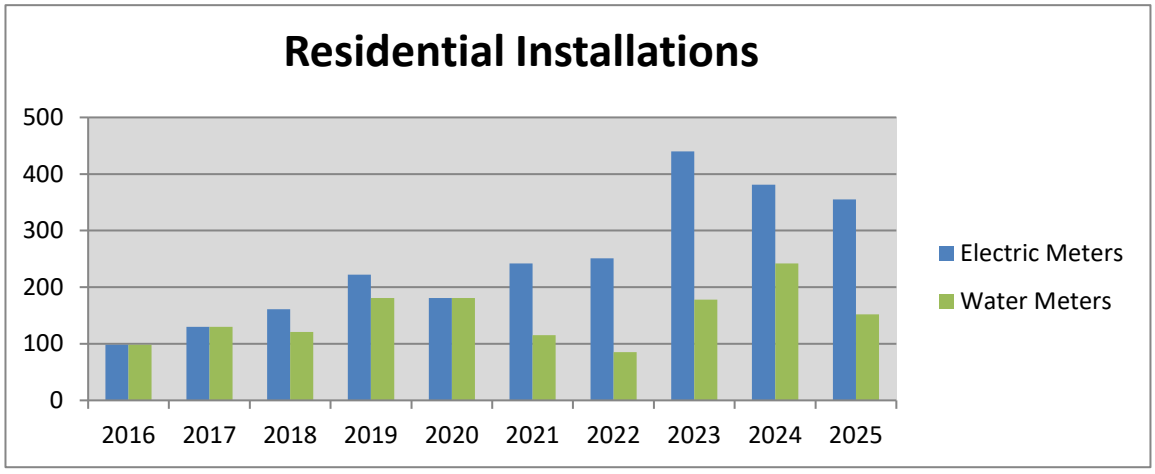


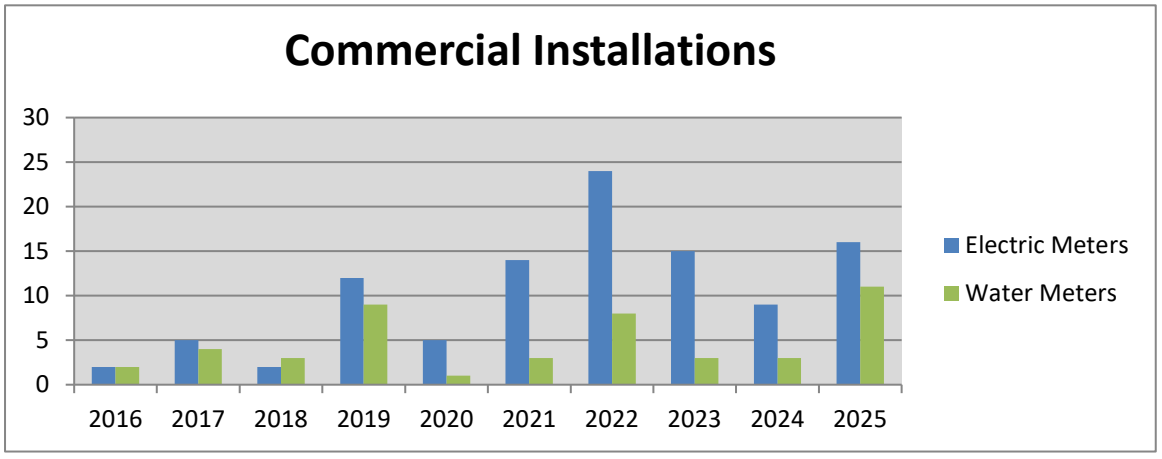


City of Gardner, Kansas
Annual Electric and Water Meter Installations
Last Ten Fiscal Years

Fiscal Year	Electric Meter Installations		Water Meter Installations		Total Installations
	Residential	Commercial	Residential	Commercial	
2016	98	2	98	2	200
2017	130	5	130	4	269
2018	161	2	121	3	287
2019	222	12	181	9	424
2020	181	5	181	1	368
2021	242	14	115	3	374
2022	251	24	85	8	368
2023	440	15	178	3	636
2024	381	9	242	3	635
2025	355	16	152	11	534

Source: *City of Gardner Utility Department*

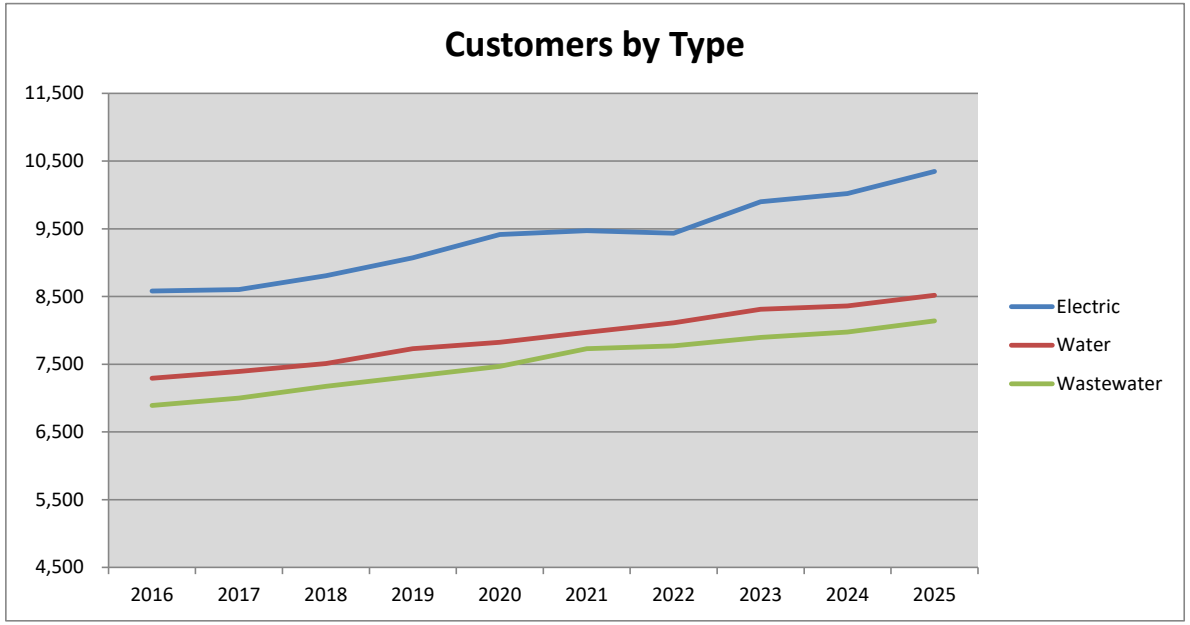




City of Gardner, Kansas
Number of Electric, Water, and Wastewater Customers by Type
Last Ten Fiscal Years

Fiscal	Electric			Water			Wastewater			Total		
Year	Residential	Commercial	Industrial	Residential	Commercial	Industrial	Residential	Commercial	Industrial	Electric	Water	Wastewater
2016	8,089	488	4	6,977	309	7	6,664	221	6	8,581	7,293	6,891
2017	8,081	517	4	7,069	316	7	6,766	229	6	8,602	7,392	7,001
2018	8,288	515	5	7,189	313	7	6,937	228	7	8,808	7,509	7,172
2019	8,541	522	7	7,402	319	7	7,081	235	7	9,070	7,728	7,323
2020	8,869	536	9	7,490	326	7	7,224	239	7	9,414	7,823	7,470
2021	8,917	545	9	7,509	455	9	7,475	245	9	9,471	7,973	7,729
2022	8,866	562	8	7,679	423	9	7,521	241	9	9,436	8,111	7,771
2023	9,321	570	8	7,996	310	4	7,644	249	3	9,899	8,310	7,896
2024	9,459	555	8	8,045	312	5	7,723	251	3	10,022	8,362	7,977
2025	9,758	582	7	8,198	315	5	7,880	257	3	10,347	8,518	8,140

Source: *City of Gardner Utility Department*



City of Gardner, Kansas
Electric, Water, and Wastewater Rates
Last Ten Fiscal Years

	2016	2017	2018	2019	2020[b]	2021	2022	2023	2024	2025
Water Rates[a]										
(All Meter Sizes)										
Base Rate	$ 13.45	$ 13.45	$ 13.45	$ 13.45	$ 13.95	$ 14.47	$ 15.01	$ 15.57	$ 16.15	$ 16.75
Usage Rate (per 1,000 gallons) First 6,000 gallons	5.99	5.99	5.99	5.99	6.21	6.44	6.68	6.93	7.19	7.46
Usage Rate per 1,000 gallons) 6,001-10,000 gallons	6.60	6.60	6.60	6.60	6.84	7.09	7.35	7.62	7.90	8.19
Usage Rate (per 1,000 gallons) 10,001-14,000 gallons	6.89	6.89	6.89	6.89	7.14	7.40	7.67	7.95	8.24	8.54
Usage Rate (per 1,000 gallons) 14,001-18,000 gallons	7.20	7.20	7.20	7.20	7.47	7.75	8.04	8.34	8.65	8.97
Usage Rate (per 1,000 gallons)18,001 or more gallons	7.53	7.53	7.53	7.53	7.81	8.10	8.40	8.71	9.03	9.36
Wastewater Rates										
Base Rate	$ 13.73	$ 13.73	$ 13.73	$ 13.73	$ 13.73	$ 13.73	$ 13.73	$ 14.31	$ 14.91	$ 15.54
Usage Rate (per 1,000 gallons)	8.78	8.78	8.78	8.78	8.78	8.78	8.78	9.15	9.53	9.93
Electric Rates										
Residential										
Base Rate	$ 6.72	$ 6.72	$ 6.72	$ 6.72	$ 6.72	$ 6.72	$ 6.72	$ 2.72	$ 2.72	$ 2.72
Usage Rate (per kWh)	0.10819	0.10819	0.10819	0.10819	0.10380	0.10380	0.10380	0.10170	0.10170	0.10170
Commercial [c]										
Base Rate	$ 7.35	$ 7.35	$ 7.35	$ 7.35	$ -	$ -	$ -	$ -	$ -	$ -
Usage Rate (per kWh)	0.11152	0.11152	0.11152	0.11152	-	-	-	-	-	-
Commercial Small With Demand										
Base Rate for Demand	$ 16.70	$ 16.70	$ 16.70	$ 16.70	$ 10.00	$ 10.00	$ 10.00	$ 10.00	$ 10.00	$ 10.00
Usage Rate (per KW)	14.06	14.06	14.06	14.06	5.00	5.00	5.00	5.00	5.00	5.00
Usage Rate (per kWh)	0.05708	0.05708	0.05708	0.05708	0.07860	0.07860	0.07860	0.07860	0.07860	0.07860
Usage Rate (per kWh) Over 5,000 kWh [c]	0.05053	0.05053	0.05053	0.05053	-	-	-	-	-	-
Commercial Medium With Demand										
Base Rate for Demand	-	-	-	-	$ 20.00	$ 20.00	$ 20.00	$ 20.00	$ 20.00	$ 20.00
Usage Rate (per KW)	-	-	-	-	9.75	9.75	9.75	9.75	9.75	9.75
Usage Rate (per kWh)	-	-	-	-	0.07860	0.07860	0.07860	0.07860	0.07860	0.07860
Commercial Large With Demand										
Base Rate for Demand	$ 2.26	$ 2.26	$ 2.26	$ 2.26	$ 35.00	$ 35.00	$ 35.00	$ 35.00	$ 35.00	$ 35.00
Usage Rate (per KW)	14.06	14.06	14.06	14.06	14.50	14.50	14.50	14.50	14.50	14.50
Usage Rate (per kWh)	0.05080	0.05080	0.05080	0.05080	0.05400	0.05400	0.05400	0.05400	0.05400	0.05400
Usage Rate (per kWh) Over 5,000 kWh [c]	0.05053	0.05053	0.05053	0.05053	-	-	-	-	-	-
All Electric Rates [c]										
Residential										
Base Rate	$ 6.20	$ 6.20	$ 6.20	$ 6.20	$ -	$ -	$ -	$ -	$ -	$ -
Summer Usage Rate (per kWh)	0.11088	0.11088	0.11088	0.11088	-	-	-	-	-	-
Winter Usage Rate (per kWh) First 800 kWh	0.11088	0.11088	0.11088	0.11088	-	-	-	-	-	-
Winter Usage Rate (per kWh) Over 800 kWh	0.04853	0.04853	0.04853	0.04853	-	-	-	-	-	-
Commercial										
Base Rate	$ 7.35	$ 7.35	$ 7.35	$ 7.35	$ -	$ -	$ -	$ -	$ -	$ -
Usage Rate (per KW)	5.30	5.30	5.30	5.30	-	-	-	-	-	-
Summer Usage Rate (per kWh)	0.04198	0.04198	0.04198	0.04198	-	-	-	-	-	-
Winter Usage Rate (per kWh)	0.03894	0.03894	0.03894	0.03894	-	-	-	-	-	-

