

# **City of Frontenac, Kansas**

Independent Auditor's Report &  
Financial Statement  
With Supplementing Information

December 31, 2017

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

# City of Frontenac, Kansas

December 31, 2017

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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, 2017, and the related notes to the financial statement.

### **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 responsibility is to express an opinion on the financial statement based on my audit. I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the Kansas Municipal Audit and Accounting Guide. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statement is free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statement. The procedures selected depend on auditor's judgment, including the assessment of the risks of material misstatement of the financial statement, whether due to fraud or error. In making those assessments, the auditor considers internal control relevant to the City's preparation and fair presentation of the financial statement to design audit procedures that are appropriate in the circumstances, but not for expressing an opinion on the effectiveness of the City's internal control. Accordingly, I express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statement.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

### **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.

#### **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, 2017, or changes in financial position and cash flows thereof for the year then ended.

#### **Opinion on Regulatory Basis of Accounting**

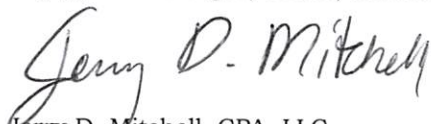
In my opinion, the financial statement referred to above presents fairly, in all material respects, the aggregate cash and unencumbered cash balance of the City of Frontenac, Kansas, as of December 31, 2017, and the aggregate receipts and expenditures for the year then ended in accordance with the financial reporting provisions of the Kansas Municipal Audit and Accounting Guide described in Note 1.

#### **Other Matters**

##### **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 2016 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/chief-financial-officer/municipal-services>.



Jerry D. Mitchell, CPA, LLC  
Nixa, Missouri  
August 16, 2018

## City of Frontenac, Kansas

### Summary Statement of Cash Receipts, Expenditures and Unencumbered Cash Regulatory Basis For the Year Ended December 31, 2017

Funds	Beginning Cash and Investment Balance, Restated	Cash Receipts	Expenditures	Unnumbered Ending Cash and Investment Balance	Outstanding Encumbrance s and Accounts Payable	Ending Cash and Investment Balance
General Fund	\$ 607,688	\$ 2,624,241	\$ 2,164,690	\$ 1,067,239	\$ -	\$ 1,067,239
Special Purpose Funds						
Special Highway	83,018	103,253	79,285	106,986	-	106,986
Special Parks & Recreation	429	67,683	74,017	(5,905)	-	(5,905)
Special Equipment Reserve	227,376	47,660	83,696	191,340	-	191,340
Debt Service Funds						
Bond & Interest	136,465	288,371	385,409	39,427	-	39,427
Temporary Note-Sewer	-	-	-	-	-	-
Business (Enterprise) Funds						
Water	547,950	587,935	487,516	648,369	-	648,369
Sewer	287,242	426,273	383,333	330,182	-	330,182
<b>Total</b>	<b>\$ 1,890,168</b>	<b>\$ 4,145,416</b>	<b>\$ 3,657,946</b>	<b>\$ 2,377,638</b>	<b>\$ -</b>	<b>\$ 2,377,638</b>
 Composition of Cash and Investments:						
Checking Account	\$ 1,649,982					\$ 2,139,835
Certificate of Deposits	\$ 266,858					\$ 267,926
<b>Total Cash and Investments</b>	<b>\$ 1,916,840</b>					<b>\$ 2,407,761</b>
Less Agency Fund (Meter Deposits)	\$ (26,672)					\$ (30,125)
	<b>\$ 1,890,168</b>					<b>\$ 2,377,636</b>

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

# City of Frontenac, Kansas

## NOTES TO FINANCIAL STATEMENT – REGULATORY BASIS

December 31, 2017

### 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 in the City's financial statements.
- 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 these 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 an 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



# City of Frontenac, Kansas

## NOTES TO FINANCIAL STATEMENT – REGULATORY BASIS

December 31, 2017

### 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, 2017, the City had deposits, including certificates of deposit, of \$2,673,571, 100% of which 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.

# **City of Frontenac, Kansas**

## **NOTES TO FINANCIAL STATEMENT – REGULATORY BASIS**

**December 31, 2017**

### **NOTE 2: DEPOSITS AND INVESTMENTS (Continued)**

The City had no investments at December 31, 2017.

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 statutes 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 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. All deposits were legally secured at December 31, 2017.



# City of Frontenac, Kansas

## NOTES TO FINANCIAL STATEMENT – REGULATORY BASIS

December 31, 2017

### NOTE 2: DEPOSITS AND INVESTMENTS (Continued)

Cash and investments, Per Bank, at December 31, 2017, were:

Deposits:	
Checking accounts	\$2,405,645
Certificates of deposit	\$ 267,926
Total	\$2,673,571

Total cash and investments, after deducting outstanding checks and deposits in transit was \$2,377,636 at December 31, 2017.

