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***KANSAS MUNICIPAL  
GAS AGENCY***  
*FINANCIAL STATEMENTS*  
*DECEMBER 31, 2021*

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CERTIFIED PUBLIC ACCOUNTANTS & BUSINESS CONSULTANTS

## **Independent Auditors' Report**

Board of Directors  
Kansas Municipal Gas Agency  
Overland Park, Kansas

### ***Opinions***

We have audited the accompanying financial statements of the business-type activities of Kansas Municipal Gas Agency, as of and for the years ended December 31, 2021 and 2020, and the related notes to the financial statements, which collectively comprise Kansas Municipal Gas Agency's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the business-type activities of Kansas Municipal Gas Agency, as of December 31, 2021 and 2020, and the respective changes in financial position and cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Basis For Opinions***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Kansas Municipal Gas Agency and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### ***Responsibilities Of Management For The Financial Statements***

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Kansas Municipal Gas Agency'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 Statements***

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

In performing an audit in accordance with GAAS, we:

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

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

***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3 through 6 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

*RubinBrown LLP*

May 4, 2022

# KANSAS MUNICIPAL GAS AGENCY

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## MANAGEMENT'S DISCUSSION AND ANALYSIS For The Years Ended December 31, 2021 And 2020

The management of Kansas Municipal Gas Agency (KMGA) offers readers of KMGA's financial statements this narrative overview of its financial activities for the years ended December 31, 2021 and 2020. We encourage readers to consider the information provided here in conjunction with the accompanying basic financial statements and notes to basic financial statements.

### **Overview Of The Reporting Entity**

Under authority of the Kansas Interlocal Cooperative Act, twenty-seven Kansas municipalities formed KMGA as a separate legal entity in August 1990. Its main purpose was to assist its member cities in acquiring natural gas for their municipal utility systems. As of December 31, 2021, KMGA had 46 members and 4 affiliate members.

KMGA generally maintains its accounts in accordance with the uniform system of accounts for natural gas utilities prescribed by the Federal Energy Regulatory Commission (FERC), however KMGA also follows accounting principles generally accepted in the United States of America as prescribed by the Governmental Accounting Standards Board. Under the accrual basis of accounting used by KMGA, revenue is recognized when earned and expenses are recognized when the liability has been incurred.

### **Financial Highlights**

As of December 31, 2021 and 2020, KMGA's net position was \$526,675 and \$577,566, respectively, and current assets exceeded current liabilities by \$516,349, and \$563,889, respectively. KMGA has no long-term debt.

Changes in net position for the year 2021 were (\$50,891), compared to (\$18,065) for 2020.

## KANSAS MUNICIPAL GAS AGENCY

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### Management's Discussion And Analysis (*Continued*)

#### Overview Of The Financial Statements

This report consists of two parts: Management's Discussion and Analysis (this section) and the basic financial statements: Statement of Net Position, Statements of Revenues, Expenses and Changes in Net Position, Statements of Cash Flows and Notes to Basic Financial Statements. Here, the reader is offered an overview and analysis of summary financial statements. Condensed Statements of Net Position are presented in Table 1. Table 2 provides Condensed Statements of Changes in Net Position. Condensed Statements of Cash Flows are summarized in Table 3. The Statement of Net Position presents information on all of KMGGA's assets and liabilities with the difference between the two reported as net position. The Statement of Revenues, Expenses and Changes in Net Position presents information showing how KMGGA's capitalization changed during the most recent fiscal year. The statement of cash flows provides information about KMGGA's cash receipts and cash payments made during the reporting period. The notes provide additional information that is essential to a full understanding of the data provided in the statements.