Source: *City of Gardner Utility Department*

Note: *(a) The City of Gardner implemented a new step rate structure for water in 2014*
(b) The City of Gardner implemented new rate structures for water and electric in 2020
(c) Some rates and rate classes were eliminated as part of the implementation of new rate structures in 2020

City of Gardner, Kansas
Ten Largest Electric, Water, and Wastewater Customers
Current Year and Nine Years Ago

Fiscal Year 2025

	Electric Revenue			Water Revenue			Wastewater Revenue	
Customer	**Amount**	**%**	**Customer**	**Amount**	**%**	**Customer**	**Amount**	**%**
U.S.D. 231 High School	$ 328,729.32	1.98%	New Century	$ 864,648.96	11.37%	Go Car Wash	$ 46,698.98	0.76%
Walmart	290,958.90	1.75%	Go Car Wash	44,329.21	0.58%	Smithco Construction Co	44,917.60	0.73%
U.S. Postal Service	220,768.27	1.33%	Smithco Construction	42,642.37	0.56%	U.S.D. 231 High School	27,693.63	0.45%
Price Chopper	208,670.40	1.26%	U.S.D. 231 High School	26,917.44	0.35%	Stop and Shine	26,469.38	0.43%
Excelligence	159,360.00	0.96%	KS Resource Exploration and Dev	26,197.90	0.34%	Hampton Inn	22,708.49	0.37%
COG - Wastewater Plant	158,628.08	0.96%	Stop and Shine	25,243.99	0.33%	Recover Care LLC	20,345.67	0.33%
U.S.D. 231 Killcreek Rd	137,205.96	0.83%	D and Z Exploration	23,860.26	0.31%	CPF Senior Living	19,561.84	0.32%
U.S.D. 231 Grand Street	129,671.80	0.78%	Hampton Inn	22,223.16	0.29%	Price Chopper	18,510.52	0.30%
Omni Systems, Inc.	119,483.90	0.72%	Recover Care LLC	20,000.58	0.26%	Recover Care Add 1	18,445.98	0.30%
Tradenet Publishing	105,881.28	0.64%	CPF Senior Living	19,290.77	0.25%	Bristol Partners	16,500.87	0.27%
Subtotal (10 largest)	$ 1,859,357.91	11.20%	Subtotal (10 largest)	$ 1,115,354.64	14.66%	Subtotal (10 largest)	$ 261,852.96	4.24%
Balance from other customers	$ 14,735,456.08	88.80%	Balance from other customers	$ 6,492,497.55	85.34%	Balance from other customers	$ 5,915,819.73	95.76%
Grand Totals	$ 16,594,813.99	100.00%	Grand Totals	$ 7,607,852.19	100.00%	Grand Totals	$ 6,177,672.69	100.00%

Fiscal Year 2016

	Electric Revenue			Water Revenue			Wastewater Revenue	
Customer	**Amount**	**%**	**Customer**	**Amount**	**%**	**Customer**	**Amount**	**%**
Wal-Mart	$ 341,164.37	2.49%	New Century Airport	$ 387,127.32	8.16%	USD 231-WMS Main Service	$ 29,621.66	0.68%
Price Chopper	259,013.77	1.89%	USD 231-WMS Main Service	29,951.31	0.63%	R & B Autowash	23,802.76	0.54%
USD 231 -425 Waverly	245,282.12	1.79%	R & B Autowash	22,106.55	0.47%	Wal-Mart	18,444.72	0.42%
Coleman Company, Inc.	200,956.07	1.47%	USD 231 -495 E Grand	21,909.27	0.46%	Bristol Partners XVI, LLC -205 Moonlight -H	14,002.04	0.32%
ITW Labels	145,671.39	1.06%	USD 231-425 N Waverly Rd IRR	20,670.38	0.44%	Pinnacle Heath Care-427 W Main	13,308.42	0.30%
COG-Kill Creek WWTP	141,515.87	1.03%	KS Resourse Explore & Dev-16201 Wavel	19,189.94	0.40%	USD 231 -425 Waverly	13,115.26	0.30%
USD 231-16200 Kill Creek Rd	124,365.63	0.91%	Wal-Mart	18,882.21	0.40%	Jacobs Properties-794 E. Main-HP	12,439.20	0.28%
USD 231 -495 E Grand	123,919.36	0.90%	USD 231 -425 Waverly	18,784.32	0.40%	Trailswest Carwash	12,281.16	0.28%
Medical Lodges of Gardner	82,941.24	0.61%	USD 231-16200 Kill Creek Rd-IRR	15,603.12	0.33%	Gardner Super 8 Motel	10,893.92	0.25%
USD 231 775 N Center	80,424.56	0.59%	Bristol Partners XVI, LLC -205 Moonlight -I	14,175.96	0.30%	The Winbury Group-925 E Lincoln Ln HP	10,112.50	0.23%
Subtotal (10 largest)	$ 1,745,254.38	12.74%	Subtotal (10 largest)	$ 568,400.38	11.98%	Subtotal (10 largest)	$ 158,021.64	3.60%
Balance from other customers	$ 11,951,630.76	87.26%	Balance from other customers	$ 4,176,041.34	88.02%	Balance from other customers	$ 4,226,984.65	96.40%
Grand Totals	$ 13,696,885.14	100.00%	Grand Totals	$ 4,744,441.72	100.00%	Grand Totals	$ 4,385,006.29	100.00%

Notes: *Dollar values reflected include base rate charges, as well as multiple meters on various accounts.*

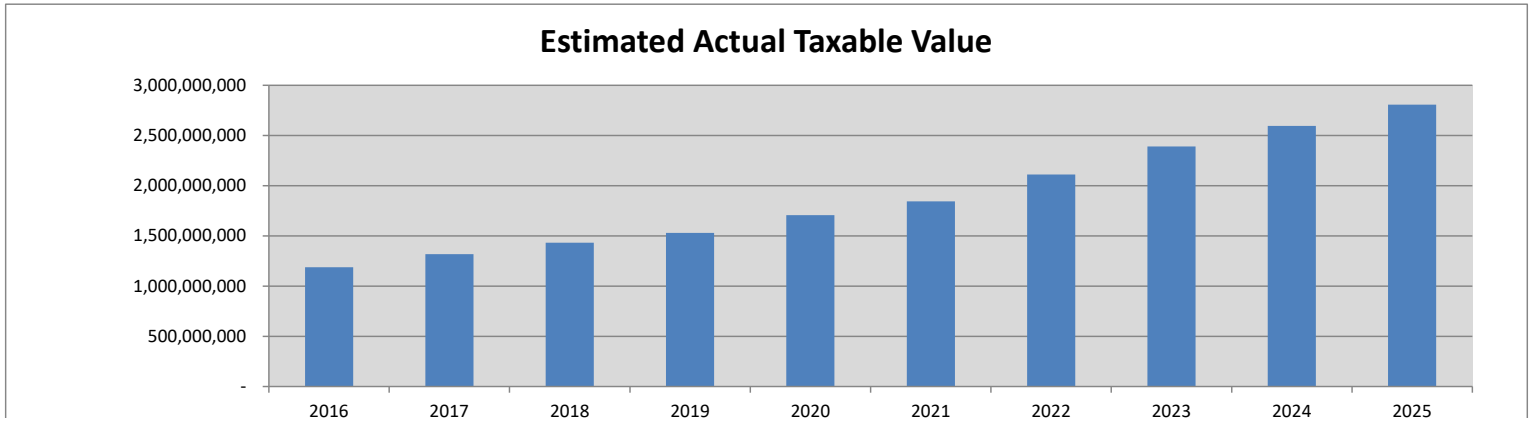
Source: *City of Gardner Utility Department*

City of Gardner, Kansas
Assessed Value and Estimated Actual Value of Taxable Property
Last Ten Fiscal Years

Fiscal Year	Residential Property	Commercial Property	Vacant Lots/Not-for-Profit Property	Agricultural and Other Property	Personal Property	State Assessed Utility	Not Otherwise Subclassified	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value	Taxable Assessed Value as a Percentage of Actual Taxable Value
2016	121,390,107	28,593,736	2,212,724	140,268	1,614,159	4,113,956	-	158,064,950	20.544	1,188,848,018	13.30%
2017	134,815,031	30,564,675	2,827,897	226,029	1,551,718	4,117,515	-	174,102,865	20.540	1,318,882,556	13.20%
2018	147,751,168	31,962,125	2,188,661	162,813	1,551,694	4,756,452	239,102	188,612,015	20.720	1,431,422,817	13.18%
2019	158,457,041	33,314,049	2,073,812	223,801	1,491,583	4,923,303	-	200,483,589	20.710	1,529,171,279	13.11%
2020	170,300,580	50,169,157	2,956,301	296,698	1,874,266	4,957,080	-	230,554,082	20.665	1,707,176,072	13.50%
2021	184,623,605	50,527,253	4,279,461	285,009	1,893,113	4,947,052	-	246,555,493	19.854	1,844,143,869	13.37%
2022	210,995,374	56,254,055	6,162,614	287,430	1,486,496	5,146,883	-	280,332,852	18.699	2,112,071,819	13.27%
2023	240,814,612	61,861,264	5,719,323	428,235	1,661,344	5,283,968	-	315,768,746	18.319	2,390,573,635	13.21%
2024	261,907,473	68,118,203	5,305,012	457,385	2,074,423	6,253,675	-	344,116,171	18.172	2,595,662,149	13.26%
2025	285,693,067	69,623,451	5,198,358	458,306	1,847,886	6,408,788	-	369,229,856	17.814	2,807,628,680	13.15%

