CITY OF KIOWA FINANCIAL REPORTING ENTITY, KANSAS

FINANCIAL STATEMENT
DECEMBER 31, 2022

BFR

CITY OF KIOWA FINANCIAL REPORTING ENTITY
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INDEPENDENT AUDITORS' REPORT

Mayor and City Council
City of Kiowa, Kansas

We have audited the accompanying fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances of the **City of Kiowa Financial Reporting Entity, Kansas**, as of and for the year ended **December 31, 2022,** and the related notes to the financial statement.

Adverse and Unmodified Opinions

Basis for Adverse Opinion on Accounting Principles Generally Accepted in the United States of America
In our opinion, because of the significance of the matter discussed in the Basis for Adverse and Unmodified Opinions section of our report, the accompanying financial statement referred to above does not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the **City of Kiowa Financial Reporting Entity, Kansas**, or changes in financial position and cash flows thereof for the year then ended.

Unmodified Opinion on Regulatory Basis of Accounting
In our opinion, the accompanying financial statement referred to above presents fairly, in all material respects, the aggregate cash and unencumbered cash balance of the **City of Kiowa Financial Reporting Entity, Kansas**, as of **December 31, 2022**, and the aggregate receipts and expenditures for the year then ended in accordance with the financial reporting provisions of the *Kansas Municipal Audit and Accounting Guide* described in Note 1.

Basis for Adverse and Unmodified Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; 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 Auditors' Responsibilities for the Audit of the Financial Statement section of the report. We are required to be independent of the **City of Kiowa Financial Reporting Entity, Kansas**, 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.

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Mayor and City Council
City of Kiowa, Kansas

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

Responsibilities of Management for the Financial Statement

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

In preparing the financial statement, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the **City of Kiowa Financial Reporting Entity, Kansas'** 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 auditors' 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 auditing standards generally accepted in the United States of America 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 auditing standards generally accepted in the United States of America 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 of Kiowa Financial Reporting Entity, Kansas'** 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 of Kiowa Financial Reporting Entity, Kansas'** ability to continue as a going concern for a reasonable period of time.

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

Supplementary Information

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

We also previously audited, in accordance with auditing standards generally accepted in the United State of America, the basic financial statement of the **City of Kiowa Financial Reporting Entity, Kansas**, as of and for the year ended December 31, 2021, and have issued our report thereon dated July 11, 2022, which contained an unmodified opinion on the basic financial statement.

Mayor and City Council
City of Kiowa, Kansas

The 2021 basic financial statement and our accompanying report are not presented herein, but are available in electronic form from the web site of the Kansas Department of Administration at the following link: https://admin.ks.gov/offices/oar/municipal-services. The 2021 actual column (2021 comparative information) presented in the individual fund schedules of regulatory basis receipts and expenditures-actual and budget for the year ended December 31, 2021 (as listed in the table of contents) is presented for purposes of additional analysis and is not a required part of the basic financial statement. Such 2021 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 2021 basic financial statement. The 2021 comparative information was subjected to the auditing procedures applied in the audit of the 2021 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 2021 basic financial statement or to the 2021 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 2021 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, 2021, 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 October 27, 2023, on our consideration of **City of Kiowa Financial Reporting Entity, Kansas'** internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the effectiveness of **City of Kiowa Financial Reporting Entity, Kansas'** 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 **City of Kiowa Financial Reporting Entity, Kansas'** internal control over financial reporting and compliance.

BFR CPA, LLC
BFR CPA, LLC
October 27, 2023

CITY OF KIOWA FINANCIAL REPORTING ENTITY
SUMMARY OF CASH RECEIPTS, EXPENDITURES,
AND UNENCUMBERED CASH
REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2022

Fund	Beginning Unencumbered Cash Balance	Prior Year Canceled Encumbrances	Cash Receipts	Expenditures	Ending Unencumbered Cash Balance	Add Encumbrances and Accounts Payable	Ending Cash Balance
Governmental							
General	$ 276,745	$ 0	$ 639,331	$ 760,975	$ 155,101	$ 37,000	$ 192,101
Special Purpose Funds							
Combined Special Street & Highway	0	0	197,439	197,439	0	0	0
Library	3,125	0	15,546	18,213	458	0	458
Special Recreation	0	0	49,209	49,209	0	0	0
Capital Improvement Reserve	69,436	0	81,600	37,325	113,711	0	113,711
Equipment Reserve	105,812	0	55,000	21,877	138,935	0	138,935
Public Safety Equipment	26,494	0	109,729	0	136,223	0	136,223
Special Police	15,467	0	7,484	65	22,886	0	22,886
Turner Foundation	26,100	0	0	0	26,100	0	26,100
Fire Insurance	2,100	0	0	0	2,100	0	2,100
Gifts and Grants - Citizens	10,000	0	0	0	10,000	0	10,000
Gifts and Grants - Emergency Cash	30,000	0	0	0	30,000	0	30,000
ARPA	71,040	0	71,039	8,950	133,129	0	133,129
Capital Projects	(2,283,264)	0	2,056,146	68,396	(295,514)	295,514	0
Business							
Water Utility	411,918	0	377,020	413,557	375,381	0	375,381
Electric Utility	823,761	0	1,374,061	1,217,800	980,022	64,462	1,044,484
Sewer Utility	85,463	0	103,633	102,269	86,827	10,000	96,827
Solid Waste Utility	169,816	0	196,209	178,190	187,835	10,000	197,835
	$ (155,987)	$ 0	$ 5,333,446	$ 3,074,265	$ 2,103,194	$ 416,976	$ 2,520,170
Related Municipal Entity							
Kiowa Public Library	$ 78,255	$ 0	$ 41,588	$ 35,848	$ 83,995	$ 0	$ 83,995

Composition of Cash:

Checking	$ 1,644,534
Savings	54,805
Certificates of Deposit	850,067
Cash Register	50
	2,549,456
Agency Funds	(29,286)
	$ 2,520,170

Related Municipal Entity-Checking	$ 5,554
Related Municipal Entity-Savings	30,545
Related Municipal Entity-Certificates of Deposit	47,896
	$ 83,995

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

CITY OF KIOWA FINANCIAL REPORTING ENTITY
NOTES TO THE FINANCIAL STATEMENT
DECEMBER 31, 2022

Note 1 - Summary of Significant Accounting Policies:

Financial Reporting Entity
The **City of Kiowa** is a municipal corporation governed by an elected Mayor and five-member City Council. The regulatory financial statement presents the City of Kiowa and its related municipal entity. The related municipal entity is included in the City's reporting entity because it was established to benefit the City and/or its constituents.

