CITY OF BOGUE, KANSAS

Financial Statement and Regulatory-Required
Supplementary Information with Independent Auditor's Report

For the Year Ended December 31, 2025

MAPES & MILLER LLP
Certified Public Accountants
Quinter, Kansas

CITY OF BOGUE, KANSAS

Financial Statement and Regulatory-Required
Supplementary Information with Independent Auditor's Report

For the Year Ended December 31, 2025

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INDEPENDENT AUDITOR'S REPORT

To the Mayor and City Council
City of Bogue
Bogue, Kansas 67625

Adverse and Unmodified Opinions

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

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the Basis 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 Bogue as of December 31, 2025, or changes in the 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 Bogue as of December 31, 2025, and the aggregate receipts and expenditures for the year then ended in accordance with the financial reporting provisions of the *Kansas Municipal Audit and Accounting Guide* described in Note 1.

Basis for Adverse and Unmodified Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) 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 of Bogue, 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 of the financial statement, the financial statement is prepared by the City of Bogue 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 Bogue's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statement

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

In performing an audit in accordance with GAAS, 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 Bogue'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 of Bogue's ability to continue as a going concern for a reasonable period of time.

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

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances (basic financial statement) as a whole. The summary of regulatory basis expenditures-actual and budget and the individual fund schedules of regulatory basis receipts and expenditures-actual and budget (Schedules 1 and 2 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 basic financial statement as a whole, on the basis of accounting described in Note 1.

Mapes & Miller LLP
Certified Public Accountants
Quinter, Kansas

September 9, 2026

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

Funds	Beginning Unencumbered Cash Balance	Prior Year Cancelled Encumbrances	Receipts	Expenditures	Ending Unencumbered Cash Balance	Add Encumbrances and Accounts Payable	Ending Cash Balance
General Fund	$ 24,258	0	47,735	50,960	21,033	0	21,033
Special Purpose Funds:							
Special Highway Fund	8,051	0	4,043	1,259	10,835	0	10,835
Capital Improvement Fund	106,866	0	0	726	106,140	0	106,140
COVID RS Fund	2,732	0	0	2,732	0	0	0
Park Donation Fund	4,900	0	0	0	4,900	0	4,900
Business Fund:							
Water Utility Fund	98,877	0	82,347	81,729	99,495	0	99,495
Total Reporting Entity	$ 245,684	0	134,125	137,406	242,403	0	242,403

Composition of Cash:

Solutions North Bank, Bogue, KS	
Checking Account	$ 202,057
Certificates of Deposit	40,346
Total Reporting Entity	$ 242,403

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

1. Summary of Significant Accounting Policies

(a) Municipal Financial Reporting Entity

The City of Bogue, Kansas, is a municipal corporation governed by an elected mayor and an elected five-member council. The regulatory financial statement presents only the City of Bogue, Kansas.

(b) 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.

(c) Regulatory Basis Fund Types

The following types of funds comprise the financial activities of the City for the year ended December 31, 2025:

General Fund – the chief operating fund. Used to account for all resources except those required to be accounted for in another fund.

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

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.).

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

The statutes allow for the governing body to increase the originally adopted budget for previously unbudgeted increases in regulatory receipts other than ad valorem property taxes. To do this, a notice of public hearing to amend the budget must be published in the local newspaper. At least ten days after publication, the hearing may be held and the governing body may amend the budget at that time. There were no such budget amendments for this year.

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, Schedule 2 as listed in the table of contents, 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 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 and the following special purpose funds: Capital Improvement Fund, COVID RS Fund, and Park Donation 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.

(e) Reimbursements

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

2. Deposits and Investments

K.S.A. 9-1401 establishes the depositories which may be used by the City. The statute requires banks eligible to hold the City's funds have a main 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.

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.

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%. All deposits were legally secured at December 31, 2025.

At December 31, 2025, the City's carrying amount of deposits was $242,403 and the bank balance was $242,403. The bank balance was held by one bank resulting in a concentration of credit risk. The bank balance 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.

3. 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 purchased commercial insurance for these potential risks. Settled claims resulting from these risks have not exceeded commercial insurance coverage during the past three fiscal years.

4. Subsequent Events

Management has evaluated the effects on the financial statement of subsequent events through September 9, 2026, which is the date the financial statement was available to be issued.

5. Stewardship, Compliance and Accountability

(a) Substantial Interests Disclosures

During 2025, an individual appointed to fill a vacancy on the city council did not timely file the required Statement of Substantial Interests as required by K.S.A. 75-4302a.

(b) Funds Disbursed by Law

K.S.A. 12-105b(a) requires all claims against a municipality be presented in writing and approved by the governing body unless the claim meets one of the exceptions listed in K.S.A. 12-105b(e). Several claims were paid prior to council approval that do not qualify as exceptions under K.S.A. 12-105b(e), which is a violation of this statute.

6. Claims and Judgments

The City participates in federal and state grant programs that are subject to audit by the grantor agencies. If grant expenditures are disallowed as a result of such audits, the City may be required to reimburse the grantor. Management believes that any such disallowances would not have a material effect on the City's financial position.

