City of Frontenac, Kansas

Independent Auditor's Report

For as of December 31, 2023, and the Year Then Ended

Jerry D. Mitchell, CPA, LLC
1080 N. Pebble Creek Road
Nixa, Missouri 65714

INDEPENDENT AUDITOR'S REPORT

To the Honorable Mayor and City Council
City of Frontenac, KS

I have audited the accompanying fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balance of the City of Frontenac, Kansas, as of and for the year ended December 31, 2023, and the related notes to the financial statement.

Adverse Opinion on U.S. Generally Accepted Accounting Principles
In my opinion, because of the significance of the matter discussed in the "Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles" paragraph, the 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 Frontenac, Kansas as of December 31, 2023, or changes in financial position and cash flows thereof for the year then ended.

Unmodified Opinion on Regulatory Basis of Accounting
In my opinion, the financial statement referred to above presents fairly, in all material respects, the aggregate cash and unencumbered cash balance of the City of Frontenac, Kansas, as of December 31, 2023, 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 Opinion on U.S. Generally Accepted Accounting Principles
As described in Note 1 of the financial statement, the financial statement is prepared by the City of Frontenac, Kansas to meet the requirements of the State of Kansas based on 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 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.

Management's responsibility for the Financial Statements
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.

Auditor's Responsibility
My objectives ae 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 my 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 (generally accepted 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 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 judgement made by a reasonable user based on the financial statement.

In performing an audit accordance with GAAS, I:

- 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 included 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'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 my judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

I am 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 I identified during the audit, if any.

Report on Supplementary Information

My 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, (schedules 1 and 2), as listed in the table of contents, are presented for analysis and are 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 my opinion, the 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. The 2021 actual column presented in the fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances and the individual fund schedules of regulatory basis receipts and expenditures, actual and budget (the financial statement and schedule 2 as listed in the table of contents) are presented for comparative analysis and was not a required part of the 2022 financial statement upon which I rendered an unqualified opinion dated June 19, 2023.

The 2022 basic financial statement and 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 http://admin.ks.gov/offices/cheif-financial-officer/municipal-services.

Jerry D. Mitchell, CPA, LLC
Nixa, Missouri

August 14, 2024

City of Frontenac, Kansas

NOTES TO FINANCIAL STATEMENT – REGULATORY BASIS

December 31, 2023

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity: The City of Frontenac is a municipal corporation governed by an elected eight-member council. The City has considered whether any other organizations should be included in the reporting entity based upon the significance of their operation or financial relationships with the City, and has determined no other outside organizations should be included as a component unit

B. Regulatory Basis Fund Types
The accounts of the City are organized on the basis of funds, each of which is considered to be a separate reporting entity. The operations of each fund are accounted for by providing a separate set of self-balancing accounts which comprise its cash, liabilities, fund equity, revenues and expenditures. The types of funds maintained by the City are as follows:
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.
Bond and Interest Fund: used to account for the accumulation of resources, including tax levies, transfers and other funds and payment of general long term debt.
Capital Project 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 Fund: funds used to report assets held by the City in purely a custodial capacity for water deposits held.

C. Basis of Accounting: The regulatory basis of accounting, as used in the preparation of this regulatory basis financial statement, is designed to demonstrate compliance with the cash basis and budget laws of the State of Kansas. Cash receipts are recognized when the cash balance of a fund is increased. Expenditures include disbursements, accounts payable and encumbrances. Encumbrances are commitments related to unperformed (executory) contracts for goods and services, and are usually evidenced by a purchase order or written contract. For an inter-fund transaction, a cash receipt is recorded in the fund receiving cash from another fund, and expenditure would be charged in the fund from which the transfer is made.

The municipality has approved a resolution/ordinance that is in compliance with K.S.A. 75-1120a (c), waiving the requirement for application of generally accepted

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

accounting principles and allowing the municipality to use the regulatory basis of accounting.

D. Departures from Generally Accepted Accounting Principles: The basis of accounting described above results in a financial statement presentation which shows cash receipts, cash disbursements, cash and unencumbered cash balances, and expenditures compared to budget. Balance sheets that would have shown noncash assets such as receivables, inventories, and prepaid expense; liabilities such as deferred revenue and matured principal and interest payable; and reservations of fund balance are not presented. Under generally accepted accounting principles, encumbrances are only recognized as a reservation of fund balance; encumbrances outstanding at year end do not constitute expenditures or liabilities. Consequently, the expenditures, as reported, do not present the cost of goods and services received during the fiscal year in accordance with generally accepted accounting principles. Fixed assets that account for land, buildings, and equipment owned by the municipality are not presented in the financial statement. Also, long-term debt such as general obligation bonds, temporary notes, and compensated absences are not presented in the financial statement.