> Kiowa Public Library- Kiowa Public Library oversees the operation of a community library. The library can sue and be sued, but acquisition of real property by the library must be approved by the City. The City levies taxes for the library. Bond issuances must be approved by the City.

The Kiowa Public Library is presented as a discreet related municipal entity. Separate audited financial statements are not prepared by the related municipal entity.

Basis of Presentation – Fund Accounting
The accounts of the City are organized on the basis of funds, each of which is considered a separate accounting entity. The City has created several types of funds and a number of discrete funds within each fund type. Each fund is accounted for by a separate set of self-balancing accounts that comprise its assets, liabilities, fund balance, receipts, and expenditures. The individual funds account for the governmental resources allocated to them for the purpose of carrying on specific activities in accordance with laws, regulations, or other restrictions.

KMAAG Regulatory Basis of Presentation Fund Definitions:

Governmental Funds

> General Fund-the chief operating fund. Used to account for all resources except those required to be accounted for in another fund.
>
> Special Purpose Funds-used to account for the proceeds of specific tax levies and other specific regulatory receipt sources (other than Capital Project and tax levies for long-term debt) that are intended for specified purposes.
>
> Capital Projects Fund-used to account for the debt proceeds and other financial resources to be used for acquisition or construction of major capital facilities or equipment.
>
> Business Fund-funds financed in whole or in part by fees charged to users of the goods or services (i.e., enterprise and internal service fund, etc.)
>
> Agency Funds-funds used to report assets held by the municipal reporting entity in a purely custodial capacity (payroll clearing fund, county treasurer tax collection accounts, etc.).

Regulatory Basis of Accounting and Departure from Accounting Principles Generally accepted in the United States of America

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

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

Budget and Tax Cycle

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

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

If the City is holding a revenue neutral rate hearing, the budget timeline for adoption of the final budget has been adjusted to on or before September 20th.

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. There were no budget amendments for the year ended December 31, 2022.

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 projects funds, trust funds, and the following special purpose funds:

Capital Improvement Reserve Fund	Equipment Reserve Fund
Public Safety Equipment Fund	Special Police Fund
Medical Reserve Fund	Turner Foundation Fund
Fire Insurance Fund	Gifts and Grants - Citizens Fund
Gifts and Grants - Emergency Cash Fund	ARPA Fund

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

Note 2 - Deposits:

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

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

Custodial credit risk – deposits. Custodial credit risk is the risk that in the event of a bank failure, the City's deposits may 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%. All deposits were legally secured on December 31, 2022.

On December 31, 2022, the City's carrying amount of deposits, including the related municipal entity was $2,633,401 and the bank balance was $2,647,247. The bank balance is held by two banks resulting in a concentration of credit risk. Of the bank balance, $570,194 was covered by federal depository insurance, and $1,554,966 was collateralized with securities held by the pledging financial institutions' agents in the City's name resulting in an amount at risk of $522,087 which is a violation of K.S.A. 9-1402.

Note 3 - Compensated Absences:

All permanent full-time employees are eligible for vacation and/or sick leave benefits in varying annual amounts depending on position and length of service.

It is the policy of the City to record vacation and sick leave benefits as expenditures when paid.

Note 4 - Budget Violation:

Expenditures in the Library Fund were in excess of the budgeted amount by $3,013 and expenditures in the Water Utility Fund were in excess of the budgeted amount by $9,028, in violation of K.S.A 79-2935.

Note 5 - Postemployment Benefits:

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

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.

The City did not provide any significant postemployment benefits for former employees on December 31, 2022.

Note 6 - Reimbursed Expenditures:

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

Note 7 - Subsequent Events:

The City has evaluated subsequent events through October 27, 2023, the date which the financial statement was available to be issued.

Note 8 - 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 its Comprehensive Annual Financial Report which can be found on the KPERS website at www.kpers.org or by writing to KPERS (611 S Kansas, Suite 100, Topeka, KS 66603) or by calling 1-888-275-5737.

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

State law provides that the employer contribution rates for KPERS 1, KPERS 2 and KPERS 3 be determined based on the results of each annual actuarial valuation. Kansas law sets a limitation on annual increases in the employer contribution rates. The actuarially determined employer contribution rate (not including the 1% contribution rate for the Death and Disability Program) and the statutory contribution rate was 8.90% for the fiscal year ended December 31, 2022. Contributions to the pension plan from the City were $45,094 for the year ended December 31, 2022.

Net Pension Liability
At December 31, 2022, the City's proportionate share of the collective net pension liability reported by KPERS was $508,482. The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2021, which was rolled forward to June 30, 2022. The City's proportion of the net pension liability was based on the ratio of the City's contributions to KPERS, relative to the total employer and non-employer contributions of the Local subgroup within KPERS. Since the KMAAG regulatory basis of accounting does not recognize long-term debt, this liability is not reported in this financial statement.

