City of Frontenac, Kansas

Independent Auditor's Report and Accompanying Notes to the Financial Statement

As of December 31, 2025, and for the Year Then Ended

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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, 2025, 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, 2025, 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, 2025, and the aggregate receipts and expenditures for the year then ended in accordance with the financial reporting provisions of the Kansas Municipal Audit and Accounting Guide described in Note 1.

Basis for Adverse 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.

In preparing the financial statement, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's 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.

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 2024 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 2024 financial statement upon which I rendered an unqualified opinion August 14, 2025.

The 2024 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 6, 2026

Funds	Beginning Cash and Investment Balance, Restated	Cash Receipts (including transfers in)	Expenditures (including transfers out)	Unenumbered Ending Cash and Investment Balance	Outstanding Encumbrances and Accounts Payable	Ending Cash and Investment Balance
General Fund	$ 2,993,154	$ 3,896,001	$3,873,504	$ 3,015,651	$ -	$ 3,015,651
Special Purpose Funds						
Special Highway	381,190	104,268	464,727	$ 20,731	-	$ 20,731
Special Parks & Recreation	2	16,093	4,004	$ 12,091	-	$ 12,091
Special Equipment Reserve	340,265	4,629	23,948	$ 320,946	-	$ 320,946
Capital Improvements Fund	1,958,943	110,292	-	$ 2,069,235	-	$ 2,069,235
Capital Projects Fund-Library	4,591,856	88,209	1,863,636	$ 2,782,892	-	$ 2,782,892
Debt Service Funds						
Bond & Interest	30,004	123,103	150,463	$ 2,644	-	$ 2,644
Business (Enterprise) Funds						
Water	2,905,320	2,493,244	2,555,893	$ 2,842,671	-	$ 2,842,671
Sewer	1,759,842	721,891	452,969	$ 2,028,764	-	$ 2,028,764
Total	$ 14,960,576	$ 7,557,730	$9,389,144	$ 13,095,625	$ -	$ 13,095,625

Composition of Cash and Investments:		
Checking Account	Checking	$ 6,336,193
Kansas Municipal Investment Pool	KMIP	$ 6,793,700
Total Cash and Investments		$ 13,129,893
Less Agency Fund (Meter Deposits)		$ (34,268)
		$ 13,095,625

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, 2025

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.

On December 31, 2025, the City had deposits, of $6,526,596, 100% of which $6,526,596 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 $6,793,700 was invested within the State of Kansas Municipal Investment Pool/Fund.

NOTE 2: DEPOSITS AND INVESTMENTS (Continued)

At December 31, 2025, the City had invested $6,793,700 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 on December 31, 2025.

NOTE 2: DEPOSITS AND INVESTMENTS (Continued)

Cash and investments, Per Bank, on December 31, 2025, were:

Deposits:	
Checking accounts	$6,526,596
Kansas Municipal Investment	$6,793,700
Total	$13,320,296

Total cash and investments, after deducting outstanding checks and deposits in transit was $13,129,893 on December 31, 2025.

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, 2025, 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 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, 2025

NOTE 4: LONG-TERM DEBT (Continued)

Capital Leases	Date Issued	Original Amount	Interest Rate
2020 Fire Truck	04/17/2020	$358,200	2.19%

The following is a summary of changes in the long-term debt for the year ended December 31, 2025:

	Principal Outstanding 12/31/2024	Additions to Principal & Drawdowns	Reduction In Principal	Principal Outstanding 12/31/2025
Gen. Obligation Bonds				
Series 2008	$525,000	$0	$125,000	$400,000
KS Water Supply Loan	$942,159	$1,476,497	$220,470	$2,198,186
KS Water Pollution Control	$968,280	$0	$86,488	$881,792
Total G.O. Bonds & Revolving Loans	$2,435,439	$1,476,497	$431,958	$3,479,978

NOTE 4: LONG-TERM DEBT (Continued)

	Beginning Principal Outstanding	Additions to Principal	Reductions Of Principal	Ending Principal Outstanding
Capital Leases:				
2020 Fire Truck	$259,241	$0	$45,659	$213,582
Total Capital Leases	$259,241	$0	$45,659	$213,582
Total Debt	$2,694,680	$1,476,497	$477,617	$3,693,560

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

At December 31, 2025, the City has a loan balance outstanding of $2,198,186 from proceeds received through the Kansas Public Water Supply Loan Fund for a new well. Also, at December 31, 2025, the City had a loan balance outstanding of $881,792 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 14-15 for the summary schedule of future principal and interest payments for all of the City's long-term debt obligations as of December 31, 2025.