E. Investments: Investments are recorded at cost. Investment gains and losses are recognized upon disposition of the security or the occurrence of a permanent decline in market value.

F. Pooled Cash: The City maintains various bank accounts and certificates of deposit for its pooled cash. Each fund's equity in these accounts is presented as "cash and investments" in the statements. Interest income is recorded in the General and Utility Funds.

NOTE 2: DEPOSITS AND INVESTMENTS

Collateral is required for demand deposits and certificates of deposit. The market value of the collateral must equal 100% of the deposits in excess of deposit insurance. Obligations that may be pledged as collateral are of the same type as authorized for investment by the City. Obligations pledged to secure deposits are delivered to the safekeeping division of the custodial bank.

At December 31, 2023, the City had deposits, of $13,689,933, 100% of which $3,983,101, was covered by federal depository insurance and/or collateralized by U.S. Government or agency securities subject to joint custody safekeeping receipts issued by the custodial financial institution, which was not the pledging institution, as required by Kansas statutes. The remaining total of $9,706,832 was invested within the State of Kansas Municipal Investment Pool/Fund.

NOTE 2: DEPOSITS AND INVESTMENTS (Continued)

At December 31, 2023, the City had invested $9,706,832 in the State's municipal investment pool. The municipal investment pool is under the oversight of the Pooled Money Investment Board. The board is comprised of the State Treasurer and four additional members appointed by the State Governor. The board reports annually to the Kansas legislature. State pooled monies may be invested in direct obligation of, or obligations that are insured as to principal and interest, by the U.S. government or any agency thereof, with maturities up to four years. No more than ten percent of those funds may be invested in mortgage-backed securities. In addition, the State pool may invest in repurchase agreements with Kansas banks or with primary government securities dealers.

State law (KSA 12-1675 to 12-1678) allows monies not otherwise regulated by statute to be invested in:

1. Temporary notes or no fund warrants of the City of Frontenac.
2. Time deposits, open accounts or certificates of deposit with maturities of not more than two years in commercial banks which have offices located in the City of Frontenac.
3. Time certificates of deposit with maturities of not more than two years in state or federally chartered savings and loan associations or federally chartered savings banks which have offices located in the City of Frontenac.
4. Repurchase agreements (for direct obligations of or obligations insured as to principal and interest by the U.S. Government or U.S. Government agencies) with commercial banks, state or federally insured chartered savings and loan associations or federally chartered savings banks which have offices located in the City of Frontenac.
5. U.S. Treasury bills or notes with maturities not exceeding two years, purchased from any state or national bank, state or federally chartered savings and loan association or federally chartered savings bank with offices within the State of Kansas or the Federal Reserve Bank of Kansas City, Missouri.
6. The municipal investment pool fund established in K.S.A. 12-1677a.
7. Investments authorized in accordance with the conditions prescribed in K.S.A. 12-1677b.
8. Multiple municipal client investment pools managed by the trust departments of commercial banks which have offices in Crawford County.
9. Concentration of credit risk. State statues place no limit on the amount the government may invest in any one issuer as long as the investments are adequately secured under K.S.A. 9-1402 and 9-1405.
10. 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 statues 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. All deposits were legally secured at December 31, 2023.

NOTE 2: DEPOSITS AND INVESTMENTS (Continued)

Cash and investments, Per Bank, at December 31, 2023, were:

Deposits:	
Checking accounts	$3,983,101
Kansas Municipal	$9,706,832
Total	$13,689,933

Total cash and investments, after deducting outstanding checks and deposits in transit was $13,420,666 at December 31, 2023

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

NOTE 3: BUDGETARY INFORMATION

Kansas statutes require that an annual operating budget be legally adopted for the general fund, special revenue funds (unless specifically exempt by statute), debt service funds, and enterprise funds. 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.

The statutes allow for the governing body to increase the originally adopted budget for previously unbudgeted increases in revenue other than ad valorem property taxes.

To do this, a notice of public hearing to amend the budget must be published in the newspaper. At least ten days after publication, the hearing may be held and the governing body may amend the budget at that time.