Note: *Property in Johnson County is reassessed every year. The county assesses property at approximately 25 percent of actual value for commercial, 30 percent for agricultural, 12 percent for not-for-profit, and 11.5 percent for residential. Estimated actual taxable value is calculated by dividing taxable assessed value by those percentages. Tax rates are per $1,000 of assessed value.*

Sources: *City of Gardner Finance Department and Johnson County Treasury, Taxation and Vehicles*



City of Gardner, Kansas
Direct and Overlapping Property Tax Rates
Last Ten Fiscal Years

	Direct Rates			Overlapping Rates							
Fiscal Year	Gardner General Operating	Bond and Interest	Total Direct Rate - Gardner City	State of Kansas	Johnson County	Johnson County Library	Johnson County Parks and Recreation	Johnson County Community College	Fire District #1	U.S.D. 231 (School District)	Total Direct & Overlapping Rates
2016	13.504	7.040	20.544	1.500	19.590	3.915	3.102	9.473	12.443	67.787	138.354
2017	11.977	8.563	20.540	1.500	19.318	3.921	3.112	9.503	12.440	66.981	137.315
2018	14.116	6.604	20.720	1.500	19.024	3.901	3.088	9.266	12.383	65.969	135.851
2019	14.109	6.601	20.710	1.500	19.036	3.904	3.090	9.121	12.454	65.775	135.590
2020	14.622	6.043	20.665	1.500	18.799	3.905	3.093	9.191	15.715 [a]	64.682	137.550
2021	14.048	5.806	19.854	1.500	18.564	3.908	3.096	9.110	15.278 [b]	62.995	134.305
2022	12.941	5.758	18.699	1.500	17.772	3.815	3.021	8.617	14.795 [b]	61.901	130.120
2023	12.678	5.641	18.319	1.500	17.526	3.812	3.022	8.131	14.637 [b]	61.722	128.669
2024	12.576	5.596	18.172	1.500	17.286	3.816	3.023	8.124	15.423 [b]	59.741	127.085
2025	12.328	5.486	17.814	1.500	17.290	3.817	3.023	7.873	14.919 [b]	59.759	125.995

Note: *One mill is $1 of property tax for each $1,000 of assessed valuation.*

[a] *Fire District #1 added 1.953 mills in 2020 for the first year of debt service on the "B" bonds.*

[b] *The stated mill rate does not include 1.816 mills in 2021, 1.838 mills in 2022, 1.645 mills in 2023, 1.477 mills in 2024, and 1.356 mills in 2025 for Fire District Bond "A" that apply only to recently annexed properties.*

Source: *Johnson County Treasury, Taxation and Vehicles*

City of Gardner, Kansas
Principal Tax Payers
Current Year and Nine Years Ago

		2025			2016		
Taxpayer	**Type of Business**	**Taxable Assessed Value**	**Rank**	**Percentage of Total Taxable Assessed Value**	**Taxable Assessed Value**	**Rank**	**Percentage of Total Taxable Assessed Value**
NNN AGP OPP II Owner IV, LLC/Midwest Commerce Center	Warehousing	$ 15,746,151	1	4.27%	$ -		0.00%
Tallgrass Apartments LLC	Real Estate	6,448,971	2	1.75%	-		0.00%
Conestoga Titleholder	Real Estate	4,223,899	3	1.14%	-		0.00%
Moonlight Apartments L.L.C.	Real Estate	4,201,640	4	1.14%	2,402,005	2	1.58%
Walmart	Retail	4,055,250	5	1.10%	4,006,001	1	2.63%
Horizon Trails, LLC	Real Estate	2,685,480	6	0.73%	1,539,735	3	1.01%
KDR AP LLC	Real Estate	2,502,055	7	0.68%	-		0.00%
Nexpoint SFR SPE 3 LLC	Real Estate	2,243,318	8	0.61%	-		0.00%
Hudson SFR Property Holdings II, LLC/Plum Creek Manor	Real Estate	2,198,054	9	0.60%	-		0.00%
RH Partners OwnerCo LLC	Real Estate	2,056,164	10	0.56%	-		0.00%
Martens Rentals, L.L.C.	Real Estate				1,327,904	4	0.87%
C.L.S. Investment Company	Real Estate				1,186,445	5	0.78%
Bristol Partner XVI, LLC	Real Estate				1,026,250	6	0.67%
Axiom-Aspen, LLC	Real Estate				1,014,300	7	0.67%
Energy Center Industrial, LLC	Real Estate				931,500	8	0.61%
DJC Properties, L.L.C.	Real Estate				927,959	9	0.61%
First Choice Properties, Inc	Real Estate				868,135	10	0.57%
Totals		$ 46,360,982		12.56%	$ 15,230,234		10.00%

Source: *Johnson County Treasury, Taxation and Vehicles*

Note: *This schedule excludes agreements that the City has with certain entities to make payments in lieu of taxes on property that is currently statutorily exempt from ad valorem property taxes and therefore has no assessed valuation*

City of Gardner, Kansas

PROPERTY TAX LEVIES AND COLLECTIONS
GENERAL AND DEBT SERVICE FUNDS
For years ended December 31, 2016 through December 31, 2025

Year Ended December 31[1]	Adjusted Tax Levy	Current Year Collections		Collections in Subsequent Years	Total Tax Collections	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2016	4,406,651	4,370,729	99.18%	35,305	4,406,034	99.99%
2017	3,329,263	3,319,439	99.70%	9,070	3,328,509	99.98%
2018	3,634,252	3,656,109	100.60%	(22,791)	3,633,318	99.97%
2019	3,980,644	3,970,824	99.75%	9,112	3,979,938	99.98%
2020	4,243,639	4,223,131	99.52%	18,692	4,241,823	99.96%
2021	4,673,627	4,680,118	100.14%	(8,235)	4,671,883	99.96%
2022	4,821,108	4,795,368	99.47%	11,000	4,806,368	99.69%
2023	5,151,075	5,102,239	99.05%	40,435	5,142,674	99.84%
2024	5,601,819	5,674,310	101.29%	(90,461)	5,583,849	99.68%
2025	6,066,322	5,998,446	98.88%	11,112	6,009,558	99.06%

PROPERTY TAX LEVIES AND COLLECTIONS
TAX INCREMENT FINANCING DISTRICTS
For years ended December 31, 2016 through December 31, 2025

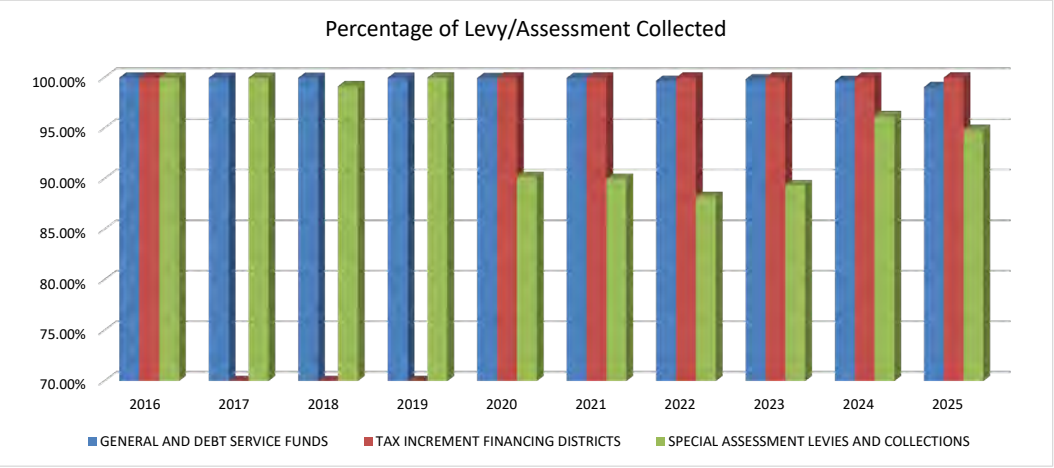
Year Ended December 31[1]	Adjusted Tax Levy	Current Year Collections		Collections in Subsequent Years	Total Tax Collections	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2016	136,471	136,471	100.00%	-	136,471	100.00%
2017	-	-	-	-	-	-
2018	-	-	-	-	-	-
2019	-	-	-	-	-	-
2020	622	622	100.00%	-	622	100.00%
2021	13,457	13,457	100.00%	-	13,457	100.00%
2022	170,063	170,063	100.00%	-	170,063	100.00%
2023	213,241	213,241	100.00%	-	213,241	100.00%
2024	215,242	215,242	100.00%	-	215,242	100.00%
2025	219,409	219,409	100.00%	-	219,409	100.00%

SPECIAL ASSESSMENT LEVIES AND COLLECTIONS
For years ended December 31, 2016 through December 31, 2025

Year Ended December 31[1]	Assessments Certified to County	Current Year Collections		Collections in Subsequent Years	Total Assessment Collections	
		Amount	Percentage of Assessment		Amount	Percentage of Assessment
2016	1,305,642	1,288,438	98.68%	16,956	1,305,394	99.98%
2017	1,263,310	1,225,138	96.98%	37,933	1,263,071	99.98%
2018	1,272,825	1,186,403	93.21%	75,590	1,261,993	99.15%
2019	1,178,720	1,093,669	92.78%	85,051	1,178,720	100.00%
2020	1,172,880	1,041,270	88.78%	16,808	1,058,078	90.21%
2021	1,188,355	1,055,291	88.80%	14,423	1,069,714	90.02%
2022	1,380,633	1,214,412	87.96%	3,484	1,217,896	88.21%
2023	1,581,954	1,276,346	80.68%	137,186	1,413,532	89.35%
2024	1,479,290	1,394,985	94.30%	28,259	1,423,244	96.21%
2025	1,095,754	1,013,397	92.48%	25,690	1,039,087	94.83%

(1) The year shown is the year in which the collections were received. The levy or assessment is certified to the County the previous year.