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.Employer contribution rates can vary each year based on actuarial experience. Through the employer web portal, local employers certify their individual rate each summer for the following year.

KPERs combined employer rate (employer rate plus death and disability insurance rate) established by statutes for January 1, 2024, to December 31, 2025, is 9.26% (excluding the contribution for Group Death and Disability Insurance of 1%). For more information, please see the KPERs website at www.kpers.org). For the employer rates for local non-school municipalities that hire a KPERS retiree, please see the main KPERS site at https://www.kpers.org/employers/manual/contributionsrates. Note: The waiting period between retirement and returning to work for a KPERS covered employer was 60 days through December 31, 2017. For members retiring on or after January 1, 2018, the waiting period remains at 60 days if the member retired at age 62 or later. For members who retire before age 62, the waiting period is 180 days. Total contributions to KPERS for the year ended December 31, 2025 was $88,818.

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NOTE 6: NET PENSION LIABILITY

At December 31, 2025, the City of Frontenac, Kansas's proportionate share of the collective net pension liability reported by KPERS was $ 1,021,330. The net pension liability was measured as of June 30, 2025, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2024, which was rolled forward to June 30, 2025. 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.

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.

City of Frontenac, Kansas

NOTES TO FINANCIAL STATEMENT – REGULATORY BASIS

December 31, 2025

NOTE 7: COMPENSATED ABSENCES

The City's policy is to pay employees for vacation leave as follows: 8 hours/month for 0-10 years, 12 hour/month for 11-15 years, and 20 hours/month for 16 plus years with a maximum accumulation of six weeks. 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, 2025:

From	To	Amount
General Fund	Capital Imp Reserve Fund	$69,821

NOTE 11: EVALUATION OF SUBSEQUENT EVENTS

The organization has evaluated subsequent events through August 6, 2026, the date which the financial statements were available to be issued.

NOTE 12: CAPITAL PROJECTS

The City of Frontenac, Kansas is undertaking a comprehensive Water System Improvements Project through the Kansas Public Water Supply Loan Fund administered by the Kansas Department of Health and Environment (KDHE). This project is identified as KDHE Project Number 2985. The project is intended to make substantial improvements to the City's water production, treatment, storage and distribution infrastructure. The improvements include replacement of the water main from the City's Water Treatment Plant to the West Water Tower with 12-inc C900 PVC water main and associated valves, hydrants and services; improvements to the City's water supply wells; and improvements to the existing water treatment plant and construction of a 250,000 gallon elevated water storage tank. The improvements are being completed through multiple construction contracts consisting generally of Well Number 4 Improvements, Elevated Water Storage Tank Improvements, Water Distribution System Improvements, and Water Treatment Plan Improvements. The project is being financed through the Kansas Public Water Supply Loan Fund, which includes principal/gross loan costs of $12,034,822 at a gross interest rate cost of 1.81%.

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, 2025

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

	2026-28	2029-33	2033-37	2038	Total
PRINCIPAL:					
General Obligation (G.O.) Bond					
G.O. Bonds Series 2013 *Water & Street Improvements*	$0	$0	$0	$0	$0
G.O. Bonds Series 2010 *Street Improvements*	$0	$0	$0	$0	$0
G.O. Bonds Series 2008 *Public Building Improvements*	$400,000	$0	$0	$0	$400,000
G.O. Bonds Series 2005-B *FSCC Building &*	$0	$0	$0	$0	$0
TOTAL BONDS	$400,000	$0	$0	$0	$400,000
Capital Leases					
2017 Street Sweeper	$0	$0	$0	$0	$0
2020 Fire Truck	$47,714	$128,987	$36,881	$0	$213,582
TOTAL CAPITAL LEASES	$47,714	$128,987	$36,881	$0	$213,582
0					
GRAND TOTAL PRINICPAL	**$447,714**	**$128,987**	**$36,881**	**$0**	**$613,582**