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 statements 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. Revenues are recognized when cash is received. Expenditures include disbursements and encumbrances. Encumbrances are commitments by the municipality 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, temporary note fund or equipment reserve fund, under statutory authority for exemption, K.S.A. 12-1, 117.

NOTE 4: LONG-TERM DEBT

At December 31, 2023, the City had various general obligation bond issuances outstanding.

Following is a detailed listing of the municipality's long-term debt including capital leases:

Debt Issue	Date Issued	Original Amount	Interest Rate
G.O. Bonds Series 2013	05/01/2013	$1,365,000	2.00%-2.10%
G.O. Bonds Series 2005	05/01/2005	$1,812,000	3.4%-6.25%
G.O. Bonds Series 2008	04/01/2008	$1,885,000	2.85%-4.85%
KS Water Pollution Control	01/13/2017	$173,155	2.18%
KS Water Supply Loan	03/02/2020	$436,307	1.81%

City of Frontenac, Kansas

NOTES TO FINANCIAL STATEMENT – REGULATORY BASIS

December 31, 2023

NOTE 4: LONG-TERM DEBT (Continued)

Capital Leases	Date Issued	Original Amount	Interest Rate
2020 FireTruck	04/17/2020	$358,200	2.19%
2017 Sweeper	10/13/2017	$178,000	2.37%

The following is a summary of changes in the long-term debt for the year ended December 31, 2023:

	Principal Outstanding 12/31/2022	Additions to Principal & Drawdowns	Reduction In Principal	Principal Outstanding 12/31/2023
Gen. Obligation Bonds				
Series 2013	$235,000	$0	$115,000	$120,000
Series 2005	$85,000	$0	$40,000	$45,000
Series 2008	$760,000	$0	$115,000	$645,000
KS Water Supply Loan	$524,589	$72,450	$0	$597,039
KS Water Pollution Control	$962,856	$0	$85,752	$877,104
Total G.O. Bonds & Revolving Loans	$2,567,445	$72,450	$355,752	$2,284,143

NOTE 4: LONG-TERM DEBT (Continued)

	Beginning Principal Outstanding	Additions to Principal	Reductions Of Principal	Ending Principal Outstanding
Capital Leases:				
2020 Fire Truck	$302,904	$0	$21,598	$281,306
2017 Sweeper	$ 53,022	$0	$25,744	$27,278
Total Capital Leases	$355,926	$0	$47,342	$308,584
Total Debt	$2,923,371	$72,450	$403,094	$2,592,727

Kansas Public Water Supply Loan Fund and Water Pollution Revolving Loan Fund

At December 31, 2023 the City has a loan balance outstanding of $597,039 from proceeds received through the Kansas Public Water Supply Loan Fund for a new well. Also, at December 31, 2023, the City had a loan balance outstanding of $877,104 for proceeds received from the Kansas Water Pollution Revolving Loan Program.

Because these revolving loans do not have established future principal and interest payments due to unknown future draw downs, those loans are not included in the summary schedule of future principal and interest.

Please see pages 14-17 for the summary schedule of future principal and interest payments for all of the City's long-term debt obligations as of December 31, 2023.

City of Frontenac, Kansas

NOTES TO FINANCIAL STATEMENT – REGULATORY BASIS

December 31, 2023

NOTE 5: DEFINED BENEFIT PENSION PLAN

Plan Description: The City of Frontenac, KS participates in the Kansas Public Employees Retirement System (KPERS), a cost-sharing multiple-employer defined benefit 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 sss.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 and 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 through March 31, 2017 with a 0% moratorium until June 30, 2017 for the Death and Disability Program) and the statutory contribution rate was 9.18% for the fiscal year ended December 31, 2022. Contributions to the pension plan from the City of Frontenac, KS were $114,080 for the year ended December 31, 2023.

NOTE 6: NET PENSION LIABILITY

At December 31, 2023, the City of Frontenac, Kansas's proportionate share of the collective net pension liability reported by KPERS was $1,111,476. The net pension liability was measured as of June 30, 2023, 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, 2021. The City of Frontenac, Kansas's proportion of the net pension liability was based on the ratio of the City of Frontenac, Kansas' 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 these financial statements.