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

Note 9 - Interfund Transactions:

Operating transfers were as follows:

		Transfer to:					
Transfer from:	Statutory Authority	Combined Street & Highway	Special Recreation	Capital Improvement Reserve	Equipment Reserve	Public Safety Equipment	Totals
General Fund	K.S.A. 12-110d	$ 0	$ 0	$ 0	$ 0	$ 109,729	$ 109,729
General Fund	K.S.A. 12-1,119	134,277	0	0	0	0	134,277
Electric Utility Fund	K.S.A. 12-825d	37,000	39,670	50,000	55,000	0	181,670
		$ 171,277	$ 39,670	$ 50,000	$ 55,000	$ 109,729	$ 425,676

Note 10 - Contingencies:

Grant Programs

The City participates in various federal and state grant programs. These grant programs are often subject to additional audits by agents of the granting agency, the purpose of which is to ensure compliance with the specific conditions of the grant. Any liability for reimbursement which may arise as a result of these audits cannot be reasonably determined at this time, although it is believed the amount, if any, would not be material.

Risk Management

The City is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City carries commercial insurance for all risks of loss. Settled claims resulting from these risks have exceeded commercial insurance coverage in any of the past three fiscal years.

Note 11 - Long-Term Debt:

Principal payments are due annually for general obligation bonds on October 1. Interest payments are due semi-annually on April 1 and October 1.

Lease purchase payments are due monthly.

Terms for long-term debt for the City for the year ended December 31, 2022, were as follows:

Issue	Interest Rate	Date of Issue	Amount of Issue	Date of Final Maturity
General Obligation Bonds				
Series 2014	1.25 - 4.00	7/1/2014	$ 225,000	10/1/2024
Series 2019	2.00 - 3.00	9/25/2019	$ 385,000	10/1/2039
Series 2021-1	1.75	3/26/2021	$ 3,059,000	3/26/2061
Series 2021-2	1.25	3/26/2021	$ 413,000	3/26/2061
Water Revenue Bonds				
Series 2021A	1.75	3/26/2021	$ 1,439,000	3/26/2061
Lease Purchases				
Generator	3.48	3/24/2017	$ 600,000	6/1/2032
Bucket Truck	4.70	5/16/2019	$ 164,490	4/16/2026

Changes in long-term debt for the City for the year ended December 31, 2022, were as follows:

Issue	Balance Beginning of Year	Additions	Reductions/ Payments	Balance End of Year	Interest
General Obligation Bonds					
Series 2014	$ 75,000	$ 0	$ 25,000	$ 50,000	$ 1,875
Series 2019	385,000	0	0	385,000	10,450
Series 2021-1	3,059,000	0	53,471	3,005,529	53,532
Series 2021-2	413,000	0	8,026	404,974	5,163
	3,932,000	0	86,497	3,845,503	71,020
Water Revenue Bonds					
Series 2021A	1,439,000	0	25,154	1,413,846	25,183
Lease Purchases					
Generator	454,507	0	36,499	418,008	15,238
Bucket Truck	107,679	0	20,990	86,689	4,231
	562,186	0	57,489	504,697	19,469
	$ 5,933,186	$ 0	$ 169,140	$ 5,764,046	$ 115,672

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

	General Obligation Bonds			Water Revenue Bonds			Lease Purchases			Totals		
	Principal	Interest	Total Principal & Interest	Principal	Interest	Total Principal & Interest	Principal	Interest	Total Principal & Interest	Principal	Interest	Total Principal & Interest
2023	$ 87,533	$ 69,421	$ 156,954	$ 25,595	$ 24,742	$ 50,337	$ 63,787	$ 17,756	$ 81,543	$ 176,915	$ 111,919	$ 288,834
2024	88,432	67,898	156,330	25,976	24,361	50,337	64,325	14,926	79,251	178,733	107,185	285,918
2025	84,656	65,986	150,642	26,497	23,840	50,337	66,919	12,332	79,251	178,072	102,158	280,230
2026	85,745	64,497	150,242	26,961	23,376	50,337	51,024	9,884	60,908	163,730	97,757	261,487
2027	86,854	62,988	149,842	27,433	22,904	50,337	43,425	8,312	51,737	157,712	94,204	251,916
2028-2032	476,284	290,176	766,460	144,413	107,272	251,685	215,217	17,603	232,820	835,914	415,051	1,250,965
2033-2037	522,106	240,904	763,010	157,570	94,115	251,685	0	0	0	679,676	335,019	1,014,695
2038-2042	475,493	188,167	663,660	171,854	79,831	251,685	0	0	0	647,347	267,998	915,345
2043-2047	451,827	149,133	600,960	187,433	64,252	251,685	0	0	0	639,260	213,385	852,645
2048-2052	491,318	109,642	600,960	204,403	47,282	251,685	0	0	0	695,721	156,924	852,645
2053-2057	534,425	66,535	600,960	222,964	28,720	251,684	0	0	0	757,389	95,255	852,644
2058-2061	460,830	19,695	480,525	192,747	8,504	201,251	0	0	0	653,577	28,199	681,776
	$ 3,845,503	$ 1,395,042	$ 5,240,545	$ 1,413,846	$ 549,199	$ 1,963,045	$ 504,697	$ 80,813	$ 585,510	$ 5,764,046	$ 2,025,054	$ 7,789,100