Table 1: Condensed Statements of Net Position

	December 31,		
	2021	2020	2019
<b>Assets</b>			
Utility plant	\$ 10,326	\$ 13,677	\$ —
Cash	3,045,195	1,792,110	1,272,994
Accounts receivable	3,545,414	2,214,558	2,085,002
<b>Total Assets</b>	<b>6,600,935</b>	<b>4,020,345</b>	<b>3,357,996</b>
<b>Liabilities</b>			
Accounts payable and accrued expenses	6,074,260	3,442,779	2,762,365
<b>Net Position</b>	<b>\$ 526,675</b>	<b>\$ 577,566</b>	<b>\$ 595,631</b>

## KANSAS MUNICIPAL GAS AGENCY

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### Management's Discussion And Analysis (Continued)

A comparison of the year-end statement of net position shows that the net position has increased in 2021 as a result of revenues exceeding expenses for the year. (See below Table 2, Condensed Statements of Changes in Net Position).

Table 2: Condensed Statements Of Changes in Net Position

	<b>December 31,</b>		
	<b>2021</b>	<b>2020</b>	<b>2019</b>
<b>Gas Supply Project Margin</b>			
Project revenues	\$ 55,690,614	\$ 7,684,613	\$ 11,010,493
Gas and gas transportation	<b>(55,441,950)</b>	(7,441,538)	(10,691,809)
<b>Total Gas Supply Project Margin</b>	<b>248,664</b>	243,075	318,684
Other operating revenues	<b>282,871</b>	36,935	31,239
<b>Total</b>	<b>531,535</b>	280,010	349,923
Administrative expenses	<b>(579,077)</b>	(295,005)	(285,997)
Depreciation expense	<b>(3,349)</b>	(3,070)	—
<b>Changes In Net Position</b>	<b>(50,891)</b>	(18,065)	63,926
<b>Total Revenues</b>	<b>\$ 55,973,485</b>	\$ 7,721,548	\$ 11,041,732
<b>Total Expenses</b>	<b>\$ (56,024,376)</b>	\$ (7,739,613)	\$ (10,977,806)

Expenses exceeded revenues in 2021 due to a decrease in project margin, and an increase in outside services. As for gas volumes, KMGGA transported (in MMBtus) 3,983,088 in 2019, 2,989,051 in 2020 and 3,094,424 in 2021.

In February 2021, severe cold weather in the Midwest led to an unprecedented spike in gas prices for the period February 11, 2021 through February 19, 2021 (Weather Event) as indicated by the daily gas prices published by the S&P Global Platts. The severe cold weather forced shutdowns of natural gas production in areas not typically accustomed to extreme cold weather, immediately tightening supply. At the same time, the severe cold weather led to significant increases in natural gas demand.

During the Weather Event, the price of natural gas to KMGGA reached over \$600/MMBtu for some gas supply. KMGGA was able to supply all of the needs of its members during the Weather Event.



## KANSAS MUNICIPAL GAS AGENCY

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### Management's Discussion And Analysis (*Continued*)

KMGA incurred over \$44,000,000 in natural gas costs for the month of February 2021 that were ultimately invoiced to its members. The February 2021 natural gas costs are significantly more than KMGA's annual budget for natural gas supply. To support its constituents in their ability to pay the amounts due related to the Weather Event, the Kansas State Legislature passed legislation on March 4, 2021 creating a "City Utility Low-Interest Loan Program" (the Program) which provided cities across Kansas access to state funds at low interest rates for a term up to 10 years. Many KMGA members received loans from the Program. All of KMGA's member cities paid their respective invoices for the month of February 2021. In turn, KMGA was able to pay in full all of its suppliers. As part of KMGA's payment to its suppliers, KMGA protested each invoice.

Table 3: Condensed Statements Of Cash Flows

	<b>December 31,</b>		
	<b>2021</b>	<b>2020</b>	<b>2019</b>
Net operating revenues	\$ (50,891)	\$ (18,065)	\$ 63,926
Depreciation	3,349	3,070	—
Changes in assets and liabilities	<b>1,300,628</b>	534,110	(58,235)
<b>Net Increase (Decrease) In Cash</b>	<b>1,253,086</b>	519,115	5,691
<b>Cash - Beginning Of Year</b>	<b>1,792,109</b>	1,272,994	1,267,303
<b>Cash - End Of Year</b>	<b>\$ 3,045,195</b>	\$ 1,792,109	\$ 1,272,994

Cash flows from operating activities are composed primarily of net revenues and changes in assets and liabilities. There are no cash flows from noncapital financing activities because KMGA has no debt and has not engaged in other financing activities.

