

THE CITY OF MCPHERSON, KANSAS
FINANCIAL STATEMENT
FOR THE YEAR ENDED DECEMBER 31, 2015

**City of McPherson, Kansas
City of Second Class
Incorporated March 4, 1874
For the Year Ended December 31, 2015**

BOARD OF CITY COMMISSIONERS

Robert D. Moore
Commissioner of
Public Facilities

Thomas A. Brown
Mayor

Larry E. Wiens
Commissioner of
Streets and Utilities

CITY OFFICIALS

Jeffrey A. Houston
City Attorney

Nick Gregory
City Administrator

William S. Mills
Municipal Court Judge

Mark R. Moffitt, CPA, CGMA
City Treasurer/Finance Director

Jeffrey Deal
Fire Chief

Robert McClarty
Chief of Police

Tim S. Maier
General Manager, Board
of Public Utilities

Wayne Burns
Director of
Public Land & Facilities

Jeffrey C. Woodward, P.E.
Public Works Director/
City Engineer

Thomas R. Stinemetze
City Sanitarian

Bill Athey
City Lead Building Inspector

Brian L. Bina
City Prosecutor

Tamra K. Seely
City Clerk/HR Officer

Kody A. Kraemer
Cemetery Sexton

Bo C. Modellmog
Deputy City Clerk

CITY OF MCPHERSON, KANSAS
For the Year Ended December 31, 2015

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CITY OF MCPHERSON, KANSAS
For the Year Ended December 31, 2015

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INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and City Commission
City of McPherson, Kansas 67460

We have audited the accompanying fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances of the City of McPherson, a Municipal Financial Reporting Entity as of and for the year ended December 31, 2015 and the related notes to the financial statement.

Management's Responsibility for the Financial Statement

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

Our responsibility is to express an opinion on the financial statement based on our audit. We conducted our 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 we 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 risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we 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.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our 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 McPherson on the basis of 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 the 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.

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McPherson Office

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Wichita Office

220 W. Douglas, Ste. 300 • Wichita, KS 67202
P: 316.265.5600 • F: 316.265.8021

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our 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 McPherson as of December 31, 2015, or changes in financial position and cash flows thereof for the year then ended.

Unmodified Opinion on Regulatory Basis of Accounting

In our opinion, the financial statement referred to above presents fairly, in all material respects, the aggregate cash and unencumbered cash balance of the City of McPherson as of December 31, 2015, 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

Our audit was conducted for the purpose of forming an opinion on the 2015 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, individual fund schedules of regulatory basis receipts and expenditures-actual and budget, schedules of regulatory basis receipts and expenditures-actual-related municipal entity (Schedules 1, 2 and 3 as listed in the table of contents) are presented for purposes of additional analysis and are not a required part of the 2015 basic financial statement, however are required to be presented under the provisions of the *Kansas Municipal Audit and Accounting Guide*. 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 2015 basic financial statement. The 2015 information has been subjected to the auditing procedures applied in the audit of the 2015 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 2015 basic financial statement or to the 2015 basic financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the 2015 basic financial statement as a whole, on the basis of accounting described in Note 1.

The 2014 Actual column presented in the individual fund schedules of regulatory basis receipts and expenditures-actual and budget, schedules of regulatory basis receipts and expenditures-actual-related municipal entity (Schedules 2 and 3 as listed in the table of contents) are also presented for comparative analysis and are not a required part of the 2015 basic financial statement upon which we rendered an unmodified opinion dated August 29, 2016. The 2014 basic financial statement and our 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>. Such 2014 comparative information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 2014 basic financial statement. The 2014 comparative information was subjected to the auditing procedures applied in the audit of the 2014 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 2014 basic financial statement or to the 2014 basic financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the 2014 comparative information is fairly stated in all material respects in relation to the 2014 basic financial statement as a whole, on the basis of accounting described in Note 1.