Source: *Johnson County Treasury, Taxation and Vehicles*

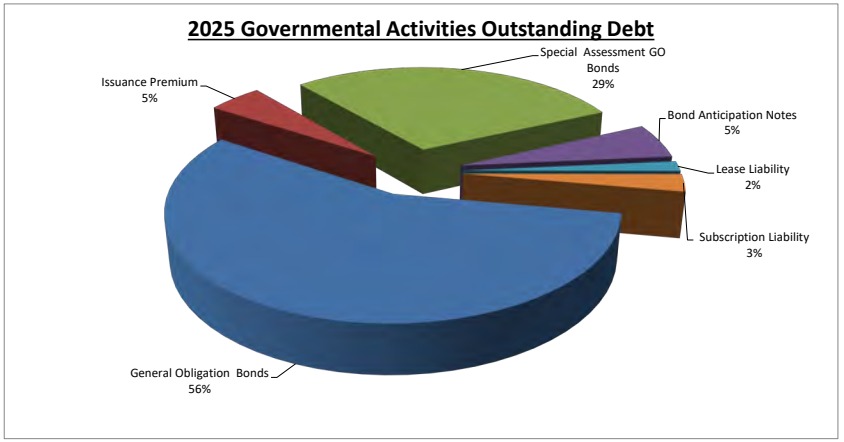


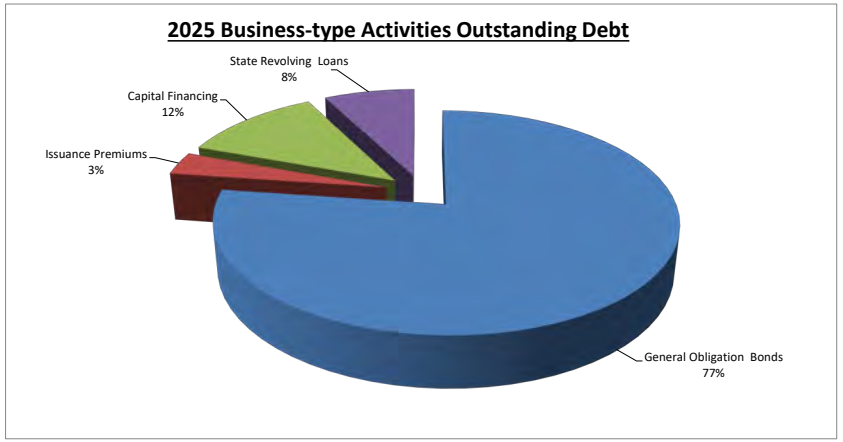
City of Gardner, Kansas
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

	Governmental Activities									Business-type Activities							
Fiscal Year	General Obligation Bonds	Issuance Premiums	Special Assessment GO Bonds	Bond Anticipation Notes	Capital Financing	Lease Liability	Subscription Liability	State Revolving Loans	Lease Revenue Bonds	General Obligation Bonds	Issuance Premiums	Capital Financing	Lease Liability	State Revolving Loans	Total Primary Government	Percentage of Personal Income [a]	Per Capita [a]
2016	9,216,264	345,252	12,805,000	-	792,116	-	-	67,609	2,015,000	15,398,736	859,776	-	-	10,890,162	52,389,915	8.12%	2,482
2017	9,786,170	492,721	14,012,500	-	611,000	-	-	-	1,670,000	12,231,330	699,751	-	-	10,321,146	49,824,618	6.30%	2,309
2018	23,398,487	1,314,814	11,592,500	-	1,765,000	-	-	-	1,295,000	9,039,013	545,189	10,750,645	-	9,738,473	69,439,121	8.31%	3,175
2019	24,400,000	1,310,866	8,570,000	7,365,000	1,800,000	-	-	-	900,000	8,845,000	428,989	10,418,367	-	9,141,842	73,180,064	9.36%	3,317
2020	25,965,000	1,515,045	7,680,000	8,845,000	1,588,407	-	-	-	470,000	34,115,000	1,993,552	10,074,798	-	8,530,826	100,777,628	11.66%	4,444
2021	23,942,500	1,660,260	9,637,500	5,205,000	1,371,441	-	-	-	-	31,720,000	1,794,375	9,716,712	-	7,905,171	92,952,959	10.42%	3,992
2022	25,930,000	2,146,680	11,505,000	1,385,000	18,987	1,129,758	-	-	-	34,045,000	1,991,274	9,340,883	200,174	7,264,494	94,957,250	10.66%	3,709
2023	23,575,000	1,901,497	10,305,000	1,515,000	9,666	905,000	355,357	-	-	31,695,000	1,829,359	8,945,698	125,454	6,608,428	87,770,459	8.85%	3,174
2024	21,100,000	1,778,443	10,470,000	1,055,000	-	710,000	242,080	-	-	29,230,000	1,667,442	8,531,157	50,320	5,936,605	80,771,047	8.15%	2,921
2025	18,522,500	1,533,151	9,587,500	1,780,000	-	507,000	891,698	-	-	53,070,000	2,329,712	8,095,647	-	5,248,646	101,565,854	9.25%	3,603

Notes: *[a] See the Demographic and Economic Statistics schedule in this section for personal income and population data.*

Source: *City of Gardner Finance Department*





City of Gardner, Kansas
Ratios of General Bonded Debt Outstanding
Last Ten Fiscal Years

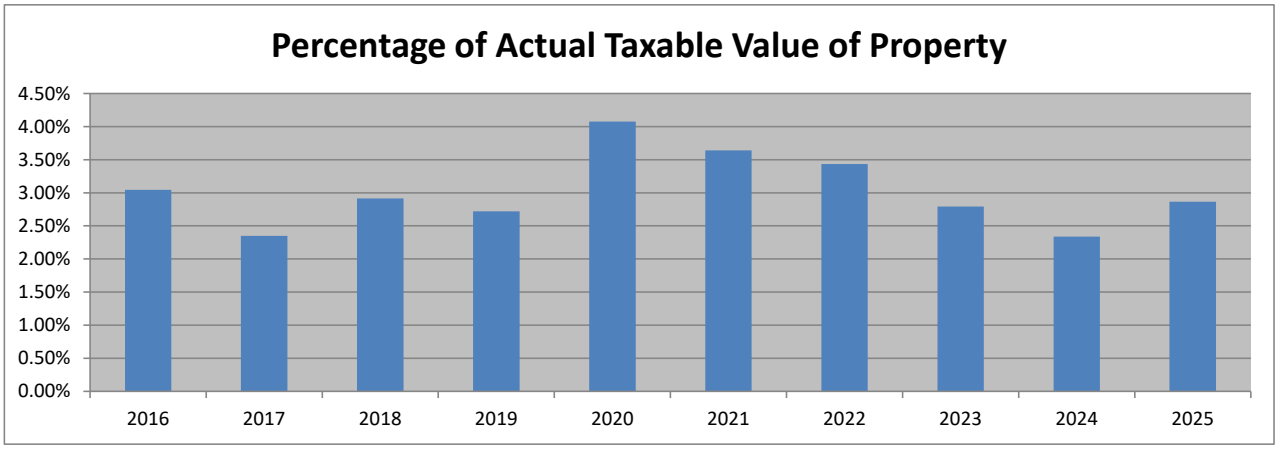
Fiscal Year	General Obligation Bonds	Issuance Premiums	Special Assessment GO Bonds	Less: Amounts Available in Debt Service Fund	Total	Percentage of Actual Taxable Value[(a)] of Property	Per Capita [(b)]
2016	24,615,000	1,205,028	12,805,000	2,427,189	36,197,839	3.04%	1,715
2017	22,017,500	1,192,472	14,012,500	5,117,019	32,105,453	2.35%	1,488
2018	32,437,500	1,860,003	11,592,500	4,154,425	41,735,578	2.92%	1,908
2019	33,245,000	1,739,855	8,570,000	1,940,213	41,614,642	2.72%	1,886
2020	60,080,000	3,508,597	7,680,000	1,713,707	69,554,890	4.07%	3,067
2021	55,662,500	3,454,635	9,637,500	1,612,653	67,141,982	3.64%	2,883
2022	59,975,000	4,137,954	11,505,000	1,930,139	73,687,815	3.43%	2,878
2023	55,270,000	3,730,856	10,305,000	2,556,521	66,749,335	2.79%	2,414
2024	50,330,000	3,445,885	10,470,000	3,593,140	60,652,745	2.34%	2,152
2025	71,592,500	3,862,863	9,587,500	4,568,270	80,474,593	2.87%	2,776

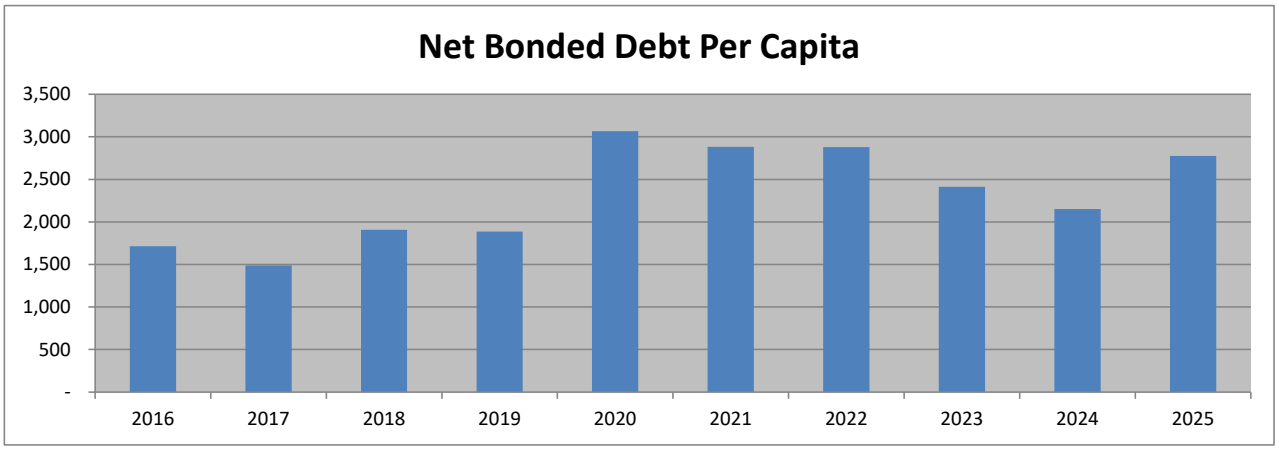
Notes: *Details regarding the City's outstanding debt can be found in the notes to the financial statements.*

[(a)] Property value data can be found in the Assessed Value and Estimated Actual Value of Taxable Property schedule in this section.

[(b)] Population data can be found in the Demographic and Economic Statistics schedule in this section.

Sources: *City of Gardner Finance Department and Johnson County Treasury, Taxation and Vehicles*





City of Gardner, Kansas
Direct and Overlapping Governmental Activities Debt
As of December 31, 2025

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable [(a)]	Estimated Share of Direct and Overlapping Debt
GO Debt repaid with property taxes			
Unified School District No. 231	$ 202,610,000	61.38%	$ 124,366,823
Johnson County	19,408,173	2.17%	420,795
Johnson County Community College	36,985,000	2.17%	801,885
Johnson County Park and Recreation	51,495,000	2.17%	1,116,481
Johnson County Consolidated Fire District #1	7,880,000	63.57%	5,009,000
Other			
Johnson County: Public Building Commission	219,205,000	2.17%	4,752,660
Subtotal, overlapping debt			136,467,644
City Direct Debt			32,821,849
Total direct and overlapping debt			$ 169,289,493

Notes: *Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the City.*
[(a)] For debt repaid with property taxes, the percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of the governmental unit's taxable assessed value that is within the City's boundaries and dividing it by each unit's total taxable assessed value.