### **Plant**

There were no changes in KMGA's plant balance during 2019. During 2020, KMGA acquired a remote leak detector for \$16,747. There were no additions to plant during 2021.

## **KANSAS MUNICIPAL GAS AGENCY**

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### Management's Discussion And Analysis (*Continued*)

#### **Economic Outlook**

During the month of February 2021, the natural gas industry in the Midwest experienced an unprecedented spike in gas prices for the period February 11, 2021 through February 19, 2021. Since that event, natural gas prices have stabilized and the cost of gas is expected to be stable through the rest of 2022. Because the Agency is structured where it bills Project participants for the actual cost of gas purchased, plus a markup to cover administrative costs, Agency revenues and gas costs are budgeted to increase in proportion with changes in gas prices.

#### **Requests For Information**

This financial report is designed to provide our members, investors and creditors with a general overview of KMGA's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to Kansas Municipal Gas Agency, 6300 W. 95th Street, Overland Park, KS 66212.

# KANSAS MUNICIPAL GAS AGENCY

## STATEMENT OF NET POSITION

	December 31,	
	2021	2020
<b>Assets</b>		
<b>Plant</b>		
Gas plant in service	\$ 16,747	\$ 16,747
Accumulated depreciation	(6,421)	(3,070)
<b>Total Plant</b>	<b>10,326</b>	<b>13,677</b>
<b>Current Assets</b>		
Cash	3,045,195	1,792,110
Accounts receivable	3,545,414	2,214,558
<b>Total Current Assets</b>	<b>6,590,609</b>	<b>4,006,668</b>
<b>Total Assets</b>	<b>\$ 6,600,935</b>	<b>\$ 4,020,345</b>

### Liabilities And Net Position

<b>Current Liabilities</b>		
Accounts payable and accrued expenses	\$ 6,074,260	\$ 3,442,779
<b>Net Position</b>		
Net investment in capital assets	10,326	13,677
Unrestricted	516,349	563,889
<b>Total Liabilities And Net Position</b>	<b>\$ 6,600,935</b>	<b>\$ 4,020,345</b>

# KANSAS MUNICIPAL GAS AGENCY

## STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

	For The Years	
	Ended December 31,	
	2021	2020
<b>Operating Revenues</b>		
Gas supply project	\$ 55,690,614	\$ 7,684,613
Other service revenues	245,516	—
Membership dues	37,355	36,935
<b>Total Operating Revenues</b>	<b>55,973,485</b>	<b>7,721,548</b>
<b>Operating Expenses</b>		
Purchased gas	53,566,275	5,950,255
Gas transportation	1,875,675	1,491,283
Administrative and general	579,077	295,005
Depreciation	3,349	3,070
<b>Total Operating Expenses</b>	<b>56,024,376</b>	<b>7,739,613</b>
<b>Net Operating Loss</b>	<b>(50,891)</b>	<b>(18,065)</b>
<b>Changes In Net Position</b>	<b>(50,891)</b>	<b>(18,065)</b>
<b>Net Position - Beginning Of Year</b>	<b>577,566</b>	<b>595,631</b>
<b>Net Position - End Of Year</b>	<b>\$ 526,675</b>	<b>\$ 577,566</b>