REGULATORY-REQUIRED SUPPLEMENTARY INFORMATION

CITY OF KIOWA FINANCIAL REPORTING ENTITY
SUMMARY OF EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2022

Fund	Certified Budget	Adjustment for Qualifying Budget Credits	Total Budget for Comparison	Expenditures Chargeable to Current Year	Variance - Over (Under)
Governmental					
General	$ 772,900	$ 0	$ 772,900	$ 760,975	$ (11,925)
Special Purpose Funds					
Combined Special Street & Highway	215,000	0	215,000	197,439	(17,561)
Library	15,200	0	15,200	18,213	3,013
Special Recreation	61,100	0	61,100	49,209	(11,891)
Capital Improvement Reserve	XXXXXXXXX	XXXXXXXXX	XXXXXXXXX	37,325	XXXXXXXXX
Equipment Reserve	XXXXXXXXX	XXXXXXXXX	XXXXXXXXX	21,877	XXXXXXXXX
Public Safety Equipment	XXXXXXXXX	XXXXXXXXX	XXXXXXXXX	0	XXXXXXXXX
Special Police	XXXXXXXXX	XXXXXXXXX	XXXXXXXXX	65	XXXXXXXXX
Turner Foundation	XXXXXXXXX	XXXXXXXXX	XXXXXXXXX	0	XXXXXXXXX
Fire Insurance	XXXXXXXXX	XXXXXXXXX	XXXXXXXXX	0	XXXXXXXXX
Gifts and Grants - Citizens	XXXXXXXXX	XXXXXXXXX	XXXXXXXXX	0	XXXXXXXXX
Gifts and Grants - Emergency Cash	XXXXXXXXX	XXXXXXXXX	XXXXXXXXX	0	XXXXXXXXX
ARPA	XXXXXXXXX	XXXXXXXXX	XXXXXXXXX	8,950	XXXXXXXXX
Capital Projects	XXXXXXXXX	XXXXXXXXX	XXXXXXXXX	68,396	XXXXXXXXX
Business					
Water Utility	404,529	0	404,529	413,557	9,028
Electric Utility	1,541,335	0	1,541,335	1,217,800	(323,535)
Sewer Utility	111,300	0	111,300	102,269	(9,031)
Solid Waste Utility	188,000	0	188,000	178,190	(9,810)
	$ 3,309,364	$ 0	$ 3,309,364	$ 3,074,265	$ (371,712)
Related Municipal Entity					
Kiowa Public Library	XXXXXXXXX	XXXXXXXXX	XXXXXXXXX	$ 35,848	XXXXXXXXX

CITY OF KIOWA FINANCIAL REPORTING ENTITY
SCHEDULE OF CASH RECEIPTS AND EXPENDITURES -
ACTUAL AND BUDGET
REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2022
(With Comparative Actual Totals for the Prior Year Ended December 31, 2021)

General Fund	Prior Year Actual	Current Year Actual	Current Year Budget	Variance - Over (Under)
Cash Receipts				
State and County Taxes	$ 527,019	$ 571,586	$ 484,800	$ 86,786
Interest	1,066	3,694	2,000	1,694
Franchise Fees	33,329	37,218	25,000	12,218
Swimming Pool	8,598	9,768	7,500	2,268
Licenses, Fines, and Fees	4,507	4,213	4,000	213
Miscellaneous	13,461	8,149	65,265	(57,116)
Commercial Vehicles	4,102	4,703	2,335	2,368
Transfers	0	0	182,000	(182,000)
	592,082	639,331	$ 772,900	$ (133,569)
Expenditures				
General Government	137,170	228,674	$ 170,000	$ 58,674
Police	123,344	96,827	155,000	(58,173)
Council	25,883	5,853	13,700	(7,847)
Fire	31,580	26,022	51,200	(25,178)
Park	116,864	107,970	92,000	15,970
Pool	39,179	51,623	70,000	(18,377)
Economic Development	0	0	14,000	(14,000)
Bond & Interest Payments	0	0	10,450	(10,450)
Transfers	0	244,006	196,550	47,456
	474,020	760,975	$ 772,900	$ (11,925)
Receipts Over (Under) Expenditures	118,062	(121,644)		
Unencumbered Cash, Beginning	158,683	276,745		
Prior Year Canceled Encumbrances	0	0		
Unencumbered Cash, Ending	$ 276,745	$ 155,101		

CITY OF KIOWA FINANCIAL REPORTING ENTITY
SCHEDULE OF CASH RECEIPTS AND EXPENDITURES -
ACTUAL AND BUDGET
REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2022
(With Comparative Actual Totals for the Prior Year Ended December 31, 2021)

Combined Special Street & Highway Fund	Prior Year Actual	Current Year Actual	Current Year Budget	Variance - Over (Under)
Cash Receipts				
State and County Taxes	$ 26,823	$ 24,137	$ 23,940	$ 197
Miscellaneous	2,114	2,025	2,000	25
Transfers	129,764	171,277	190,000	(18,723)
	158,701	197,439	$ 215,940	$ (18,501)
Expenditures				
Personal Services	72,699	63,060	$ 75,000	$ (11,940)
Contractual	23,432	10,602	40,000	(29,398)
Maintenance	84,369	123,777	100,000	23,777
	180,500	197,439	$ 215,000	$ (17,561)
Receipts Over (Under) Expenditures	(21,799)	0		
Unencumbered Cash, Beginning	21,799	0		
Prior Year Canceled Encumbrances	0	0		
Unencumbered Cash, Ending	$ 0	$ 0		

CITY OF KIOWA FINANCIAL REPORTING ENTITY
SCHEDULE OF CASH RECEIPTS AND EXPENDITURES -
ACTUAL AND BUDGET
REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2022
(With Comparative Actual Totals for the Prior Year Ended December 31, 2021)

Library Fund	Prior Year Actual	Current Year Actual	Current Year Budget	Variance - Over (Under)
Cash Receipts				
State and County Taxes	$ 14,740	$ 15,546	$ 15,200	$ 346
	14,740	15,546	$ 15,200	$ 346
Expenditures				
To Kiowa Public Library	12,242	18,043	$ 12,000	$ 6,043
Contractual Services	151	170	3,200	(3,030)
	12,393	18,213	$ 15,200	$ 3,013
Receipts Over (Under) Expenditures	2,347	(2,667)		
Unencumbered Cash, Beginning	778	3,125		
Prior Year Canceled Encumbrances	0	0		
Unencumbered Cash, Ending	$ 3,125	$ 458		