Sources: *Johnson County Treasury, Taxation and Vehicles and the City of Gardner Finance Department*

City of Gardner, Kansas
Legal Debt Margin Information
Last Ten Fiscal Years

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Debt Limit	$ 54,443,006	$ 59,663,274	$ 64,350,457	$ 68,190,386	$ 77,576,243	$ 82,542,551	$ 93,225,575	$ 103,499,604	$ 112,427,287	$ 120,623,026
Total net debt applicable to limit	15,602,174	13,783,024	26,568,798	33,054,021	33,830,413	30,302,055	32,468,701	29,870,429	27,080,432	29,620,949
Legal debt margin	$ 38,840,832	$ 45,880,250	$ 37,781,659	$ 35,136,365	$ 43,745,830	$ 52,240,496	$ 60,756,874	$ 73,629,175	$ 85,346,855	$ 91,002,077
Total net debt applicable to the limit as a percentage of debt limit	28.66%	23.10%	41.29%	48.47%	43.61%	36.71%	34.83%	28.86%	24.09%	24.56%

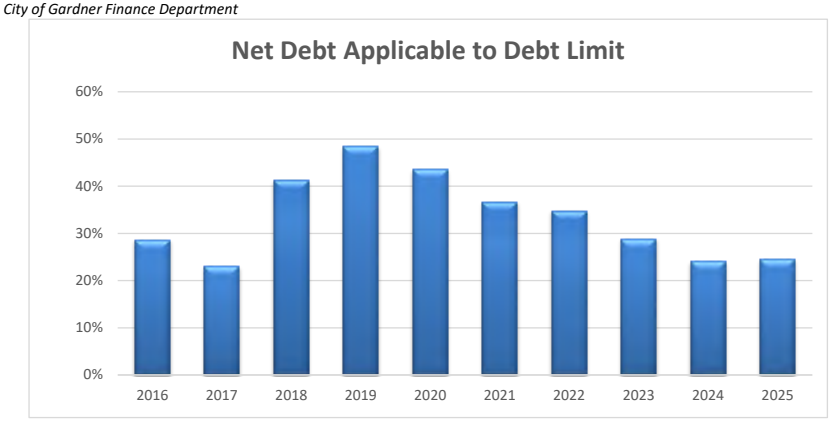
Legal Debt Margin Calculation for Fiscal Year 2025

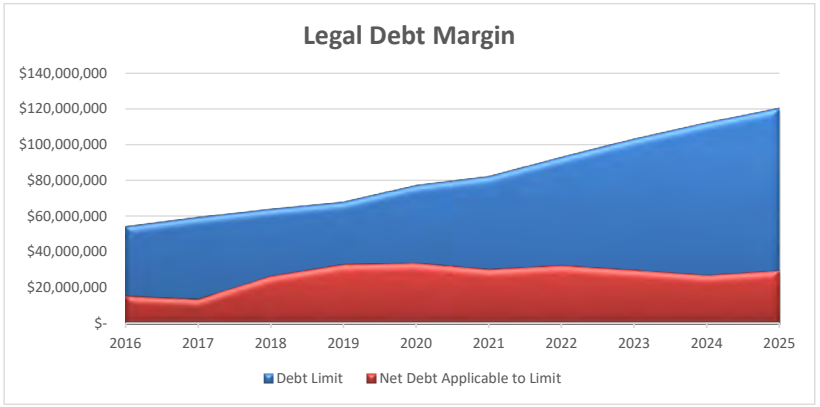
Assessed value [(a)]	$ 402,076,752
Debt limit (30% of assessed value) [(b)]	120,623,026
Debt applicable to limit:	
G.O. Bonds and Temporary Notes Outstanding	82,960,000
Less: Amount set aside for utilities, refunding, and revenue-supported bonds	(53,339,051)
Total net debt applicable to limit	29,620,949
Legal debt margin	$ 91,002,077

Notes: [(a)] *Assessed value includes property tax collected for motor vehicles.*

[(b)] *The City is subject to Kansas statutes which limit the amount of net bonded debt (exclusive of revenue, utility, and refunding bonds) the City may have outstanding to 30% of the current assessed valuation of property.*

Source: *City of Gardner Finance Department*





City of Gardner, Kansas
Demographics and Economic Statistics
Last Ten Calendar Years

Calendar Year	Population [a]	Personal Income	Per Capita Personal Income [d]	Median Age [d]	School Enrollment [c]	Unemployment Rate [b]
2016	21,110	639,907,430	30,313	31.9	6,041	3.1%
2017	21,583	790,952,201	36,647	32.3	6,116	2.9%
2018	21,871	835,865,878	38,218	32.3	6,121	3.0%
2019	22,065	781,498,170	35,418	31.9	6,174	2.5%
2020	22,677	864,333,855	38,115	32.0	5,837	3.3%
2021	23,287	891,822,239	38,297	32.0	5,977	2.0%
2022	25,602	890,719,182	34,791	33.1	6,082	2.9%
2023	27,652	991,656,024	35,862	33.1	6,188	2.2%
2024	28,187	1,098,362,829	38,967	33.1	5,759	2.9%
2025	28,991	1,171,062,454	40,394	32.6	5,548	3.2%

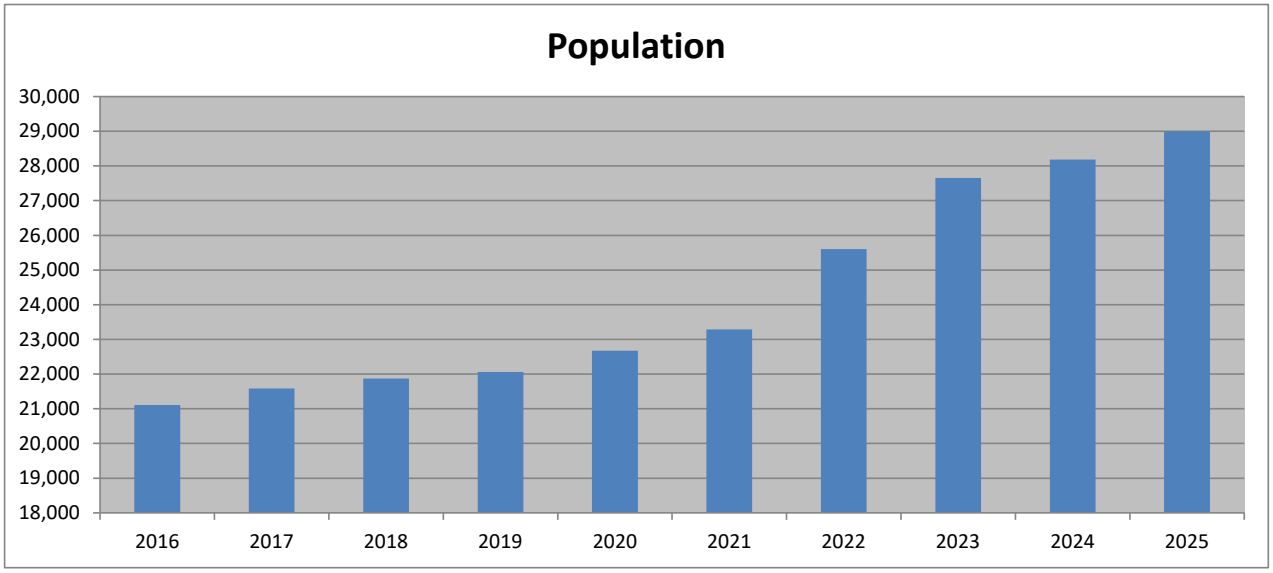
Sources: *City of Gardner Finance Department and*

[a] US Census Bureau estimate 2011-2018; worldpopulationreview.com 2019; Gardner Trade Area Profile 2020; 2020 US Census Results 2021, Trade Area Profile 2022-2025

[b] Unemployment Rate is for Johnson County, Kansas. The City rate is not available. Provided by Kansas Department of Labor as of 2/3/2026.

[c] Unified School District No. 231

[d] Gardner Trade Area Profile. Provided by County Economic Research Institute Inc.



City of Gardner, Kansas
Principal Employers
Current Year and Nine Years Ago

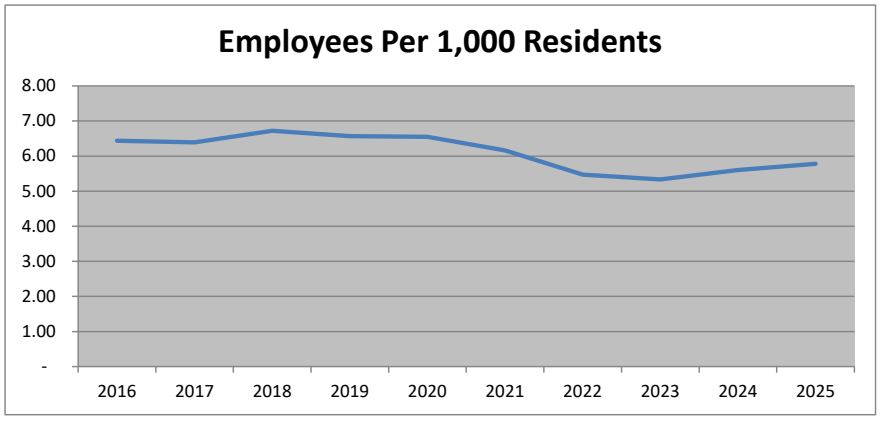
	2025			2016		
Employer	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Unified School District No. 231	978	1	20.07%	826	1	23.83%
Walmart	301	2	6.18%	250	2	7.21%
Meadowbrook Rehabilitation Hospital	266	3	5.46%	180	3	5.19%
Cosentino's Price Chopper	170	4	3.49%	135	7	3.89%
City of Gardner	168	5	3.45%	137	6	3.95%
Excelligence Learning Corp	148	6	3.04%			
First Student	130	7	2.67%			
Gardner Edgerton Medical Pavilion	50	8	1.03%			
TradeNet Publishing	46	9	0.94%	130	8	3.75%
Olathe Ford RV Sales, Inc.	44	10	0.90%			
Epic Landscape Productions				172	4	4.96%
Coleman				167	5	4.82%
Medical Lodge of Gardner				102	9	2.94%
D.O.T. Label, Inc. (ITW)				87	10	2.51%
Total	2,301		47.23%	2,186		63.05%

Source: *City of Gardner Finance Department and D & B Hoovers Co.*

City of Gardner, Kansas
Full-time Equivalent City Government Employees by Function
Last Ten Fiscal Years

