CITY OF RUSSELL, KANSAS

DECEMBER 31, 2025



CITY OF RUSSELL, KANSAS

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INDEPENDENT AUDITORS' REPORT

Mayor and City Council
City of Russell, Kansas
Russell, Kansas

Adverse and Unmodified Opinions

We have audited the accompanying regulatory basis summary statement of receipts, expenditures, and unencumbered cash balances of the City of Russell, Kansas (the City), as of and for the year ended December 31, 2025, and the related notes to the financial statement.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

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

Unmodified Opinion on the Regulatory Basis of Accounting

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

Basis for Adverse and Unmodified Opinions

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

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

As discussed in Note 1—Summary of Significant Accounting Policies of the financial statement, the financial statement is prepared by the City on the basis of the financial reporting provisions of the *Kansas Municipal Audit and Accounting Guide*, which is a basis of accounting other than accounting principles generally accepted in the United States of America. The effects on the financial statement of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

Responsibilities of Management for the Financial Statement

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

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

Auditors' Responsibilities for the Audit of the Financial Statement

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

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

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

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

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the 2025 fund summary statement of receipts, expenditures, and unencumbered cash balances – regulatory basis (basic financial statement) as a whole. The summary of expenditures – regulatory basis – actual and budget, the individual fund schedules of receipts and expenditures – regulatory basis – actual and budget, and the agency funds schedule of receipts and disbursements – regulatory basis (Schedules 1 through 3, as listed in the table of contents) are presented for additional analysis and are not a required part of the 2025 basic financial statement; however, they are required to be presented under the provisions in the *Kansas Municipal Audit and Accounting Guide*. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the financial statement of the City. Such 2025 information is the responsibility of management and the supplementary information was derived from, and relates directly to, the underlying accounting and other records used to prepare the 2025 basic financial statement. The 2025 information has been subjected to the auditing procedures applied in the audit of the 2025 basic financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the 2025 basic financial statement or to the 2025 basic financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the 2025 basic financial statement as a whole, on the basis of accounting described in Note 1—Summary of Significant Accounting Policies.

We also previously audited, in accordance with auditing standards generally accepted in the United States of America, the basic financial statement of the City, as of and for the year ended December 31, 2024, not presented herein, and have issued our report thereon dated September 2, 2025, which contained an unmodified opinion on the regulatory basis basic financial statement. The 2024 basic financial statement and our accompanying report are not presented herein, but are available in electronic form from the Kansas Department of Administration website at the link http://admin.ks.gov/offices/accounts-reports/local-government/municipal-services. The 2024 actual column (2024 comparative information) presented in the individual fund schedules of regulatory basis receipts and expenditures – actual and budget for the year ended December 31, 2025 (Schedule 2 as listed in the table of contents), are also presented for comparative analysis and are not a required part of the basic financial statement. Such 2024 comparative information is the responsibility of management and was derived from, and relates directly to, the underlying accounting and other records used to prepare the 2024 basic financial statement. The 2024 comparative information was subjected to the auditing procedures applied in the audit of the 2024 basic financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the 2024 basic financial statement or to the 2024 basic financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the 2024 comparative information is fairly stated in all material respects in relation to the basic financial statement as a whole for the year ended December 31, 2024, on the basis of accounting described in Note 1.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated August 21, 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 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.



Certified Public Accountants

Hutchinson, Kansas
August 21, 2026

CITY OF RUSSELL, KANSAS

SUMMARY STATEMENT OF RECEIPTS, EXPENDITURES, AND UNENCUMBERED CASH
REGULATORY BASIS
For Year Ended December 31, 2025

Funds	Unencumbered Cash Balance 01/01/25	Prior Year Cancelled Encumbrances	Receipts	Expenditures	Unencumbered Cash Balance 12/31/25	Add Encumbrances and Accounts Payable	Cash Balance 12/31/25
GENERAL FUND	$ 1,507,139	$ 148	$ 4,014,374	$ 4,148,297	$ 1,373,364	$ 54,349	$ 1,427,713
SPECIAL PURPOSE FUNDS							
Airport	81,992	-	29,421	50,516	60,897	64	60,961
Industrial	124,100	-	38,389	14,637	147,852	-	147,852
Special Highway	251,941	5,284	225,758	142,114	340,869	4,310	345,179
Library	5,989	-	161,814	161,814	5,989	-	5,989
Fire Equipment	100,821	-	79,377	89,048	91,150	15,017	106,167
Recreation	4,505	-	158,527	158,527	4,505	-	4,505
Personnel Benefits	613,021	-	2,510,186	2,207,506	915,701	-	915,701
Special Parks and Recreation	33,509	-	19,916	-	53,425	-	53,425
Tourism & Convention	61,518	-	79,512	45,920	95,110	2,187	97,297
24-7 Travel Store CID	6,961	-	60,763	57,985	9,739	-	9,739
24-7 Travel Store TIF	-	-	45,674	45,674	-	-	-
Capital Improvements	2,079	20,706	3,135,559	1,970,108	1,188,236	1,329,159	2,517,395
Equipment Reserve	340,299	-	307,078	344,023	303,354	200,634	503,988
Risk Management Reserve	6,641	-	112	-	6,753	-	6,753
TOTAL SPECIAL PURPOSE FUNDS	1,633,376	25,990	6,852,086	5,287,872	3,223,580	1,551,371	4,774,951
BOND AND INTEREST FUND							
Bond and Interest	116,993	-	817,379	815,069	119,303	-	119,303
TRUST FUNDS							
Johnson Trust	1,165,865	-	337,092	151,067	1,351,890	139,067	1,490,957
Deines Center Trust	20,568	-	352	-	20,920	-	20,920
Health Insurance Trust	243,101	-	1,292,839	1,245,580	290,360	-	290,360
Donation	11,962	-	2,264	2,107	12,119	-	12,119
TOTAL TRUST FUNDS	1,441,496	-	1,632,547	1,398,754	1,675,289	139,067	1,814,356

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

CITY OF RUSSELL, KANSAS

SUMMARY STATEMENT OF RECEIPTS, EXPENDITURES, AND UNENCUMBERED CASH
REGULATORY BASIS
For Year Ended December 31, 2025

Funds	Unencumbered Cash Balance 01/01/25	Prior Year Cancelled Encumbrances	Receipts	Expenditures	Unencumbered Cash Balance 12/31/25	Add Encumbrances and Accounts Payable	Cash Balance 12/31/25
CAPITAL PROJECT FUNDS							
Holland Hotel Improvement Project	$ 735,126	$ -	$ 495,058	$ 1,133,941	$ 96,243	$ -	$ 96,243
Airport Improvement Fund	(46,505)	-	348,258	336,207	(34,454)	34,454	-
TOTAL CAPITAL PROJECT FUNDS	688,621	-	843,316	1,470,148	61,789	34,454	96,243
BUSINESS FUNDS							
Electric	5,539,608	263	11,362,058	11,599,874	5,302,055	331,484	5,633,539
Electric Reserve	8,170,689	581	2,789,074	1,538,823	9,421,521	579,184	10,000,705
Water	2,041,759	14,339	3,786,573	3,846,923	1,995,748	83,138	2,078,886
Water Reserve	640,649	211,937	1,126,669	1,188,951	790,304	360,842	1,151,146
Wastewater	466,399	-	950,052	1,020,570	395,881	8,553	404,434
Wastewater Reserve	982,290	-	341,824	119,924	1,204,190	75,600	1,279,790
Sanitation	399,735	-	853,092	990,107	262,720	27,920	290,640
Sanitation Reserve	238,963	-	84,091	26,246	296,808	4,577	301,385
TOTAL BUSINESS FUNDS	18,480,092	227,120	21,293,433	20,331,418	19,669,227	1,471,298	21,140,525
RELATED MUNICIPAL ENTITIES							
Russell Recreation Commission	99,042	-	291,160	338,808	51,394	1,441	52,835
TOTAL FINANCIAL REPORTING ENTITY (Excluding Agency Funds)	$ 23,966,759	$ 253,258	$ 35,744,295	$ 33,790,366	$ 26,173,946	$ 3,251,980	$ 29,425,926

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

CITY OF RUSSELL, KANSAS

SUMMARY STATEMENT OF RECEIPTS, EXPENDITURES, AND UNENCUMBERED CASH
REGULATORY BASIS
For Year Ended December 31, 2025

COMPOSITION OF CASH		
Cash on hand	$	500
Checking account		11,165,347
KMEA deposit		64,428
Money Market and Certificates of deposit		11,191,978
Treasury Fund - Daily		522,275
Kansas Municipal Investment Pool		6,526,595
Total Related Municipal Entities		52,835
TOTAL CASH		29,523,958
AGENCY FUNDS (Schedule 3)		(98,032)
TOTAL REPORTING ENTITY	$	29,425,926

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

CITY OF RUSSELL, KANSAS

NOTES TO THE FINANCIAL STATEMENT
December 31, 2025

NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Financial Reporting Entity

The City of Russell, Kansas (the City), a municipal corporation, is the county seat of Russell County, Kansas and was incorporated in 1871. The City is governed by an elected mayor and an elected eight-member Council form of government and provides the following services: public safety and administration of justice, water and electric utility, transportation and environmental services, community development, and recreation activities.

The Russell Recreation Commission (Recreation Commission), a related municipal entity, is authorized by K.S.A. 12-1922 under an agreement with the City of Russell, Kansas to provide a system of public recreation and playgrounds. The governing body of the Recreation Commission consists of five members appointed by the City. The Recreation Commission operates as a separate governing body but the City levies the taxes for the Recreation Commission and the Recreation Commission has only powers granted by statute, K.S.A. 12-1928. The Recreation Commission is controlled by or dependent on the City. Control or dependence is determined on the basis of budget adoption, taxing authority, funding, and appointment of the respective governing board.

The City's regulatory financial statement presents only the City's financial information and the Russell Recreation Commission, a related municipal entity. The statement does not include the City's related municipal entities as follows:

- Russell Public Library
- Russell Housing Authority

B. Regulatory Basis Fund Types

General Fund

The chief operating fund is used to account for all resources except those required to be accounted for in another fund.

Special Purpose Fund

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

Bond and Interest Fund

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

Capital Project Fund

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

Business Fund

Funds financed in whole or in part by fees charged to users of the goods or services (i.e. Water Fund, Electric Fund, etc.).

NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Regulatory Basis Fund Types (Continued)

Trust Fund

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

Agency Fund

Funds used to report assets held by the municipal reporting entity in a purely custodial capacity (i.e. Payroll Clearing Fund, county treasurer tax collection accounts, etc.).

C. Regulatory Basis of Accounting and Departure from Accounting Principles Generally Accepted in the United States of America

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

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

D. Budgetary Information

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

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

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

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

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

If the municipality is holding a revenue neutral rate hearing, the budget timeline for the public hearing is adjusted to no sooner than August 20th and no later than September 20th, but at least ten days after all statutory notification and publication requirements have been met. Municipal budgets requiring a hearing to exceed the revenue neutral rate should be adopted on or before October 1st but may not be adopted prior to the revenue neutral rate hearing. The municipality did hold a revenue neutral rate hearing for 2025.

NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Budgetary Information (Continued)

The statutes allow for the governing body to increase the originally adopted budget for previously unbudgeted increases in regulatory receipts other than ad valorem property taxes. To do this, a notice of public hearing to amend the budget must be published in the local newspaper. At least ten days after publication, the hearing may be held and the governing body may amend the budget at that time. The budget was amended for the 24-7 Store CID fund for 2025.

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

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

A legal operating budget is not required for capital project funds, trust funds, agency funds, and the following special purpose funds: Equipment Reserve, Capital Improvement, and Risk Management Reserve, and the following business funds: Electric Reserve, Water Reserve, Sanitation Reserve, and Wastewater Reserve.