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 1<sup>st</sup>.
2. Publication in local newspaper on or before August 5<sup>th</sup> of the proposed budget and notice of public hearing on the budget.
3. Public hearing on or before August 15<sup>th</sup>, but at least ten days after publication of notice of hearing.
4. Adoption of the final budget on or before August 25<sup>th</sup>.

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.

# City of Frontenac, Kansas

## NOTES TO FINANCIAL STATEMENT – REGULATORY BASIS

December 31, 2017

### NOTE 3: BUDGETARY INFORMATION (Continued)

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, 2017, 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 2010	09/15/2010	\$250,000	2.5%-4.75%
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%
KDHE Revolving 1345-01	12/04/2008	\$2,688,832	3.44%
KS Water Pollution Control	01/13/2017	\$173,155	2.18%

# City of Frontenac, Kansas

## NOTES TO FINANCIAL STATEMENT – REGULATORY BASIS

December 31, 2017

### NOTE 4: LONG-TERM DEBT (Continued)

Capital Leases	Date Issued	Original Amount	Interest Rate
2012 Backhoe	09/25/2012	\$87,604	3.30%
2012 Silverado	04/05/2012	\$30,281	3.25%
2013 Excavator	09/20/2013	\$24,471	4.30%
2015 Silverado	04/14/2014	\$36,000	3.5%
2017 Silverado	11/15/2017	\$30,552	2.99%
2017 Silverado	02/10/2017	\$37,007	2.50%
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, 2017:

	Principal Outstanding 12/31/2016	Additions to Principal & Drawdowns	Reduction In Principal	Principal Outstanding 12/31/2017
Gen. Obligation Bonds				
Series 2013	\$960,000	\$0	\$145,000	\$815,000
Series 2010	\$114,000	\$0	\$26,000	\$88,000
Series 2005	\$290,000	\$0	\$30,000	\$260,000
Series 2008	\$1,345,000	\$0	\$85,000	\$1,260,000
KDHE Revolve 1345-01	\$167,650	\$0	\$167,650	\$0
KS Water Pollution Control	\$173,155	\$608,471	\$33,834	\$747,792
Total G.O. Bonds & Revolving Loans	\$3,049,805	\$608,471	\$487,484	\$3,170,792

# City of Frontenac, Kansas

## NOTES TO FINANCIAL STATEMENT – REGULATORY BASIS

December 31, 2017

### NOTE 4: LONG-TERM DEBT (Continued)

	Beginning Principal Outstanding	Additions to Principal	Reductions Of Principal	Ending Principal Outstanding
Capital Leases:				
2012 Backhoe	\$33,395	\$0	\$11,795	\$21,600
2017 Silverado	\$29,704	\$0	\$10,185	\$19,519
2013 JD Excavator	\$9,270	\$0	\$5,211	\$4,059
2017 Silverado	\$0	\$37,007	\$10,006	\$27,001
2017 Sweeper	\$0	\$178,000	\$0	\$178,000
Total Capital Leases	\$72,369	\$215,007	\$37,197	\$250,179
Total Debt	\$3,122,174	\$823,478	\$524,681	\$3,420,971

### Kansas Department of Health and Environment Revolving Loans

During the year ended December 31, 2017, the City paid off the remaining principal balance outstanding with the Kansas Department of Health and Environment (KDHE), project number 1345-01.

During the year ended December 31, 2017, the City received additional proceeds in the amount of \$608,471 through the Kansas Water Pollution Control Program for sewer improvements.

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 11-14 for the summary schedule of future principal and interest payments for all of the City's long-term debt obligations as of December 31, 2017.

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**City of Frontenac, KS**  
**NOTES TO FINANCIAL STATEMENT - REGULATORY BASIS**  
**December 31, 2017**