Function	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
General government										
Administration/City Clerk	5	5	5	5	5	5	7	6	7	8
Human Resources/Risk	4	4	4	4	4	4	4	4	5	4
Information Systems	3	3	3	3	3	3	3	4	5	4
Finance										
Finance Admin/Fiscal Services	7	7	7	7	7	7	7	7	7	8
Court	2	2	2	2	2.5	2.5	3	1	2	3
Utilities	9	9	9	9	8	6	6	6	6	6
Planning	5	5	5	5	5	4	6	5	8	7
Codes	2	2	3	3	3	3	2	2	2	3
Building Services	1	1	1	1	1	1	1	2	2	2
Airport	-	-	-	-	0.5	0.5	0.5	0.5	0.5	0.5
Police										
Administration	6	7	7	7	7	8	6	10	9	9
Operations	28	27	30	30	33	31	29	27	31	34
Animal Control	1	1	1	1	1	1	0	1	1	1
Public Works										
Administration	2	2	2	2	1	2	2	2	2	2
Fleet	1	1	1	1	1	1	1	1	1	1
Engineering	5	5	5	5	5	6	6	7	7	8
Streets & Line Maintenance	15	15	18	18	17	17	16	17	20	20
Electric	16	18	18	17	20.5	18.5	16.5	18	20	20
Water	6	6	6	6	5	7	7	7	8	8
Wastewater	6	6	6	6	6	5	5	7	6	6
Culture and Recreation										
Parks Admin/Recreation Services	7	6	6	7	7	5	6	6	6	6
Park Maintenance	6	6	8	6	6	6	6	7	7	7
Total	137	138	147	145	148.5	143.5	140.0	147.5	162.5	167.5

Source: *City of Gardner Human Resources Department*



City of Gardner, Kansas
Operating Indicators by Function
Last Ten Fiscal Years

Function	2016	2017 [a]	2018	2019	2020 [b]	2021	2022	2023	2024	2025
General government [1]										
Building permits issued	744	852	889	1,155	2,067	1,172	1,163	875	990	1,070
Building inspections conducted	3,046	4,118	5,553	6,093	6,586	5,647	6,786	6,220	6,737	5,748
Police Department [2]										
Violations*	4,252	4,389	4,008	5,054	4,417	6,124	4,969	3,692	3,158	-
Calls for Service	-	-	-	-	-	-	-	-	-	22,999
Fire responses	188	227	234	242	240	277	430	322	372	446
Medical responses	1,001	1,064	1,112	1,056	1,238	1,352	1,549	1,572	1,740	1,839
Public Works [3]										
Street resurfacing (shown in linear feet)	29,276	100,320	100,320	72,225	15,356	7,715	3,545	-	-	10,657
Curb replacement (shown in linear feet)	16,310	10,441	28,140	13,868	15,816	7,035	408	18,805	18,161	8,122
Electric [4]										
Average daily consumption (in kWh)	386,687	373,025	372,086	404,619	408,982	422,940	443,047	444,203	463,814	477,466
Electric meters installed	112	80	161	234	157	256	275	455	390	371
Water [4]										
Average daily consumption (in thousands)	1,696	1,765	1,857	1,874	2,380	2,469	2,800	2,975	3,082	3,123
Water meters installed	178	107	253	190	181	118	93	181	245	163
Wastewater [4]										
Average daily sewage treatment (in thousands)	1,295	1,619	1,627	2,282	2,078	2,092	2,266	2,612	2,249	2,326
Culture and Recreation [5]										
Athletic Program Participants	4,758	4,691	3,820	3,556	1,743	3,008	2,966	3,283	3,074	3,410
Aquatic Admissions	71,627	64,403	71,111	58,971	-	43,011	57,974	55,711	54,508	48,686
Airport [6]										
Hangars	-	94	94	94	94	94	94	94	94	94
Aviation Fuel 100LL purchased (gallons)	-	18,500	14,000	19,626	7,980	13,489	12,705	7,973	11,892	12,028

Sources: *City of Gardner Finance Department and*

[1] City of Gardner Community Development Department

[2] City of Gardner Police Department

[3] City of Gardner Street Department

[4] City of Gardner Utility Department

[5] City of Gardner Parks and Recreation Department

[6] City of Gardner Public Works

Note: *[a] In 2017, the City of Gardner acquired the Airport as a Department of the City.*

[b] In 2020, the City of Gardner did not open the Aquatic Center and athletic program participation was down due to the COVID-19 pandemic.

** The Police Department will be reporting on Calls for Service, instead of Violations, starting in 2025.*

City of Gardner, Kansas
Capital Asset Statistics by Function
Last Ten Fiscal Years

Function	2016	2017[a]	2018	2019	2020	2021	2022	2023	2024	2025
Police [1]										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol/AC Units	19	20	20	20	20	20	22	22	23	25
Public Works [2]										
Streets (lane miles)	192.00	192.60	194.35	203.00	212.00	219.20	235.00	224.00	230.00	239.00
Streetlights	1,750	1,750	1,759	1,423	1,402	1,434	1,534	1,593	1,601	1,651
Electric [3]										
Generators	2	2	2	2	2	2	2	2	2	2
Substations	3	3	3	3	3	3	3	3	3	3
Overhead lines (miles)	45.0	44.5	44.4	47.0	47.0	48.5	48.9	49	49	49
Underground lines (miles)	97.0	97.8	99.7	91.0	93.1	96.0	101.9	105.0	107.0	112.5
Water [3]										
Water mains (miles)	135.00	136.00	137.20	138.00	139.00	141.00	142.20	143.00	144.00	144.50
Treatment Plants	1	1	1	1	1	1	1	1	1	1
Wastewater [3]										
Sanitary sewers (miles) [b]	109.00	130.50	132.00	111.00	116.00	120.00	124.00	126.00	127.00	131.00
Storm sewers (miles) [c]	45.00	45.00	46.00	65.00	69.00	71.00	75.00	76.00	77.00	76.00
Treatment Plants	1	1	1	1	1	1	1	1	1	1
Culture and Recreation [4]										
Acreage	341.95	341.95	341.95	341.95	341.95	344.35	344.35	344.35	344.35	344.96
Parks	13	13	13	13	13	13	13	13	13	13
Baseball/softball/soccer fields	14	14	14	14	14	14	14	14	14	14
Community Centers	1	1	1	1	1	1	1	1	1	1
Golf Course	1	1	1	1	1	1	1	1	1	1
Airport [5]										
Asphalt Runway (feet)	-	2,960	2,960	2,960	2,960	2,960	2,960	2,960	2,960	2,400
Turf Runways (feet)	-	5,394	5,394	5,394	5,394	5,394	5,394	5,394	5,154	4,855

Sources: *City of Gardner Finance Department and*

[1] *City of Gardner Police Department*

[2] *City of Gardner Street Department*

[3] *City of Gardner Utility Department*

[4] *City of Gardner Parks and Recreation Department*

[5] *City of Gardner Public Works*

Note: *(a) In 2017, the City of Gardner acquired the Airport as a Department of the City.*

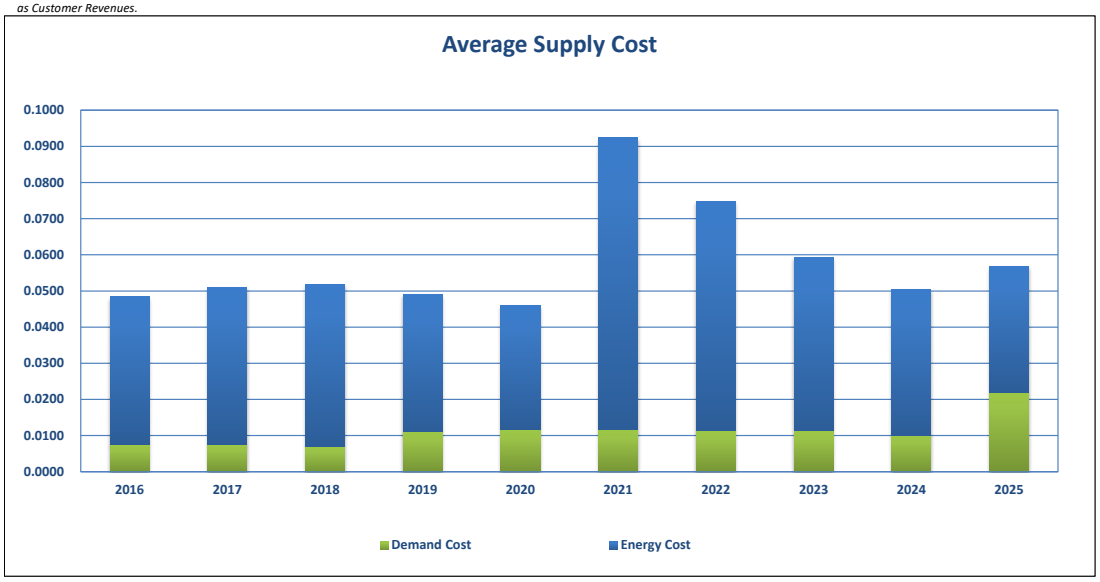
(b) In 2019, the City began reporting only active sanitary sewer lines

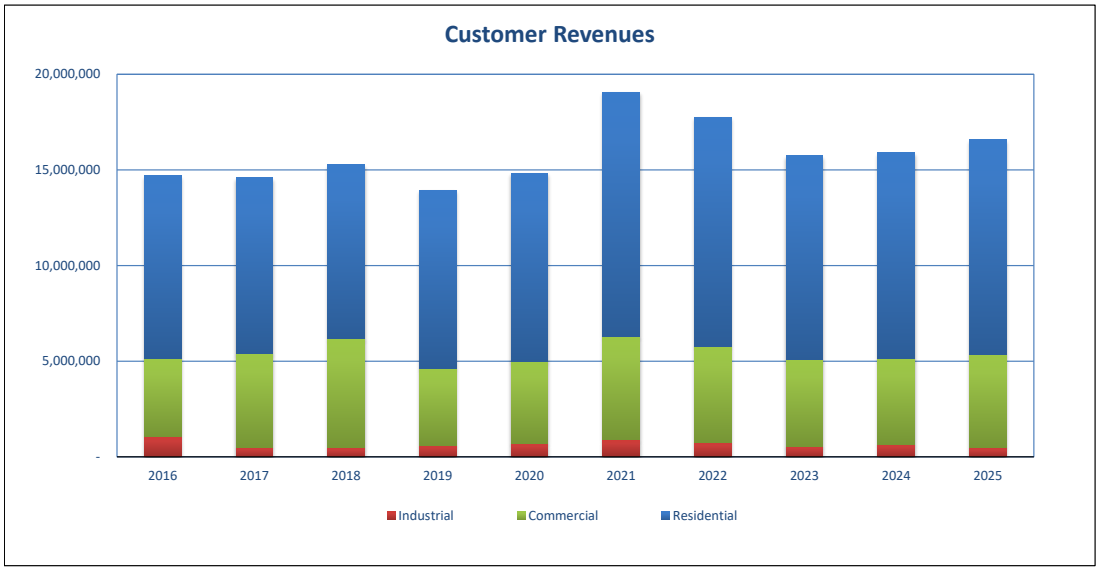
(c) In 2019, the City began including open concrete channels/ditches in the storm sewer miles

City of Gardner, Kansas
Electric Average Power Supply Cost Analysis per KWh and Customer Revenues
Last Ten Fiscal Years