NOTE 6: NET PENSION LIABILITY (continued)

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 7: COMPENSATED ABSENCES

The City's policy is to pay employees for vacation leave for up to 12 days per year for the first 10 years of service, 18 days per year for service 11 to 15 years, 21 days for service between 16 and 20 years and a maximum of 24 days per year for those with 20 years and more of service to the City. Employees are paid for any unused vacation leave upon termination. Employees also have the right to be paid for up to 40 hours of unused vacation leave each year if requested by December 1 of each year.

The City's employees also earn eight hours of sick leave for each full month of service. There is no limit to the amount of sick leave hours which may be accumulated. An employee shall not be paid for any unused sick leave upon termination of employment.

NOTE 8: CONCENTRATIONS OF CREDIT RISK

Credit is extended to utility customers on a partially-secured basis with a cash deposit required at the inception of service.

NOTE 9: RISK MANAGEMENT

The City is exposed to various risks of loss from torts; theft of, damage to; and destruction of assets; business interruption; errors and omissions; employee injuries and illness; natural disasters; and accident benefits. Commercial insurance coverage is purchased for claims arising from such matters.

NOTE 10: INTERFUND TRANSFERS

In compliance with K.S.A. 12-101(a) and K.S.A. 12-825(d), the following operating transfers were as follows for the year ended December 31, 2023:

From	To	Amount
General Fund	Library Fund	$5,000
General Fund	Capital Imp Reserve Fund	$491,784
General Fund	Equipment Reserve Fund	$50,000

NOTE 11: EVALUATION OF SUBSEQUENT EVENTS

The organization has evaluated subsequent events through August 14, 2024, the date which the financial statements were available to be issued.

NOTE 12: CAPITAL PROJECTS

At December 31, 2021, a renovation of the City's water treatment facilities was in progress, including new controls, filters, pumps, fans, heaters, scrubbers, lime softening, new well, new tower and new water mains. The project is in response to a consent order the City entered into with the State of Kansas in 2019. The State of Kansas approved a 30 year loan at 1.81% interest at an amount not to exceed $12, 034,822. Upon completion of the project and once drinking water standards are confirmed to have been met within the agreement, the City is eligible to receive a loan forgiveness of up to 30% on eligible expenses. Payments on the loan amount borrowed, are due two years after the first disbursement or one year after project completion.

American Recovery and Reinvestment Act Funds (ARPA)

During the year ended December 31, 2023, the City expended $105,016 in ARPA funds received, resulting in a remaining balance of $578,148 at December 31, 2023.

NOTE 13: OTHER LONG-TERM OBLIGATIONS FROM OPERATIONS

Other Post-Employment Benefits: As provided by K.S.A. 12-5040, the municipality allows retirees to participate in the group health insurance plan. While each retiree pays the full amount of the applicable premium, conceptually, the municipality 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 this financial statement.

Under the Consolidated Omnibus Budget Reconciliation Act (COBRA), the municipality 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.

City of Frontenac, KS
NOTES TO FINANCIAL STATEMENT - REGULATORY BASIS
December 31, 2023

Current Maturities of LTD & Interest
for the Next Five Years and through Maturity

		2024
PRINCIPAL:		
General Obligation (G.O.) Bonds		
G.O. Bonds Series 2013	$	120,000
Water & Street Improvements		
G.O. Bonds Series 2010		$0
Street Improvements		
G.O. Bonds Series 2008	$	115,000
Public Building Improvements		
G.O. Bonds Series 2005-B	$	45,000
FSCC Building & Land		
TOTAL BONDS	$	280,000
2017 Street Sweeper	$	27,278
2020 Fire Truck	$	22,065
TOTAL CAPITAL LEASES	$	49,343
GRAND TOTAL PRINCIPAL	$	329,343

City of Frontenac, KS
NOTES TO FINANCIAL STATEMENT - REGULATORY BASIS
December 31, 2023

Current Maturities of LTD & Interest
for the Next Five Years Mr, thru Maturity

	2024
INTEREST:	
General Obligation (G.04 Bonds	
G.O. Bonds Series 2013 *Water & Street Improvements*	$2,520
G.O. Bonds Series 2010 *Street Improvements*	$0
G.O. Bonds Series 2008 *Public Building Improvements*	$32,460
G.O. Bonds Series 2005-B *FSCC Building & Land*	$2,813
TOTAL BONDS	$37,793
Capital Leases	
2017 Street Sweeper	$646
2020 Fire Truck	$6,031
TOTAL CAPITAL LEASES	$6,677
GRAND TOTAL INTEREST	**$44,470**
TOTAL PRINICPAL & INTEREST	**$373,813**

