AUGUSTA TOWNSHIP

FINANCIAL STATEMENT
DECEMBER 31, 2025

AUGUSTA TOWNSHIP
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INDEPENDENT AUDITOR'S REPORT

Board of Trustees
Augusta Township

We have audited the accompanying fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances of **Augusta Township, Kansas**, as of and for the year ended **December 31, 2025**, and the related notes to the financial statement.

Adverse and Unmodified Opinions

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 **Augusta Township, 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 **Augusta Township, Kansas**, as of **December 31, 2025**, and the aggregate receipts and expenditures for the year then ended in accordance with the financial reporting provisions of the *Kansas Municipal Audit and Accounting Guide* described in Note 1.

Basis for Adverse and Unmodified Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America 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 the report. We are required to be independent of **Augusta Township, 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.

10000 W. 37th St. N. Wichita, Kansas 67205-7700
(316) 945-1500 Fax (316) 945-1505 bfr@bfrcpa.com

Board of Trustees
Augusta Township

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 **Augusta Township, 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 **Augusta Township, 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.

Auditor's Responsibilities for the Audit of the Financial Statement

Our objectives are to obtain reasonable assurance about whether the financial statement as a whole is free from material misstatement, whether due to fraud or error, and to issue an Auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with auditing standards generally accepted in the United States of America 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, 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 **Augusta Township, 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 **Augusta Township, 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 and individual fund schedules of regulatory basis receipts and expenditures-actual and budget (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*. 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.

BFR CPA, LLC

BFR CPA, LLC
Wichita, Kansas
October 30, 2026

AUGUSTA TOWNSHIP
SUMMARY OF CASH RECEIPTS, EXPENDITURES,
AND UNENCUMBERED CASH
REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2025

Fund	Beginning Unencumbered Cash Balance	Prior Year Canceled Encumbrances	Cash Receipts	Expenditures	Ending Unencumbered Cash Balance	Add Encumbrances and Accounts Payable	Ending Cash Balance
General Fund	$ 44,725	$ 0	$ 58,616	$ 57,890	$ 45,451	$ 0	$ 45,451
Special Purpose Funds							
Road	44,378	0	688,857	732,978	257	0	257
Machinery	212,764	0	173,350	22,182	363,932	0	363,932
FEMA	56,221	0	458	0	56,679	0	56,679
	$ 358,088	$ 0	$ 921,281	$ 813,050	$ 466,319	$ 0	$ 466,319

Composition of Cash:	Checking	$ 466,319

AUGUSTA TOWNSHIP
NOTES TO FINANCIAL STATEMENT
DECEMBER 31, 2025

Note 1 - Summary of Significant Accounting Policies:

Financial Reporting Entity

Augusta Township is a municipal corporation governed by an elected three-member Board of Trustees. The regulatory financial statement presents all funds over which the Board of Trustees exercises financial responsibility. Financial responsibility includes appointment of governing body members, designation of management, the ability to significantly influence operations and accountability for fiscal matters.

Basis of Presentation – Fund Accounting

The accounts of the Township are organized on the basis of funds, each of which is considered a separate accounting entity. The Township 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 major Capital Project and tax levies for long-term debt) that are intended for specified purposes.

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 Township 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.

AUGUSTA TOWNSHIP
NOTES TO FINANCIAL STATEMENT
DECEMBER 31, 2025

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), and bond & interest 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 September 11th of the proposed budget and notice of public hearing on the budget.
3. Public hearing on or before September 21st, but at least ten days after publication of notice of hearing.
4. Adoption of the final budget on or before October 1st.
5. Adopted budget filed with the county clerk by 5:00 PM on October 1st.

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 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 following fund:

Road Fund

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 Township 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:

Special Machinery Fund FEMA 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 - Post Employment Benefits:

The Township did not provide any significant postemployment benefits for former employees at December 31, 2025.

Note 3 - Deposits & Investments:

K.S.A. 9-1401 establishes the depositories which may be used by the Township. The statute requires banks eligible to hold the Township's funds have a main or branch bank in the county in which the Township 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 Township has no other policies that would further limit interest rate risk.

K.S.A. 12-1675 limits the Township'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 Township has no investment policy that would further limit its investment choices.

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

Custodial credit risk – deposits. Custodial credit risk is the risk that in the event of a bank failure, the Township's deposits may not be returned to it. State statutes require the Township'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 Township, or the Federal Home Loan Bank of Topeka, except during designated "peak periods" when required coverage is 50%. All deposits were legally secured at December 31, 2025.

At December 31, 2025, the Township's carrying amount of deposits was $466,319 and the bank balance was $627,700. The bank balance is held in one bank resulting in a concentration of credit risk. Of the bank balance, $250,000 was covered by federal depository insurance and the remaining $377,700 was collateralized with securities held by the pledging financial institution's agents in the District's name.