# KANSAS MUNICIPAL GAS AGENCY

## STATEMENT OF CASH FLOWS

	For The Years	
	Ended December 31,	
	2021	2020
<b>Cash Flows From Operating Activities</b>		
Cash received from customers	\$ 54,642,629	\$ 7,608,738
Cash payments to suppliers for goods and services	(53,389,543)	(7,072,876)
<b>Net Cash Provided By Operating Activities</b>	<b>1,253,086</b>	<b>535,862</b>
<b>Cash Flows Used In Capital And Related Financing Activities</b>		
Cash payments for purchase of plant	—	(16,747)
<b>Net Increase In Cash</b>	<b>1,253,086</b>	<b>519,115</b>
<b>Cash - Beginning Of Year</b>	<b>1,792,109</b>	<b>1,272,994</b>
<b>Cash - End Of Year</b>	<b>\$ 3,045,195</b>	<b>\$ 1,792,109</b>
<b>Reconciliation Of Net Operating Income (Loss) To Net Cash From Operating Activities</b>		
Net operating income (loss)	\$ (50,891)	\$ (18,065)
Adjustments to reconcile net operating income (loss) to net cash from operating activities:		
Depreciation	3,349	3,070
Changes in assets and liabilities:		
Accounts receivable	(1,330,856)	(129,557)
Accounts payable and accrued expenses	2,631,484	680,414
<b>Net Cash Provided By Operating Activities</b>	<b>\$ 1,253,086</b>	<b>\$ 535,862</b>

# KANSAS MUNICIPAL GAS AGENCY

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## NOTES TO BASIC FINANCIAL STATEMENTS

December 31, 2021 And 2020

### 1. Organization

The Kansas Municipal Gas Agency (KMGA or Agency) is a Kansas interlocal municipal agency created by twenty-seven Kansas municipalities in August 1990, under authority of the Interlocal Cooperation Act (K.S.A. 12-2901, et seq., as amended). The Interlocal Cooperation Agreement creating KMGA established it as a separate legal entity. As of December 31, 2021, KMGA had 46 full-member cities and 4 affiliate-member cities participating on a project basis. A Board of Directors, consisting of one representative from each full member, oversees the property and business of KMGA. KMGA is considered a jointly governed organization and a primary government and there are no other organizations or agencies whose financial statements should be combined and presented with these financial statements.

KMGA members are cities that either own or operate a gas distribution utility or use natural gas in other municipal utility operations. KMGA acquires, manages, schedules and balances natural gas supplies used by its members for local distribution and as fuel for electric generation. KMGA also assists members in complying with state and federal regulations, and provides informational and technical assistance with respect to natural gas supply and use.

### 2. Significant Accounting Policies

KMGA generally maintains the presentation of its accounts in accordance with the uniform system of accounts for natural gas utilities prescribed by the Federal Energy Regulatory Commission (FERC), however KMGA is not a public utility generally subject to rate regulation by the FERC. KMGA follows accounting principles generally accepted in the United States of America as prescribed by the Governmental Accounting Standards Board (GASB).

The accrual basis of accounting and economic resources measurement focus is used by KMGA. Under the accrual basis of accounting, revenue is recognized when earned and expenses are recognized when the liability has been incurred. Revenue is earned at the time gas supplies or other services are delivered.

## **KANSAS MUNICIPAL GAS AGENCY**

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### Notes To Basic Financial Statements (*Continued*)

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

The costs of repairs and minor replacements are charged to operating expense as appropriate. Costs of renewals and betterments are capitalized. Depreciation is computed using the straight-line method based on an estimated five-year useful life.

KMGGA considers all accounts receivable to be fully collectible. Consequently, no allowance for doubtful accounts is necessary. Receivables are carried at original invoice amount.

As discussed in Note 4, all employees used by KMGGA are employed by the Kansas Municipal Energy Agency (KMEA) and related costs are charged to KMGGA through a management services agreement. Paid-time-off (PTO) vests and may be carried forward to the next year up to 480 hours. KMGGA's portion of the accrued liability for these compensated absences is funded through payments to KMEA.

### **3. Cash And Temporary Investments**

Cash and temporary investments held on KMGGA's behalf are governed by Kansas statutes. All deposits and investments must be covered by Federal depository insurance or be adequately collateralized. Such collateral must be held in KMGGA's name by KMGGA's custodial banks. As required by statute, all investments are made in U.S. government obligations, securities collateralized by the U.S. government, and certain municipal obligations.

As of December 31, 2021 and 2020, KMGGA's cash deposits consisted only of cash.