City of Frontenac, KS
NOTES TO FINANCIAL STATEMENT - REGULATORY BASIS
December 31, 2023

Current Maturities of LTD & Interest
for the Next Five Years && thru Maturity

	2025-28	2029-33	2033-37	2038	Total
PRINCIPAL:					
General Obligation (G.O.) Bond					
G.O. Bonds Series 2013 *Water & Street Improvements*	$0	$0	$0	$0	$120,000
G.O. Bonds Series 2010 *Street Improvements*	$0	$0	$0	$0	$0
G.O. Bonds Series 2008 *Public Building Improvements*	$530,000	$0	$0	$0	$645,000
G.O. Bonds Series 2005-B *FSCC Building &*	$0	$0	$0	$0	$45,000
TOTAL BONDS	$530,000	$0	$0	$0	$810,000
Capital Leases					
2017 Street Sweeper	$0	$0	$0	$0	$27,278
2020 Fire Truck	$93,373	$128,987	$36,881	$0	$281,306
TOTAL CAPITAL LEASES	$93,373	$128,987	$36,881	$0	$308,584
0					
GRAND TOTAL PRINICPAL	**$623,373**	**$128,987**	**$36,881**	**$0**	**$1,118,584**

City of Frontenac, KS

NOTES TO FINANCIAL STATEMENT - REGULATORY BASIS

December 31, 2023

Current Maturities of LTD & Interest
for the Next Five Years && thru Maturity

	2025-28	2029-33	2033-37	2038	Total
INTEREST:					
General Obligation (0.0.) Bonds					
G.O. Bonds Series 2013 *Water & Street Improvements*	$0	$0	$0	$0	$4,820
G.O. Bonds Series 2010 *Street Improvements*	$0	$0	$0	$0	$0
G.O. Bonds Series 2008 *Public Building Improvements*	$59,413	$0	$0	$0	$96,273
G.O. Bonds Series 2005-B *FSCC Building & Land*	$0	$0	$0	$0	$5,313
TOTAL BONDS	$59,413	$0	$0	$0	$106,406
Capital Leases					
2017 Street *Sweeper*	$0	$0	$0	$0	$1,278
2020 Fire Truck	$19,010	$11,493	$0	$0	$37,451
TOTAL CAPITAL LEASES	$19,010	$11,493	$0	$0	$38,729
GRAND TOTAL INTEREST	**$78,423**	**$11,493**	**$0**	**$0**	**$145,135**
TOTAL PRINCIPAL & INTEREST	**$701,796**	**$140,480**	**$36,881**	**$0**	**$1,263,719**

Jerry D. Mitchell, CPA, LLC
1080 N. Pebble Creek Road
Nixa, Missouri 65714

City of Frontenac
Frontenac, Kansas

In planning and performing my audit of the financial statement of the City of Frontenac, Kansas, as of and for the year ended December 31, 2023 in accordance with auditing standards generally accepted in the United States of America, I considered the City's internal control over financial reporting (internal control) as a basis for designing my auditing procedures for the purpose of expressing our opinion on the financial statement but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, I do not express an opinion on the effectiveness of the City's internal control.

My consideration of internal control was for the limited purpose described in the preceding paragraph 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. Given these limitations, during my audit, I did not identify any deficiencies in internal control that I consider to be material weaknesses.

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 misstatements on a timely basis. A material weakness is a deficiency or a combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A significant deficiency is a deficiency or combination of control deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

This communication is intended solely for the information and use by the Mayor and City Council and is not intended to be, and should not be, used by anyone other than those specified parties.

Jerry D. Mitchell, CPA, LLC
Nixa, Missouri
August 14, 2024

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City of Frontenac, Kansas

Summary of Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2023

Funds	Certified Budget	Expenditures in Current Year	Variance-Favorable (Unfavorable)
General Funds	$ 6,628,513	$ 3,545,443	$ 3,083,070
Special Revenue Funds			
Special Highway	92,405	38,149	54,256
Special Parks & Recreation	18,762	14,388	4,374
Debt Service Funds			
Bond & Interest	318,693	316,993	1,700
Enterprise Funds			
Water	663,262	490,768	172,494
Sewer	399,351	397,456	1,895
Total	$ 8,120,986	$ 4,803,197	$ 3,317,789

City of Frontenac, Kansas

GENERAL FUND
Summary of Cash Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2023
(With Comparative Actual Totals for the Prior Year Ended December 31, 2022)