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

E. Reimbursements

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

F. Restricted Assets

Restricted cash balances are reported in various funds that are legally restricted for specific funds for the payment of debt services and fiscal fees on long-term debt, and for expenditures awarded by federal and state grant contracts. Also, cash is restricted in the trust funds of the City for specific purposes.

The City, as part of the Western Area Power Administration (WAPA) contract with Kansas Municipal Energy Agency (KMEA) is required by section 6(c) of the Hydro Power Pooling Contract, to have on deposit $64,428 in the KMEA Hydro Power Project trust account. Any investment income on the deposit will be credited annually to the deposit account.

NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

G. Property Taxes

The determination of assessed valuations and the collection of property taxes for all political subdivisions in the State of Kansas is the responsibility of the various counties. The County appraiser annually determines assessed valuation based on real estate transactions recorded by the Register of Deeds and personal property transactions reported by taxpayers. The County Clerk spreads the annual assessment on the tax rolls. The County Treasurer is the tax collection agent for all taxing entities within the county.

In accordance with State statutes, property taxes levied during the current year are a revenue source to be used to finance the budget of the ensuing year. Property taxes are assessed on a calendar year basis and become a lien on the property on November 1 of each year. The taxes are due one-half on December 20 and one-half the following May 10. Any taxes unpaid on the due dates are considered delinquent.

Collection of current year property tax by the County Treasurer is not completed, apportioned, or distributed to the various subdivisions until the succeeding year, such procedure being in conformity with governing State statutes. Consequently, current year property taxes receivable are not available as a resource that can be used to finance current operation of the City, and therefore, are not susceptible to accrual.

Undistributed taxes from the prior year levy are recognized as income in the current year. It is not practicable to apportion delinquent taxes held by the County Treasurer at the end of the audit period, and further, the amounts thereof are not material to the financial statements taken as a whole.

NOTE 2—STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Compliance with Kansas Statutes

K.S.A. 10-113 requires no indebtedness be created for a fund in excess of available monies in that fund. The City encumbered project costs for the Airport Grading and PAPI's/Beacon Project in 2025 creating a deficit unencumbered cash balance of $34,454 in the Airport Improvement Fund. The fund will be reimbursed for the costs from the Federal Aviation Administration AIP Grant Funds in 2026. There is a delay in timing of when payments are made and reimbursements are deposited.

NOTE 3—DEPOSITS AND INVESTMENTS

As of December 31, 2025, the City had the following investments and maturities:

		Investment Maturities (in Years)		Rating
Investment Type	Cost	Less than 1	1-2	U.S.
Treasury Fund - Daily	$ 522,275	$ 522,275	$ -	N/A
Kansas Municipal Investment Pool	6,526,595	6,526,595	-	N/A
	$ 7,048,870	$ 7,048,870	$ -	

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

NOTE 3—DEPOSITS AND INVESTMENTS (CONTINUED)

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

Concentration of Credit Risk

State statutes place no limit on the amount the City may invest in any one issuer as long as the investments are adequately secured under K.S.A. 9-1402 and 9-1405. The City's investment policy does provide for an investment limitation of 55% per financial institution. The City's policy states that the KMIP is not to be considered as a financial institution. The City's allocation of investments as of December 31, 2025, is as follows:

Investments	Percentage of Investments
Treasury Fund - Daily	7%
Kansas Municipal Investment Pool	93%

Custodial Credit Risk – Deposits

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

At December 31, 2025, the City's carrying amount of deposits was $22,357,325 and the bank balance was $22,920,738. The bank balance was held by four banks, which did not result in a concentration of credit risk. Of the bank balance, $4,596,000 was covered by the Federal Deposit Insurance Corporation and $18,324,738 was collateralized with securities held by the pledging financial institutions' agents in the City's name.

At December 31, 2025, the Recreation Commission's carrying amount of deposits was $52,835 and the bank balance was $56,532. The bank balance was held by one bank. Of the bank balance, all was covered by federal depository insurance.

Custodial Credit Risk – Investments

For an investment, this is the risk that in the event of the failure of the issuer or counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. State statutes require investments to be adequately secured.

At December 31, 2025, the City had invested $552,275 in Treasury Fund – Daily, through a brokerage account with UMB Financial Services, Inc. This investment is not rated; however, the brokerage account is insured through Securities Investor Protection Corporation, up to $500,000.

NOTE 3—DEPOSITS AND INVESTMENTS (CONTINUED)

Custodial Credit Risk – Investments (continued)

At December 31, 2025, the City had invested $6,526,595 in the Kansas Municipal Investment Pool (KMIP). KMIP is under the oversight of the Pooled Money Investment Board. The board is comprised of the State Treasurer and four additional members appointed by the State Governor. The board reports annually to the Kansas legislature. State pooled monies may be invested in direct obligation of, or obligations that are insured as to principal and interest, by the U.S. Government or any agency thereof, with maturities up to four years. No more than 10% of those funds may be invested in mortgage-backed securities. In addition, KMIP may invest in repurchase agreements with Kansas banks or with primary government securities dealers.

NOTE 4—LONG-TERM DEBT

Changes in long-term liabilities for the City for the year ended December 31, 2025, were as follows:

Issue	Interest Rates	Dates of Issue	Amount of Issue	Date of Final Maturity	Balance Beginning of Year	Additions	Reductions/ Payments	Balance End of Year	Interest Paid
General Obligation Bonds									
Series 2015-A	0.75-3.00%	10/28/15	$ 1,015,000	08/01/30	$ 440,000	$ -	$ 70,000	$ 370,000	$ 12,138
Series 2020-A	1.55-1.85%	03/10/20	2,601,000	08/01/27	880,000	-	365,000	515,000	15,730
Series 2024-A	4.00-5.00%	03/14/24	4,700,000	08/01/44	4,700,000	-	150,000	4,550,000	202,200
Revolving Loans									
KPWS Loan Fund - 2731	2.42%	01/09/12	350,099	02/01/33	163,912	-	17,590	146,322	3,861
KPWS Loan Fund - 2791	2.23%	11/08/12	1,223,635	02/01/34	671,404	-	60,641	610,763	14,636
KPWS Loan Fund - 3057	1.30%	02/25/21	4,570,000	08/01/43	3,912,089	211,588	210,171	3,913,506	50,058
KWPRF Loan Fund - C20 2052 01	2.54%	12/20/18	3,391,670	03/01/43	3,218,657	-	133,698	3,084,959	80,910
Lease Purchase Agreements									
Community First National Bank	3.174%	12/09/19	385,497	12/09/31	242,208	-	31,444	210,764	7,688
					$ 14,228,270	$ 211,588	$ 1,038,544	$ 13,401,314	$ 387,221

NOTE 4—LONG-TERM DEBT (CONTINUED)

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

Issue	2026	2027	2028	2029	2030	2031-2035	2036-2040	2041-2045	2046-2050	Total
PRINCIPAL										
General Obligation Bonds										
Series 2015-A	$ 70,000	$ 70,000	$ 75,000	$ 75,000	$ 80,000	$ -	$ -	$ -	$ -	$ 370,000
Series 2020-A	370,000	145,000	-	-	-	-	-	-	-	515,000
Series 2024-A	155,000	165,000	170,000	180,000	190,000	1,095,000	1,325,000	1,270,000	-	4,550,000
Revolving Loans										-
KPWS Loan Fund - 2731	18,018	18,457	18,906	19,367	19,838	51,736	-	-	-	146,322
KPWS Loan Fund - 2791	62,000	63,391	64,812	66,266	67,751	286,543	-	-	-	610,763
KPWS Loan Fund - 3057	194,791	196,811	199,378	201,978	204,613	1,063,794	1,134,997	717,144	-	3,913,506
KWPRF Loan Fund - C250 2052 01	137,115	140,620	144,215	147,901	151,681	818,585	928,693	616,149	-	3,084,959
Lease Purchase Agreements										
Community First National Bank	32,441	33,471	34,534	35,630	36,761	37,927	-	-	-	210,764
TOTAL PRINCIPAL	$ 1,039,365	$ 832,750	$ 706,845	$ 726,142	$ 750,644	$ 3,353,585	$ 3,388,690	$ 2,603,293	$ -	$ 13,401,314

Issue	2026	2027	2028	2029	2030	2031-2035	2036-2040	2041-2045	2046-2050	Total
INTEREST										
General Obligation Bonds										
Series 2015-A	$ 10,388	$ 8,638	$ 6,713	$ 4,650	$ 2,400	$ -	$ -	$ -	$ -	$ 32,789
Series 2020-A	9,343	2,683	-	-	-	-	-	-	-	12,026
Series 2024-A	194,700	186,950	178,700	170,200	161,200	660,200	417,000	129,400	-	2,098,350
Revolving Loans										-
KPWS Loan Fund - 2731	3,433	2,994	2,545	2,084	1,613	1,893	-	-	-	14,562
KPWS Loan Fund - 2791	13,276	11,886	10,464	9,011	7,525	14,563	-	-	-	66,725
KPWS Loan Fund - 3057	49,725	47,706	45,139	42,539	39,904	158,790	87,585	16,403		487,791
KWPRF Loan Fund - C250 2052 01	77,493	73,988	70,393	66,707	62,927	254,455	144,348	27,676	-	777,987
Lease Purchase Agreements										
Community First National Bank	6,690	5,660	4,598	3,501	2,371	1,204	-	-	-	24,024
TOTAL INTEREST	$ 365,048	$ 340,505	$ 318,552	$ 298,692	$ 277,940	$ 1,091,105	$ 648,933	$ 173,479	$ -	$ 3,514,254

The City of Russell provided the prior year Annual Audit Report to EMMA (Electronic Municipal Market Access) on a timely basis as agreed.

NOTE 5—DEFINED BENEFIT PENSION PLAN

Plan Description

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

Contributions

K.S.A. 74-4919 and K.S.A. 74-49,210 establish the KPERS member-employee contribution rates. KPERS has multiple benefit structures and contribution rates depending on whether the employee is a KPERS 1, KPERS 2, or KPERS 3 member. KPERS 1 members are active and contributing members hired before July 1, 2009. KPERS 2 members were first employed in a covered position on or after July 1, 2009, and KPERS 3 members were first employed in a covered position on or after January 1, 2015. Effective January 1, 2015, Kansas law established the KPERS member-employee contribution rate at 6.00% of covered salary for KPERS 1, KPERS 2, and KPERS 3 members. Member contributions are withheld by their employer and paid to KPERS according to the provisions of Section 414(h) of the Internal Revenue Code.

State law provides that the employer contribution rates for KPERS 1, KPERS 2, and KPERS 3 be determined based on the results of each annual actuarial valuation. Kansas law sets a limitation on annual increases in employer contribution rates. The actuarially determined employer contribution rate (not including the 1% contribution rate for the Death and Disability Program) and the statutory contribution rate was 9.71% for the fiscal year ended December 31, 2025. Contributions to the pension plan from the City were $475,935 for the year ended December 31, 2025.

Net Pension Liability

At December 31, 2025, the City's proportionate share of the collective net pension liability reported by KPERS was $3,910,345. The net pension liability was measured as of June 30, 2025, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2024, which was rolled forward to June 30, 2025. The City's proportion of the net pension liability was based on the ratio of the City's contributions to KPERS, relative to the total employer and nonemployees contributions of the Local subgroup within KPERS. Since the *Kansas Municipal Audit and Accounting Guide* regulatory basis of accounting does not recognize long-term debt, this liability is not reported in these financial statements.

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

NOTE 6—OTHER LONG-TERM OBLIGATIONS FROM OPERATIONS

Other Post-Employment Benefits

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

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

NOTE 6—OTHER LONG-TERM OBLIGATIONS FROM OPERATIONS (CONTINUED)

Death and Disability other Post-Employment Benefits

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

Compensated Absences and Other Employee Benefits

Prior to January 1, 1988, the City's policy regarding vacation permitted employees to accumulate and carry over to the following year a maximum of 60 working days of vacation.