Note 4 - Contingencies:

Grant Programs
The Township 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 Township 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 Township carries commercial insurance for all risks of loss. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

Note 5 - Reimbursed Expenditures:

The Township 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 6 - 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 Township to record vacation and sick leave benefits as expenditures when paid.

Note 7 – Interfund Transactions:

		Transfer to:
Transfer from:	Statutory Authority	Machinery
General Fund	K.S.A. 80-122	$ 1,350
Road Fund	K.S.A. 68-141g	172,000
		$ 173,350

Note 8 - Subsequent Events:

The Township has evaluated subsequent events through October 30, 2026, the date which the financial statement was available to be issued.

REGULATORY-REQUIRED SUPPLEMENTARY INFORMATION

AUGUSTA TOWNSHIP
SUMMARY OF EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2025

Fund	Certified Budget	Adjustment for Qualifying Budget Credits	Total Budget for Comparison	Expenditures Chargeable to Current Year	Variance - Over (Under)
General Fund	$ 57,914	$ 0	$ 57,914	$ 57,890	$ (24)
Special Purpose Funds					
Road	742,285	0	742,285	732,978	(9,307)
Machinery	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	22,182	XXXXXXXXXX
FEMA	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	0	XXXXXXXXXX
	$ 800,199	$ 0	$ 800,199	$ 813,050	$ (9,331)

AUGUSTA TOWNSHIP
SCHEDULE OF CASH RECEIPTS AND EXPENDITURES -
ACTUAL AND BUDGET
REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2025
(With Comparative Actual Totals for the Prior Year Ended December 31, 2024)

General Fund	Current Year		
	Actual	Budget	Variance - Favorable Over (Under)
Cash Receipts			
Ad Valorem Tax	$ 32,785	$ 33,516	$ (731)
Delinquent Tax	906	0	906
Motor Vehicle Tax	3,641	4,771	(1,130)
Interest on Idle Funds	19,784	0	19,784
Cemetary	1,500	0	1,500
	58,616	$ 38,287	$ 20,329
Expenditures			
Officers Pay	17,823	$ 12,000	$ 5,823
Payroll Taxes	20,474	16,000	4,474
Supplies	568	1,214	(646)
Insurance	10,009	17,000	(6,991)
Utilities	3,278	3,500	(222)
Professional Fees	3,600	4,700	(1,100)
Maintenance	489	2,500	(2,011)
Mowing	0	1,000	(1,000)
Miscellaneous	299	0	299
Transfers	1,350	0	1,350
	57,890	$ 57,914	$ (24)
Receipts Over (Under) Expenditures	726		
Unencumbered Cash, Beginning	44,725		
Prior Year Canceled Encumbrances	0		
Unencumbered Cash, Ending	$ 45,451		

AUGUSTA TOWNSHIP
SCHEDULE OF CASH RECEIPTS AND EXPENDITURES -
ACTUAL AND BUDGET
REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2025
(With Comparative Actual Totals for the Prior Year Ended December 31, 2024)

Road Fund	Current Year		
	Actual	Budget	Variance - Favorable Over (Under)
Cash Receipts			
Ad Valorem Tax	$ 491,559	$ 501,765	$ (10,206)
Delinquent Tax	8,229	0	8,229
Motor Vehicle Tax	38,578	50,911	(12,333)
Other	150,491	0	150,491
	688,857	$ 552,676	$ 136,181
Expenditures			
Oil & Fuel	21,625	$ 10,000	$ 11,625
Salaries & Wages	63,068	36,000	27,068
Equipment Repairs	36,724	22,760	13,964
Road Materials	191,893	496,622	(304,729)
Hauling	65,558	0	0
Contract Labor	170,285	176,903	(6,618)
Miscellaneous	11,825	0	11,825
Transfers	172,000	0	172,000
	732,978	$ 742,285	$ (74,865)
Receipts Over (Under) Expenditures	(44,121)		
Unencumbered Cash, Beginning	44,378		
Prior Year Canceled Encumbrances	0		
Unencumbered Cash, Ending	$ 257		

AUGUSTA TOWNSHIP
SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL
REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2025
(With Comparative Actual Totals for the Prior Year Ended December 31, 2024)

Machinery Fund

	Current Year Actual
Cash Receipts	
Transfers	$ 173,350
	173,350
Expenditures	
Equipment/Repairs	22,182
	22,182
Receipts Over (Under) Expenditures	151,168
Unencumbered Cash, Beginning	212,764
Prior Year Canceled Encumbrances	0
Unencumbered Cash, Ending	$ 363,932

AUGUSTA TOWNSHIP
SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL
REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2025
(With Comparative Actual Totals for the Prior Year Ended December 31, 2024)

FEMA Fund

	Current Year Actual
Cash Receipts	
Federal Sources	$ 458
	458
Expenditures	
Miscellaneous	0
	0
Receipts Over (Under) Expenditures	458
Unencumbered Cash, Beginning	56,221
Prior Year Canceled Encumbrances	0
Unencumbered Cash, Ending	$ 56,679