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

	2018	2019	2020	2021	2022
<b>PRINCIPAL:</b>					
<b>General Obligation (G.O.) Bonds</b>					
G.O. Bonds Series 2013 <i>Water &amp; Street Improvements</i>	\$ 150,000.00	\$ 100,000.00	\$ 100,000.00	\$ 115,000.00	\$ 115,000.00
G.O. Bonds Series 2010 <i>Street Improvements</i>	\$ 28,000.00	\$ 29,000.00	\$ 31,000.00	\$ -	
G.O. Bonds Series 2008 <i>Public Building Improvements</i>	\$ 90,000.00	\$ 95,000.00	\$ 100,000.00	\$ 105,000.00	\$ 110,000.00
G.O. Bonds Series 2005-B <i>FSCC Building &amp; Land</i>	\$ 30,000.00	\$ 35,000.00	\$ 35,000.00	\$ 35,000.00	\$ 40,000.00
<b>TOTAL BONDS</b>	<b>\$ 298,000.00</b>	<b>\$ 259,000.00</b>	<b>\$ 266,000.00</b>	<b>\$ 255,000.00</b>	<b>\$ 265,000.00</b>
<b>Capital Leases</b>					
2012 Backhoe	\$ 12,189.87	\$ 9,410.54	\$ -	\$ -	\$ -
2013 Excavator	\$ 4,058.53	\$ -	\$ -	\$ -	\$ -
2017 Chevy Silverado (Public Works)	\$ 10,183.80	\$ 9,335.15	\$ -	\$ -	\$ -
2017 Street Sweeper	\$ 23,524.65	\$ 24,262.12	\$ 24,837.14	\$ 25,425.78	\$ 26,028.37
2017 Chevy Silverado (Police)	\$ 12,281.70	\$ 12,592.29	\$ 2,127.24	\$ -	\$ -
<b>TOTAL CAPITAL LEASES</b>	<b>\$ 62,238.55</b>	<b>\$ 55,600.10</b>	<b>\$ 26,964.38</b>	<b>\$ 25,425.78</b>	<b>\$ 26,028.37</b>
<b>GRAND TOTAL PRINCIPAL</b>	<b>\$ 360,238.55</b>	<b>\$ 314,600.10</b>	<b>\$ 292,964.38</b>	<b>\$ 280,425.78</b>	<b>\$ 291,028.37</b>

**City of Frontenac, KS**  
**NOTES TO FINANCIAL STATEMENT - REGULATORY BASIS**  
**December 31, 2017**

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

	2018	2019	2020	2021	2022
<b>INTEREST:</b>					
<b>General Obligation (G.O.) Bonds</b>					
G.O. Bonds Series 2013 <i>Water &amp; Street Improvements</i>	\$ 16,420.00	\$ 13,420.00	\$ 11,420.00	\$ 9,420.00	\$ -
G.O. Bonds Series 2010 <i>Street Improvements</i>	\$ 2,280.00	\$ 1,622.00	\$ 868.00	\$ -	\$ -
G.O. Bonds Series 2008 <i>Public Building Improvements</i>	\$ 56,305.00	\$ 52,975.00	\$ 49,460.00	\$ 45,460.00	\$ 41,260.00
G.O. Bonds Series 2005-B <i>FSCC Building &amp; Land</i>	\$ 16,000.00	\$ 14,200.00	\$ 12,100.00	\$ 10,000.00	\$ -
<b>TOTAL BONDS</b>	<b>\$ 91,005.00</b>	<b>\$ 82,217.00</b>	<b>\$ 73,848.00</b>	<b>\$ 64,880.00</b>	<b>\$ 41,260.00</b>
<b>Capital Leases</b>					
2012 Backhoe	\$ 529.53	\$ 130.01	\$ -	\$ -	\$ -
2013 Excavator	\$ 73.38	\$ -	\$ -	\$ -	\$ -
2017 Chevy Silverado (Public Works)	\$ -	\$ -	\$ -	\$ -	\$ -
2017 Street Sweeper	\$ 4,398.54	\$ 3,661.07	\$ 3,086.05	\$ 2,497.41	\$ 1,894.82
2017 Chevy Silverado (Police)	\$ 535.00	\$ 224.41	\$ 6.66	\$ -	\$ -
<b>TOTAL CAPITAL LEASES</b>	<b>\$ 5,536.45</b>	<b>\$ 4,015.49</b>	<b>\$ 3,092.71</b>	<b>\$ 2,497.41</b>	<b>\$ 1,894.82</b>
<b>GRAND TOTAL INTEREST</b>	<b>\$ 96,541.45</b>	<b>\$ 86,232.49</b>	<b>\$ 76,940.71</b>	<b>\$ 67,377.41</b>	<b>\$ 43,154.82</b>
<b>TOTAL PRINCIPAL &amp; INTEREST</b>	<b>\$ 456,780.00</b>	<b>\$ 400,832.59</b>	<b>\$ 369,905.09</b>	<b>\$ 347,803.19</b>	<b>\$ 334,183.19</b>