CITY OF KIOWA FINANCIAL REPORTING ENTITY
SCHEDULE OF CASH RECEIPTS AND EXPENDITURES -
ACTUAL AND BUDGET
REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2022
(With Comparative Actual Totals for the Prior Year Ended December 31, 2021)

Special Recreation Fund	Prior Year Actual	Current Year Actual	Current Year Budget	Variance - Over (Under)
Cash Receipts				
State and County Taxes	$ 7,900	$ 7,239	$ 5,265	$ 1,974
Rent	2,600	2,300	1,500	800
Transfers	12,001	39,670	54,335	(14,665)
	22,501	49,209	$ 61,100	$ (11,891)
Expenditures				
Personal Services	4,525	4,525	$ 4,600	$ (75)
Utilities	1,338	10,452	9,000	1,452
Insurance	4,022	0	11,000	(11,000)
Contractual	4,965	1,085	6,000	(4,915)
Maintenance/Commodities	8,650	33,147	500	32,647
Capital Outlay	0	0	30,000	(30,000)
	23,500	49,209	$ 61,100	$ (11,891)
Receipts Over (Under) Expenditures	(999)	0		
Unencumbered Cash, Beginning	999	0		
Prior Year Canceled Encumbrances	0	0		
Unencumbered Cash, Ending	$ 0	$ 0		

CITY OF KIOWA FINANCIAL REPORTING ENTITY
SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL
REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2022
(With Comparative Actual Totals for the Prior Year Ended December 31, 2021)

Capital Improvement Reserve Fund

	Prior Year Actual	Current Year Actual
Cash Receipts		
Miscellaneous	$ 58,119	$ 31,600
Transfers	51,960	50,000
	110,079	81,600
Expenditures		
Capital Outlay	108,949	0
Debt Service	37,825	37,325
	146,774	37,325
Receipts Over (Under) Expenditures	(36,695)	44,275
Unencumbered Cash, Beginning	106,131	69,436
Prior Year Canceled Encumbrances	0	0
Unencumbered Cash, Ending	$ 69,436	$ 113,711

CITY OF KIOWA FINANCIAL REPORTING ENTITY
SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL
REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2022
(With Comparative Actual Totals for the Prior Year Ended December 31, 2021)

Equipment Reserve Fund

	Prior Year Actual	Current Year Actual
Cash Receipts		
Transfers	$ 0	$ 55,000
	0	55,000
Expenditures		
Capital Outlay	12,852	21,877
	12,852	21,877
Receipts Over (Under) Expenditures	(12,852)	33,123
Unencumbered Cash, Beginning	118,664	105,812
Prior Year Canceled Encumbrances	0	0
Unencumbered Cash, Ending	$ 105,812	$ 138,935

CITY OF KIOWA FINANCIAL REPORTING ENTITY
SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL
REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2022
(With Comparative Actual Totals for the Prior Year Ended December 31, 2021)

Public Safety Equipment Fund

	Prior Year Actual	Current Year Actual
Cash Receipts		
Transfers	$ 0	$ 109,729
	0	109,729
Expenditures		
Capital Outlay	0	0
	0	0
Receipts Over (Under) Expenditures	0	109,729
Unencumbered Cash, Beginning	26,494	26,494
Prior Year Canceled Encumbrances	0	0
Unencumbered Cash, Ending	$ 26,494	$ 136,223

CITY OF KIOWA FINANCIAL REPORTING ENTITY
SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL
REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2022
(With Comparative Actual Totals for the Prior Year Ended December 31, 2021)

Special Police Fund

	Prior Year Actual	Current Year Actual
Cash Receipts		
Fees	$ 2,940	$ 2,358
Miscellaneous	173	5,126
	3,113	7,484
Expenditures		
Fees	0	2
Contractual	0	46
Commodities	0	17
	0	65
Receipts Over (Under) Expenditures	3,113	7,419
Unencumbered Cash, Beginning	12,354	15,467
Prior Year Canceled Encumbrances	0	0
Unencumbered Cash, Ending	$ 15,467	$ 22,886

CITY OF KIOWA FINANCIAL REPORTING ENTITY
SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL
REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2022
(With Comparative Actual Totals for the Prior Year Ended December 31, 2021)

Medical Reserve Fund

	Prior Year Actual	Current Year Actual
Cash Receipts		
Transfers	$ 9,071	$ 0
	9,071	0
Expenditures		
Employee Medical	9,071	0
	9,071	0
Receipts Over (Under) Expenditures	0	0
Unencumbered Cash, Beginning	0	0
Prior Year Canceled Encumbrances	0	0
Unencumbered Cash, Ending	$ 0	$ 0

CITY OF KIOWA FINANCIAL REPORTING ENTITY
SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL
REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2022
(With Comparative Actual Totals for the Prior Year Ended December 31, 2021)

Turner Foundation Fund

	Prior Year Actual	Current Year Actual
Cash Receipts		
Donations	$ 0	$ 0
	0	0
Expenditures		
Community Service	0	0
	0	0
Receipts Over (Under) Expenditures	0	0
Unencumbered Cash, Beginning	26,100	26,100
Prior Year Canceled Encumbrances	0	0
Unencumbered Cash, Ending	$ 26,100	$ 26,100

CITY OF KIOWA FINANCIAL REPORTING ENTITY
SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL
REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2022
(With Comparative Actual Totals for the Prior Year Ended December 31, 2021)

Fire Insurance Fund

	Prior Year Actual	Current Year Actual
Cash Receipts		
Insurance Proceeds	$ 0	$ 0
	0	0
Expenditures		
Capital Outlay	0	0
	0	0
Receipts Over (Under) Expenditures	0	0
Unencumbered Cash, Beginning	2,100	2,100
Prior Year Canceled Encumbrances	0	0
Unencumbered Cash, Ending	$ 2,100	$ 2,100