City of Frontenac, KS

NOTES TO FINANCIAL STATEMENT - REGULATORY BASIS

December 31, 2025

Current Maturities of LTD & Interest for the Next Five Years && thru Maturity	2026-28	2029-33	2033-37	2038	Total
INTEREST:					
General Obligation (0.0.) Bonds					
G.O. Bonds Series 2013 *Water & Street Improvements*	$0	$0	$0	$0	$0
G.O. Bonds Series 2010 *Street Improvements*	$0	$0	$0	$0	$0
G.O. Bonds Series 2008 *Public Building Improvements*	$33,951	$0	$0	$0	$33,951
G.O. Bonds Series 2005-B *FSCC Building & Land*	$0	$0	$0	$0	$0
TOTAL BONDS	$33,951	$0	$0	$0	$33,951
Capital Leases					
2017 Street *Sweeper*	$0	$0	$0	$0	$0
2020 Fire Truck	$12,674	$11,493	$1,723	$0	$25,890
TOTAL CAPITAL LEASES	$12,674	$11,493	$1,723	$0	$25,890
GRAND TOTAL INTEREST	**$46,625**	**$11,493**	**$1,723**	**$0**	**$59,841**
TOTAL PRINCIPAL & INTEREST	**$494,339**	**$140,480**	**$33,604**	**$0**	**$668,423**

City of Frontenac, Kansas

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

Funds	Certified Budget	Expenditures Less Reimbursements	Variance-Favorable (Unfavorable)
General Funds	$ 5,994,722	$ 3,873,504	$ 2,121,218
Special Revenue Funds			
Special Highway	490,000	464,727	25,273
Special Parks & Recreation	15,000	4,004	10,996
Library Fund	4,604,036	1,863,636	$ 2,740,400
Debt Service Funds			
Bond & Interest	175,017	150,463	24,554
Enterprise Funds			
Water	1,636,200	894,470	741,730
Sewer	1,342,978	452,969	890,009
Total	$ 14,257,953	$ 7,703,773	$ 6,554,180

City of Frontenac, Kansas

GENERAL FUND
Summary of Cash Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2025
(With Comparative Actual Totals for the Prior Year Ended December 31, 2024

	2025 Actual	2024 Actual	2025 Budget	Variance- Favorable (Unfavorable)
Cash Receipts:				
Taxes and Shared Revenue:				
Ad Valorem Property Tax	$ 1,320,538	$ 1,113,904	$ 1,124,835	195,703
Motor Vehicle (& RV) Tax	183,634	178,892	174,397	9,237
Franchise Tax (inc Pilot)	572,274	573,966	620,000	(47,726)
Liquor Tax	10,842	8,116	12,307	(1,465)
Liquor Tax Park and Rec	-	-	12,308	(12,308)
Sales and Use Tax	1,530,915	1,474,381	1,500,000	30,915
Licenses and Permits	25,519	19,005	25,000	519
Fines, Forfeitures and Penatlties	89,105	90,588	65,000	24,105
Miscellaneous	29,610	20,091	5,000	24,610
Investment Income	27,979	78,354	15,000	12,979
Pool Admission and Fees	14,866	13,222	11,000	3,866
Cemetary Income	10,375	61,819	53,000	(42,625)
Sugar Creek CDBG	-	-	-	-
Police Fees	385	230	-	385
Storm Water Fee	17,408	17,691	17,500	(92)
Library Trust	-	-	-	-
Federal Aid-State of Kansas	-	-	-	-
State Dept of Transportation	-	-	-	-
Community Improvement District Sales Tax	62,551	-	55,000	7,551
Library Trust	-	-	-	-
Total Cash Receipts	$ 3,896,001	$ 3,650,259	$ 3,690,347	$ 205,654
Expenditures:				
General Government	$ 801,803	$ 840,102	$ 779,567	$ (22,236)
Police Department	1,374,918	1,224,202	1,359,900	(15,018)
Fire Department	291,469	268,443	289,185	(2,284)
Municipal Court	128,295	130,790	144,225	15,930
Civil Defense	4,158	3,433	15,000	10,842
Street Department	851,618	577,789	1,498,380	646,762
Cemetery	19,876	21,425	68,000	48,124
Street Lighting	53,157	50,342	54,000	843
Federal Aid-COVID-Dept of Commerce	-	-	-	-
Contingency Fund	-	-	-	-
Cultural Activities	29,561	16,102	28,500	(1,061)
Engineering	88,144	113,306	117,781	29,637
Economic Development	8,500	69,922	20,000	11,500
Parks & Recreation	89,624	194,529	122,393	32,769
Miscellaneous	-	(1,665)	20,000	(20,000)
Disbursements-CID	62,560	-	55,000	-
Disbursmentss-IRB	-	-	-	-
Cash Forward	-	-	1,422,801	1,422,801
Transfer to Other Funds	69,821	75,470	-	(69,821)
Total Expenditures	$ 3,873,504	$ 3,584,190	$ 5,994,722	$ 2,088,788
Receipts Over (Under) Expenditures	$ 22,497	$ 66,069	$ (2,304,375)	$ (1,883,134)
Unencumbered Cash, Beginning, restated	2,993,154	2,363,240		
Unencumbered Cash, Endin	$ 3,015,651	$ 2,429,309		