**City of Frontenac, KS**  
**NOTES TO FINANCIAL STATEMENT - REGULATORY BASIS**  
**December 31, 2017**

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

	2023-27	2028-32	2033-37	2038	Total
<b>PRINCIPAL:</b>					
<b>General Obligation (G.O.) Bonds</b>					
G.O. Bonds Series 2013	\$ 235,000.00	\$ -	\$ -	\$ -	\$ 815,000.00
<i>Water &amp; Street Improvements</i>					
G.O. Bonds Series 2010	\$ -	\$ -	\$ -	\$ -	\$ 88,000.00
<i>Street Improvements</i>					
G.O. Bonds Series 2008	\$ 620,000.00	\$ 140,000.00	\$ -	\$ -	\$ 1,260,000.00
<i>Public Building Improvements</i>					
G.O. Bonds Series 2005-B	\$ 85,000.00	\$ -	\$ -	\$ -	\$ 260,000.00
<i>FSCC Building &amp; Land</i>					
<b>TOTAL BONDS</b>	<b>\$ 940,000.00</b>	<b>\$ 140,000.00</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 2,423,000.00</b>
<b>Capital Leases</b>					
2012 Backhoe	\$ -	\$ -	\$ -	\$ -	\$ 21,600.41
2013 Excavator	\$ -	\$ -	\$ -	\$ -	\$ 4,058.53
2017 Chevy Silverado (Public Works)	\$ -	\$ -	\$ -	\$ -	\$ 19,518.95
2017 Street Sweeper	\$ 53,921.94	\$ -	\$ -	\$ -	\$ 178,000.00
2017 Chevy Silverado (Police)	\$ -	\$ -	\$ -	\$ -	\$ 27,001.23
<b>TOTAL CAPITAL LEASES</b>	<b>\$ 53,921.94</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 250,179.12</b>
<b>GRAND TOTAL PRINCIPAL</b>	<b>\$ 993,921.94</b>	<b>\$ 140,000.00</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 2,673,179.12</b>

**City of Frontenac, KS**  
**NOTES TO FINANCIAL STATEMENT - REGULATORY BASIS**  
**December 31, 2017**

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

	<u>2023-27</u>	<u>2028-32</u>	<u>2033-37</u>	<u>2038</u>	<u>Total</u>
<b>INTEREST:</b>					
<b>General Obligation (G.O.) Bonds</b>					
G.O. Bonds Series 2013 <i>Water &amp; Street Improvements</i>	\$ 14,460.00	\$ -	\$ -	\$ -	\$ 65,140.00
G.O. Bonds Series 2010 <i>Street Improvements</i>	\$ -	\$ -	\$ -	\$ -	\$ 4,770.00
G.O. Bonds Series 2008 <i>Public Building Improvements</i>	\$ 126,342.50	\$ 6,790.00	\$ -	\$ -	\$ 378,592.50
G.O. Bonds Series 2005-B <i>FSCC Building &amp; Land</i>	\$ 15,937.50	\$ -	\$ -	\$ -	\$ 68,237.50
<b>TOTAL BONDS</b>	<b>\$ 156,740.00</b>	<b>\$ 6,790.00</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 516,740.00</b>
<b>Capital Leases</b>					
2012 Backhoe	\$ -	\$ -	\$ -	\$ -	\$ 659.54
2013 Excavator	\$ -	\$ -	\$ -	\$ -	\$ 73.38
2017 Chevy Silverado (Public Works)	\$ -	\$ -	\$ -	\$ -	\$ -
2017 Street Sweeper	\$ 1,924.44	\$ -	\$ -	\$ -	\$ 17,462.33
2017 Chevy Silverado (Police)	\$ -	\$ -	\$ -	\$ -	\$ 766.07
<b>TOTAL CAPITAL LEASES</b>	<b>\$ 1,924.44</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 18,961.32</b>
<b>GRAND TOTAL INTEREST</b>	<b>\$ 158,664.44</b>	<b>\$ 6,790.00</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 535,701.32</b>
<b>TOTAL PRINCIPAL &amp; INTEREST</b>	<b>\$ 1,152,586.38</b>	<b>\$ 146,790.00</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 3,208,880.44</b>

# **City of Frontenac, Kansas**

## **NOTES TO FINANCIAL STATEMENT – REGULATORY BASIS**

**December 31, 2017**

### **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](http://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, 2017. Contributions to the pension plan from the City of Frontenac, KS were \$96,433 for the year ended December 31, 2017.

### **NOTE 6: NET PENSION LIABILITY**

At December 31, 2017, the City of Frontenac, Kansas's proportionate share of the collective net pension liability reported by KPERS was \$894,682. The net pension liability was measured as of June 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2016, which was rolled forward to June 30, 2017. 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.