CITY OF KIOWA FINANCIAL REPORTING ENTITY
SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL
REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2022
(With Comparative Actual Totals for the Prior Year Ended December 31, 2021)

Gifts and Grants - Citizens Fund

	Prior Year Actual	Current Year Actual
Cash Receipts		
Miscellaneous	$ 10,000	$ 0
	10,000	0
Expenditures		
Miscellaneous	0	0
	0	0
Receipts Over (Under) Expenditures	10,000	0
Unencumbered Cash, Beginning	0	10,000
Prior Year Canceled Encumbrances	0	0
Unencumbered Cash, Ending	$ 10,000	$ 10,000

CITY OF KIOWA FINANCIAL REPORTING ENTITY
SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL
REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2022
(With Comparative Actual Totals for the Prior Year Ended December 31, 2021)

Gifts and Grants - Emergency Cash Fund

	Prior Year Actual	Current Year Actual
Cash Receipts		
Miscellaneous	$ 30,000	$ 0
	30,000	0
Expenditures		
Miscellaneous	0	0
	0	0
Receipts Over (Under) Expenditures	30,000	0
Unencumbered Cash, Beginning	0	30,000
Prior Year Canceled Encumbrances	0	0
Unencumbered Cash, Ending	$ 30,000	$ 30,000

CITY OF KIOWA FINANCIAL REPORTING ENTITY
SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL
REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2022
(With Comparative Actual Totals for the Prior Year Ended December 31, 2021)

ARPA Fund

	Prior Year Actual	Current Year Actual
Cash Receipts		
Miscellaneous	$ 71,040	$ 71,039
	71,040	71,039
Expenditures		
Capital Outlay	0	8,950
	0	8,950
Receipts Over (Under) Expenditures	71,040	62,089
Unencumbered Cash, Beginning	0	71,040
Prior Year Canceled Encumbrances	0	0
Unencumbered Cash, Ending	$ 71,040	$ 133,129

CITY OF KIOWA FINANCIAL REPORTING ENTITY
SCHEDULE OF CASH RECEIPTS AND EXPENDITURES -
ACTUAL AND BUDGET
REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2022
(With Comparative Actual Totals for the Prior Year Ended December 31, 2021)

Water Utility Fund	Prior Year Actual	Current Year Actual	Current Year Budget	Variance - Over (Under)
Cash Receipts				
Water Sales	$ 287,530	$ 375,315	$ 399,000	$ (23,685)
Water Protection Fees	1,017	1,080	0	1,080
Connecting Fees	2,448	625	800	(175)
Interest	1	0	300	(300)
Miscellaneous	1,569	0	5,050	(5,050)
	292,565	377,020	$ 405,150	$ (28,130)
Expenditures				
Production	0	0	$ 10,000	$ (10,000)
Distribution	170,000	411,472	137,000	274,472
Administration	3,074	2,085	52,000	(49,915)
Revenue Bond Payment	0	0	50,337	(50,337)
GO Bond Payment	0	0	120,192	(120,192)
Transfers	0	0	35,000	(35,000)
	173,074	413,557	$ 404,529	$ 9,028
Receipts Over (Under) Expenditures	119,491	(36,537)		
Unencumbered Cash, Beginning	292,427	411,918		
Prior Year Canceled Encumbrances	0	0		
Unencumbered Cash, Ending	$ 411,918	$ 375,381		

CITY OF KIOWA FINANCIAL REPORTING ENTITY
SCHEDULE OF CASH RECEIPTS AND EXPENDITURES -
ACTUAL AND BUDGET
REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2022
(With Comparative Actual Totals for the Prior Year Ended December 31, 2021)

Electric Utility Fund	Prior Year Actual	Current Year Actual	Current Year Budget	Variance - Over (Under)
Cash Receipts				
Electric Sales	$ 1,396,858	$ 1,332,600	$ 1,385,000	$ (52,400)
Connecting Fees	990	890	500	390
Interest	0	0	1,600	(1,600)
Miscellaneous	39,181	40,571	106,000	(65,429)
	1,437,029	1,374,061	$ 1,493,100	$ (119,039)
Expenditures				
Production	518,144	605,890	$ 650,000	$ (44,110)
Distribution	581,263	426,060	415,000	11,060
Administration	969	4,180	137,000	(132,820)
Transfers	202,796	181,670	339,335	(157,665)
	1,303,172	1,217,800	$ 1,541,335	$ (323,535)
Receipts Over (Under) Expenditures	133,857	156,261		
Unencumbered Cash, Beginning	689,904	823,761		
Prior Year Canceled Encumbrances	0	0		
Unencumbered Cash, Ending	$ 823,761	$ 980,022		

CITY OF KIOWA FINANCIAL REPORTING ENTITY
SCHEDULE OF CASH RECEIPTS AND EXPENDITURES -
ACTUAL AND BUDGET
REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2022
(With Comparative Actual Totals for the Prior Year Ended December 31, 2021)

Sewer Utility Fund	Prior Year Actual	Current Year Actual	Current Year Budget	Variance - Over (Under)
Cash Receipts				
Sewer Charges	$ 100,559	$ 103,633	$ 110,000	$ (6,367)
Miscellaneous	186	0	1,300	(1,300)
	100,745	103,633	$ 111,300	$ (7,667)
Expenditures				
Personal Services	71,049	71,274	$ 79,000	$ (7,726)
Maintenance/Commodities	32,333	20,200	8,200	12,000
Contractual	720	10,795	5,000	5,795
Capital Outlay	0	0	15,000	(15,000)
Transfers	0	0	4,100	(4,100)
	104,102	102,269	$ 111,300	$ (9,031)
Receipts Over (Under) Expenditures	(3,357)	1,364		
Unencumbered Cash, Beginning	88,820	85,463		
Prior Year Canceled Encumbrances	0	0		
Unencumbered Cash, Ending	$ 85,463	$ 86,827		