Swindoll, Janzen, Hawk & Loyd, LLC
Certified Public Accountants

August 29, 2016

CITY OF MCPHERSON, KANSAS

SUMMARY STATEMENT OF CASH RECEIPTS, EXPENDITURES AND UNENCUMBERED CASH**Regulatory Basis**

For the Year Ended December 31, 2015

<u>Funds</u>	<u>Beginning Unencumbered Cash Balance</u>	<u>Prior Year Cancelled Encumbrances</u>	<u>Receipts</u>	<u>Expenditures</u>	<u>Ending Unencumbered Cash Balance</u>	<u>Add Encumbrances and Accounts Payable</u>	<u>Ending Cash Balance</u>
GENERAL FUND:							
General Operating Fund	\$ 5,162,289	\$ -	\$ 8,347,880	\$ 8,689,234	\$ 4,820,935	\$ 652,275	\$ 5,473,210
SPECIAL PURPOSE FUNDS:							
Animal Shelter Fund	110,577	-	155,609	177,364	88,822	5,462	94,284
Consolidated Street and Highway Fund	3,110,154	-	2,708,947	1,333,863	4,485,238	79,017	4,564,255
Employee Benefits Contribution Fund	1,007,885	-	4,664,497	4,635,187	1,037,195	20,103	1,057,298
Forfeited Property Fund - Police Department	10,037	-	8,863	3,168	15,732	-	15,732
Industrial Development Fund	382,286	-	68,611	51,000	399,897	-	399,897
Library Fund	600	-	705,598	705,398	800	-	800
Library Employee Benefits Fund	10	-	153,742	153,697	55	-	55
McPherson Landfill Improvement Corporation	2,366	-	3	40	2,329	-	2,329
McPherson Land Bank Fund	-	-	100	-	100	-	100
Municipal Building Fund	218,539	-	113,115	90,583	241,071	4,945	246,016
Municipal Court Fund	35,782	-	287,861	301,106	22,537	-	22,537
Municipal Court ADSAP Fund	23,588	-	344	300	23,632	-	23,632
Municipal Golf Course Fund	24,455	-	501,431	503,283	22,603	8,000	30,603
Operation Warmth Fund	2,576	-	5,618	4,863	3,331	90	3,421
Special Alcohol Program Fund	114,166	-	42,051	22,497	133,720	-	133,720
Special Park and Recreation Fund	65,686	-	37,051	11,553	91,184	-	91,184
Swimming Pool Maintenance and Operation Fund	417,046	-	293,480	312,740	397,786	24,787	422,573
Sales Tax Revenue Fund	144,979	-	1,681,950	859,136	967,793	-	967,793
Tourism and Convention Promotion Fund	252,692	-	486,707	374,092	365,307	7,931	373,238
Health Self-Insurance Fund	1,080,431	-	2,305,018	2,478,022	907,427	-	907,427
Worker's Compensation Self-Insurance Fund	800,923	-	57,611	181,320	677,214	-	677,214
Total Special Purpose Funds	7,804,778	-	14,278,207	12,199,212	9,883,773	150,335	10,034,108
BOND AND INTEREST FUND:							
Bond and Interest Fund	950,926	-	5,069,221	5,211,301	808,846	-	808,846
CAPITAL PROJECTS FUNDS:							
Capital Improvement Fund	2,401,110	-	2,406,673	3,359,860	1,447,923	561,244	2,009,167
Equipment Reserve Fund	1,658,764	900	695,193	933,249	1,421,608	-	1,421,608
Total Capital Projects Funds	4,059,874	900	3,101,866	4,293,109	2,869,531	561,244	3,430,775