# City of Frontenac, Kansas

## NOTES TO FINANCIAL STATEMENT – REGULATORY BASIS

December 31, 2017

### 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](http://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, 2017:

<u>From</u>	<u>To</u>	<u>Amount</u>
General Fund	Park & Recreation Fund	\$50,000
General Fund	Equipment Reserve Fund	\$46,624
Sewer Fund	Equipment Reserve Fund	\$518
Water Fund	Equipment Reserve Fund	\$518

# City of Frontenac, Kansas

## NOTES TO FINANCIAL STATEMENT – REGULATORY BASIS

December 31, 2017

### NOTE 11: EVALUATION OF SUBSEQUENT EVENTS

The organization has evaluated subsequent events through August 14, 2018, the date which the financial statements were available to be issued.

### NOTE 12: CAPITAL PROJECTS

At December 31, 2017, capital projects authorizations, with approved change orders, compared with expenditures from inception are as follows:

<u>Project Name</u>	<u>Expenditures to Date</u>	<u>Project Authorization</u>	<u>Completion Date</u>
Leighton Street Pump Station	\$183,469	\$183,469	2017

### NOTE 13: STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

The City was not in compliance with Kansas statute, K.S.A. 10-816, as it has checks outstanding greater than two years and not restored to the fund originally charged. In addition, the City was not in compliance with Kansas statute K.S.A. 10-1113/1121, as the City's Recreation fund had a negative cash balance as of December 31, 2017, of \$5,905.

### NOTE 14: 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.

**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, 2017, 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. However, as discussed below, I identified certain deficiencies in internal control that I consider to be a material weakness or a significant deficiency.

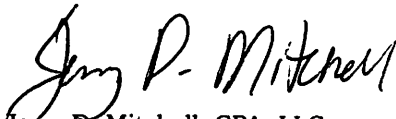
A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A material weakness is a deficiency or a combination of deficiencies 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. I consider the following to be material weakness:

The City's Treasurer's report for the year ended December 31, 2017, did not reconcile to the December 31, 2017 bank statement and had to be adjusted and reconciled during the audit process.

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. I consider the following deficiency in internal control to be significant deficiencies:

The City was not in compliance with Kansas Statute, K.S.A. 10-816, as it had checks outstanding greater than two years and not restored to the fund originally charged. In addition, the City was not in compliance with Kansas Statute, K.S.A. 10-1113/10-1121 as the Recreation Fund had a negative fund balance of \$5,905 at December 31, 2017.

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 16, 2018

## City of Frontenac, Kansas

### Summary of Expenditures - Actual and Budget Regulatory Basis For the Year Ended December 31, 2017

Funds	Certified Budget	Expenditures in Current Year	Variance- Favorable (Unfavorable)
General Funds	\$ 2,451,818	\$ 2,164,690	\$ 287,128
Special Revenue Funds			
Special Highway	90,100	79,285	10,815
Special Parks & Recreation	73,350	74,017	(667)
Debt Service Funds			
Bond & Interest	435,409	385,409	\$ 50,000
Enterprise Funds			
Water	619,100	487,516	\$ 131,584
Sewer	387,290	383,333	\$ 3,957
Total	<u>\$ 4,057,067</u>	<u>\$ 3,574,250</u>	<u>\$ 482,817</u>



# City of Frontenac, Kansas

## GENERAL FUND

### Summary of Cash Receipts and Expenditures - Actual and Budget Regulatory Basis

For the Year Ended December 31, 2017

(With Comparative Actual Totals for the Prior Year Ended December 31, 2016)

