The Mense CPA Firm, LLC

CERTIFIED PUBLIC ACCOUNTANTS

MEMBERS OF
MISSOURI SOCIETY OF CPA'S
AMERICAN INSTITUTE OF CPA'S

To the Governing Body
Cherokee County Sewer District No. 1

Management is responsible for the accompanying financial projection of Cherokee County Sewer District No. 1, which comprise the projected receipts, expenditures and unencumbered cash – regulatory basis for the years ending December 31, 2018 and December 31, 2019 and the actual receipts, expenditures and unencumbered cash – regulatory basis for the year ended December 31, 2017, including the related summaries of significant assumptions in accordance with guidelines for the presentation of a projection established by the American Institute of Certified Public Accountants (AICPA), and for determining that the regulatory basis of accounting in an acceptable financial reporting framework. We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not examine or review the projection for the years ending December 31, 2018 or 2019, or the actual results for the year ended December 31, 2017, nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on this projection.

The financial projection is prepared under the regulatory basis of accounting in the prescribed form required by the State of Kansas, which is a basis of accounting other than accounting principles generally accepted in the United States of America.

The projected results may not be achieved as there will usually be differences between the projected and actual results because events and circumstances frequently do not occur as expected, and these differences may be material. We have no responsibility to update this report for events and circumstances occurring after the date of this report.

Management has elected to omit substantially all the disclosures required by guidelines for the presentation of a projection established by the AICPA other than those related to the significant assumptions. If the omitted disclosures were included in the projection, they might influence the user's conclusions about Cherokee County Sewer District No. 1's projected receipts, expenditures and unencumbered cash - regulatory basis. Accordingly, the projection is not designed for those who are not informed about such matters.

2001 Byers Avenue • Joplin, Missouri 64804-1835 • 417-553-4448 • Fax 553-4447

We are not independent with respect to the Cherokee County Sewer District No. 1.

The Mense CPA Firm, LLC
Certified Public Accountants

Joplin, Missouri
July 30, 2018

State of Kansas
Special District
2019

CERTIFICATE

To the Clerk of Cherokee County, State of Kansas
We, the undersigned, officers of
Sewer District No 1

certify that: (1) the hearing mentioned in the attached publication was held; (2) after the Budget Hearing this budget was duly approved and adopted maximum expenditures for the various funds for the year 2019; and (3) the Amount(s) of 2018 Ad Valorem Tax are within statutory limitations for the 2019 Budget.

			2019 Adopted Budget		
Table of Contents:		Page No.	Budget Authority for Expenditures	Amount of 2018 Ad Valorem Tax	County Clerk's Use Only
Computation to Determine Limit for 2019		2			
Allocation MVT, RVT,16/20M Vehicle Ta		3			
Schedule of Transfers		4			
Statement of Indebt. & Lease/Purchase		5			
Fund	**K.S.A.**				
General	19-27a03	6	226,467		
Debt Service	10-113	7			
Totals		xxxxxxxxx	226,467	0	
Budget Summary		8			County Clerk's Use Only
Neighborhood Revitalization Rebate					
					Nov. 1, 2018 Total Assessed Valuation
Resolution required? Notice of the vote to adopt required to be published?				No	

Assisted by:
The Mense CPA Firm LLC

Address:
2001 Byers Ave
Joplin MO 64804-1835
Email:
gmense@mensecpas.com

Attest: _____, 2018

County Clerk

Governing Body

See Accountant's Compilation Report and Summary of Significant Assumptions.

Sewer District No 1
Cherokee County

Computation to Determine Limit for 2019

			Amount of Levy
1. Total tax levy amount in 2018 budget			+ $ 0
2. Debt service levy in 2018 budget			- $ 0
3. Tax levy excluding debt service			$ 0

2018 Valuation Information for Valuation Adjustments

4. New improvements for 2018:		+ 0	
5. Increase in personal property for 2018:			
5a. Personal property 2018	+ 0		
5b. Personal property 2017	- 0		
5c. Increase in personal property (5a minus 5b)		+ 0 (Use Only if > 0)	
6. Valuation of property that has changed in use during 2018:		0	
7. Total valuation adjustment (sum of 4, 5c, 6)		0	
8. Total estimated valuation July, 1,2018	0		
9. Total valuation less valuation adjustment (8 minus 7)		0	
10. Factor for increase (7 divided by 9)		0.00000	
11. Amount of increase (10 times 3)			+ $ 0
12. 2019 budget tax levy, excluding debt service, prior to CPI adjustment (3 plus 11)			$ 0
13. Debt service levy in this 2019 budget			0
14. 2019 budget tax levy, including debt service, prior to CPI adjustment (12 plus 13)			0
15. Consumer Price Index for all urban consumers for calendar year 2017			0.021
16. Consumer Price Index adjustment (3 times 15)			$ 0
17. Maximum levy for budget year 2019, including debt service, not requiring 'notice of vote publication' or adoption of a resolution prior to adoption of the budget (14 plus 16)			$ 0

If the 2019 adopted budget includes a total property tax levy exceeding the dollar amount in line 17 you must, prior to adoption of such budget, adopt a resolution authorizing such levy and, subsequent to adoption of such budget, publish notice of vote by the governing body to adopt such budget in the official county newspaper and attach a copy of the published notice to this budget.