	2023	2022	2023 Budget	Variance- Favorable (Unfavorable)
Cash Receipts:				
Taxes and Shared Revenue:				
Ad Valorem Property Tax	$ 1,140,023	$ 1,036,901	$ 1,133,053	6,970
Motor Vehicle (& RV) Tax	169,423	161,489	168,766	657
Franchise Tax (inc Pilot)	588,346	588,606	550,000	38,346
Liquor Tax	13,602	21,254	7,409	6,193
Liquor Tax Park and Rec	0	0	7,409	
Sales and Use Tax	1,548,326	1,566,503	1,500,000	48,326
Licenses and Permits	19,163	30,617	23,000	(3,837)
Fines, Forfeitures and Penatlties	68,369	90,849	100,000	(31,631)
Miscellaneous	19,651	11,681	11,000	8,651
Investment Income	27,796	10,595	11,000	16,796
Pool Admission and Fees	15,185	14,423	11,000	4,185
Cemetary Income	55,809	61,533	56,000	(191)
Sugar Creek CDBG	(9,375)	-	(9,375)	-
Police Fees	645	235	-	645
Storm Water Fee	17,667	17,747	17,500	167
Library Trust	-	-	-	-
Federal Aid-State of Kansas	-	258,520	-	-
State Dept of Transportation	-	6,729	-	-
Community Improvement District Sales Tax	53,455	56,199	-	56,199
Federal Aid-Department of Commerce	-	-	-	-
Total Cash Receipts	$ 3,728,085	$ 3,933,881	$ 3,586,762	$ 151,476
Expenditures:				
General Government	$ 681,094	$ 783,845	$ 792,394	$ 111,300
Police Department	1,049,079	971,264	994,390	(54,689)
Fire Department	232,701	236,685	253,512	20,811
Municipal Court	132,582	133,004	130,334	(2,248)
Civil Defense	4,908	6,683	15,000	10,092
Street Department	487,659	609,855	626,015	138,356
Cemetery	32,568	66,726	68,000	35,432
Street Lighting	65,720	47,301	49,500	(16,220)
Federal Aid-COVID-Dept of Commerce	-	-	-	-
Contingency Fund	-	-	-	-
Cultural Activities	32,782	28,451	32,500	(282)
Engineering	113,961	46,829	61,372	(52,589)
Economic Development	21,280	5,350	113,000	91,720
Parks & Recreation	165,351	83,926	124,083	(41,268)
Miscellaneous	8,871	-	5,000	3,871
Disbursements-CID	57,675	52,323	-	(52,323)
Disbursmentss-IRB	-	18,750	-	-
Cash Forward	-	-	3,016,029	3,016,029
Transfer to Other Funds	459,212	821,539	347,384	(111,828)
Total Expenditures	$ 3,545,443	$ 3,912,531	$ 6,628,513	$ (3,083,070)
Receipts Over (Under) Expenditures	$ 182,642	$ 21,350	$ (3,041,751)	$ 3,234,546
Unencumbered Cash, Beginning	2,180,598	2,497,144		
Unencumbered Cash, Ending	$ 2,363,240	$ 2,518,494		

City of Frontenac, Kansas

SPECIAL HIGHWAY FUND
Summary of Cash Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2023
(With Comparative Actual Totals for the Prior Year Ended December 31, 2022)

	2023 Actual	2022 Actual	2023 Budget	Variance-Favorable (Unfavorable)
Cash Receipts:				
Taxes and Shared Revenue:				
State Allocations	$ 91,884	$ 91,775	$ 94,200	$ (2,316)
County Allocations	15,315	12,246	12,170	3,145
Miscellaneous				-
Total Cash Receipts	$ 107,199	$ 104,021	$ 106,370	$ 829
Expenditures:				
Personal Service	$ -	$ 9,320	$ 30,482	$ 30,482
Contractual Service	-	2,514	-	0
Commodities	10,226	6,805	9,000	(1,226)
Capital Outlay	27,923	-	52,923	25,000
Other Miscellaneous Expense	-	-	-	-
Total Expenditures	$ 38,149	$ 18,639	$ 92,405	$ 54,256
Receipts Over (Under) Expenditures	$ 69,050	$ 85,382	$ 13,965	$ (53,427)
Unencumbered Cash, Beginning	275,655	190,273		
Unencumbered Cash, Ending	$ 344,705	$ 275,655		