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

CITY OF MCPHERSON, KANSAS

SUMMARY STATEMENT OF CASH RECEIPTS, EXPENDITURES AND UNENCUMBERED CASH**Regulatory Basis**

For the Year Ended December 31, 2015

Funds	Beginning Unencumbered Cash Balance	Prior Year Cancelled Encumbrances	Receipts	Expenditures	Ending Unencumbered Cash Balance	Add Encumbrances and Accounts Payable	Ending Cash Balance
BUSINESS FUNDS:							
Electric Utility Fund	\$ 25,733,773	\$ -	\$ 55,984,659	\$ 51,143,232	\$ 30,575,200	\$ 4,273,326	\$ 34,848,526
Sewer Recovery Fund	393,056	-	36,929	-	429,985	-	429,985
Solid Waste Collection Fund	1,295,705	-	1,009,717	903,108	1,402,314	72,750	1,475,064
Wastewater System Maintenance and Operation Fund	2,814,953	-	2,061,976	1,452,621	3,424,308	37,441	3,461,749
Wastewater System Surplus Fund	1,026,536	-	673,439	728,853	971,122	-	971,122
Water Utility Fund	6,814,023	-	3,896,358	3,791,665	6,918,716	347,855	7,266,571
Total Business Funds	38,078,046	-	63,663,078	58,019,479	43,721,645	4,731,372	48,453,017
TRUST FUNDS:							
Salthouse - Broadway Cemetery Trust Fund	47,710	-	119	2,500	45,329	-	45,329
Cemetery Endowment Fund	75,015	-	6,626	-	81,641	-	81,641
Fire Insurance Proceeds Fund	-	-	8,650	8,650	-	-	-
Police Benefit Fund	14,564	-	727	1,580	13,711	-	13,711
Firefighters Benefit Fund	3,979	-	7,573	8,821	2,731	-	2,731
Total Trust Funds	141,268	-	23,695	21,551	143,412	-	143,412
Total	56,197,181	900	94,483,947	88,433,886	62,248,142	6,095,226	68,343,368
RELATED MUNICIPAL ENTITY:							
Library Board	381,169	-	1,037,805	927,497	491,477	39,365	530,842
Total Reporting Entity	\$ 56,578,350	\$ 900	\$ 95,521,752	\$ 89,361,383	\$ 62,739,619	\$ 6,134,591	\$ 68,874,210

Cash on Hand - City Clerk	\$ 600
Cash on Hand - Board of Public Utilities	600
Cash on Hand - Municipal Court	100
Cash on Hand - Municipal Golf Course	420
Cash in Bank and Certificates of Deposit	58,856,549
Investments - City of McPherson Temporary Notes	360,000
Investments - KS Municipal Investment Pool	9,125,099
Total	68,343,368
Related Municipal Entity	530,842
Total Reporting Entity	\$ 68,874,210

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

CITY OF MCPHERSON, KANSAS
NOTES TO FINANCIAL STATEMENT
For the Year Ended December 31, 2015

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) *Municipal Financial Reporting Entity*

The City of McPherson, Kansas (the City) is a municipal corporation governed by an elected three-member commission. The financial statement presents the City of McPherson (a municipal financial reporting entity) and its related municipal entities. The Board of Public Utilities of McPherson, Kansas (the BPU) consists of the municipal electric and water utilities that provide services to approximately 8,500 electric and 5,700 water customers. The BPU's operational control and administration is under a three-member appointed Board of Directors. However, the BPU is owned by and is a part of the municipality of the City because the City holds the corporate powers of the BPU. The BPU is considered an administrative agency of the City by statute. The City has the following related municipal entity shown on Schedule 3.

Library Board. The City of McPherson Library Board operates the City's public library. Acquisition or disposition of real property by the Library Board must be approved by the City. Bond issuances must also be approved by the City. Complete financial records for the Library Board may be reviewed at the administrative offices of the entity at 214 W. Marlin, McPherson, Kansas, 67460.

The City also has a related municipal entity as follows shown on Schedule 2 as a Special Purpose Fund.

McPherson Landfill Improvement Corporation. The City of McPherson owns a former landfill site south of McPherson. Complete financial records for the McPherson Landfill Improvement Corporation may be reviewed at the administrative offices of the entity at 400 E. Kansas, McPherson, Kansas, 67460.

(b) *Regulatory Basis Fund Types*

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) that are intended for specified purposes.

Bond and Interest Fund – used to account for the accumulation of resources, including tax levies, transfers from 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.).

Trust Fund – funds used to report assets held in trust for the benefit of the municipal financial reporting entity (i.e. pension funds, investment trust funds, private purpose trust funds which benefit the municipal reporting entity, scholarship funds, etc.).

Agency Fund – funds used to report assets held by the municipal reporting entity in a purely custodial capacity (i.e. payroll clearing fund, county treasurer tax collection accounts, etc.).