CITY OF KIOWA FINANCIAL REPORTING ENTITY
SCHEDULE OF CASH RECEIPTS AND EXPENDITURES -
ACTUAL AND BUDGET
REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2022
(With Comparative Actual Totals for the Prior Year Ended December 31, 2021)

Solid Waste Utility Fund	Prior Year Actual	Current Year Actual	Current Year Budget	Variance - Over (Under)
Cash Receipts				
Solid Waste Charges	$ 189,618	$ 192,645	$ 185,000	$ 7,645
Recycling	3,628	3,564	500	3,064
Miscellaneous	264	0	2,500	(2,500)
	193,510	196,209	$ 188,000	$ 8,209
Expenditures				
Personal Services	100,297	103,946	$ 110,000	$ (6,054)
Contractual	47,199	46,155	63,000	(16,845)
Maintenance	30,891	28,089	10,000	18,089
Transfers	0	0	5,000	(5,000)
	178,387	178,190	$ 188,000	$ (9,810)
Receipts Over (Under) Expenditures	15,123	18,019		
Unencumbered Cash, Beginning	154,693	169,816		
Prior Year Canceled Encumbrances	0	0		
Unencumbered Cash, Ending	$ 169,816	$ 187,835		

CITY OF KIOWA FINANCIAL REPORTING ENTITY
SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - CAPITAL PROJECTS
REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2022
(With Comparative Actual Totals for the Prior Year Ended December 31, 2021)

	Prior Year Actual	Current Year Actual
Cash Receipts		
Bond Proceeds	$ 4,911,000	$ 0
USDA Grant	515,536	2,056,146
	5,426,536	2,056,146
Expenditures		
Water Project	7,579,234	68,396
	7,579,234	68,396
Receipts Over (Under) Expenditures	(2,152,698)	1,987,750
Unencumbered Cash, Beginning	(130,566)	(2,283,264)
Prior Year Canceled Encumbrances	0	0
Unencumbered Cash, Ending	$ (2,283,264)	$ (295,514)

CITY OF KIOWA FINANCIAL REPORTING ENTITY
RELATED MUNICPAL ENTITY
KIOWA PUBLIC LIBRARY
SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL
REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2022
(With Comparative Actual Totals for the Prior Year Ended December 31, 2021)

	Prior Year Actual	Current Year Actual
Cash Receipts		
City of Kiowa	$ 15,393	$ 18,043
Grants	6,343	7,268
Other	8,790	16,277
	30,526	41,588
Expenditures		
Books, Supplies, and Payroll	28,595	35,848
	28,595	35,848
Receipts Over (Under) Expenditures	1,931	5,740
Unencumbered Cash, Beginning	76,324	78,255
Prior Year Canceled Encumbrances	0	0
Unencumbered Cash, Ending	$ 78,255	$ 83,995

CITY OF KIOWA FINANCIAL REPORTING ENTITY
SCHEDULE OF CASH RECEIPTS AND CASH DISBURSEMENTS
AGENCY FUNDS
REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2022

Fund	Beginning Cash Balance	Cash Receipts	Cash Disbursements	Ending Cash Balance
Meter Deposits	$ 25,677	$ 6,377	$ 2,768	$ 29,286

FEDERAL AWARD INFORMATION

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

Mayor and City Council
City of Kiowa, Kansas

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statement of **City of Kiowa Financial Reporting Entity, Kansas**, as of and for the year ended **December 31, 2022**, and the related notes to the financial statement, which collectively comprise **City of Kiowa Financial Reporting Entity, Kansas'** basic financial statement, and have issued our report thereon dated October 27, 2023. In our report, our opinion on the financial statement was unmodified based on the prescribed basis of accounting that demonstrates compliance with the *Kansas Municipal Audit and Accounting Guide* which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

Report on Internal Control Over Financial Reporting

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

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Mayor and City Council
City of Kiowa, Kansas

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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as item 2022-001 that we consider to be a material weakness.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether **City of Kiowa Financial Reporting Entity, Kansas'** financial statement is free from 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.*

City of Kiowa Financial Reporting Entity, Kansas' Response to Findings

Government Auditing Standards requires the auditors to perform limited procedures of the **City of Kiowa Financial Reporting Entity, Kansas'** response to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. **City of Kiowa Financial Reporting Entity, Kansas'** response was not subjected to the other auditing procedures applied in the audit of the financial statement and, accordingly, we express no opinion on the response.

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 result 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.

BFR CPA, LLC
October 27, 2023

BFR

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

Mayor and City Council
City of Kiowa, Kansas

Report on Compliance for The Major Federal Program

Opinion on The Major Federal Program

We have audited **City of Kiowa Financial Reporting Entity, Kansas'** compliance with the types of compliance requirements described as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on the **City of Kiowa Financial Reporting Entity, Kansas'** major federal program for the year ended **December 31, 2022. City of Kiowa Financial Reporting Entity, Kansas'** major federal program is identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, **City of Kiowa Financial Reporting Entity, Kansas** complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on the major federal program for the year ended **December 31, 2022**.

Basis for Opinion on The 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 (CFR)* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and the *Kansas Municipal Audit and Accounting Guide*. Our responsibilities under those standards and the Uniform Guidance are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of **City of Kiowa Financial Reporting Entity, Kansas** 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 the major federal program. Our audit does not provide a legal determination of **City of Kiowa Financial Reporting Entity, Kansas'** compliance with the compliance requirements referred to above.