City of Frontenac, Kansas

SPECIAL PARKS AND RECREATION

Summary of Cash Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2023
(With Comparative Actual Totals for the Prior Year Ended December 31, 2022)

	2023 Actual	2022 Actual	2023 Budget	Variance-Favorable (Unfavorable)
Cash Receipts:				
Taxes and Shared Revenue:				
Liquor tax	$ 13,602	$ -	$ -	$ 13,602
County Allocations	-	-	-	-
Charges for Services - Pool	-	-	-	-
Miscellaneous Revenue, Reimbursements	1,030	-	-	$ 1,030
Transfers From Other Funds	-	-	-	-
Total Cash Receipts	$ 14,632	$ -	$ -	$ 14,632
Expenditures:				
Personal Service	$ -	$ -	$ -	$ -
Commodities	-	-	-	-
Contractual Service	-	-	-	-
Capital Outlay	-	-	-	-
Other Improvements	14,388	-	18,762	4,374
Total Expenditures	$ 14,388	$ -	$ 18,762	4,374
Receipts Over (Under) Expenditures	$ 244	$ -	$ (18,762)	$ 10,258
Unencumbered Cash, Beginning, Restated	5,317	5,317		
Unencumbered Cash, Ending,	$ 5,561	$5,317		

BOND & INTEREST FUND
Summary of Cash Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2023
(With Comparative Actual Totals for the Prior Year Ended December 31, 2022

	2023	2022	2023 Budget	Variance-Favorable (Unfavorable)
Cash Receipts:				
Taxes and Shared Revenue:				
Ad Valorem Property Tax	$ 189,586	$ 204,821	$ 188,488	$ 1,098
Motor Vehicle (& RV) Tax	33,798	33,064	33,411	387
Special Assessments	19,300	18,860	18,750	550
Transfer From Water Fund	-	-	-	-
Lease Rental Income and Misc	69,300	81,900	75,600	(6,300)
Total Cash Receipts	$ 311,984	$ 338,645	$ 316,249	$ (4,265)
Expenditures:				
Debt Service	$ 316,993	$ 321,193	$ 318,693	$ 1,700
Total Expenditures	$ 316,993	$ 321,193	$ 318,693	$ 1,700
	ok		ok	
Receipts Over (Under) Expenditures	$ (5,009)	$ 17,452	$ (2,444)	$ (2,565)
Unencumbered Cash, Beginning	52,782	35,330		
Unencumbered Cash, Ending	$ 47,773	$ 52,782		

City of Frontenac, Kansas

EQUIPMENT RESERVE FUND
Summary of Cash Receipts and Expenditures - Actual
Regulatory Basis
For the Year Ended December 31, 2023
(With Comparative Actual Totals for the Prior Year Ended December 31, 2022

	2023 Actual	2022 Actual
Cash Receipts:		
Taxes and Shared Revenue:		
Investment Income	$ 9,641	$ 1,469
Transfer From Other Funds	50,000	30,000
Total Cash Receipts	$ 59,641	$ 31,469
Expenditures:		
Transfer to the General Fund	-	-
Capital expenditures	-	9,039
Total Expenditures	-	9,039
Receipts Over (Under) Expenditures	59,641	22,430
Unencumbered Cash, Beginning	247,305	224,876
Unencumbered Cash, Ending	$ 306,946	$ 247,305

City of Frontenac, Kansas

WATER FUND
Summary of Cash Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2023
(With Comparative Actual Totals for the Prior Year Ended December 31, 2022)

	2023 Actual	2022 Actual	2023 Budget	Variance-Favorable (Unfavorable)
Cash Receipts:				
Utility Charges	$ 740,177	$ 740,357	$ 693,500	$ 46,677
Maintenance Fee	121,087	121,713	122,000	(913)
Connects and Disconnects	-	-	-	-
Miscellaneous Revenue	10,494	8,035	2,500	7,994
Penalties	10,719	10,500	10,450	269
Water Protection Fee	8,833	8,871	8,900	(67)
Total Cash Receipts	$ 891,310	$ 889,476	$ 837,350	$ 53,960
Expenditures:				
Personal Services	$ 156,332	$ 180,283	$ 180,322	$ 23,990
Contractual Services	114,505	113,018	127,000	12,495
Commodities	72,808	67,389	78,250	5,442
Miscellaneous/Water Protection/Clean Water Fee	6,084	6,034	4,500	(1,584)
Capital Outlay	132,174	199,870	270,000	137,826
Debt Service Water Loan	8,865	-	-	(8,865)
Transfer to Other Funds	-	-	-	-
Total Expenditures	$ 490,768	$ 566,594	$ 663,262	$ 169,304
Receipts Over (Under) Expenditures	$ 400,542	$ 322,882	$ 174,088	$ 223,264
Unencumbered Cash, Beginning, Restated	2,093,069	1,770,187		
Unencumbered Cash, Ending	$2,493,611	$2,093,069		