	2017 Actual	2016 Actual	2017 Budget	Variance- Favorable (Unfavorable)
<b>Cash Receipts:</b>				
<b>Taxes and Shared Revenue:</b>				
Ad Valorem Property Tax	\$ 815,378	\$ 747,717	\$ 826,055	\$ (10,677)
Motor Vehicle (& RV) Tax	131,401	113,636	122,596	8,805
Franchise Tax (inc Pilot)	474,918	440,687	422,530	52,388
Liquor Tax	6,886	2,679	5,000	1,886
Sales and Use Tax	986,240	1,000,576	920,000	66,240
Licenses and Permits	13,885	11,759	6,000	7,885
Fines, Forfeitures and Penalties	93,180	76,259	80,000	13,180
Miscellaneous	30,335	15,076	26,500	3,835
Investment Income	2,088	1,408	1,000	1,088
Rent / Sale of Property and Equipment	0	17,500	-	-
Donations	11,396	13,900	12,500	(1,104)
Insurance and Other Reimbursements	48,626	45,869	50,000	(1,374)
Sugar Creek CDBG	9,375	-	-	9,375
Miscellaneous Grants	533	-	-	-
<b>Total Cash Receipts</b>	<b>\$ 2,624,241</b>	<b>\$ 2,487,066</b>	<b>\$ 2,472,181</b>	<b>\$ 151,527</b>
<b>Expenditures:</b>				
General Government	\$ 718,309	\$ 699,186	\$ 715,553	\$ (2,756)
Police Department	693,022	630,143	689,500	(3,522)
Fire Department	181,291	175,691	241,765	60,474
Municipal Court	143,614	168,193	173,400	29,786
Civil Defense	980	13,427	15,000	14,020
Street Department	112,818	103,853	277,200	164,382
Cemetery	4,493	9,105	25,000	20,507
Street Lighting	46,417	47,070	53,500	7,083
Debt Service-KDOT Revolving Loans	-	-	-	-
Miscellaneous	49,395	57,483	50,000	605
Grant Participation	-	-	-	-
Cultural Activities	13,309	5,483	37,000	23,691
Engineering	100,426	99,527	113,900	13,474
Economic Development	3,992	-	10,000	6,008
Grant Project Expense	-	-	-	-
Transfer to Other Funds	96,624	87,131	50,000	(46,624)
<b>Total Expenditures</b>	<b>\$ 2,164,690</b>	<b>\$ 2,096,292</b>	<b>\$ 2,451,818</b>	<b>\$ 287,128</b>
<b>Receipts Over (Under) Expenditures</b>	<b>\$ 459,551</b>	<b>\$ 390,774</b>	<b>\$ 20,363</b>	<b>\$ (135,601)</b>
<b>Unencumbered Cash, Beginning</b>	<b>607,688</b>	<b>210,914</b>		
<b>Unencumbered Cash, Ending</b>	<b>\$ 1,067,239</b>	<b>\$ 601,688</b>		

# City of Frontenac, Kansas

## SPECIAL HIGHWAY FUND

### Summary of Cash Receipts and Expenditures - Actual and Budget Regulatory Basis

For the Year Ended December 31, 2017

(With Comparative Actual Totals for the Prior Year Ended December 31, 2016)

	2017 Actual	2016 Actual	2017 Budget	Variance- Favorable (Unfavorable)
<b>Cash Receipts:</b>				
<b>Taxes and Shared Revenue:</b>				
State Allocations	\$ 91,129	\$ 91,084	\$ 89,390	\$ 1,739
County Allocations	12,124	12,261	11,180	944
Miscellaneous		-		-
<b>Total Cash Receipts</b>	<u>\$ 103,253</u>	<u>\$ 103,345</u>	<u>\$ 100,570</u>	<u>\$ 2,683</u>
<b>Expenditures:</b>				
Personal Service	\$ 69,817	\$ 67,497	\$ 74,900	\$ 5,083
Contractual Service	5,802	6,620	9,500	3,698
Commodities	3,666	90	5,700	2,034
Capital Outlay	-	-	-	-
Other Miscellaneous Expense	-	-	-	-
<b>Total Expenditures</b>	<u>\$ 79,285</u>	<u>\$ 74,207</u>	<u>\$ 90,100</u>	<u>\$ 10,815</u>
 Receipts Over (Under) Expenditures	 \$ 23,968	 \$ 29,138	 <u>\$ 10,470</u>	 <u>\$ (8,132)</u>
 Unencumbered Cash, Beginning	 <u>83,018</u>	 <u>53,880</u>		
 Unencumbered Cash, Ending	 <u>\$ 106,986</u>	 <u>\$ 83,018</u>		

# City of Frontenac, Kansas

## SPECIAL PARKS AND RECREATION FUND

### Summary of Cash Receipts and Expenditures - Actual and Budget Regulatory Basis

For the Year Ended December 31, 2017

(With Comparative Actual Totals for the Prior Year Ended December 31, 2016)