City of Frontenac, Kansas

SPECIAL HIGHWAY FUND
Summary of Cash Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2025
(With Comparative Actual Totals for the Prior Year Ended December 31, 2024)

	2025 Actual	2024 Actual	2025 Budget	Variance-Favorable (Unfavorable)
Cash Receipts:				
Taxes and Shared Revenue:				
State Allocations	$ 91,802	$ 92,020	$ 91,670	$ 132
County Allocations	12,466	12,523	11,510	956
Miscellaneous	-	-	-	-
Total Cash Receipts	$ 104,268	$ 104,543	$ 103,180	$ 1,088
Expenditures:				
Personal Service	$ -	$ -	$ -	$ -
Contractual Service	-	-	20,000	20,000
Commodities	7,727	18,338	20,000	12,273
Capital Outlay	457,000	49,720	450,000	(7,000)
Carryfoward	-	-	-	-
Total Expenditures	$ 464,727	$ 68,058	$ 490,000	$ 25,273
Receipts Over (Under) Expenditures	$ (360,459)	$ 36,485	$ (386,820)	$ 331,228
Unencumbered Cash, Beginning	381,190	344,705		
Unencumbered Cash, Ending	$ 20,731	$ 381,190		

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, 2025
(With Comparative Actual Totals for the Prior Year Ended December 31, 2024

	2025 Actual	2024 Actual	2025 Budget	Variance-Favorable (Unfavorable)
Cash Receipts:				
Taxes and Shared Revenue:				
Liquor tax	$ 10,843	$ 9,146	$ 12,850	$ (2,007)
County Allocations	5,250	-	-	5,250
Charges for Services - Pool	-	-	-	-
Miscellaneous Revenue, Reimbursements			1,000	(1,000)
Transfers From Other Funds	-	-	-	-
Total Cash Receipts	$ 16,093	$ 9,146	$ 13,850	$ 2,243
Expenditures:				
Personal Service	$ -	$ -	$ -	$ -
Commodities	-	-	-	-
Contractual Service	4,004	-	15,000	10,996
Capital Outlay	-	-	-	-
Other Improvements	-	13,675	-	-
Total Expenditures	$ 4,004	$ 13,675	$ 15,000	10,996
Receipts Over (Under) Expenditures	$ 12,089	$ (4,529)	$ (1,150)	$ 13,239
Unencumbered Cash, Beginning, Restated	2	4,531		
Unencumbered Cash, Ending,	$ 12,091	$ 2		

BOND & INTEREST FUND
Summary of Cash Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2025
(With Comparative Actual Totals for the Prior Year Ended December 31, 2024