SEWER FUND
Summary of Cash Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2023
(With Comparative Actual Totals for the Prior Year Ended December 31, 2022)

	2023 Actual	2022 Actual	2023 Budget	Variance- Favorable (Unfavorable)
Cash Receipts:				
Utility Charges	$ 607,114	$ 594,207	$ 620,000	$ (12,886)
Miscellaneous Revenue	15	-	-	15
Proceeds from KDHE Loan	-	-	-	-
Transfer From Other Funds	-	-	-	-
Total Cash Receipts	$ 607,129	$ 594,207	$ 620,000	$ (12,871)
Expenditures:				
Personal Services	$ 139,826	$ 179,066	$ 174,551	$ 34,725
Contractual Services	108,825	91,708	102,300	(6,525)
Commodities	42,527	24,510	12,500	(30,027)
Capital Outlay	0	81,158	-	0
Debt Service	106,278	-	110,000	3,722
Miscellaneous	-	-	-	0
Transfer to Other Fund	-	-	-	0
Total Expenditures	$ 397,456	$ 376,442	$ 399,351	$ (1,895)
Receipts Over (Under) Expenditures	$ 209,673	$ 217,765	$ 220,649	$ (14,766)
Unencumbered Cash, Beginning, Restated	1,191,499	973,734		
Unencumbered Cash, Ending	$1,401,172	$1,191,499		

CAPITAL IMPROVEMENTS FUND
Summary of Cash Receipts and Expenditures - Actual
Regulatory Basis
For the Year Ended December 31, 2023
(With Comparative Actual Totals for the Prior Year Ended December 31, 2022)

	2023 Actual	2022 Actual
Cash Receipts:		
Insurance Reimbursement	$46,222	$0
Transfer from General Fund for Sewer	400,000	0
Transfer from General Fund for Covid Relief	41,236	0
Transfer from General Fund for Police Vehicle	35,174	0
Investment Income	29,738	897
Transfer from General Fund for Vehicle (Codes)	15,374	791,539
Total Cash Receipts	$ 567,744	$ 792,436
Expenditures:		
Personal Service	$ -	$ -
Contractual Service	-	-
Commodities	-	-
Capital Improvements	86,546	96,392
Vehicles	175,281	51,013
Total Expenditures	$ 261,827	$ 147,405
Receipts Over (Under) Expenditures	$ 305,917	$ 645,031
Unencumbered Cash, Beginning	$ 1,525,911	$ 880,880
Unencumbered Cash, Ending	$ 1,831,828	$1,525,911

CAPITAL IMPROVEMENTS FUND-LIBRARY
Summary of Cash Receipts and Expenditures - Actual
Regulatory Basis
For the Year Ended December 31, 2023
(With Comparative Actual Totals for the Prior Year Ended December 31, 2022)

	2023 Actual	2022 Actual
Cash Receipts:		
Transfer from General Fund	$5,000	$0
Investment Income	202,197	28,497
Total Cash Receipts	$ 207,197	$ 28,497
Expenditures:		
Personal Service	$ 81,448	$ 17,209
Contractual Service	-	-
Commodities	100,616	1,012
Capital Expenditures	23,044	-
Total Expenditures	$ 205,108	$ 18,240
Receipts Over (Under) Expenditures	$ 2,089	$ 10,257
Unencumbered Cash, Beginning	$ 4,591,856	$ 4,581,599
Unencumbered Cash, Ending	$ 4,593,945	$ 4,591,856

City of Frontenac, Kansas

METER DEPOSIT FUND
Summary of Cash Receipts and Cash Disbursements
Regulatory Basis
For the Year Ended December 31, 2023

	Beginning Cash Balance, Restated 12/31/2022	Cash Receipts	Cash Disbursements	Ending Cash Balance, 12/31/23
Meter Deposits, restated	$ 30,218	$ 8,865	$ 7,198	$ 31,885