Effective January 1, 1988, the City froze all vacation carry over up to 60 days and established a new policy. Effective January 1, 2014, employees may carry over 160 hours of vacation on their anniversary each year.

Upon resignation or retirement, employees are entitled to payment of accumulated current vacation leave, plus all frozen vacation leave.

The City's prior policy regarding sick pay allowed employees to accumulate unlimited sick leave days. Effective January 1, 1988, the City froze all accumulated sick leave over 100 days. Any days accumulated up to 100 days were carried over with the City's new policy. Under the post 1988 policy, employees may accumulate up to 960 hours of sick leave, including frozen sick leave.

The City of Russell participates in a Sick Leave Buy-Back Program. The objective is to purchase sick leave from full-time employees based upon the number of hours used for sick leave from the previous calendar year dated December 1 to November 30. Compensation received through participation in the Sick Leave Buy-Back Program is taxable and applicable to Medicare and Social Security deductions. Compensation received through this program by employees hired prior to July 1, 1993, will also be subject to Kansas Public Employees Retirement System deductions. The gross amount of compensation will be included with total wages for reporting on Federal and State Forms.

Compensatory time is compensation for nonexempt employees that have worked overtime. Compensatory time is paid at the rate of one and one-half times the hours of overtime worked. Compensatory time shall only accrue to a maximum of 40 hours. When 40 hours have been accrued, all overtime hours worked will be paid at the normal overtime rate of pay.

Upon termination of employment or transfer to another position, all accrued compensatory time will be paid to the employee at the final regular rate of pay.

Retiring employees are compensated at a rate of 75% of current hourly rates for both frozen and post 1988 accruals. Post 1988 sick leave hours are limited to 160 hours and are only paid for amounts in excess of 80 hours. Sick leave is compensated at a rate of 100% of the current hourly rate for deceased employees and 25% for terminated employees, using the same calculations described above to calculate eligible hours.

The accumulated vacation, sick leave, and compensatory time liability at December 31, 2025, is $217,846, $80,085, and $5,841, respectively.

The director of the Recreation Commission has a provision in his contract that states he is to receive 40 hours of vacation and sick leave per year. Any hours remaining at year end are lost. There is no potential liability at December 31, 2025.

NOTE 7—INTERFUND TRANSFERS

Operating transfers were as follows:

From Fund	To Fund	Authority	Amount
General	Industrial Development	K.S.A. 12-197	$ 33,000
General	Capital Improvement	K.S.A. 12-1,118	400,000
General	Equipment Reserve	K.S.A. 12-1,117	300,000
General	Special Highway	K.S.A. 12-1,119	100,000
General	Airport	K.S.A. 12-197	102
Electric	General	K.S.A. 12-825d	628,000
Electric	Personnel Benefits	K.S.A. 12-825d	712,240
Electric	Electric Reserve	K.S.A. 12-825d	2,000,000
Electric	Bond and Interest	K.S.A. 12-825d	352,200
Water	Personnel Benefits	K.S.A. 12-825d	445,068
Water	Bond and Interest	K.S.A. 12-825d	462,868
Water	General	K.S.A. 12-825d	167,300
Water	Water Reserve	K.S.A. 12-825d	900,000
Wastewater	General	K.S.A. 12-825d	45,625
Wastewater	Personnel Benefits	K.S.A. 12-825d	103,149
Wastewater	Wastewater Reserve	K.S.A. 12-631o	325,000
Sanitation	General	K.S.A. 12-825d	41,100
Sanitation	Personnel Benefits	K.S.A. 12-825d	214,734
Sanitation	Sanitation Reserve	K.S.A. 12-825d	80,000
Airport	Airport Improvement	K.S.A. 12-1,118	16,672

NOTE 8—RISK MANAGEMENT

The City participates in federal, state, and county programs that are fully or partially funded by grants received from other governmental units. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grant program regulations, the City may be required to reimburse the grantor government.

The City is exposed to various risks of loss related to torts; theft of, damage to, and the destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City has purchased commercial insurance for these potential risks. There have been no significant reductions in insurance coverage for 2025, and settled claims from these risks have not exceeded commercial insurance coverage. The City's electrical distribution system is not insured.

NOTE 9—JOINT VENTURE

In June of 1995, the cities of Hays and Russell entered into an agreement to share in the purchase and management of the Circle K Ranch and attendant water rights. The City paid $619,440, allocated $159,444 for land, water rights $323,410, and $136,586 for buildings, equipment, and improvements. Subsequent to that agreement, the Public Wholesale Water Supply District No. 15 was created with the City providing for a sharing of expenses and income on an 82% to 18% ratio. The Public Wholesale Water Supply District No. 15 was formed for the development of water supply sources and projects related directly thereto.

NOTE 10—CAPITAL PROJECTS

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

	Project Authorization	Expenditures thru 12/31/25
Water Plant A Rehabilitation	$ 4,905,499	$ 4,334,429
East Residential 1 & 2 Electrical Circuits Rebuild	$ 3,609,534	$ 3,316,315
North Residential 1 & 2 Electrical Circuits Rebuild	$ 3,005,510	$ 555,069
Airport Runway Grading	$ 450,200	$ 413,225
Airport PAPI's & Beacon Project	$ 459,756	$ 409,003
15 MW CAT Generation Project	$ 14,992,000	$ 755,469
North Fossil Reconstruction	$ 2,500,000	$ 105,792
Main Street Revitalization	$ 13,501,000	$ 710,925
South Main St. Housing Development	$ 1,500,000	$ 134,906

NOTE 11—RELATED PARTY TRANSACTIONS

In the ordinary course of business, the City has and expects to continue to have transactions with its employees and elected officials. In the opinion of management, such transactions were on substantially the same terms as those prevailing at the time of comparable transactions with other persons and did not involve more than a normal risk of collectability or present any other unfavorable features to the City.

NOTE 12—SUPPLEMENTAL INFORMATION

In December 2024, the Council passed Charter Ordinance 22 providing for the levy of a 0.75% retailer's sales tax in the City of Russell, Kansas commencing April 1, 2025. This sales tax will provide revenue for Water department expenditures as listed in the ordinance.

In November 2025, the Council approved Resolution 21-25 updating Employee Rate Schedules.

NOTE 13—COMMITMENTS AND CONTINGENCIES

Grant Program Involvement

The City participates in federal, state, and City programs that are fully or partially funded by grants received from other governmental units. These grants are subject to grantor audit or review, the purpose of which is to ensure compliance with specific conditions of the grant. Any liability for reimbursement that may arise as a result of audit or review cannot be reasonably determined at this time; however, it is believed that the amount, if any, would not be material.

NOTE 13—COMMITMENTS AND CONTINGENCIES (CONTINUED)

Litigation

During the ordinary course of its operations, the City is a party to various claims, legal actions, and complaints. It is the opinion of the City's management and legal counsel that these matters are not anticipated to have a material impact on the City.

Neighborhood Revitalization Program

The City participates in a neighborhood revitalization program as allowed by K.S.A. 12-17,114 et seq. Under the program, participants are provided a rebate of ad valorem taxes paid, based on the increase in assessed valuation attributable to improvements made by the taxpayer after being approved for participation in the neighborhood revitalization program. For the year ended December 31, 2025, the City's share of tax rebates totaled $34,961.

NOTE 14—SUBSEQUENT EVENTS

On January 6, 2026, the City Council passed Resolution 03-26, authorizing the City to enter into a lease purchase agreement with Southwind Bank for three police department vehicles.

On February 17, 2026, the City Council authorized the issuance of $8,765,000 General Obligation Bonds, Series 2026-A for electric generation improvement.

On the February 2026 Utility billing, the city implemented the Energy Cost Adjustment charge to electric customers. The rate was set at 0.5%.

CITY OF RUSSELL, KANSAS

SUMMARY OF EXPENDITURES - REGULATORY BASIS
(ACTUAL AND BUDGET)
For Year Ended December 31, 2025

Schedule 1

Funds	Certified Budget	Adjustment for Qualifying Budget Credit	Total Budget for Comparison	Expenditures Chargeable to Current Year Budget	Over (Under) Budget
GENERAL FUND	$ 5,499,242	$ -	$ 5,499,242	$ 4,148,297	$ (1,350,945)
SPECIAL PURPOSE FUNDS					
Airport	85,275	-	85,275	50,516	(34,759)
Industrial	58,000	-	58,000	14,637	(43,363)
Special Highway	157,000	-	157,000	142,114	(14,886)
Library	166,000	-	166,000	161,814	(4,186)
Fire Equipment	108,111	-	108,111	89,048	(19,063)
Recreation	164,560	-	164,560	158,527	(6,033)
Personnel Benefits	2,753,417	-	2,753,417	2,207,506	(545,911)
Special Parks and Recreation	125,000	-	125,000	-	(125,000)
Tourism & Convention	90,000	-	90,000	45,920	(44,080)
24-7 Travel Store CID	59,000	-	59,000	57,985	(1,015)
24-7 Travel Store TIF	65,000	-	65,000	45,674	(19,326)
BOND AND INTEREST FUND					
Bond and Interest	815,069	-	815,069	815,069	-
BUSINESS FUNDS					
Electric	12,387,577	-	12,387,577	11,599,874	(787,703)
Water	3,851,384	-	3,851,384	3,846,923	(4,461)
Wastewater	1,042,532	-	1,042,532	1,020,570	(21,962)
Sanitation	1,037,215	-	1,037,215	990,107	(47,108)
RELATED MUNICIPAL ENTITY					
Russell Recreation Commission	355,000	-	355,000	338,808	(16,192)

CITY OF RUSSELL, KANSAS

GENERAL FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - REGULATORY BASIS
(ACTUAL AND BUDGET)
For Year Ended December 31, 2025
(With Comparative Actual Totals For Prior Year Ended December 31, 2024)

	Prior Year Actual	Current Year Actual	Current Year Budget	Current Year Over (Under) Budget
RECEIPTS				
Taxes				
Ad valorem	$ 1,017,726	$ 1,024,051	$ 1,056,579	$ (32,528)
Delinquent	43,576	5,221	25,000	(19,779)
Motor vehicle	162,530	142,745	143,308	(563)
Recreational vehicle	3,093	2,298	4,833	(2,535)
16/20M vehicle	2,446	1,928	1,888	40
Neighborhood revitalization rebate	(19,800)	(17,213)	(14,619)	(2,594)
County sales tax	296,647	301,185	250,000	51,185
Local sales tax	601,813	593,079	525,000	68,079
Total taxes	2,108,031	2,053,294	1,991,989	61,305
Intergovernmental				
Liquor tax	14,934	19,226	18,231	995
State Highway Connecting Links	43,440	43,370	43,000	370
State of Kansas KDOT Grant	64,709	70,894	60,000	10,894
Federal and state FEMA	-	10,458	-	10,458
USD 407 SRO reimbursement	30,635	47,410	30,000	17,410
County 911 reimbursement	309,529	376,691	400,000	(23,309)
Total intergovernmental	463,247	568,049	551,231	16,818
Licenses and permits				
Franchise tax	186,217	210,834	250,000	(39,166)
Licenses	43,363	20,255	20,000	255
Permits	58,267	15,131	12,000	3,131
Total licenses and permits	287,847	246,220	282,000	(35,780)
Fines and forfeitures				
Fines and court fees	35,008	32,086	30,000	2,086
Uses of money and property				
Interest earned	44,342	31,156	30,000	1,156
Royalties	446	488	300	188
Total uses of money and property	44,788	31,644	30,300	1,344
Miscellaneous revenue				
Weed abatement fees	2,911	1,399	2,000	(601)
General transportation fares	13,253	14,317	12,000	2,317
Golf course fees	104,561	123,252	80,000	43,252
Cemetery receipts	14,738	12,823	10,000	2,823
Reimbursed expense	122,329	10,356	10,000	356
Impound fees	1,880	1,525	2,000	(475)
Swimming pool	26,565	24,605	25,000	(395)
TGT admin fees	1,250	1,564	1,800	(236)
Other grants	1,000	1,000	-	1,000
Miscellaneous receipts	16,664	10,215	5,000	5,215
Total miscellaneous revenue	305,151	201,056	147,800	53,256
Operating transfers	780,000	882,025	882,025	-
TOTAL RECEIPTS	4,024,072	4,014,374	$ 3,915,345	$ 99,029