	2025	2024	2025 Budget	Variance-Favorable (Unfavorable)
Cash Receipts:				
Taxes and Shared Revenue:				
Ad Valorem Property Tax	$ 54,462	$ 186,413	$ 53,748	$ 714
Motor Vehicle (& RV) Tax	30,449	29,233	28,727	1,722
Special Assessments	6,692	-	18,750	(12,058)
Transfer From Water Fund	-	-	-	-
Lease Rental Income and Misc	31,500	88,200	37,800	(6,300)
Total Cash Receipts	$ 123,103	$ 303,846	$ 139,025	$ (15,922)
Expenditures:				
Debt Service	$ 150,463	$ 321,615	$ 175,017	$ 24,554
Total Expenditures	$ 150,463	$ 321,615	$ 175,017	$ 24,554
Receipts Over (Under) Expenditures	$ (27,360)	$ (17,769)	$ (35,992)	$ 8,632
Unencumbered Cash, Beginning	30,004	47,773		
Unencumbered Cash, Ending	$ 2,644	$ 30,004		

City of Frontenac, Kansas

EQUIPMENT RESERVE FUND
Summary of Cash Receipts and Expenditures - Actual
Regulatory Basis
For the Year Ended December 31, 2025
(With Comparative Actual Totals for the Prior Year Ended December 31, 2024

	2025 Actual	2024 Actual
Cash Receipts:		
Taxes and Shared Revenue:		
Investment Income	$ 4,629	$ 13,337
Transfer From General Fund	-	20,000
Total Cash Receipts	$ 4,629	$ 33,337
Expenditures:		
Transfer to the General Fund	-	-
Capital expenditures	23,948	-
Total Expenditures	23,948	-
Receipts Over (Under) Expenditures	(19,319)	33,337
Unencumbered Cash, Beginning	340,265	306,928
Unencumbered Cash, Ending	$320,946	$ 340,265

City of Frontenac, Kansas

WATER FUND
Summary of Cash Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2025
(With Comparative Actual Totals for the Prior Year Ended December 31, 2024

	2025 Actual	2024 Actual	2025 Budget	Variance-Favorable (Unfavorable)
Cash Receipts:				
Utility Charges	$ 681,181	$ 678,815	$ 650,000	$ 31,181
Maintenance Fee	119,133	121,278	120,000	(867)
Connects and Disconnects	-	-	-	-
Miscellaneous Revenue	12,518	11,622	10,000	2,518
Penalties	10,287	10,392	10,000	287
Water Protection Fee	8,702	8,845	8,840	(138)
State of Kansas/U.S. Dept of EPA Project Proceeds	1,661,423	-	-	1,661,423
Total Cash Receipts	$ 2,493,244	$ 830,952	$ 798,840	$ 1,694,404
Expenditures:				
Personal Services	$ 154,355	$ 97,128	$ 106,700	$ (47,655)
Contractual Services	277,126	125,483	174,200	(102,926)
Commodities	73,582	65,775	85,300	11,718
Miscellaneous/Water Protection/Clean Water Fee	10,108	5,529	-	(10,108)
Capital Outlay	141,119	114,733	110,000	(31,119)
Debt Service Water Loan	238,180	10,595	160,000	(78,180)
Cash Reserve	-	-	1,000,000	1,000,000
Capital Imp-State of Kansas Water System Imp Project	1,661,423	-	-	(1,661,423)
Total Expenditures	$ 2,555,893	$ 419,243	$ 1,636,200	$ (919,693)
Receipts Over (Under) Expenditures	$ (62,649)	$ 411,709	$ (837,360)	$ 774,711
Unencumbered Cash, Beginning	2,905,320	2,493,611		
Unencumbered Cash, Ending	$2,842,671	$2,905,320		

SEWER FUND
Summary of Cash Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2025
(With Comparative Actual Totals for the Prior Year Ended December 31, 2024

