

# COUNCIL ACTION FORM

Meeting Date: June 8, 2023

Staff Contact: Leslie Herring, City Administrator

---

**Agenda Item:** Consider Passing Resolution No. 118-2023 Waiving the GAAP Requirement for Financial Reporting

---

## Background/Description of Item

The State of Kansas requires audits for cities and their financial statements be based on Generally Accepted Accounting Principles (GAAP), which has proven to be a very cumbersome and expensive accounting standard to comply with for smaller municipalities.

The provisions of K.S.A. 75-1120A(A) do allow for cities to adopt the Cash Receipts and Disbursements method of accounting for the audit, where the audit testing procedures remain the same and it allows cities to report an audit based on the annual budget cycle.

## Staff Comments/Recommendation

As has been the past practice of the City of Westwood, waiving the requirements of GAAP principles during the annual financial audit is recommended to allow for a more straightforward auditing process.

## Budget Impact

None

## *Suggested Motion*

*I move to approve Resolution No. 118-2023 waiving the requirements of K.S.A. 75-1120A(A) as they apply to the City of Westwood for the fiscal year that ended December 31, 2022.*