CITY OF RUSSELL, KANSAS

GENERAL FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - REGULATORY BASIS
(ACTUAL AND BUDGET)
For Year Ended December 31, 2025
(With Comparative Actual Totals For Prior Year Ended December 31, 2024)

Schedule 2-1
Page 2 of 2

	Prior Year Actual	Current Year Actual	Current Year Budget	Current Year Over (Under) Budget
EXPENDITURES				
Mayor/Council/Admin	$ 143,348	$ 164,520	$ 149,450	$ 15,070
City Manager	159,112	121,847	186,787	(64,940)
City Clerk	75,706	81,095	100,244	(19,149)
Transportation	84,782	82,586	97,862	(15,276)
Police department	705,176	730,385	768,907	(38,522)
Public works, inspection	80,239	79,812	71,766	8,046
Fire department	191,128	239,872	212,685	27,187
Municipal Court	66,908	83,662	79,060	4,602
911 dispatch	493,479	518,394	543,212	(24,818)
Building, planning, and zoning	190,326	175,562	213,422	(37,860)
Street department	353,949	361,749	368,696	(6,947)
Golf course	203,079	195,370	239,628	(44,258)
Swimming pool	93,231	93,650	100,294	(6,644)
Park department	298,680	311,490	326,234	(14,744)
Deines Cultural Center	107,531	69,676	61,328	8,348
Armory	5,080	5,525	10,500	(4,975)
Capital improvements	-	-	1,300,000	(1,300,000)
Miscellaneous	-	-	1,142	(1,142)
Operating transfers	1,197,279	833,102	668,025	165,077
TOTAL EXPENDITURES	4,449,033	4,148,297	$ 5,499,242	$ (1,350,945)
RECEIPTS OVER (UNDER) EXPENDITURES	(424,961)	(133,923)		
UNENCUMBERED CASH, BEGINNING	1,931,163	1,507,139		
PRIOR YEAR CANCELLED ENCUMBRANCES	937	148		
UNENCUMBERED CASH, ENDING	$ 1,507,139	$ 1,373,364		

CITY OF RUSSELL, KANSAS

AIRPORT FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - REGULATORY BASIS
(ACTUAL AND BUDGET)
For Year Ended December 31, 2025
(With Comparative Actual Totals For Prior Year Ended December 31, 2024)

Schedule 2-2

	Prior Year Actual	Current Year Actual	Current Year Budget	Current Year Over (Under) Budget
RECEIPTS				
Taxes				
Ad valorem	$ 638	$ 206	$ -	$ 206
Delinquent	1,238	117	250	(133)
Motor vehicle	5,154	575	-	575
Recreational vehicle	98	14	-	14
16/20M vehicle	66	62	-	62
Neighborhood revitalization rebate	-	-	-	-
Rental	4,034	9,243	8,000	1,243
Fuel sales	11,230	17,676	15,000	2,676
Interest income	3,106	1,253	500	753
Grants	-	-	-	-
Miscellaneous	497	173	-	173
Operating transfers	63	102	100	2
TOTAL RECEIPTS	26,124	29,421	$ 23,850	$ 5,571
EXPENDITURES				
Telephone	344	349	$ 400	$ (51)
Insurance	8,509	8,916	9,000	(84)
Dues and subscriptions	65	264	300	(36)
Training and travel	-	190	-	190
Professional services	604	1,246	2,675	(1,429)
Printing and advertising	-	-	100	(100)
Operating supplies	33	167	200	(33)
Repairs and maintenance	1,288	4,274	2,000	2,274
Fuel for resale	14,318	14,019	25,000	(10,981)
Sales tax expense	874	1,360	2,000	(640)
Credit card fees	1,981	3,059	3,500	(441)
Office supplies	38	-	100	(100)
Capital improvement	-	-	-	-
Transfer to - Airport Improvement	80,840	16,672	40,000	(23,328)
TOTAL EXPENDITURES	108,894	50,516	$ 85,275	$ (34,759)
RECEIPTS OVER (UNDER) EXPENDITURES	(82,770)	(21,095)		
UNENCUMBERED CASH, BEGINNING	164,762	81,992		
PRIOR YEAR CANCELLED ENCUMBRANCES	-	-		
UNENCUMBERED CASH, ENDING	$ 81,992	$ 60,897		

CITY OF RUSSELL, KANSAS

INDUSTRIAL FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - REGULATORY BASIS
(ACTUAL AND BUDGET)
For Year Ended December 31, 2025
(With Comparative Actual Totals For Prior Year Ended December 31, 2024)

Schedule 2-3

	Prior Year Actual	Current Year Actual	Current Year Budget	Current Year Over (Under) Budget
RECEIPTS				
Taxes				
Ad valorem	$ 3,065	$ 251	$ -	$ 251
Delinquent	733	69	200	(131)
Motor vehicle	5,150	879	352	527
Recreational vehicle	98	18	12	6
16/20M vehicle	66	62	5	57
Neighborhood revitalization rebate	(48)	-	-	-
Grants	-	1,250	-	1,250
Interest income	2,179	2,150	500	1,650
Reimbursed expense	200	200	-	200
Admin fees	208	510	535	(25)
Operating transfers	30,091	33,000	26,250	6,750
TOTAL RECEIPTS	41,742	38,389	$ 27,854	$ 10,535
EXPENDITURES				
Dues, subscriptions, and licenses	38	-	$ -	$ -
Postage	30	-	-	-
Professional fees	-	-	-	-
Printing and advertising	5,657	637	5,000	(4,363)
Economic development incentive	1,628	-	40,000	(40,000)
Economic development	22,000	14,000	13,000	1,000
TOTAL EXPENDITURES	29,353	14,637	$ 58,000	$ (43,363)
RECEIPTS OVER (UNDER) EXPENDITURES	12,389	23,752		
UNENCUMBERED CASH, BEGINNING	111,711	124,100		
UNENCUMBERED CASH, ENDING	$ 124,100	$ 147,852		

CITY OF RUSSELL, KANSAS

SPECIAL HIGHWAY FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - REGULATORY BASIS
(ACTUAL AND BUDGET)
For Year Ended December 31, 2025
(With Comparative Actual Totals For Prior Year Ended December 31, 2024)

Schedule 2-4

	Prior Year Actual	Current Year Actual	Current Year Budget	Current Year Over (Under) Budget
RECEIPTS				
Fuel tax	$ 118,961	$ 117,984	$ 119,680	$ (1,696)
Interest income	4,947	5,547	1,000	4,447
Reimbursed expense	-	2,227	-	
Transfers	90,272	100,000	78,750	21,250
TOTAL RECEIPTS	214,180	225,758	$ 199,430	$ 24,001
EXPENDITURES				
Street materials	54,251	45,951	$ 50,000	$ (4,049)
Professional services	10,290	-	-	-
Operating supplies	-	-	-	-
Capital outlay	79,976	96,163	107,000	(10,837)
TOTAL EXPENDITURES	144,517	142,114	$ 157,000	$ (14,886)
RECEIPTS OVER (UNDER) EXPENDITURES	69,663	83,644		
UNENCUMBERED CASH, BEGINNING	180,978	251,941		
PRIOR YEAR CANCELLED ENCUMBRANCES	1,300	5,284		
UNENCUMBERED CASH, ENDING	$ 251,941	$ 340,869		

CITY OF RUSSELL, KANSAS

LIBRARY FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - REGULATORY BASIS
(ACTUAL AND BUDGET)
For Year Ended December 31, 2025
(With Comparative Actual Totals For Prior Year Ended December 31, 2024)

Schedule 2-5

	Prior Year Actual	Current Year Actual	Current Year Budget	Current Year Over (Under) Budget
RECEIPTS				
Taxes				
Ad valorem	$ 146,845	$ 142,390	$ 146,808	$ (4,418)
Delinquent	5,715	709	1,000	(291)
Motor vehicle	427	20,512	20,706	(194)
Recreational vehicle	22,429	329	698	(369)
16/20M vehicle	334	266	273	(7)
Neighborhood revitalization rebate	(2,861)	(2,392)	(2,031)	(361)
TOTAL RECEIPTS	172,889	161,814	$ 167,454	$ (5,640)
EXPENDITURES				
Library appropriation	166,900	161,814	$ 166,000	$ (4,186)
RECEIPTS OVER (UNDER) EXPENDITURES	5,989	-		
UNENCUMBERED CASH, BEGINNING	-	5,989		
UNENCUMBERED CASH, ENDING	$ 5,989	$ 5,989		

CITY OF RUSSELL, KANSAS

FIRE EQUIPMENT FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - REGULATORY BASIS
(ACTUAL AND BUDGET)
For Year Ended December 31, 2025
(With Comparative Actual Totals For Prior Year Ended December 31, 2024)

Schedule 2-6

	Prior Year Actual	Current Year Actual	Current Year Budget	Current Year Over (Under) Budget
RECEIPTS				
Taxes				
Ad valorem	$ 33,852	$ 35,566	$ 36,757	$ (1,191)
Delinquent	1,107	153	250	(97)
Motor vehicle	5,151	4,738	4,775	(37)
Recreational vehicle	98	76	161	(85)
16/20M vehicle	66	62	63	(1)
Neighborhood revitalization rebate	(659)	(599)	(508)	(91)
Interest income	2,335	1,877	500	1,377
Mutual Aid Agreements	3,000	3,000	3,000	-
Grants	58,274	34,504	6,660	27,844
TOTAL RECEIPTS	103,224	79,377	$ 51,658	$ 27,719
EXPENDITURES				
Capital expenses - equipment	57,366	89,048	$ 108,111	$ (19,063)
RECEIPTS OVER (UNDER) EXPENDITURES	45,858	(9,671)		
UNENCUMBERED CASH, BEGINNING	54,963	100,821		
UNENCUMBERED CASH, ENDING	$ 100,821	$ 91,150		

CITY OF RUSSELL, KANSAS

RECREATION FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - REGULATORY BASIS
(ACTUAL AND BUDGET)
For Year Ended December 31, 2025
(With Comparative Actual Totals For Prior Year Ended December 31, 2024)

Schedule 2-7

	Prior Year Actual	Current Year Actual	Current Year Budget	Current Year Over (Under) Budget
RECEIPTS				
Taxes				
Ad valorem	$ 135,542	$ 140,756	$ 147,050	$ (6,294)
Delinquent	4,645	621	1,000	(379)
Motor vehicle	20,600	18,967	19,104	(137)
Recreational vehicle	391	305	644	(339)
16/20M vehicle	262	246	252	(6)
Miscellaneous income	-	-	-	-
Neighborhood revitalization rebate	(2,640)	(2,368)	(2,034)	(334)
TOTAL RECEIPTS	158,800	158,527	$ 166,016	$ (7,489)
EXPENDITURES				
Recreation appropriation	154,295	158,527	$ 164,560	$ (6,033)
RECEIPTS OVER (UNDER) EXPENDITURES	4,505	-		
UNENCUMBERED CASH, BEGINNING	-	4,505		
UNENCUMBERED CASH, ENDING	$ 4,505	$ 4,505		

CITY OF RUSSELL, KANSAS

PERSONNEL BENEFITS FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - REGULATORY BASIS
(ACTUAL AND BUDGET)
For Year Ended December 31, 2025
(With Comparative Actual Totals For Prior Year Ended December 31, 2024)