	2025 Actual	2024 Actual	2025 Budget	Variance-Favorable (Unfavorable)
Cash Receipts:				
Utility Charges	$ 721,891	$ 667,455	$ 670,000	$ 51,891
Miscellaneous Revenue	-	-	-	-
Proceeds from KDHE Loan	-	-	-	-
Transfer From Other Funds	-	-	-	-
Total Cash Receipts	$ 721,891	$ 667,455	$ 670,000	$ 51,891
Expenditures:				
Personal Services	$ 144,119	$ 98,494	$ 106,700	$ (37,419)
Contractual Services	156,977	68,576	71,000	(85,977)
Commodities	45,595	35,437	59,000	13,405
Capital Outlay	0	0	-	-
Debt Service	106,278	106,278	106,278	-
Miscellaneous	-	-	-	-
Transfer to Other Fund	-	-	-	-
	-	-	1,000,000	1,000,000
Total Expenditures	$ 452,969	$ 308,785	$ 1,342,978	$ (890,009)
Receipts Over (Under) Expenditures	$ 268,922	$ 358,670	$ (672,978)	$ (838,118)
Unencumbered Cash, Beginning	1,759,842	1,401,172		
Unencumbered Cash, Ending	$2,028,764	$1,759,842		

CAPITAL IMPROVEMENTS FUND
Summary of Cash Receipts and Expenditures - Actual
Regulatory Basis
For the Year Ended December 31, 2025
(With Comparative Actual Totals for the Prior Year Ended December 31, 2024)

	2025 Actual	2024 Actual
Cash Receipts:		
Insurance Reimbursement	$0	$0
Transfer from General Fund for Sewer	-	75,470
Transfer from General Fund for Covid Relief	-	-
Transfer from General Fund for Police Vehicle	69,821	-
Investment Income	40,471	51,615
Transfer from General Fund for Vehicle (Codes)	-	-
Total Cash Receipts	$ 110,292	$ 127,085
Expenditures:		
Personal Service	$ -	$ -
Contractual Service	-	-
Commodities	-	-
Vehicles	-	-
Total Expenditures	$ -	$ -
Receipts Over (Under) Expenditures	$ 110,292	$ 127,085
Unencumbered Cash, Beginning, Restated	$ 1,958,943	$ 1,831,828
Unencumbered Cash, Ending	$ 2,069,235	$ 1,959,813

LIBRARY FUND
Summary of Cash Receipts and Expenditures - Actual
Regulatory Basis
For the Year Ended December 31, 2025
(With Comparative Actual Totals for the Prior Year Ended December 31, 2024

	2025 Actual	2024 Actual	2025 Budget	Variance-Favorable (Unfavorable)
Cash Receipts:				
Advalorem Property Tax	$ 30,480	$ 14,097	576	29,904
Motor Vehicle Tax	-	-	2,090	(2,090)
Recreational Vehicle Tax	-	-	19	(19)
16/20 Vehicle Tax	-	-	3	(3)
Library Donations	340	10,815	0	340
Commerical Vehicle Tax	-	-	97	(97)
Watercraft Tax	-	-	13	(13)
Transfer from Capital Reserve	-	-	0	0
Investment Income	-	185,504	100,000	(100,000)
Library Revenue	57,389	-	-	57,389
Total Cash Receipts	$ 88,209	$ 210,416	$ 102,798	$ (14,589)
				-
Expenditures:				
Personal Service	$ 116,665	$ 89,512	$ 94,960	$ (21,705)
Contractual Service	5,529	949	4,000	(1,529)
Commodities	11,471	726	19,900	8,429
Library Books	37,417	55,653	-	(37,417)
Administrative	1,120	50,706	-	(1,120)
Capital Expenditures	1,691,434	201,830	3,220,000	1,528,566
Carryover	-	-	1,266,076	1,266,076
Total Expenditures	$ 1,863,636	$ 399,376	$ 4,604,036	$ 1,475,224
Receipts Over (Under) Expenditures	$ (1,775,427)	$ (188,960)	$ (4,501,238)	$ (1,489,813)
Unencumbered Cash, Beg, Restated	$ 4,558,319	$ 4,593,945		
Unencumbered Cash, Ending	$ 2,782,892	$ 4,404,985		

City of Frontenac, Kansas

METER DEPOSIT FUND
Summary of Cash Receipts and Cash Disbursements
Regulatory Basis
For the Year Ended December 31, 2025

	12/31/2024	Cash Receipts	Cash Disbursements	12/31/2025
Meter Deposits, restated	$ 34,438	$ 10,387	$ 10,557	$ 34,268

CITY OF FRONTENAC, KANSAS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2025

Federal Grantor/Pass through Grantor Program/Title	Federal ALN Number	Federal Expenditures
U.S. Environmental Protection Agency Drinking Water State Revolving Fund	66.468	$1,661,423
	Total 66.468	$1,661,423
Total Expenditures of Federal Awards		$1,661,423

CITY OF FRONTENAC, KANSAS
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2025

NOTE A - BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards the (the Schedule) includes the federal award activity of the City of Frontenac, Kansas under programs of the federal government for the year ended December 31, 2025. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the City of Frontenac, Kansas, some amounts presented in the schedule may differ from amounts presented in or used in the preparation of the basic financial statement.