7. Long-term Debt

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

Issue	Interest Rates	Date of Issue	Amount of Issue	Date of Final Maturity	Balance Beginning of Year	Additions	Reductions/ Principal Payments	Balance End of Year	Interest Paid
General Obligation Bonds:									
Series 2017	2.25%	8/28/2017	$ 881,000	8/28/2057	$ 777,541	0	16,140	761,401	17,495
Total Contractual Indebtedness					$ 777,541	0	16,140	761,401	17,495

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

	Year Ended December 31,					
	2026	2027	2028	2029	2030	2031-2035
Principal:						
General Obligation Bonds	$ 16,503	16,874	17,254	17,642	18,039	96,468
Interest:						
General Obligation Bonds	17,131	16,760	16,380	15,992	15,595	71,703
Total principal and interest	$ 33,634	33,634	33,634	33,634	33,634	168,171

	Year Ended December 31,					
	2036-2040	2041-2045	2046-2050	2051-2055	2056-2060	Total
Principal:						
General Obligation Bonds	$ 107,820	120,508	134,689	150,539	65,065	761,401
Interest:						
General Obligation Bonds	60,351	47,663	33,482	17,632	2,204	314,893
Total principal and interest	$ 168,171	168,171	168,171	168,171	67,269	1,076,294

Regulatory-Required
Supplementary Information

CITY OF BOGUE, KANSAS SCHEDULE 1

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

Funds	Certified Budget	Adjustment for Qualifying Budget Credits	Total Budget for Comparison	Expenditures Chargeable to Current Year	Variance Over (Under)
General Fund	$ 65,000	0	65,000	50,960	(14,040)
Special Purpose Funds:					
Special Highway Fund	4,550	0	4,550	1,259	(3,291)
Business Fund:					
Water Utility Fund	112,651	0	112,651	81,729	(30,922)

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

	Actual	Budget	Variance Over (Under)
Receipts			
Taxes and Shared Revenue:			
Ad Valorem Property Tax	$ 25,494	25,722	(228)
Delinquent Tax	701	0	701
Motor Vehicle Tax	6,562	6,353	209
Recreational Vehicle Tax	123	0	123
16/20M Vehicle Tax	46	44	2
Franchise Tax	842	3,100	(2,258)
Reimbursements	6,378	0	6,378
Miscellaneous	129	580	(451)
Interest on Idle Funds	3,860	0	3,860
Rent	3,600	2,700	900
Total Receipts	47,735	38,499	9,236
Expenditures			
Personal Services	0	6,500	(6,500)
Supplies/Utilities/Repairs	15,863	15,000	863
Contractual	14,665	10,000	4,665
Fire Department	95	500	(405)
Parks Allocation	224	800	(576)
Legal and Publications	0	600	(600)
Office Expense	2,619	500	2,119
Insurance	8,991	8,600	391
Audit Expense	4,652	5,500	(848)
Miscellaneous	3,851	1,000	2,851
Capital Outlay	0	10,000	(10,000)
Transfer to Capital Improvement Fund	0	6,000	(6,000)
Total Expenditures	50,960	65,000	(14,040)
Receipts over (under) Expenditures	(3,225)		
Unencumbered Cash, Beginning	24,258		
Prior Year Cancelled Encumbrances	0		
Unencumbered Cash, Ending	$ 21,033		

CITY OF BOGUE, KANSAS
Special Purpose Funds
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2025

	Actual	Budget	Variance Over (Under)
Special Highway Fund			
Receipts			
State of Kansas	$ 4,043	4,100	(57)
Expenditures			
Contractual	1,259	4,550	(3,291)
Receipts over (under) Expenditures	2,784		
Unencumbered Cash, Beginning	8,051		
Prior Year Cancelled Encumbrances	0		
Unencumbered Cash, Ending	$ 10,835		

CITY OF BOGUE, KANSAS
Special Purpose Funds
Schedule of Receipts and Expenditures
Regulatory Basis
For the Year Ended December 31, 2025

	Actual
Capital Improvement Fund	
Receipts	$ 0
Expenditures	
Capital Outlay	726
Receipts over (under) Expenditures	(726)
Unencumbered Cash, Beginning	106,866
Prior Year Cancelled Encumbrances	0
Unencumbered Cash, Ending	$ 106,140
COVID RS Fund	
Receipts	$ 0
Expenditures	
Contractual	2,732
Receipts over (under) Expenditures	(2,732)
Unencumbered Cash, Beginning	2,732
Prior Year Cancelled Encumbrances	0
Unencumbered Cash, Ending	$ 0
Park Donation Fund	
Receipts	$ 0
Expenditures	0
Receipts over (under) Expenditures	0
Unencumbered Cash, Beginning	4,900
Prior year cancelled Encumbrances	0
Unencumbered Cash, Ending	$ 4,900

CITY OF BOGUE, KANSAS
Business Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2025

	Actual	Budget	Variance Over (Under)
Water Utility Fund			
Receipts			
Charges to Customers	$ 82,347	95,000	(12,653)
Reimbursements	0	1,000	(1,000)
Interest on Idle Funds	0	375	(375)
Total Receipts	82,347	96,375	(14,028)
Expenditures			
Contractual	18,152	13,000	5,152
Plant Operating Expenses	6,860	20,000	(13,140)
Sales Tax	51	250	(199)
Insurance	5,994	9,000	(3,006)
Water Purchase	12,352	12,000	352
Audit Expense	4,280	3,500	780
Miscellaneous	406	700	(294)
Debt Service	33,634	33,364	270
Transfer to Capital Improvement Fund	0	20,837	(20,837)
Total Expenditures	81,729	112,651	(30,922)
Receipts over (under) Expenditures	618		
Unencumbered Cash, Beginning	98,877		
Prior Year Cancelled Encumbrances	0		
Unencumbered Cash, Ending	$ 99,495		