In no event will published notice of the vote be required if the total budget year tax levy is $1,000 or less.

See Accountant's Compilation Report and Summary of Significant Assumptions.

Sewer District No 1
Cherokee County

2019

Allocation of MV, RV, 16/20M, Commercial Vehicle, and Watercraft Tax Estimates

2018 Budgeted Funds	Tax Levy Amount in 2018 Budget	Allocation for Year 2019				
		MVT	RVT	16/20M Veh	Comm Veh	Watercraft
General	0	0	0	0	0	0
Debt Service	0	0	0	0	0	0
	0	0	0	0	0	0
	0	0	0	0	0	0
Total	0	0	0	0	0	0

County Treas Motor Vehicle Estimate 0

County Treas Recreational Vehicle Estimate 0

County Treas 16/20M Vehicle Estimate 0

County Treas Commercial Vehicle Tax Estimate 0

County Treas Watercraft Tax Estimate 0

MVT Factor 0.00000

RVT Factor 0.00000

16/20M Factor 0.00000

Comm Veh Facto 0.00000

Watercraft Facto 0.00000

See Accountant's Compilation Report and Summary of Significant Assumptions.

2019

Sewer District No 1
Cherokee County

Schedule of Transfers

Expenditure Fund Transferred From:	Receipt Fund Transferred To:	Actual Amount for 2017	Current Amount for 2018	Proposed Amount for 2019	Transfers Authorized by Statute
	Totals	0	0	0	
	Adjustments*				
	Adjusted Totals	0	0	0	

*Note: Adjustments are required only if the transfer is being made in 2018 and/or 2019 from a non-budgeted fund.

See Accountant's Compilation Report and Summary of Significant Assumptions.

Sewer District No 1
Cherokee County

2019

STATEMENT OF INDEBTEDNESS

Type of Debt	Date of Issue	Interest Rate %	Amount Issued	Amount Outstanding Jan 1,2018	Date Due		Amount Due 2018		Amount Due 2019	
					Interest	Principal	Interest	Principal	Interest	Principal
General Obligation:										
Total G.O.				0			0	0	0	0
Revenue Bonds:										
Total Revenue				0			0	0	0	0
Other:										
KDHE	7/26/2010	2.61	284,469	195,820	3-1 & 9-1	3-1 & 9-1	5,043	10,399	4,770	10,672
Total Other				195,820			5,043	10,399	4,770	10,672
Total				**195,820**			**5,043**	**10,399**	**4,770**	**10,672**

STATEMENT OF CONDITIONAL LEASE-PURCHASE AND CERTIFICATE OF PARTICIPATION*

Items Purchased	Contract Date	Term of Contract (Months)	Interest Rate %	Total Amount Financed (Beginning Principal)	Principal Balance On Jan 1,2018	Payments Due 2018	Payments Due 2019
COPS Series 2017	3/30/2017	120	3.75	535,000	535,000	86,481	71,025
			Total	**535,000**	**535,000**	**86,481**	**71,025**

***If you are merely leasing/renting with no intent to purchase, do not list--such transactions are not lease-purchases.
See Accountant's Compilation Report and Summary of Significant Assumptions.

Adopted Budget **General**	Prior Year Actual for 2017	Current Year Estimate for 2018	Proposed Budget Year for 2019
Unencumbered Cash Balance Jan 1	35,355	196,104	155,492
Receipts:			
Ad Valorem Tax		0	xxxxxxxxxxxxxxxxx
Delinquent Tax			
Motor Vehicle Tax			0
Recreational Vehicle Tax			0
16/20M Vehicle Tax			0
Commercial Vehicle Tax			0
Watercraft Tax			0
LAVTR			0
Charges for Services	140,951	200,000	210,000
Special Assessments	15,721		
COPS Proceeds	535,000		
Interest on Idle Funds			
Neighborhood Revitalization Rebate			0
Miscellaneous			
Does misc. exceed 10% of Total Receipts			
Total Receipts	**691,672**	**200,000**	**210,000**
Resources Available:	**727,027**	**396,104**	**365,492**
Expenditures:			
Public Works	57,187	138,689	140,000
KDHE Payments	15,442	15,442	15,442
Cost of COPS Issuance	31,000		
Reimburse County for Project Costs	427,294		
COPS Payments		86,481	71,025
Cash Forward (2019 column)			
Miscellaneous			
Does misc. exceed 10% Total Expenditure			
Total Expenditures	**530,923**	**240,612**	**226,467**
Unencumbered Cash Balance Dec 31	196,104	155,492	xxxxxxxxxxxxxxxxx
2017/2018/2019 Budget Authority Amount	153,034	154,131	226,467
		Non-Appropriated Balance	
See Tab A **See Tab C**		Total Expenditure/Non-Appr Balance	226,467
		Tax Required	0
	Delinquent Comp Rate:	0.0%	0
		Amount of 2018 Ad Valorem Tax	0

See Accountant' Compilation Report amd Summary of Significant Assumptions.