	Average Supply Cost				Customer Revenues [a]		
Fiscal Year	Demand Cost	Energy Cost	Total Cost	Peak Load MW	Residential	Commercial	Industrial
2016	0.0076	0.0408	0.0484	39.0	9,560,000	4,078,000	1,050,000
2017	0.0076	0.0434	0.0510	38.1	9,187,000	4,899,000	503,000
2018	0.0070	0.0449	0.0519	39.4	9,100,000	5,699,000	476,000
2019	0.0110	0.0380	0.0490	40.4	9,280,623	4,040,983	601,046
2020	0.0117	0.0343	0.0460	37.8	9,823,888	4,286,562	720,281
2021	0.0116	0.0808	0.0924	42.2	12,795,269	5,376,787	891,466
2022	0.0114	0.0634	0.0748	42.1	11,974,458	5,037,222	745,001
2023	0.0114	0.0479	0.0593	46.8	10,686,670	4,508,827	563,425
2024	0.0101	0.0403	0.0504	45.1	10,784,919	4,453,186	670,507
2025	0.0220	0.0348	0.0568	47.6	11,221,424	4,891,688	481,702

Source: *City of Gardner Utility Department*
Note: *(a) Customers Revenues may differ from the Operating Revenues as shown in the City's Financial statements due to certain Operating Revenues not being classified as Customer Revenues.*







ANNUAL COMPREHENSIVE FINANCIAL REPORT

For the fiscal year ended

December 31, 2025

ANNUAL OPERATING DATA SECTION

ANNUAL FINANCIAL AND OPERATING DATA FILING

FOR

GARDNER, KANSAS

CITY PROPERTY VALUES

The determination of assessed valuation and the collection of property taxes for all political subdivisions in the State of Kansas is conducted by Kansas counties. The Johnson County Appraiser's office determines annually the assessed valuation that is used as a basis for the mill levy on property located in the City. The County Appraiser's determination is based on criteria established by Kansas statutes.

The market valuation of every property must be updated every year, with physical inspection required once every six years. Valuations as of January 1 are made available in September of each year for taxes payable during the next calendar year. The State Constitution provides that, for ad valorem taxation purposes, real and personal property are divided into classes and assessed at percentages of market value.

2025 Market Value of Taxable Property: $3,095,820,243*

* *Market value is calculated by dividing the City's 2025 appraised value of $2,849,702,534 by the 2024 final median sales ratio of 92.1% for Johnson County as determined by the State Department of Revenue. (The 2024 sales ratio is the most current ratio available.)*

2025 Taxable Assessed Value: $369,229,856

2025 Equalized Assessed Tangible Valuation: $402,076,752

		Percent of Total
Real Estate	$360,973,182	97.8%
Personal Property	1,847,886	0.5
State Assessed Utilities	6,408,788	1.7
Taxable Assessed Value	$369,229,856	100.0%
Motor and Recreational Vehicles	32,846,896	
Equalized Assessed Tangible Valuation	$402,076,752	

Trend of Values

Year	Market Value [(a)]	Sales Ratio [(b)]	Appraised Value	Taxable Assessed Value	Motor and Recreational Vehicles	Equalized Assessed Tangible Valuation
2025	3,095,820,243	92.1%	$ 2,849,702,534	$ 369,229,856	$ 32,846,896	$ 402,076,752
2024	2,898,070,568	91.0%	2,637,244,217	344,116,171	30,641,452	374,757,623
2023	2,666,511,421	91.0%	2,426,525,393	315,768,746	29,229,934	344,998,680
2022	2,629,802,249	81.6%	2,145,918,635	280,332,852	30,419,064	310,751,916
2021	2,495,357,827	75.3%	1,879,004,444	246,555,493	28,586,342	275,141,835

(a) Market values are calculated by dividing the City's appraised value by the annual sales ratios for Johnson County as provided by the Kansas Sales Ratio Study, Kansas Department of Revenue.

(b) The 2024 median sales ratio is the most current ratio available.

Sources: City of Gardner, Johnson County Treasury, Taxation and Vehicles, and the Kansas Department of Revenue

Trend of Assessed Valuations

Year	Real Estate	Personal Property	State Assessed Utilities	Motor Vehicles	Recreational Vehicles	Total Equilized Assessed Tangible Valuation	Percent +/- in Total Equalized Assessed Tangible Valuation
2025	$ 360,973,182	$ 1,847,886	$ 6,408,788	$ 32,535,310	$ 311,586	$ 402,076,752	+7.29%
2024	335,788,073	2,074,423	6,253,675	30,339,962	301,490	374,757,623	+ 8.63%
2023	308,823,434	1,661,344	5,283,968	28,938,414	291,520	344,998,680	+ 11.02%
2022	273,699,473	1,486,496	5,146,883	30,114,920	304,144	310,751,916	+ 12.94%
2021	239,715,328	1,893,113	4,947,052	28,296,551	289,791	275,141,835	+ 6.40%

Source: Johnson County Abstract of Taxes

Ten of the Largest Taxpayers

Taxpayer	Type of Property	2025 Taxable Assessed Value
NNN AGP OPP II Owner IV, LLC/Midwest Commerce Center	Warehousing	$15,746,151
Tallgrass Apartments, LLC	Real Estate	6,448,971
Conestoga Titleholder	Real Estate	4,223,899
Moonlight Apartments	Real Estate	4,201,640
Walmart	Retail	4,055,250
Horizon Trails, LLC	Real Estate	2,685,480
KDR AP LLC	Real Estate	2,502,055
Nexpoint SFR SPE 3, LLC	Real Estate	2,243,318
Hudson SFR Property Holdings II, LLC/Plum Creek Manor	Real Estate	2,198,054
RH Partners OwnerCo LLC	Real Estate	2,056,164
	Total	$46,360,982

Source: Johnson County Treasury, Taxation and Vehicles

CITY INDEBTEDNESS

2025 Total Equalized Assessed Tangible Valuation	$402,076,752
Debt Limit Ratio	30%
Debt Limit	$ 120,623,026
Debt Applicable to Limit:	
G.O. Bonds and Temporary Notes Outstanding as of December 31, 2025	*$82,960,000*
Less: Bonds or Notes for Utility Improvements, Refunding, and Revenue Debt	*(53,339,051)*
Total Net Debt Applicable to Limit	29,620,949
Debt Authority Remaining December 31, 2025	$91,002,077

NOTE: G.O. bonds and temporary notes issued to finance utility improvements, revenue bonds, and refunding bonds are not subject to the debt limit.

Direct Debt*

General Obligation Debt**	
Total G.O. debt being paid from taxes and other City revenues	**$ 81,180,000**
Temporary General Obligation Debt	
General Obligation Temporary Notes	**$ 1,780,000**
Non-General Obligation Debt***	
Total Non-G.O. debt being paid from water & wastewater revenues	**$ 5,248,646**
Leases***	
Total lease liabilities	**$ 507,000**
Subscriptions***	
Total subscription liabilities	**$ 891,698**
Capital Financing***	
Capital financed obligations[a]	**$ 8,095,647**

* *Outstanding debt is as of December 31, 2025.*

** *Total General Obligation Debt does not include General Obligation Temporary Note debt.*

*** *This obligation is not included in the Debt Ratios section below.*

[a] *Capital financed obligations represent the financing for the City's interest in the Dogwood Energy Facility and are being paid from electric revenues.*

General Obligation Debt

Date of Issue	Original Amount	Purpose	Final Maturity	Amount Outstanding as of 12-31-25	% Subject to the Debt Limit
04/10/14	$ 4,895,000	Improvements	10/1/2029	$ 1,515,000	80.70%
12/23/14	4,140,000	Refunding & Improvements	10/1/2029	1,100,000	100.00%
12/29/16	2,870,000	Refunding & Improvements	10/1/2028	640,000	48.00%
12/29/16	855,000	Improvements	10/1/2026	95,000	0.00%
12/20/17	3,505,000	Refunding & Improvements	10/1/2027	300,000	39.00%
06/28/18	14,985,000	Improvements	10/1/2037	9,675,000	100.00%
06/12/19	1,970,000	Improvements	10/1/2028	695,000	0.00%
12/12/19	2,465,000	Improvements	10/1/2029	1,060,000	100.00%
05/28/20	27,450,000	Improvements	10/1/2040	21,350,000	0.00%
12/10/20	4,825,000	Refunding & Improvements	10/1/2030	2,570,000	69.00%
08/26/21	4,710,000	Refunding & Improvements	10/1/2032	3,095,000	18.00%
08/26/21	2,185,000	Improvements	10/1/2041	1,820,000	100.00%
08/10/22	11,425,000	Improvements	10/1/2042	9,520,000	61.18%
08/29/24	1,545,000	Improvements	10/1/2044	1,395,000	65.51%
05/29/25	27,680,000	Improvements	10/1/2054	26,350,000	17.27%
			Total	**$ 81,180,000**	

Temporary Notes

Date of Issue	Original Amount	Purpose	Final Maturity	Amount Outstanding as of 12-31-25	% Subject to the Debt Limit
08/29/24	$ 1,055,000	Improvements	10/1/2026	$ 1,055,000	0.00%
05/29/25	725,000	Improvements	10/1/2027	725,000	100.00%
				$ 1,780,000	

Leases

Date of Issue	Original Amount	Purpose	Final Maturity	Amount Outstanding as of 12-31-25
2016	$ 678,000	Land Purchase	10/1/2026	$ 74,000
2018	1,218,000	Improvements	10/1/2028	433,000
			Total	**$ 507,000**

Subscriptions

Date of Issue	Original Amount	Purpose	Final Maturity	Amount Outstanding as of 12-31-25
2021	$ 454,767	Software	12/20/2026	$ 119,588
2025	881,559	Software	12/31/2029	772,110
				$ 891,698

Capital Financing

Date of Issue	Original Amount	Purpose	Final Maturity	Amount Outstanding as of 12-31-25
2018	$ 10,750,645	Improvements	12/31/2038	**$ 8,095,647**

State Revolving Loans

During 2006, the City entered into a loan agreement with the Kansas Department of Health and Environment's Kansas Water Pollution Control Revolving Fund. The agreement enabled the City to borrow $3,483,009 to finance improvements to the wastewater system. The loan will be repaid over twenty years at an interest rate of 2.40%. The total outstanding balance at 12/31/25 is $359,496.

During 2012, the City entered into a loan agreement with the Kansas Department of Health and Environment's Kansas Water Pollution Control Revolving Fund. The agreement enabled the City to borrow $10,167,808 to finance improvements to the wastewater system. The loan will be repaid over twenty years at an interest rate of 2.05%. The total outstanding balance at 12/31/25 is $4,889,150.