Interest rate risk: The Agency does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. As of December 31, 2021 and 2020, the Agency did not hold any investments.

## **KANSAS MUNICIPAL GAS AGENCY**

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### Notes To Basic Financial Statements (*Continued*)

Credit risk: Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The Agency does not have an investment policy which would further limit investment choices from state statute. As of December 31, 2021 and 2020, the Agency did not hold any investments.

Concentration of credit risk: The Agency places no limit on the amount the Agency may invest in any one issuer. As of December 31, 2021 and 2020, the Agency did not have more than 5 percent of the Agency's investments in one issuer.

Custodial credit risk: Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. As of December 31, 2021 and 2020, the Agency's deposits were fully collateralized and not exposed to custodial credit risk.

#### **4. Related Parties**

KMGA is closely related to the KMEA. KMEA is a joint action agency created to secure electricity for its member cities, which own electric distribution utilities. In a comparable manner, KMGA secures natural gas supplies for its member cities, which own gas or electric distribution utilities. Due to their common membership and similar purposes, KMGA entered into a Management Services Agreement with KMEA on August 9, 1990, whereby KMEA employees managed KMGA's general operations and performed project-specific services.

The Management Services Agreement was superseded when the two agencies, on May 20, 1998, entered into the Interlocal Cooperation Agreement for Joint Administration, under authority of the Interlocal Cooperation Act (K.S.A. 12-2901, et seq., as amended). Under the Joint Administration Agreement, KMGA will continue to rely on KMEA employees to manage and administer KMGA's operations. For the services provided and related expenses incurred, KMEA bills KMGA at cost. The management services fee was \$316,000 in 2021 and \$281,400 in 2020. As of December 31, 2021 and 2020, accounts payable to KMEA were \$65,574 and \$29,262, respectively.



The Joint Administration Agreement created the Joint Board for Administration, comprised of seven representatives: three each from the KMGGA and KMEA Board memberships, who together select the seventh representative. The Joint Board is empowered to (1) recommend annual budgets respecting the administrative activities of the agencies, (2) employ the General Manager of the agencies, (3) hear employment grievances of KMEA employees, and (4) recommend changes to the KMEA employment policies. KMGGA has no employees. The Joint Board is expressly prohibited from adopting annual budgets for KMGGA or KMEA or authorizing the issuance of any indebtedness of KMGGA or KMEA. Those powers remain with the respective Boards of KMGGA and KMEA.

## **5. Commitments And Contingencies**

### **Gas Purchase Agreements**

KMGGA and each Gas Supply Project participating city have entered into a Gas Acquisition Management Project Participation Agreement, which states that KMGGA may enter into gas purchase agreements on behalf of the Project participant and the Project participant is liable for the gas delivered under the agreement. Pursuant to the Participation Agreements, KMGGA periodically enters into Gas Acquisition Management Project Purchase Agreements to purchase gas on behalf of Project participants, where the gas quantity purchased is based on aggregating the nominations submitted by the participants. The Agency has entered into several fuel purchase contracts with various terms and conditions for the Agency's members in accordance with the underlying member agreements. Some purchases are made in the spot market and others are made at fixed prices and quantities over periods of up to twelve months.

Future monetary obligations to counterparties by the Agency are variable as the counterparty has the authority to adjust rates. The Agency has no risk of loss exposure from these contracts because the Agency has reciprocal contracts with its members that mirror the agreements with the counterparty.

# KANSAS MUNICIPAL GAS AGENCY

## Notes To Basic Financial Statements *(Continued)*

At December 31, 2021, KMGa had the following purchase commitments:

Quantity (MMBTU/day)	Rate Type	Contract Start Date (if after year end)	Contract End Date
500	Fixed		3/31/2022
750	Fixed		2/28/2022
250	Fixed		3/31/2022
1,000	Fixed		3/31/2022
500	Fixed		2/28/2022
750	Fixed	2/1/2022	2/28/2022
600	Fixed	3/1/2022	3/31/2022
100	Fixed		2/28/2022
40	Fixed	3/1/2022	3/31/2022
425	Fixed	1/1/2022	1/31/2022
450	Fixed	2/1/2022	2/28/2022
220	Fixed	3/1/2022	3/31/2022
85	Fixed	1/1/2022	1/31/2022
90	Fixed	2/1/2022	2/28/2022
45	Fixed	3/1/2022	3/31/2022
250	Fixed		3/31/2022
200	Fixed		3/31/2022
400	Fixed		2/28/2022
300	Fixed		3/31/2022
2,700	FOM Index + rate/MMBtu	1/1/2022	1/31/2022
825	FOM Index + rate/MMBtu	1/1/2022	1/31/2022
825	FOM Index + rate/MMBtu	1/1/2022	1/31/2022
625	FOM Index + rate/MMBtu	1/1/2022	1/31/2022
100	FOM Index + rate/MMBtu		3/31/2022
115	FOM Index + rate/MMBtu	1/1/2022	1/31/2022
130	FOM Index + rate/MMBtu	1/1/2022	1/31/2022
2,700	FOM Index + rate/MMBtu	2/1/2022	2/28/2022
900	FOM Index + rate/MMBtu	2/1/2022	2/28/2022
900	FOM Index + rate/MMBtu	2/1/2022	2/28/2022
625	FOM Index + rate/MMBtu	2/1/2022	2/28/2022
130	FOM Index + rate/MMBtu	2/1/2022	2/28/2022
145	FOM Index + rate/MMBtu	2/1/2022	2/28/2022
2,000	FOM Index + rate/MMBtu	3/1/2022	3/31/2022
500	FOM Index + rate/MMBtu	3/1/2022	3/31/2022
500	FOM Index + rate/MMBtu	3/1/2022	3/31/2022
360	FOM Index + rate/MMBtu	3/1/2022	3/31/2022
75	FOM Index + rate/MMBtu	3/1/2022	3/31/2022
70	FOM Index + rate/MMBtu	3/1/2022	3/31/2022
1,900	FOM Index + rate/MMBtu	4/1/2022	4/30/2022
300	FOM Index + rate/MMBtu	4/1/2022	4/30/2022
300	FOM Index + rate/MMBtu	4/1/2022	4/30/2022
250	FOM Index + rate/MMBtu	4/1/2022	4/30/2022
45	FOM Index + rate/MMBtu	4/1/2022	4/30/2022
5	FOM Index + rate/MMBtu	4/1/2022	4/30/2022
1,100	Gas Daily Index + rate/MMBtu	1/1/2022	1/31/2022
200	Gas Daily Index + rate/MMBtu	1/1/2022	1/31/2022
40	Gas Daily Index + rate/MMBtu	1/1/2022	1/31/2022
45	Gas Daily Index + rate/MMBtu	1/1/2022	1/31/2022
230	Gas Daily Index + rate/MMBtu	2/1/2022	2/28/2022
125	Gas Daily Index + rate/MMBtu	3/1/2022	3/31/2022
80	Gas Daily Index + rate/MMBtu	4/1/2022	4/30/2022
40	Gas Daily Index + rate/MMBtu	2/1/2022	2/28/2022
25	Gas Daily Index + rate/MMBtu	3/1/2022	3/31/2022
15	Gas Daily Index + rate/MMBtu	4/1/2022	4/30/2022
50	Gas Daily Index + rate/MMBtu	2/1/2022	2/28/2022
25	Gas Daily Index + rate/MMBtu	3/1/2022	3/31/2022
15	Gas Daily Index + rate/MMBtu	4/1/2022	4/30/2022

## **KANSAS MUNICIPAL GAS AGENCY**

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### Notes To Basic Financial Statements *(Continued)*

#### **Risk Management**

KMGA is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters. These risks are covered by the purchase of commercial insurance. Insurance settlements have not exceeded insurance coverage for the past three years.

#### **6. Reclassifications**

Certain 2020 amounts have been reclassified to conform to the 2021 presentation. These reclassifications has no effect on the change in net position or total net position.