Schedule 2-8

	Prior Year Actual	Current Year Actual	Current Year Budget	Current Year Over (Under) Budget
RECEIPTS				
Taxes				
Ad valorem	$ 724,220	$ 736,552	$ 760,525	$ (23,973)
Delinquent	15,905	2,721	10,000	(7,279)
Motor vehicle	99,273	100,709	102,196	(1,487)
Recreational vehicle	1,872	1,612	3,446	(1,834)
16/20M vehicle	848	1,203	1,347	(144)
Neighborhood revitalization rebate	(14,119)	(12,390)	(10,520)	(1,870)
Reimbursed expenses	212,404	188,308	100,000	88,308
Federal and State FEMA	-	-	-	-
Interest income	15,325	16,251	5,000	11,251
Miscellaneous revenue	1,640	29	10,000	(9,971)
Operating transfers	1,373,321	1,475,191	1,475,191	-
TOTAL RECEIPTS	2,430,689	2,510,186	$ 2,457,185	$ 53,001
EXPENDITURES				
Blue Cross/Blue Shield	1,214,517	1,165,446	$ 1,587,888	$ (422,442)
Social Security - Medicare	368,616	372,611	426,578	(53,967)
KPERS	481,248	549,734	570,162	(20,428)
Workers' compensation	134,344	106,213	150,091	(43,878)
Unemployment insurance	4,716	7,093	14,896	(7,803)
Dues, fees, and subscriptions	-	6,014	3,352	2,662
Other insurance	395	395	450	(55)
TOTAL EXPENDITURES	2,203,836	2,207,506	$ 2,753,417	$ (545,911)
RECEIPTS OVER (UNDER) EXPENDITURES	226,853	302,680		
UNENCUMBERED CASH, BEGINNING	386,168	613,021		
UNENCUMBERED CASH, ENDING	$ 613,021	$ 915,701		

CITY OF RUSSELL, KANSAS

SPECIAL PARKS AND RECREATION FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - REGULATORY BASIS
(ACTUAL AND BUDGET)
For Year Ended December 31, 2025
(With Comparative Actual Totals For Prior Year Ended December 31, 2024)

Schedule 2-9

	Prior Year Actual	Current Year Actual	Current Year Budget	Current Year Over (Under) Budget
RECEIPTS				
Liquor tax	$ 14,935	$ 19,226	$ 18,231	$ 995
Reimbursed expense	2,200	-	-	-
Grants	-	-	80,000	-
Interest income	615	690	100	590
TOTAL RECEIPTS	17,750	19,916	$ 98,331	$ 1,585
EXPENDITURES				
Capital outlay	16,371	-	$ 125,000	$ (125,000)
RECEIPTS OVER (UNDER) EXPENDITURES	1,379	19,916		
UNENCUMBERED CASH, BEGINNING	32,130	33,509		
UNENCUMBERED CASH, ENDING	$ 33,509	$ 53,425		

CITY OF RUSSELL, KANSAS

TOURISM & CONVENTION FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - REGULATORY BASIS
(ACTUAL AND BUDGET)
For Year Ended December 31, 2025
(With Comparative Actual Totals For Prior Year Ended December 31, 2024)

Schedule 2-10

	Prior Year Actual	Current Year Actual	Current Year Budget	Current Year Over (Under) Budget
RECEIPTS				
Transient Guest Tax	$ 62,476	$ 78,183	$ 90,000	$ (11,817)
Interest income	292	1,329	-	1,329
TOTAL RECEIPTS	62,768	79,512	$ 90,000	$ (10,488)
EXPENDITURES				
Administration	1,250	14,163	$ 14,700	$ (537)
Airport	-	-	-	-
Fire	-	-	-	-
Police	-	-	-	-
Deines Cultural Center	-	9,923	23,800	(13,877)
Street department	-	7,022	10,000	(2,978)
Golf course	-	-	25,000	(25,000)
Swimming pool	-	13,557	5,000	8,557
Parks	-	1,255	5,000	(3,745)
Professional services	-	-	6,500	(6,500)
TOTAL EXPENDITURES	1,250	45,920	$ 90,000	$ (44,080)
RECEIPTS OVER (UNDER) EXPENDITURES	61,518	33,592		
UNENCUMBERED CASH, BEGINNING	-	61,518		
UNENCUMBERED CASH, ENDING	$ 61,518	$ 95,110		

CITY OF RUSSELL, KANSAS

24-7 TRAVEL STORE CID FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - REGULATORY BASIS
(ACTUAL AND BUDGET)
For Year Ended December 31, 2025
(With Comparative Actual Totals For Prior Year Ended December 31, 2024)

Schedule 2-11

	Prior Year Actual	Current Year Actual	Current Year Budget	Current Year Over (Under) Budget
RECEIPTS				
Community Development District Revenue	$ 46,961	$ 60,763	$ 59,000	$ 1,763
Interest income	-	-	-	-
TOTAL RECEIPTS	46,961	60,763	$ 59,000	$ 1,763
EXPENDITURES				
Admin fees	208	282	$ 295	$ (13)
Allowable costs	39,792	57,703	58,705	(1,002)
TOTAL EXPENDITURES	40,000	57,985	$ 59,000	$ (1,015)
RECEIPTS OVER (UNDER) EXPENDITURES	6,961	2,778		
UNENCUMBERED CASH, BEGINNING	-	6,961		
UNENCUMBERED CASH, ENDING	$ 6,961	$ 9,739		

CITY OF RUSSELL, KANSAS

24-7 TRAVEL STORE TIF FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - REGULATORY BASIS
(ACTUAL AND BUDGET)
For Year Ended December 31, 2025
(With Comparative Actual Totals For Prior Year Ended December 31, 2024)

Schedule 2-12

	Prior Year Actual	Current Year Actual	Current Year Budget	Current Year Over (Under) Budget
RECEIPTS				
Tax Incentive Receipts	$ -	$ 45,674	$ 65,000	$ (19,326)
Interest income	-	-	-	-
TOTAL RECEIPTS	-	45,674	$ 65,000	$ (19,326)
EXPENDITURES				
Admin fees	-	228	$ 325	$ (97)
Allowable costs	-	45,446	64,675	(19,229)
TOTAL EXPENDITURES	-	45,674	$ 65,000	$ (19,326)
RECEIPTS OVER (UNDER) EXPENDITURES	-	-		
UNENCUMBERED CASH, BEGINNING	-	-		
UNENCUMBERED CASH, ENDING	$ -	$ -		

CITY OF RUSSELL, KANSAS

CAPITAL IMPROVEMENTS FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - REGULATORY BASIS
(ACTUAL)
For Year Ended December 31, 2025
(With Comparative Actual Totals For Prior Year Ended December 31, 2024)

Schedule 2-13

	2025	2024
RECEIPTS		
Interest income	$ 34,545	$ 7,423
Grants	2,105,210	481,750
Donation	-	105,565
Reimbursed expenses	540,544	173,471
Golf course fees	12,060	7,380
Miscellaneous	43,200	-
Operating transfers	400,000	686,919
TOTAL RECEIPTS	3,135,559	1,462,508
EXPENDITURES		
Administration	725,447	33,048
Airport	-	22,657
Fire	7,900	5,300
Police	17,822	9,209
Community development	-	-
Street department	226,246	1,120,519
Golf course	18,741	39,963
Swimming pool	46,799	9,319
Deines Cultural Center	62,688	-
Parks	864,465	71,522
TOTAL EXPENDITURES	1,970,108	1,311,537
RECEIPTS OVER (UNDER) EXPENDITURES	1,165,451	150,971
UNENCUMBERED CASH, BEGINNING	2,079	(150,243)
PRIOR YEAR CANCELLED ENCUMBRANCES	20,706	1,351
UNENCUMBERED CASH, ENDING	$ 1,188,236	$ 2,079

CITY OF RUSSELL, KANSAS

EQUIPMENT RESERVE FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - REGULATORY BASIS
(ACTUAL)
For Year Ended December 31, 2025
(With Comparative Actual Totals For Prior Year Ended December 31, 2024)

Schedule 2-14

	2025	2024
RECEIPTS		
Interest income	$ 7,078	$ 8,786
Grants	-	-
Sale of assets	-	41,609
Operating transfers	300,000	390,272
TOTAL RECEIPTS	307,078	440,667
EXPENDITURES		
Police department	109,717	152,925
Administration	315	14,371
Fire	39,131	39,748
Golf course	12,144	55,039
Parks	83,458	41,750
Transportation	-	-
Street	99,258	10,050
TOTAL EXPENDITURES	344,023	313,883
RECEIPTS OVER (UNDER) EXPENDITURES	(36,945)	126,784
UNENCUMBERED CASH, BEGINNING	340,299	213,485
PRIOR YEAR CANCELLED ENCUMBRANCES	-	30
UNENCUMBERED CASH, ENDING	$ 303,354	$ 340,299

CITY OF RUSSELL, KANSAS

RISK MANAGEMENT RESERVE FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - REGULATORY BASIS
(ACTUAL)
For Year Ended December 31, 2025
(With Comparative Actual Totals For Prior Year Ended December 31, 2024)

Schedule 2-15

	2025	2024
RECEIPTS		
Interest income	$ 112	$ 133
EXPENDITURES		
Streets	-	-
General	-	362
Wastewater	-	-
TOTAL EXPENDITURES	-	362
RECEIPTS OVER (UNDER) EXPENDITURES	112	(229)
UNENCUMBERED CASH, BEGINNING	6,641	6,870
PRIOR YEAR CANCELLED ENCUMBRANCES	-	-
UNENCUMBERED CASH, ENDING	$ 6,753	$ 6,641

CITY OF RUSSELL, KANSAS

BOND AND INTEREST FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - REGULATORY BASIS
(ACTUAL AND BUDGET)
For Year Ended December 31, 2025
(With Comparative Actual Totals For Prior Year Ended December 31, 2024)

Schedule 2-16

	Prior Year Actual	Current Year Actual	Current Year Budget	Current Year Over (Under) Budget
RECEIPTS				
Delinquent taxes	$ -	$	$ -	$ -
Interest income	2,036	2,311	500	1,811
Operating transfers	537,251	815,068	815,068	-
TOTAL RECEIPTS	539,287	817,379	$ 815,568	$ 1,811
EXPENDITURES				
Bond principal	425,000	585,000	$ 585,000	$ -
Interest coupons	112,251	230,068	230,068	-
Fees	1	1	1	-
TOTAL EXPENDITURES	537,252	815,069	$ 815,069	$ -
RECEIPTS OVER (UNDER) EXPENDITURES	2,035	2,310		
UNENCUMBERED CASH, BEGINNING	114,958	116,993		
UNENCUMBERED CASH, ENDING	$ 116,993	$ 119,303		

CITY OF RUSSELL, KANSAS

HOLLAND HOTEL IMPROVEMENT PROJECT
SCHEDULE OF RECEIPTS AND EXPENDITURES - REGULATORY BASIS
(ACTUAL)
For Year Ended December 31, 2025
(With Comparative Actual Totals For Prior Year Ended December 31, 2024)

Schedule 2-17

	2025	2024
RECEIPTS		
Grant	$ 482,849	$ 111,595
RHID	129	58
Interest income	12,080	35,066
TOTAL RECEIPTS	495,058	146,719
EXPENDITURES	1,133,941	329,137
RECEIPTS OVER (UNDER) EXPENDITURES	(638,883)	(182,418)
UNENCUMBERED CASH, BEGINNING	735,126	917,544
UNENCUMBERED CASH, ENDING	$ 96,243	$ 735,126

CITY OF RUSSELL, KANSAS

AIRPORT IMPROVEMENT FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - REGULATORY BASIS
(ACTUAL)
For Year Ended December 31, 2025
(With Comparative Actual Totals For Prior Year Ended December 31, 2024)