	2017 Actual	2016 Actual	2017 Budget	Variance- Favorable (Unfavorable)
<b>Cash Receipts:</b>				
<b>Taxes and Shared Revenue:</b>				
Liquor tax	\$ 6,886	\$ 7,841	\$ 10,000	\$ (3,114)
County Allocations	-	-	-	-
Charges for Services - Pool	9,454	11,149	11,700	(2,246)
Miscellaneous Revenue, Reimbursements	1,343	3,796	6,000	(4,657)
Transfers From Other Funds	50,000	50,000	50,000	-
<b>Total Cash Receipts</b>	<b>\$ 67,683</b>	<b>\$ 72,786</b>	<b>\$ 77,700</b>	<b>\$ (10,017)</b>
<b>Expenditures:</b>				
Personal Service	\$ 38,588	\$ 38,862	\$ 35,000	\$ (3,588.00)
Commodities	12,179	13,439	16,250	4,071
Contractual Service	14,330	19,107	21,700	7,370
Capital Outlay	4,989	4,423	400	(4,589)
Miscellaneous	3,931	94	-	(3,931)
<b>Total Expenditures</b>	<b>\$ 74,017</b>	<b>\$ 75,925</b>	<b>\$ 73,350</b>	<b>(667)</b>
 <b>Receipts Over (Under) Expenditures</b>	 <b>\$ (6,334)</b>	 <b>\$ (3,139)</b>	 <b>\$ 4,350</b>	 <b>\$ (9,350)</b>
 <b>Unencumbered Cash, Beginning</b>	 <b>429</b>	 <b>3,568</b>		
  <b>Unencumbered Cash, Ending</b>	  <b>(\$5,905)</b>	  <b>\$429</b>		

# City of Frontenac, Kansas

## BOND & INTEREST FUND

### Summary of Cash Receipts and Expenditures - Actual and Budget Regulatory Basis

For the Year Ended December 31, 2017

(With Comparative Actual Totals for the Prior Year Ended December 31, 2016)

	2017 Actual	2016 Actual	2017 Budget	Variance- Favorable (Unfavorable)
<b>Cash Receipts:</b>				
<b>Taxes and Shared Revenue:</b>				
Ad Valorem Property Tax	\$ 178,508	\$ 177,512	\$ 176,702	\$ 1,806
Motor Vehicle (& RV) Tax	33,823	43,558	28,694	5,129
Special Assessments	440	19,620	19,000	(18,560)
Payment in Lieu of Tax	-	-	-	-
Lease Rental Income and Misc	75,600	102,900	96,600	(21,000)
<b>Total Cash Receipts</b>	<u>\$ 288,371</u>	<u>\$ 343,590</u>	<u>\$ 320,996</u>	<u>\$ (32,625)</u>
 <b>Expenditures:</b>				
Debt Service	\$ 385,409	\$ 397,192	\$ 435,409	\$ 50,000
<b>Total Expenditures</b>	<u>\$ 385,409</u>	<u>\$ 397,192</u>	<u>\$ 435,409</u>	<u>\$ 50,000</u>
 Receipts Over (Under) Expenditures	\$ (97,038)	\$ (53,602)	<u>\$ (114,413)</u>	<u>\$ 17,375</u>
 Unencumbered Cash, Beginning	<u>136,465</u>	<u>190,067</u>		
 Unencumbered Cash, Ending	<u>\$ 39,427</u>	<u>\$ 136,465</u>		

## City of Frontenac, Kansas

### EQUIPMENT RESERVE FUND

#### Summary of Cash Receipts and Expenditures - Actual Regulatory Basis

For the Year Ended December 31, 2017

(With Comparative Actual Totals for the Prior Year Ended December 31, 2016)

	2017 Actual	2016 Actual
Cash Receipts:		
Taxes and Shared Revenue:		
Investment Income	\$ -	\$ -
Transfer From Other Funds	47,660	45,425
Total Cash Receipts	<u>\$ 47,660</u>	<u>\$ 45,425</u>
 Expenditures:		
Capital expenditures	<u>83,696</u>	<u>-</u>
Total Expenditures	<u>83,696</u>	<u>-</u>
 Receipts Over (Under) Expenditures	<u>(36,036)</u>	<u>45,425</u>
 Unencumbered Cash, Beginning	<u>227,376</u>	<u>181,951</u>
 Unencumbered Cash, Ending	<u><u>\$ 191,340</u></u>	<u><u>\$227,376</u></u>

# City of Frontenac, Kansas

## WATER FUND

### Summary of Cash Receipts and Expenditures - Actual and Budget

#### Regulatory Basis

For the Year Ended December 31, 2017

(With Comparative Actual Totals for the Prior Year Ended December 31, 2016)