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Mayor and City Council
City of Kiowa, Kansas

Responsibilities 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 provisions of contracts or grant agreements applicable to **City of Kiowa Financial Reporting Entity, Kansas'** major federal program.

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 **City of Kiowa Financial Reporting Entity, Kansas'** 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 auditing standards generally accepted in the United States of America, *Government Auditing Standards*, and the Uniform Guidance will always detect a material noncompliance when it exists. The risk of not detecting a 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 aggregate, it would influence the judgment made by a reasonable user of the report on compliance about **City of Kiowa Financial Reporting Entity, Kansas'** compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with auditing standards generally accepted in the United States of America, *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 **City of Kiowa Financial Reporting Entity, Kansas'** compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of **City of Kiowa Financial Reporting Entity, Kansas'** 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 **City of Kiowa Financial Reporting Entity, Kansas'** 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.

Mayor and City Council
City of Kiowa, Kansas

Report on Internal Control Over Compliance

Our consideration of internal control over compliance was for the limited purpose described in the Auditors' 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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we did identify certain deficiencies in internal control over compliance that we consider to be a material weakness.

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 major 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 major 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 major 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. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2022-001 to be a material weakness.

Our consideration of internal control over compliance was for the limited purpose described in the Auditors' 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, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weakness or significant deficiencies in internal control over compliance may exist that were not identified.

Government Auditing Standards requires the auditors to perform limited procedures on **City of Kiowa Financial Reporting Entity, Kansas'** response to the internal control over compliance findings identified in our compliance audit described in the accompanying schedule of findings and questioned costs. **City of Kiowa Financial Reporting Entity, Kansas'** response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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 result of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

BFR CPA, LLC

BFR CPA, LLC
October 27, 2023

CITY OF KIOWA FINANCIAL REPORTING ENTITY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2022

Grant Title	Assistance Listing Number	Program Amount	Expenditures
Department of Agriculture			
Water and Waste Disposal Systems for Rural Communities	10.760	$ 3,134,000	$ 2,056,146
(Passes Through Kansas Governor's Office)			
Department of the Treasury			
Coronavirus State and Local Fiscal Recovery Funds	21.027	142,079	8,950
Total Federal Awards		$ 3,276,079	$ 2,065,096

The accompanying notes are an integral part of the schedule.

CITY OF KIOWA FINANCIAL REPORTING ENTITY
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2022

Note 1 - Basis of Presentation:

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the **City of Kiowa Financial Reporting Entity, Kansas**, and is prepared on the accrual basis of accounting. The information in this schedule is presented in accordance with the 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).

Note 2 - Indirect Cost Rate:

The City has elected not to use the 10% de minimis cost rate allowed under Section 200.414(f) of the Uniform Guidance.

CITY OF KIOWA FINANCIAL REPORTING ENTITY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2022

SUMMARY OF AUDIT RESULTS

1. The independent auditors' report expresses an unmodified opinion on the financial statement of **City of Kiowa Financial Reporting Entity, Kansas.**

2. No significant deficiencies and one material weakness were reported in the Independent Auditors' 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 **City of Kiowa Financial Reporting Entity, Kansas**, were disclosed during the audit.

4. No significant deficiencies or material weakness were reported in the Independent Auditors' Report On Compliance For Each Major Program And On Internal Control Over Compliance Required By The Uniform Guidance.

5. The independent auditors' report on compliance for the major federal award program for **City of Kiowa Financial Reporting Entity, Kansas**, expresses an unmodified opinion on the major federal program.

6. There were no audit findings relative to the major federal award program for **City of Kiowa Financial Reporting Entity, Kansas**.

7. The program tested as a major program was:
   Water and Waste Disposal Systems for Rural Communities 10.760

8. The threshold for distinguishing Types A and B programs was $750,000.

9. **City of Kiowa Financial Reporting Entity, Kansas**, was determined not to be a low-risk auditee.

CITY OF KIOWA FINANCIAL REPORTING ENTITY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2022

Findings and Questioned Costs – Major Federal Award Program Audit

Department of Agriculture

Water and Waste Disposal Systems for Rural Communities – Assistance Listing Number 10.760

Finding 2022-001 - Water and Waste Disposal Systems for Rural Communities – Assistance Listing Number 10.760 – Year Ended December 31, 2022

Condition: The year-end financial reports contained several errors related to the recording of receipts and expenses of the Major Federal Award Program.

Criteria: The City's system of internal control should follow the guidelines contained in the COSO internal control framework or the *Standards for Internal Control in the Federal Government* ('the Green Book), of which a key component is monitoring.

Cause: The City did not perform procedures related to monitoring the Major Federal Award Program.

Effect: The City's internal reporting contained numerous errors which required adjustments to the fund used to report the activity of the Major Federal Award Program.

Auditors' Recommendation: The City should implement a process that includes monitoring activity related to Federal Programs. It is recommended that individuals within the City obtain training related to internal control systems or consider the use of a 3rd party specialist.

Management's Response (unaudited): The City will hire a third-party specialist, will receive training related to internal control systems and implement a process that will include monitoring activity related to federal programs.

Corrective Action Plan

Findings – Federal Award Program Audits

Department of Agriculture

Finding 2022-001 - Water and Waste Disposal Systems for Rural Communities – Assistance Listing Number 10.760

Condition: The year-end financial reports contained several errors related to the recording of receipts and expenses of the Major Federal Award Program.

Auditor's Recommendation: The City should implement a process that includes monitoring activity related to Federal Programs. It is recommended that individuals within the City obtain training related to internal control systems or consider the use of a 3rd party specialist.

Planned Corrective Action: The City hired a third-party specialist during 2023. During 2023, the City Clerk and City Administrator will receive training related to internal control systems and will implement a process that will include monitoring activity related to federal programs.

CITY OF KIOWA FINANCIAL REPORTING ENTITY
SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2022

There are no prior audit findings.