Sewer District No 1 2019
Cherokee County

FUND PAGE FOR FUNDS WITH A TAX LEVY

Adopted Budget **Debt Service**	Prior Year Actual for 2017	Current Year Estimate for 2018	Proposed Budget Year for 2019
Unencumbered Cash Balance Jan 1		0	0
Receipts:			
Ad Valorem Tax		0	xxxxxxxxxxxxxxxxx
Delinquent Tax			
Motor Vehicle Tax			0
Recreational Vehicle Tax			0
16/20M Vehicle Tax			0
Commercial Vehicle Tax			0
Watercraft Tax			0
In Lieu of Tax (IRB)			
Interest on Idle Funds			
Neighborhood Revitalization Rebate			0
Miscellaneous			
Does misc. exceed 10% of Total Receipts			
Total Receipts	**0**	**0**	**0**
Resources Available:	**0**	**0**	**0**
Expenditures:			
Cash Basis Reserve (2019 column)			
Miscellaneous			
Does misc. exceed 10% Total Expenditures			
Total Expenditures	**0**	**0**	**0**
Unencumbered Cash Balance Dec 31	0	0	xxxxxxxxxxxxxxxxx
2017/2018/2019 Budget Authority Amoun	0	0	0
		Non-Appropriated Balance	
		Total Expenditure/Non-Appr Balance	0
		Tax Required	0
	Delinquent Comp Rate:	0.0%	0
		Amount of 2018 Ad Valorem Tax	0

See Accountant's Compilation Report and Summary of Significant Assumptions.

State of Kansas
Special District
2019

NOTICE OF BUDGET HEARING

The governing body of
Sewer District No 1
Cherokee County
will meet on August 13, 2018 at 10:00 AM at County Courthouse for the purpose of hearing and answering objections of taxpayers relating to the proposed use of all funds and the amount of tax to levied. Detailed budget information is available at County Clerk's Office and will be available at this hearing.

BUDGET SUMMARY

Proposed Budget 2019 Expenditures and Amount of 2018 Ad Valorem Tax establish the maximum limits of the 2019 budget. Estimated Tax Rate is subject to change depending on the final assessed valuation.

	Prior Year Actual 2017		Current Year Estimate for 2018		Proposed Budget Year for 2019		
FUND	Expenditures	Actual Tax Rate*	Expenditures	Actual Tax Rate*	Budget Authority for Expenditures	Amount of 2018 Ad Valorem Tax	Estimate Tax Rate*
General	530,923		240,612		226,467		
Debt Service							
Totals	530,923	0.000	240,612	0.000	226,467	0	0.000
Less: Transfers	0		0		0		
Net Expenditures	530,923		240,612		226,467		
Total Tax Levied	0		0		xxxxxxxxxxxxxx		
Assessed Valuation	0		0		0		

Outstanding Indebtedness, Jan 1,	2016	2017	2018
G.O. Bonds	0	0	0
Revenue Bonds	0	0	0
Other	215,827	205,954	195,820
Lease Pur. Princ.	0	0	535,000
Total	215,827	205,954	730,820

*Tax rates are expressed in mills.
See Accountant's Compilation Report and Summary of Significant Assumptions.

Rodnet Edmondson
County Clerk

CHEROKEE COUNTY SEWER DISTRICT NO. 1
SUMMARY OF SIGNIFICANT ASSUMPTIONS

Note A: NATURE OF THE PROJECTION

This financial projection presents, to the best of Management's knowledge and belief, the District's results of operations and significant changes in financial position for the projection period if the hypothetical assumptions occur. Accordingly, the projection reflects management's judgment as of July 30, 2018, the date of this projection, of the expected conditions if the hypothetical assumptions occur. The presentation is designed to provide information for management and the County Clerk of the county that the District resides in, to calculate the tax levy needed to support the District's operations and other interested parties and should not be considered to be a presentation of expected future results. Accordingly, this projection may not be useful for other purposes. Furthermore, even if the hypothetical assumptions occur, there will usually be differences between the projected and actual results, because events and circumstances frequently do not occur as expected, and those differences may be material. The assumptions disclosed herein are those that management believes are significant to the projection.

Note B: SUMMARY OF SIGNIFICANT ASSUMPTIONS

1. Receipts for services will be collected as projected and be sufficient to make payments on the Certificates of Participation.
2. Expenditures will be spent as appropriated.
3. Unencumbered cash balances will be as projected.
4. There will not be any catastrophic events or circumstances beyond the District's control that would affect the above assumptions.