Schedule 2-18

	2025	2024
RECEIPTS		
Grant	$ 331,586	$ 408,182
Operating transfers	16,672	80,840
TOTAL RECEIPTS	348,258	489,022
EXPENDITURES	336,207	535,527
RECEIPTS OVER (UNDER) EXPENDITURES	12,051	(46,505)
UNENCUMBERED CASH, BEGINNING	(46,505)	-
PRIOR YEAR CANCELLED ENCUMBRANCES	-	-
UNENCUMBERED CASH, ENDING	$ (34,454)	$ (46,505)

CITY OF RUSSELL, KANSAS

JOHNSON TRUST FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - REGULATORY BASIS
(ACTUAL)
For Year Ended December 31, 2025
(With Comparative Actual Totals For Prior Year Ended December 31, 2024)

Schedule 2-19

	2025	2024
RECEIPTS		
Trust distributions	$ 314,162	$ 285,594
Miscellaneous	-	-
Interest income	22,930	20,818
TOTAL RECEIPTS	337,092	306,412
EXPENDITURES		
Operating supplies	-	-
Professional services	12,000	-
Capital expense	139,067	122,997
Operating transfers	-	-
TOTAL EXPENDITURES	151,067	122,997
RECEIPTS OVER (UNDER) EXPENDITURES	186,025	183,415
UNENCUMBERED CASH, BEGINNING	1,165,865	982,450
PRIOR YEAR CANCELLED ENCUMBRANCES	-	-
UNENCUMBERED CASH, ENDING	$ 1,351,890	$ 1,165,865

CITY OF RUSSELL, KANSAS

DEINES CENTER TRUST FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - REGULATORY BASIS
(ACTUAL)
For Year Ended December 31, 2025
(With Comparative Actual Totals For Prior Year Ended December 31, 2024)

Schedule 2-20

	2025	2024
RECEIPTS		
Interest income	$ 352	$ 395
EXPENDITURES	-	-
RECEIPTS OVER (UNDER) EXPENDITURES	352	395
UNENCUMBERED CASH, BEGINNING	20,568	20,173
UNENCUMBERED CASH, ENDING	$ 20,920	$ 20,568

CITY OF RUSSELL, KANSAS

HEALTH INSURANCE TRUST
SCHEDULE OF RECEIPTS AND EXPENDITURES - REGULATORY BASIS
(ACTUAL)
For Year Ended December 31, 2025
(With Comparative Actual Totals For Prior Year Ended December 31, 2024)

Schedule 2-21

	2025	2024
RECEIPTS		
Health insurance contribution	$ 1,163,646	$ 1,212,717
Reimbursed expense	129,193	149,943
TOTAL RECEIPTS	1,292,839	1,362,660
EXPENDITURES	1,245,580	1,285,350
RECEIPTS OVER (UNDER) EXPENDITURES	47,259	77,310
UNENCUMBERED CASH, BEGINNING	243,101	165,791
UNENCUMBERED CASH, ENDING	$ 290,360	$ 243,101

CITY OF RUSSELL, KANSAS

DONATION FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - REGULATORY BASIS
(ACTUAL)
For Year Ended December 31, 2025
(With Comparative Actual Totals For Prior Year Ended December 31, 2024)

Schedule 2-22

	2025	2024
RECEIPTS		
Donations	$ 2,264	$ 1,150
EXPENDITURES		
Operating supplies	568	1,906
Professional services	542	-
Capital expense	997	-
TOTAL EXPENDITURES	2,107	1,906
RECEIPTS OVER (UNDER) EXPENDITURES	157	(756)
UNENCUMBERED CASH, BEGINNING	11,962	12,718
UNENCUMBERED CASH, ENDING	$ 12,119	$ 11,962

CITY OF RUSSELL, KANSAS

ELECTRIC FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - REGULATORY BASIS
(ACTUAL AND BUDGET)
For Year Ended December 31, 2025
(With Comparative Actual Totals For Prior Year Ended December 31, 2024)

	Prior Year Actual	Current Year Actual	Current Year Budget	Current Year Over (Under) Budget
RECEIPTS				
Sale of electricity	$ 10,869,497	$ 10,813,660	$ 12,500,000	$ (1,686,340)
Late payment penalty	15,819	15,563	10,000	5,563
Reimbursed expense	113,819	18,950	-	18,950
Grants	-	-	-	-
Customer deposits	4,732	(21,857)	-	(21,857)
Bad debt collections	82	138	-	138
Rent income	17,371	17,371	-	17,371
Bond proceeds - cost of issuance	83,021	-	-	-
Interest income	126,001	442,304	50,000	392,304
Miscellaneous revenue	52,098	75,929	-	75,929
TOTAL RECEIPTS	11,282,440	11,362,058	$ 12,560,000	$ (1,197,942)
EXPENDITURES				
General and administrative				
Personnel salaries	230,750	271,361	$ 270,702	$ 659
Accrued leave buy back	203	-	300	(300)
Telephone	1,322	1,435	1,000	435
Postage	7,649	9,045	8,000	1,045
Insurance	869	830	1,000	(170)
Bad debt	8,217	9,336	-	9,336
Fuel and oil	-	-	1,000	(1,000)
Professional services	111,418	195,051	104,627	90,424
Dues and subscriptions	43,732	38,536	52,750	(14,214)
Sales tax	4,020	3,977	2,500	1,477
Training and seminars	4,516	2,805	7,500	(4,695)
Printing and advertising	707	252	1,000	(748)
Interest on consumer deposits	376	320	100	220
Supplies	1,065	1,215	-	1,215
Bond Costs of Issuance	83,021	-	-	-
Consumer deposits refunded	-	-	-	-
Office supplies	141	309	100	209
Repairs and maintenance	28	-	500	(500)
Apparatus and tools	736	127	1,000	(873)
Armory utilities	-	-	-	-
Capital expense - equipment	-	2,706	6,000	(3,294)
Total general and administrative	498,770	537,305	458,079	79,226

CITY OF RUSSELL, KANSAS

ELECTRIC FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - REGULATORY BASIS
(ACTUAL AND BUDGET)
For Year Ended December 31, 2025
(With Comparative Actual Totals For Prior Year Ended December 31, 2024)

	Prior Year Actual	Current Year Actual	Current Year Budget	Current Year Over (Under) Budget
EXPENDITURES (CONTINUED)				
Production				
Personnel salaries	$ 427,392	$ 448,361	$ 466,106	$ (17,745)
Overtime salaries	11,576	10,720	17,124	(6,404)
Accrued leave buy back	1,575	-	1,000	(1,000)
Telephone	3,270	3,641	5,000	(1,359)
Postage	-	82	100	(18)
Natural gas	2,682	4,008	5,000	(992)
Insurance	261,327	308,651	275,000	33,651
Dues and subscription	117	260	200	60
Training and seminars	1,806	48	3,500	(3,452)
Professional services	32,641	18,562	24,100	(5,538)
Printing and advertising	-	-	250	(250)
Compensating use tax	108	783	500	283
Operating supplies	2,786	1,813	1,500	313
Repairs and maintenance	18,585	58,338	60,000	(1,662)
Generation fuel and oil	(9,677)	(16,331)	40,000	(56,331)
Natural gas	133,708	23,006	100,000	(76,994)
Turbine maintenance	14,385	9,807	60,000	(50,193)
Transport natural gas - turbines	32,103	32,302	70,000	(37,698)
Purchased power	5,265,605	5,353,559	6,362,925	(1,009,366)
Chemicals	12,768	25,096	30,000	(4,904)
Fuel and oil	2,631	1,930	3,000	(1,070)
Apparatus and tools	8,089	1,123	5,000	(3,877)
Office supplies	487	453	1,000	(547)
Uniforms	435	877	4,500	(3,623)
Transport downtown power plant	3,497	1,624	5,000	(3,376)
Capital expenditures - equipment	-	-	-	-
Total production	6,227,896	6,288,713	7,540,805	(1,252,092)
Transportation and distribution				
Personnel salaries	534,591	605,289	794,547	(189,258)
Overtime salaries	12,343	13,260	7,701	5,559
Accrued leave buy back	-	-	300	(300)
Telephone	2,357	2,134	1,500	634
Natural gas	3,930	4,277	6,000	(1,723)
Postage	-	97	300	(203)
Insurance	20,730	26,214	22,000	4,214

CITY OF RUSSELL, KANSAS

ELECTRIC FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - REGULATORY BASIS
(ACTUAL AND BUDGET)
For Year Ended December 31, 2025
(With Comparative Actual Totals For Prior Year Ended December 31, 2024)

	Prior Year Actual	Current Year Actual	Current Year Budget	Current Year Over (Under) Budget
EXPENDITURES (CONTINUED)				
Transportation and distribution (continued)				
Dues and subscriptions	$ 14,792	$ 4,912	$ 15,505	$ (10,593)
Training and seminars	13,418	4,010	15,000	(10,990)
Professional services	61,879	47,197	40,000	7,197
Printing and advertising	36	8	450	(442)
Compensating use tax	34,457	19,019	20,000	(981)
Operating supplies	3,544	1,644	5,000	(3,356)
Repairs and maintenance	456,330	324,074	200,000	124,074
Chemicals	107	-	600	(600)
Lease/rent	-	-	700	(700)
Fuel and oil	16,353	12,060	40,000	(27,940)
Apparatus and tools	13,749	10,310	16,000	(5,690)
Office supplies	227	137	250	(113)
Uniforms	6,517	6,774	10,400	(3,626)
Capital expenditures - building and improvement	-	-	-	-
Total transportation and distribution	1,195,360	1,081,416	1,196,253	(114,837)
Operating transfers				
Transfer to:				
Personnel Benefits Fund	670,000	712,240	712,240	-
General Fund	450,000	628,000	628,000	-
Bond and Interest Fund	76,948	352,200	352,200	-
Electric Depreciation Reserve Fund	2,000,000	2,000,000	1,500,000	500,000
Total operating transfers	3,196,948	3,692,440	3,192,440	500,000
TOTAL EXPENDITURES	11,118,974	11,599,874	$ 12,387,577	$ (787,703)
RECEIPTS OVER (UNDER) EXPENDITURES	163,466	(237,816)		
UNENCUMBERED CASH, BEGINNING	5,354,005	5,539,608		
PRIOR YEAR CANCELLED ENCUMBRANCES	22,137	263		
UNENCUMBERED CASH, ENDING	$ 5,539,608	$ 5,302,055		

CITY OF RUSSELL, KANSAS

ELECTRIC RESERVE FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - REGULATORY BASIS
(ACTUAL)
For Year Ended December 31, 2025
(With Comparative Actual Totals For Prior Year Ended December 31, 2024)

Schedule 2-24

	2025	2024
RECEIPTS		
Interest income	$ 155,877	$ 153,237
Environmental surcharge rider	76,220	73,013
Insurance proceeds	131,970	2,876
Grants	373,961	122,783
Bond proceeds	-	4,873,633
Sale of assets	51,046	-
Operating transfers	2,000,000	2,000,000
TOTAL RECEIPTS	2,789,074	7,225,542
EXPENDITURES		
Capital outlay	1,538,823	1,185,554
RECEIPTS OVER (UNDER) EXPENDITURES	1,250,251	6,039,988
UNENCUMBERED CASH, BEGINNING	8,170,689	2,130,701
PRIOR YEAR CANCELLED ENCUMBRANCES	581	-
UNENCUMBERED CASH, ENDING	$ 9,421,521	$ 8,170,689

CITY OF RUSSELL, KANSAS

WATER FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - REGULATORY BASIS
(ACTUAL AND BUDGET)
For Year Ended December 31, 2025
(With Comparative Actual Totals For Prior Year Ended December 31, 2024)