	2017 Actual	2016 Actual	2017 Budget	Variance- Favorable (Unfavorable)
<b>Cash Receipts:</b>				
Utility Charges	\$ 551,445	\$ 533,102	\$ 530,000	\$ 21,445
Maintenance Fee	9,000	12,659	12,500	(3,500)
Connects and Disconnects	0	0	-	-
Miscellaneous Revenue	9,697	9,835	5,000	4,697
Penalties	17,793	21,059	14,500	3,293
Proceeds from Water Loan/CDGB	-	-	-	-
Total Cash Receipts	<u>\$ 587,935</u>	<u>\$ 576,655</u>	<u>\$ 562,000</u>	<u>\$ 25,935</u>
<b>Expenditures:</b>				
Personal Services	\$ 164,559	\$ 138,701	\$ 183,800	\$ 19,241
Contractual Services	112,463	101,350	146,900	34,437
Commodities	115,027	61,060	108,400	(6,627)
Miscellaneous/Water Protection/Clean Water Fee	2,918	9,125	0	(2,918)
Capital Outlay	92,031	26,510	120,000	27,969
Debt Service and KDHE Reimbursement	-	90,225	60,000	60,000
Transfer to Other Fund	518	32,335	0	(518)
Total Expenditures	<u>\$ 487,516</u>	<u>\$ 459,306</u>	<u>\$ 619,100</u>	<u>\$ 131,584</u>
Receipts Over (Under) Expenditures	\$ 100,419	\$ 117,349	<u>\$ (57,100)</u>	<u>\$ 157,519</u>
Unencumbered Cash, Beginning, Restated	<u>547,950</u>	<u>430,601</u>		
Unencumbered Cash, Ending	<u><u>\$648,369</u></u>	<u><u>\$547,950</u></u>		

# City of Frontenac, Kansas

## SEWER FUND

### Summary of Cash Receipts and Expenditures - Actual and Budget Regulatory Basis

For the Year Ended December 31, 2017

(With Comparative Actual Totals for the Prior Year Ended December 31, 2016)

	2017 Actual	2016 Actual	2017 Budget	Variance- Favorable (Unfavorable)
<b>Cash Receipts:</b>				
Utility Charges	\$ 425,973	\$ 405,410	\$ 410,000	\$ 15,973
Miscellaneous Revenue	300	923	1,500	(1,200)
Proceeds from KDHE Loan	-	173,155	-	-
Transfer From Other Funds	-	-	-	-
Total Cash Receipts	<u>\$ 426,273</u>	<u>\$ 579,488</u>	<u>\$ 411,500</u>	<u>\$ 14,773</u>
<b>Expenditures:</b>				
Personal Services	\$ 113,726	\$ 79,645	\$ 124,050	\$ (10,324)
Contractual Services	57,539	97,592	78,900	(21,361)
Commodities	20,535	34,548	47,800	(27,265)
Capital Outlay	17,146	44,979	84,040	(66,894)
Debt Service	173,044	171,987	52,500	120,544
Miscellaneous	825	1,267	-	825
Transfer to Other Fund	518	4,147	-	518
Total Expenditures	<u>\$ 383,333</u>	<u>\$ 434,165</u>	<u>\$ 387,290</u>	<u>\$ (3,957)</u>
 Receipts Over (Under) Expenditures	 \$ 42,940	 \$ 145,323	 <u>\$ 24,210</u>	 <u>\$ 10,816</u>
 Unencumbered Cash, Beginning, Restated	 <u>287,242</u>	 <u>141,919</u>		
Unencumbered Cash, Ending	<u>\$330,182</u>	<u>\$287,242</u>		



## City of Frontenac, Kansas

### TEMPORARY NOTE-SEWER PROJECT FUND Summary of Cash Receipts and Expenditures - Actual Regulatory Basis

For the Year Ended December 31, 2017

(With Comparative Actual Totals for the Prior Year Ended December 31, 2016)

	2017	2016 Actual
Cash Receipts:		
Proceeds from Temporary Note	\$ -	\$ -
Transfer from Water Fund	-	28,188
Total Cash Receipts	<u>\$ -</u>	<u>\$ 28,188</u>
Expenditures:		
Personal Service	\$ -	\$ -
Contractual Service	-	-
Commodities	-	-
Return of Loan Proceeds	-	228,170
Other Miscellaneous Expense	-	566
Total Expenditures	<u>\$ -</u>	<u>\$ 228,170</u>
Receipts Over (Under) Expenditures	\$ -	\$ (199,982)
Unencumbered Cash, Beginning	\$ -	\$ -
Unencumbered Cash, Ending	<u><u>\$ -</u></u>	<u><u>\$ (199,982)</u></u>

## City of Frontenac, Kansas

### METER DEPOSIT FUND

#### Summary of Cash Receipts and Cash Disbursements

#### Regulatory Basis

For the Year Ended December 31, 2017

	Beginning Cash Balance, Restated 12/31/16	Cash Receipts	Cash Disbursements	Ending Cash Balance
Meter Deposits, restated	<u>\$ 26,672</u>	<u>\$ 14,326</u>	<u>\$ 10,873</u>	<u>\$ 30,125</u>