Total Obligations Outstanding Excluding the State Revolving Loans and Temporary Notes

	Direct Debt
General Obligation Debt	$81,180,000
Leases	507,000
Subscriptions	891,698
Capital Financing	8,095,647
Total Obligations Outstanding	**$90,674,345**

Annual Debt Service Payments Excluding All Temporary Notes

	GENERAL OBLIGATION DEBT		CAPITAL FINANCING	
YEAR	PRINCIPAL	PRINCIPAL & INTEREST	PRINCIPAL	PRINCIPAL & INTEREST
2026	6,290,000	9,239,820	456,479	849,849
2027	6,230,000	8,946,669	479,061	849,043
2028	6,075,000	8,562,571	503,256	848,680
2029	5,895,000	8,166,419	529,064	848,680
2030	5,105,000	7,179,076	554,872	847,390
2031	4,305,000	6,209,926	583,906	847,954
2032	4,190,000	5,954,525	612,940	847,067
2033	3,560,000	5,180,401	643,587	846,301
2034	3,675,000	5,181,775	675,847	845,575
2035	3,785,000	5,167,888	709,720	844,809
2036	3,925,000	5,179,332	743,593	842,349
2037	4,060,000	5,171,837	782,305	842,913
2038	2,860,000	3,824,282	821,017	841,542
2039	2,970,000	3,826,806	-	-
2040	3,065,000	3,821,220	-	-
2041	1,565,000	2,217,368	-	-
2042	1,495,000	2,087,382	-	-
2043	1,340,000	1,871,470	-	-
2044	1,395,000	1,871,569	-	-
2045	770,000	1,187,806	-	-
2046	800,000	1,185,081	-	-
2047	835,000	1,186,081	-	-
2048	870,000	1,184,550	-	-
2049	910,000	1,185,400	-	-
2050	955,000	1,189,450	-	-
2051	995,000	1,186,475	-	-
2052	1,040,000	1,186,700	-	-
2053	1,085,000	1,184,900	-	-
2054	1,135,000	1,186,075	-	-
TOTAL	$ 81,180,000	$ 111,522,854	$ 8,095,647	$ 11,002,152

Annual Debt Service Payments Excluding All Temporary Notes (Continued)

Annual Debt Service Payments Excluding All Temporary Notes

	LEASES		SUBSCRIPTIONS		STATE REVOLVING LOANS	
YEAR	PRINCIPAL	PRINCIPAL & INTEREST	PRINCIPAL	PRINCIPAL & INTEREST	PRINCIPAL	PRINCIPAL & INTEREST
2026	212,000	232,434	304,350	328,540	704,487	809,600
2027	144,000	156,171	190,166	207,346	721,411	811,370
2028	151,000	156,323	195,728	207,346	551,772	627,327
2029	-	-	201,454	207,347	564,536	628,715
2030	-	-	-	-	577,594	630,133
2031	-	-	-	-	590,956	631,586
2032	-	-	-	-	604,626	633,071
2033	-	-	-	-	618,612	634,592
2034	-	-	-	-	314,652	317,877
TOTAL	$ 507,000	$ 544,928	$ 891,698	$ 950,579	$ 5,248,646	$ 5,724,271

Indirect Debt

Taxing Unit[(a)]	G.O. Debt As of 12/31/25 [(b)]	Debt Applicable to Value in City	
		Percent	Amount
Johnson County	$277,258,173	2.17%	$6,011,330
Johnson County Fire District #1	7,880,000	63.57%	5,009,000
U.S.D. No. 231 (Gardner)	202,610,000	61.38%	142,165,986
Total			$153,186,316

(a) Only those taxing units which have general obligation debt outstanding are shown here.

(b) Excludes general obligation debt supported by revenues and revenue debt. Includes airport debt and $219,205,000 of lease purchase revenue bonds issued by the Public Building Commission of Johnson County (PBC) which are payable solely from lease payments received by the PBC from the County and the Library Board, respectively.

Debt Ratios*

	G.O. Direct Debt	G.O. Indirect & Direct Debt
To 2025 Appraised Valuation ($2,849,702,534)	1.0%	6.4%
To 2025 Equalized Assessed Tangible Valuation ($402,076,752)	7.4%	45.5%
Per Capita (28,991 – Trade Area Profile Estimate)	$1,022	$6,306

**Excludes bonds and notes supported by revenues, refunding bonds, state loans, and the aforementioned financing of the Dogwood Energy Facility being paid from electric revenues. Includes other temporary notes and bonds.*

CITY TAX RATES, LEVIES AND COLLECTIONS

Property taxes are certified by the City to the County Clerk by August 25 of each year for the following fiscal year, unless the City has notified the County Clerk of their intent to levy above the revenue neutral rate (RNR). If the City intends to exceed the RNR, the deadline to certify property taxes is October 1. Taxes are levied by the County Clerk and payable to the County Treasurer. Property taxes may be paid in two installments, the first due December 20 in the year the taxes are levied and the second due May 10 of the following year. Taxes become delinquent after May 10 and interest accrues at a rate set by state statute until paid or until the property is sold for taxes. Special assessments are levied and collected in the same manner as property taxes.

Tax Rates of the City (Expressed in Mills)

Levy Year	Budget Year	General	Bond Indebtedness	Total
2025	2026	12.328	5.486	17.814
2024	2025	12.576	5.596	18.172
2023	2024	12.678	5.641	18.319
2022	2023	12.941	5.758	18.699
2021	2022	14.048	5.806	19.854

Source: Johnson County Abstract of Taxes.

Tax Mill Levies*

Levy Year	Budget Year	State	County	City	County Library	Community College	County Park & Rec.	Fire District #1	USD No. 231	Total
2025	2026	1.500	17.290	17.814	3.817	7.873	3.023	14.919	59.759	125.995
2024	2025	1.500	17.286	18.172	3.816	8.124	3.023	15.423	59.741	127.085
2023	2024	1.500	17.526	18.319	3.812	8.131	3.022	14.637	61.722	128.669
2022	2023	1.500	17.772	18.699	3.815	8.617	3.021	14.795	61.901	130.120
2021	2022	1.500	18.564	19.854	3.908	9.110	3.096	15.278	62.995	134.305
2020	2021	1.500	18.799	20.665	3.905	9.191	3.093	15.715	64.682	137.550
2019	2020	1.500	19.036	20.710	3.904	9.121	3.090	12.454	65.775	135.590

**Tax Levy Rates for a resident of the City (per $1,000 assessed valuation)*

Source: Johnson County Abstract of Taxes

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Tax Levies and Collections

The City may levy taxes in accordance with the requirements of its adopted budget and within the restrictions of Kansas statute. The County Clerk determines property tax levies based on the assessed valuation provided by the County Appraiser and spreads the levies on the tax rolls.

City of Gardner, Kansas

PROPERTY TAX LEVIES AND COLLECTIONS
GENERAL AND DEBT SERVICE FUNDS
For years ended December 31, 2016 through December 31, 2025

		Current Year Collections			Total Tax Collections	
Year Ended December 31[1]	Adjusted Tax Levy	Amount	Percentage of Levy	Collections in Subsequent Years	Amount	Percentage of Levy
2016	4,406,651	4,370,729	99.18%	35,305	4,406,034	99.99%
2017	3,329,263	3,319,439	99.70%	9,070	3,328,509	99.98%
2018	3,634,252	3,656,109	100.60%	(22,791)	3,633,318	99.97%
2019	3,980,644	3,970,824	99.75%	9,112	3,979,937	99.98%
2020	4,243,639	4,223,131	99.52%	18,692	4,241,823	99.96%
2021	4,673,627	4,680,118	100.14%	(8,235)	4,671,883	99.96%
2022	4,821,108	4,795,368	99.47%	11,000	4,806,368	99.69%
2023	5,151,075	5,102,239	99.05%	40,435	5,142,675	99.84%
2024	5,601,819	5,674,310	101.29%	(90,461)	5,583,849	99.68%
2025	6,066,322	5,998,446	98.88%	11,112	6,009,559	99.06%

PROPERTY TAX LEVIES AND COLLECTIONS
TAX INCREMENT FINANCING DISTRICTS
For years ended December 31, 2016 through December 31, 2025

		Current Year Collections			Total Tax Collections	
Year Ended December 31[1]	Adjusted Tax Levy	Amount	Percentage of Levy	Collections in Subsequent Years	Amount	Percentage of Levy
2016	136,471	136,471	100.00%	-	136,471	100.00%
2017	-	-	-	-	-	-
2018	-	-	-	-	-	-
2019	-	-	-	-	-	-
2020	622	622	100.00%	-	622	100.00%
2021	13,457	13,457	100.00%	-	13,457	100.00%
2022	170,063	170,063	100.00%	-	170,063	100.00%
2023	213,241	213,241	100.00%	-	213,241	100.00%
2024	215,242	215,242	100.00%	-	215,242	100.00%
2025	219,409	219,409	100.00%	-	219,409	100.00%

(1) The year shown is the year in which the collections were received. The levy or assessment is certified to the County the previous year.

Source: *Johnson County Treasury, Taxation and Vehicles*

Special Assessment Collections

Special assessments are spread on benefited real estate with the property tax levy in August of each year. Interest on special assessments is computed relative to the rate of the obligations which financed the public improvements. The following table presents special assessments levied and collected.

SPECIAL ASSESSMENT LEVIES AND COLLECTIONS
For years ended December 31, 2016 through December 31, 2025

		Current Year Collections			Total Assessment Collections	
Year Ended December 31[(1)]	Assessments Certified to County	Amount	Percentage of Assessment	Collections in Subsequent Years	Amount	Percentage of Assessment
2016	1,305,642	1,288,438	98.68%	16,956	1,305,394	99.98%
2017	1,263,310	1,225,138	96.98%	37,933	1,263,071	99.98%
2018	1,272,825	1,186,403	93.21%	75,590	1,261,993	99.15%
2019	1,178,720	1,093,669	92.78%	85,051	1,178,720	100.00%
2020	1,172,880	1,041,270	88.78%	16,808	1,058,078	90.21%
2021	1,188,355	1,055,291	88.80%	14,423	1,069,714	90.02%
2022	1,380,633	1,214,412	87.96%	3,484	1,217,896	88.21%
2023	1,581,954	1,276,346	80.68%	137,186	1,413,532	89.35%
2024	1,479,290	1,394,985	94.30%	28,259	1,423,244	96.21%
2025	1,095,754	1,013,397	92.48%	25,690	1,039,087	94.83%

(1) The year shown is the year in which the collections were received. The levy or assessment is certified to the County the previous year.

Source: *Johnson County Treasury, Taxation and Vehicles*

Sales Tax Collections

The current total sales tax rate of the City is 9.475%, of which the City's portion is 1.50%, the County's portion is 1.475%, and the State's portion is 6.5% (food and food ingredients reduced to 0% in 2025).

The following table sets forth the City's portion of sales tax collections within the City in the years indicated:

Year	Amount Received
2025	5,283,040
2024	4,907,545
2023	4,807,697
2022	4,884,620
2021	4,389,698
2020	4,065,662
2019	3,689,312

Note: The figures above do not include collections from community improvement district sales taxes. At the request of developers and all of the property owners within each proposed community improvement district, the City has established three community improvement districts (CIDs). The CIDs typically impose a 1.0% CID sales tax within each district, which amount is in excess of the City's 9.475% sales tax rate. The CID sales tax collections are typically made available to developers to reimburse certain eligible costs of development and are not generally available to support governmental functions of the City.