Schedule 2-25
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	Prior Year Actual	Current Year Actual	Current Year Budget	Current Year Over (Under) Budget
RECEIPTS				
Consumer sales	$ 3,627,393	$ 3,309,958	$ 3,300,000	$ 9,958
State water fee	8,321	7,482	7,000	482
Late payment penalty	6,510	6,831	4,000	2,831
Water main tap fees	1,550	7,828	-	7,828
Interest income	50,267	35,569	20,000	15,569
Grants	-	-	-	-
Customer deposits	298	(20)	-	(20)
Sales tax	-	396,916	-	396,916
Bad debt income	3,241	138	-	138
R-9 Ranch Agreement	9,960	-	-	-
Reimbursed expense	6,693	-	-	-
Miscellaneous revenue	22,843	21,871	15,000	6,871
TOTAL RECEIPTS	3,737,076	3,786,573	$ 3,346,000	$ 440,573
EXPENDITURES				
General and administrative				
Personnel salaries	209,319	206,100	$ 211,469	$ (5,369)
Overtime salaries	4	24	-	24
Accrued leave buy back	202	-	300	(300)
Telephone	-	281	-	281
Postage	5,680	6,168	5,000	1,168
Insurance	1,044	1,108	1,100	8
Compensating use tax	545	662	500	162
Professional services	69,347	125,440	48,600	76,840
Training	1,132	1,440	7,800	(6,360)
Repairs and maintenance	-	6,070	-	6,070
Printing and advertising	1,187	305	350	(45)
Dues and subscriptions	29,137	32,192	35,775	(3,583)
Interest on consumer deposits	324	274	100	174
Operating supplies	740	1,797	500	1,297
Office supplies	37	-	50	(50)
Principal payments	287,234	288,402	282,330	6,072
Interest payments	69,722	68,555	74,627	(6,072)
Consumer deposits refunded	-	6,865	3,000	3,865
Uniforms	-	-	-	-
Fuel and oil	43	-	-	-
Apparatus and tools	-	-	250	(250)
Capital expense - equipment	31,320	902	2,000	(1,098)
Bad debt expense	-	25,644	4,000	21,644
Total general and administrative	707,017	772,229	677,751	94,478

CITY OF RUSSELL, KANSAS

WATER FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - REGULATORY BASIS
(ACTUAL AND BUDGET)
For Year Ended December 31, 2025
(With Comparative Actual Totals For Prior Year Ended December 31, 2024)

	Prior Year Actual	Current Year Actual	Current Year Budget	Current Year Over (Under) Budget
EXPENDITURES (CONTINUED)				
Production				
Personnel salaries	$ 351,001	$ 330,243	$ 385,165	$ (54,922)
Overtime salaries	14,425	14,429	9,154	5,275
Accrued leave buy back	-	-	300	(300)
Telephone	1,641	1,679	1,750	(71)
Postage	218	860	500	360
Natural gas	11,414	14,289	22,000	(7,711)
Electric services	41,730	35,235	47,500	(12,265)
Insurance	76,196	84,486	81,000	3,486
Dues and subscription	3,513	1,570	1,255	315
Training and seminars	3,177	736	4,000	(3,264)
Professional services	43,009	45,748	40,000	5,748
Printing and advertising	4	9	100	(91)
State water fees	8,342	7,230	8,500	(1,270)
Operating supplies	5,809	5,763	7,500	(1,737)
Clean drinking water fee	7,820	6,778	8,500	(1,722)
Repairs and maintenance	119,300	53,895	150,000	(96,105)
Chemicals	308,829	72,272	425,000	(352,728)
Fuel and oil	4,568	5,709	7,000	(1,291)
Apparatus and tools	17,001	12,030	10,000	2,030
Office supplies	619	540	1,000	(460)
Uniforms	3,107	4,695	5,900	(1,205)
Lease and rent	90,065	91,099	92,000	(901)
Capital expense	30,736	-	-	-
R-9 Ranch expenses	22,668	1,152	2,500	(1,348)
Total production	1,165,192	790,447	1,310,624	(520,177)

CITY OF RUSSELL, KANSAS

WATER FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - REGULATORY BASIS
(ACTUAL AND BUDGET)
For Year Ended December 31, 2025
(With Comparative Actual Totals For Prior Year Ended December 31, 2024)

	Prior Year Actual	Current Year Actual	Current Year Budget	Current Year Over (Under) Budget
EXPENDITURES (CONTINUED)				
Transportation and distribution				
Personnel salaries	$ 196,135	$ 191,650	$ 218,670	$ (27,020)
On Call salaries	-	-	7,800	(7,800)
Overtime salaries	3,534	4,154	5,853	(1,699)
Accrued leave buy back	-	-	300	(300)
Telephone	3,049	3,029	3,000	29
Postage	32	-	-	-
Natural gas	3,340	3,648	5,000	(1,352)
Insurance	9,599	9,856	9,900	(44)
Dues and subscriptions	15,497	3,511	14,000	(10,489)
Training and seminars	1,827	16	5,000	(4,984)
Professional services	1,552	1,868	2,500	(632)
Printing and advertising	2	7	150	(143)
Operating supplies	864	-	1,000	(1,000)
Repairs and maintenance	24,497	78,223	30,000	48,223
Fuel and oil	8,776	7,477	10,000	(2,523)
Apparatus and tools	171	1,527	2,000	(473)
Office supplies	166	98	500	(402)
Uniforms	2,721	3,947	4,600	(653)
Capital expense	-	-	2,500	(2,500)
Total transportation and distribution	271,762	309,011	322,773	(13,762)
Operating transfers	1,881,651	1,975,236	1,540,236	435,000
TOTAL EXPENDITURES	4,025,622	3,846,923	$ 3,851,384	$ (4,461)
RECEIPTS OVER (UNDER) EXPENDITURES	(288,546)	(60,350)		
UNENCUMBERED CASH, BEGINNING	2,324,475	2,041,759		
PRIOR YEAR CANCELLED ENCUMBRANCES	5,830	14,339		
UNENCUMBERED CASH, ENDING	$ 2,041,759	$ 1,995,748		

CITY OF RUSSELL, KANSAS

WATER RESERVE FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - REGULATORY BASIS
(ACTUAL)
For Year Ended December 31, 2025
(With Comparative Actual Totals For Prior Year Ended December 31, 2024)

Schedule 2-26

	2025	2024
RECEIPTS		
Interest income	$ 15,081	$ 4,576
KDHE loan proceeds	211,588	333,737
Insurance proceeds	-	1,852
Sale of assets	-	2,640
Operating transfers	900,000	900,000
TOTAL RECEIPTS	1,126,669	1,242,805
EXPENDITURES		
Professional services	657,889	79,875
Printing and advertising	-	-
Conservation expenditures	425	200
Capital expenditures	530,637	129,583
TOTAL EXPENDITURES	1,188,951	209,658
RECEIPTS OVER (UNDER) EXPENDITURES	(62,282)	1,033,147
UNENCUMBERED CASH, BEGINNING	640,649	(396,826)
PRIOR YEAR CANCELLED ENCUMBRANCES	211,937	4,328
UNENCUMBERED CASH, ENDING	$ 790,304	$ 640,649

CITY OF RUSSELL, KANSAS

WASTEWATER FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - REGULATORY BASIS
(ACTUAL AND BUDGET)
For Year Ended December 31, 2025
(With Comparative Actual Totals For Prior Year Ended December 31, 2024)

Schedule 2-27

	Prior Year Actual	Current Year Actual	Current Year Budget	Current Year Over (Under) Budget
RECEIPTS				
Sewer use charge	$ 982,542	$ 914,612	$ 900,000	$ 14,612
Penalty	2,062	2,277	1,500	777
Sewer main tap fees	15,005	15,020	1,000	14,020
Bad debt	69	137	2,000	(1,863)
Grants	-	-	-	-
Reimbursed expense	-	4,194	-	4,194
Interest income	10,777	9,101	6,000	3,101
Miscellaneous revenue	4,132	4,711	2,000	2,711
TOTAL RECEIPTS	1,014,587	950,052	$ 912,500	$ 37,552
EXPENDITURES				
Personnel salaries	242,751	183,998	$ 210,197	$ (26,199)
Overtime salaries	4,105	4,513	-	4,513
Accrued leave buy back	103	-	-	-
Telephone	983	999	950	49
Postage	2,492	3,495	2,000	1,495
Natural gas	1,825	2,413	2,750	(337)
Insurance	7,297	7,651	7,700	(49)
Bad debt	1,482	6,220	1,000	5,220
Dues and subscriptions	23,212	22,943	30,000	(7,057)
Training and seminars	861	8	2,200	(2,192)
Professional services	31,241	57,454	36,453	21,001
Printing and advertising	310	252	200	52
Operating supplies	1,672	(247)	2,500	(2,747)
Repairs and maintenance	34,072	25,534	30,000	(4,466)
Chemicals	6,425	7,662	8,000	(338)
Fuel and oil	12,334	6,889	15,000	(8,111)
Apparatus and tools	1,393	415	1,500	(1,085)
Office supplies	156	143	500	(357)
Armory utilities	-	-	-	-
Uniforms	563	1,843	1,200	643
Principal payments	130,524	133,698	133,698	-
Interest payments	84,084	80,913	80,910	3
Capital expense	-	-	2,000	(2,000)
Operating transfers	419,700	473,774	473,774	-
TOTAL EXPENDITURES	1,007,585	1,020,570	$ 1,042,532	$ (21,962)
RECEIPTS OVER (UNDER) EXPENDITURES	7,002	(70,518)		
UNENCUMBERED CASH, BEGINNING	453,487	466,399		
PRIOR YEAR CANCELLED ENCUMBRANCES	5,910	-		
UNENCUMBERED CASH, ENDING	$ 466,399	$ 395,881		

CITY OF RUSSELL, KANSAS

WASTEWATER RESERVE FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - REGULATORY BASIS
(ACTUAL)
For Year Ended December 31, 2025
(With Comparative Actual Totals For Prior Year Ended December 31, 2024)

Schedule 2-28

	2025	2024
RECEIPTS		
Interest income	$ 16,824	$ 17,135
Insurance proceeds	-	3,851
Sale of assets	-	750
Loan proceeds	-	-
Operating transfers	325,000	200,000
TOTAL RECEIPTS	341,824	221,736
EXPENDITURES		
Capital outlay	119,924	134,322
RECEIPTS OVER (UNDER) EXPENDITURES	221,900	87,414
UNENCUMBERED CASH, BEGINNING	982,290	894,876
PRIOR YEAR CANCELLED ENCUMBRANCES	-	-
UNENCUMBERED CASH, ENDING	$ 1,204,190	$ 982,290

CITY OF RUSSELL, KANSAS

SANITATION FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - REGULATORY BASIS
(ACTUAL AND BUDGET)
For Year Ended December 31, 2025
(With Comparative Actual Totals For Prior Year Ended December 31, 2024)

Schedule 2-29
Page 1 of 2

	Prior Year Actual	Current Year Actual	Current Year Budget	Current Year Over (Under) Budget
RECEIPTS				
Consumer sales	$ 434,699	$ 431,730	$ 426,000	$ 5,730
Consumer sales - landfill	383,719	378,727	375,000	3,727
Bad debt	69	137	-	137
Sales tax	747	1,368	1,000	368
Polykart sales	6,387	6,521	4,000	2,521
Recycling sales	17,260	11,952	4,000	7,952
Penalty	2,201	2,659	1,000	1,659
Interest income	9,595	6,501	7,000	(499)
Reimbursed expense	975	-	-	-
Miscellaneous revenue	6,906	13,497	4,000	9,497
TOTAL RECEIPTS	862,558	853,092	$ 822,000	$ 31,092
EXPENDITURES				
General and administrative				
Sales tax	729	1,438	$ 2,000	$ (562)
Professional services	26,873	50,211	22,000	28,211
Operating supplies	798	1,192	1,000	192
Postage	1,530	1,809	2,000	(191)
Bad debt	6,020	8,365	500	7,865
Repairs and maintenance	250	26	250	(224)
Office supplies	-	115	100	15
Printing and advertising	-	175	-	175
Dues, licenses, fees, and subscriptions	22,698	25,864	50,116	(24,252)
Total general and administrative	58,898	89,195	77,966	11,229
Sanitation				
Personnel salaries	311,762	351,672	361,640	(9,968)
Overtime salaries	1,921	1,453	-	1,453
Accrued leave buy back	578	-	-	-
Landfill charges	170,450	162,861	190,000	(27,139)
Training and seminars	3,739	16	5,000	(4,984)