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the regulatory basis of accounting. Such expenditures are recognized following the cost principles contained in the OMB Circular A-122, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

NOTE C- INDIRECT COST RATE

The City of Frontenac, Kansas, has elected to use the10-percent de minimis indirect cost rate allowed under the Uniform Guidance for any applicable federally awarded program.

NOTE D- ADDITIONAL AUDITS

Grantor agencies reserve the rights to conduct additional audits of the City's grant programs for economy and efficiency and program results that may result in disallowed costs to the City. However, management does not believe such audits would result in any disallowed costs that would be material to the City's financial position as of December 31, 2025.

CITY OF FRONTENAC, KANSAS
SCHEDULE OF FINDINGS AND
QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2025

Section I- Summary of Auditor's Results

Financial Statements

Type of Auditor's Report Issued: Unmodified

Internal control over financial reporting:

- Material Weakness (es) identified? No
- Significant deficiencies identified ? No
- Noncompliance material to financial statements noted? No, none to be reported.

Federal Awards

Internal control over Major Program:

- Material Weakness(es) identified ? No
- Significant deficiencies identified ? No

Type of auditor's report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in Accordance with 2 CFR 200.516 ? No

Identification of Major Program:

ALN Number	Name of Federal Program
66.468	Drinking Water State Revolving Fund-Environmental Protection Agency

- It was determined the Organization was not a low-risk auditee.
- The threshold for distinguishing between type A and type B programs was $1,000,000

CITY OF FRONTENAC
SCHEDULE OF FINDINGS AND
QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2025

Sections II and III

There were no current year or prior year audit findings or questioned costs to report.

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

Mayor and City Council
Frontenac, Kansas

Report on Compliance for the Major Federal Program

Opinion on the City's Major Program

I have audited the compliance of the City of Frontenac, Kansas (the City) with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on the City's major federal program for the year ended December 31, 2025. The City's major program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In my opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on it's major federal program.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditors' Responsibility

My responsibility is to express an opinion on compliance for the City's major federal program based on my audit of the types of compliance requirements referred to above. i conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Those standards and the Uniform Guidance require that I plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on the major federal program occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as I considered necessary in the circumstances.

I believe that my audit provides a reasonable basis for my opinion on compliance for the major federal program. However, my audit does not provide legal determination of the City's compliance.

Opinion on Major Federal Program

In my opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended December 31, 2025.

Report on Internal Control over Compliance

Management of the City is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing my audit of compliance, I considered the City's internal control over compliance with the types of requirements that could have a direct and material effect on its major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for the major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, I do not express an opinion on the effectiveness of the City's' internal control over compliance.

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

A *signific ant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

My consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. I did not identify any deficiencies in internal control over compliance that I consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of my testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Jerry D. Mitchell, CPA, LLC

Nixa, Missouri
August 6, 2026

Jerry D. Mitchell, CPA, LLC

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Mayor and City Council
City of Frontenac, Kansas

I have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the City of Frontenac, Kansas (the City) as of and for the year ended December 31, 2025, and the related notes to the financial statements, and have issued my report thereon dated August 6, 2026.

Report on Internal Control over Financial Reporting

In planning and performing my audit of the financial statements, I considered the City's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing my opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of City's internal control. Accordingly, I do not express an opinion on the effectiveness of the City's internal control.

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 and correct, 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 a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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. I did not identify any deficiencies in internal control over compliance that I consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit, and accordingly, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the organization's internal control and compliance. Accordingly, this report is not suitable for any other purpose.

Jerry D. Mitchell, CPA, LLC
Nixa, Missouri
August 6, 2026