CITY OF RUSSELL, KANSAS

SANITATION FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - REGULATORY BASIS
(ACTUAL AND BUDGET)
For Year Ended December 31, 2025
(With Comparative Actual Totals For Prior Year Ended December 31, 2024)

	Prior Year Actual	Current Year Actual	Current Year Budget	Current Year Over (Under) Budget
EXPENDITURES (CONTINUED)				
Sanitation (continued)				
Insurance	$ 7,646	$ 7,959	$ 8,100	$ (141)
Telephone	556	1,051	1,125	(74)
Natural Gas	-	2,246	4,000	(1,754)
Professional services	3,436	472	500	(28)
Printing and advertising	240	77	250	(173)
Operating supplies	16,458	12,203	17,500	(5,297)
Repairs and maintenance	5,747	9,324	8,000	1,324
Fuel and oil	14,716	12,756	22,000	(9,244)
Office supplies	-	19	100	(81)
Uniforms	1,767	2,969	2,700	269
Apparatus and tools	169	-	500	(500)
Capital expense	-	-	2,000	(2,000)
Total sanitation	539,185	565,078	623,415	(58,337)
Operating transfers	342,273	335,834	335,834	-
TOTAL EXPENDITURES	940,356	990,107	$ 1,037,215	$ (47,108)
RECEIPTS OVER (UNDER) EXPENDITURES	(77,798)	(137,015)		
UNENCUMBERED CASH, BEGINNING	477,251	399,735		
PRIOR YEAR CANCELLED ENCUMBRANCES	282	-		
UNENCUMBERED CASH, ENDING	$ 399,735	$ 262,720		

CITY OF RUSSELL, KANSAS

SANITATION RESERVE FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - REGULATORY BASIS
(ACTUAL)
For Year Ended December 31, 2025
(With Comparative Actual Totals For Prior Year Ended December 31, 2024)

Schedule 2-30

	2025	2024
RECEIPTS		
Interest income	$ 4,091	$ 5,309
Insurance proceeds	-	4,910
Operating transfers	80,000	50,000
TOTAL RECEIPTS	84,091	60,219
EXPENDITURES		
Capital outlay	26,246	75,011
RECEIPTS OVER (UNDER) EXPENDITURES	57,845	(14,792)
UNENCUMBERED CASH, BEGINNING	238,963	253,755
UNENCUMBERED CASH, ENDING	$ 296,808	$ 238,963

CITY OF RUSSELL, KANSAS

RUSSELL RECREATION COMMISSION
SCHEDULE OF RECEIPTS AND EXPENDITURES - REGULATORY BASIS
(ACTUAL AND BUDGET)
For Year Ended December 31, 2025
(With Comparative Actual Totals For Prior Year Ended December 31, 2024)

Schedule 2-31

	Prior Year Actual	Current Year Actual	Current Year Budget	Current Year Over (Under) Budget
RECEIPTS				
Tax appropriations	$ 154,295	$ 158,527	$ 147,062	$ 11,465
Program fees	21,133	30,587	46,393	(15,806)
Concessions	4,579	4,959	6,000	(1,041)
Contributions	455	1,460	1,000	460
Grants	44,600	365	21,395	(21,030)
Memberships	82,985	82,474	75,000	7,474
Recreation building - rentals	2,625	3,165	3,300	(135)
Other receipts	190	6,685	-	6,685
Interest on investments	1,840	2,938	-	2,938
TOTAL RECEIPTS	312,702	291,160	$ 300,150	$ (8,990)
EXPENDITURES				
Salaries				
Director	52,538	48,703	$ 56,000	$ (7,297)
Other	29,644	29,063	35,000	(5,937)
Concessions	2,363	2,940	3,000	(60)
Building	3,308	4,838	10,000	(5,162)
Program salaries	14,904	33,460	20,000	13,460
Grant salaries	175	388	-	388
Health insurance	10,305	12,443	10,000	2,443
KPERS contributions	7,623	8,432	5,000	3,432
Payroll tax	9,829	10,799	10,000	799
Accounting and reporting	6,869	6,968	8,000	(1,032)
Automobile expense	550	1,802	3,000	(1,198)
Awards	-	-	1,000	(1,000)
Concession				
Products	4,479	3,506	3,000	506
Sales tax	359	359	-	359
Insurance	10,302	10,417	10,000	417
Memorial Park				
Maintenance	15,129	23,645	-	23,645
Improvements	34,528	69,876	56,200	13,676
Capital equipment	592	-	-	-
Office expense	18,507	18,602	18,900	(298)
Recreation Center				
Equipment	3,562	2,542	28,900	(26,358)
Building improvements	8,304	-	-	-
Building				
Supplies	7,569	9,124	11,000	(1,876)
Utilities	11,391	12,163	11,000	1,163
Repairs and maintenance	16,181	3,368	15,000	(11,632)
Program expense	25,424	23,390	25,000	(1,610)
Tournament expense	23	-	7,000	(7,000)
Tournament Officials	-	1,880	-	1,880
Travel	431	-	3,000	(3,000)
Other expense	1,036	-	-	-
Membership expense	1,313	100	5,000	(4,900)
Adjustment for Qualifying Budget Credits	-	-	-	-
TOTAL EXPENDITURES	297,238	338,808	$ 355,000	$ (16,192)
RECEIPTS OVER (UNDER) EXPENDITURES	15,464	(47,648)		
UNENCUMBERED CASH, BEGINNING	83,578	99,042		
UNENCUMBERED CASH, ENDING	$ 99,042	$ 51,394		

CITY OF RUSSELL, KANSAS

AGENCY FUNDS
SUMMARY OF RECEIPTS AND DISBURSEMENTS - REGULATORY BASIS
For Year Ended December 31, 2025

Schedule 3

Fund	Beginning Cash Balance	Receipts	Disbursements	Ending Cash Balance
Drug Task Force Program	$ 4,555	$ 150	$ -	$ 4,705
Municipal Court	11,238	32,501	34,109	9,630
Fire Fighter Activity	39,858	29,692	11,537	58,013
Fire Insurance Proceeds	-	-	-	-
Opioid Settlement	29,571	6,418	11,138	24,851
Sink or Swim	670	163	-	833
Total	$ 85,892	$ 68,924	$ 56,784	$ 98,032

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INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENT PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

The Mayor and City Council
City of Russell, Kansas

We have audited, in accordance with the auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, and the *Kansas Municipal Audit and Accounting Guide*, the regulatory basis summary statement of receipts, expenditures, and unencumbered cash balances of City of Russell, Kansas (the City), as of and for the year ended December 31, 2025, and the related notes to the financial statement, which collectively comprise the City's basic financial statement, and have issued our report thereon dated August 21, 2026, which was modified because the financial statement is prepared on the regulatory basis of accounting.

Report on Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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



Certified Public Accountants

Hutchinson, Kansas
August 21, 2026

CITY OF RUSSELL, KANSAS

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For Year Ended December 31, 2025

Federal Grantor/Pass-Through Grantor/Program Title	Federal Assistance Listing Number	Pass-Through Grantor's I.D. Number	Expenditures
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT			
Pass-through Kansas Department of Commerce			
Community Development Block Grants	14.228	23-CR-006	$ 43,385
Community Project Funding Grant	14.251	B-23-CP-KS-0600	495,925
TOTAL U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT			539,310
U.S. DEPARTMENT OF JUSTICE			
Direct Award			
COPS Technology and Equipment Program			
Invitational Solicitation	16.710	15JCOPS23GG01870TECP	6,156
TOTAL U.S. DEPARTMENT OF JUSTICE			6,156
U.S. DEPARTMENT OF HOMELAND SECURITY			
Pass-through Kansas Division of Emergency Management			
Disaster Grants - Public Assistance	97.036	4811DR-KS	9,228
Building Resilient Infrastructure and Communities Program			
Hazard Mitigation Assistance	97.047	EMK-2022-BR-0001	334,329
TOTAL U.S. DEPARTMENT OF HOMELAND SECURITY			343,557
U.S. DEPARTMENT OF TRANSPORTATION			
Direct Award			
Airport Improvement Program	20.106	3-20-0071-017-2024	15,155
Airport Improvement Program	20.106	3-20-0071-018-2024	233,460
Airport Improvement Program	20.106	3-20-0071-019-2025	45,720
Pass-through Kansas Department of Transportation			
Formula Grants for Rural Areas and Tribal Transit Program	20.509	300901	54,401
TOTAL U.S. DEPARTMENT OF TRANSPORTATION			348,736
TOTAL			$ 1,237,759

CITY OF RUSSELL, KANSAS

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For Year Ended December 31, 2025

NOTE A—BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the City under programs of the federal government for the year ended December 31, 2025, and is presented on the regulatory basis of accounting in accordance with the Kansas Municipal Audit and Accounting Guide. Expenditures include disbursements, accounts payable, and encumbrances. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administration Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the schedule presents only a selected portion of the operations of the City, it is not intended to and does not present the cash and unencumbered cash balances and its cash receipts, expenditures, and budgetary results for the year then ended on the regulatory basis of accounting.

NOTE B—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the basis of accounting as described in Note A. Such expenditures are recognized following the cost principles contained in OMB Uniform Guidance (2 CFR Part 200, Subpart E), wherein certain types of expenditures are not allowable or are limited as to reimbursement.

NOTE C—INDIRECT COSTS

The City did not elect to use the 10% de minimis cost rate.

NOTE D—FEDERAL AWARDS PASSED-THROUGH TO SUBRECIPIENTS

The City did not pass-through any awards to subrecipients.

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INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

The Mayor and City Council
City of Russell, Kansas

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited City of Russell, Kansas (the City) compliance with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs for the year ended December 31, 2025. The City's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

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

Basis for Opinion on Each Major Federal Program

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

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

Responsibility of Management for Compliance

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

Auditors' Responsibilities for the Audit of Compliance

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

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the City's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the City's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over compliance. Accordingly, no such opinion is expressed.

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

Report on Internal Control over Compliance

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

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

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

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



Certified Public Accountants

Hutchinson, Kansas
August 21, 2026

CITY OF RUSSELL, KANSAS

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For Year Ended December 31, 2025

SUMMARY OF AUDIT RESULTS

1. The auditors' report expresses an unmodified opinion on the financial statement of City of Russell, Kansas (the City) prepared on the regulatory basis of accounting in accordance with the cash basis and budget laws of the State of Kansas prescribed by the *Kansas Municipal Audit and Accounting Guide* described in Note 1—Summary of Significant Accounting Policies to the financial statement.

2. No significant deficiencies relating to the audit of the financial statement of the City are reported in the Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*.

3. No instances of noncompliance material to the financial statement of the City, which would be required to be reported in accordance with *Government Auditing Standards,* were disclosed during the audit.

4. No significant deficiencies relating to the audit of major federal award programs are reported in the Report on Compliance for Each Major Program and on Internal Control over Compliance Required by Uniform Guidance.

5. The auditors' report on compliance for the major federal award programs for the City expressed an unmodified opinion.

6. There were no audit findings relative to the major federal award programs that are required to be reported in accordance with Section 2 CFR 200.516(a).

7. The programs tested as major programs include:

	Assistance Listing No.
Community Project Funding Grant	14.251

8. The threshold for distinguishing between Type A and Type B programs was $1,000,000.

9. The City was not determined to be a low-risk auditee.

FINDINGS – FINANCIAL STATEMENT AUDIT

There were no findings.

FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL AWARD PROGRAMS AUDIT

There were no findings.

CITY OF RUSSELL, KANSAS

SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
For Year Ended December 31, 2025

There were no prior year findings required to be reported.