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)

(c) Basis of Accounting

Regulatory Basis of Accounting and Departure from Accounting Principles Generally Accepted in the United States of America. The Kansas Municipal Audit and Accounting Guide (KMAAG) regulatory basis of accounting involves the recognition of cash, cash equivalents, marketable investments, and certain accounts payable and encumbrance obligations to arrive at a net unencumbered cash and investments balance on a regulatory basis for each fund, and the reporting of changes in unencumbered cash and investments of a fund resulting from the difference in regulatory basis receipts and regulatory basis expenditures for the fiscal year. All recognized assets and liabilities are measured and reported at cost, unless they have been permanently impaired and have no future cash value or represent no future obligation against cash. The KMAAG regulatory basis does not recognize capital assets, long-term debt, accrued receivables and payables, or any other assets, liabilities or deferred inflows or outflows, other than those mentioned above.

The City has approved a resolution that is in compliance with K.S.A. 75-1120a(c), waiving the requirement for application of generally accepted accounting principles and allowing the City to use the regulatory basis of accounting.

(d) Budgetary Information

Kansas statutes require that an annual operating budget be legally adopted for the General Fund, Special Purpose Funds (unless specifically exempted by statute), Bond and Interest Funds and Business Funds. Although directory rather than mandatory, 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 regulatory receipts other than ad valorem property taxes. To do this, a notice of public hearing to amend the budget must be published in the local newspaper. At least ten days after publication, the hearing may be held and the governing body may amend the budget at that time. There were no such budget amendments for the year 2015.

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, in which regulatory receipts are recognized when cash is received and expenditures include disbursements, accounts payable and encumbrances, with disbursements being adjusted for prior year's accounts payable 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 Project Funds, Agency Funds, Trust Funds and certain Special Purpose Funds as noted in the presentation of the appropriate Schedule 2.

Spending in funds which are not subject to the legal annual operating budget requirement are controlled by federal regulations, other statutes, or by the use of internal spending limits established by the governing body.

2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Compliance with Kansas Statutes

No statute violations noted in 2015.

3. DEPOSITS AND INVESTMENTS

As of December 31, 2015, the City had the following investments:

Investment Type	Fair Value	Investments Maturities (in Years)				Rating
		Less than 1	1-5	6-10	More than 10	
Kansas Municipal Investment Pool	\$ 9,125,099	\$ 9,125,099	\$ -	\$ -	\$ -	S&P AAAF/SLT
City of McPherson Temporary Notes	360,000	-	360,000	-	-	N/A
Total	\$ 9,485,099	\$ 9,125,099	\$ 360,000	\$ -	\$ -	

K.S.A. 9-1401 establishes the depositories which may be used by the City. The statute requires banks eligible to hold the City's funds have a main or branch bank in the county in which the City 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 returns on funds. In addition, K.S.A. 9-1402 requires the banks to pledge securities for deposits in excess of FDIC coverage. The City has no other policies that would further limit interest rate risk.

K.S.A. 12-1675 limits the City's investment of idle funds to time deposits, open accounts, and certificates of deposit with allowable financial institutions; U.S. government securities; temporary notes; no-fund warrants; repurchase agreements; and the Kansas Municipal Investment Pool. The City has an investment policy that does not further limit its investment choices. The rating of the City's investment is noted above.

Concentration of credit risk. State statutes place no limit on the amount the City may invest in any one issuer as long as the investments are adequately secured under K.S.A. 9-1402 and 9-1405. The City's allocation of investments as of December 31, 2015, is as follows:

Investments	Percentage of Investments
Kansas Municipal Investment Pool	96%
City of McPherson Temporary Note	4%
	<u>100%</u>

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 by December 31, 2015.

At December 31, 2015, the City's and Library's carrying amount of deposit was \$59,387,391 and the bank balance was \$59,624,451. The bank balance was held by nine banks resulting in a concentration of credit risk. Of the bank balance, \$2,200,000 was covered by federal depository insurance and \$57,424,451 was collateralized with securities held by the pledging financial institutions' agents in the City's name.

Custodial credit risk – investments. For an investment, this is the risk that in the event of the failure of the issuer or counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. State statutes require investments to be adequately secured.

At December 31, 2015, the City had invested \$9,125,099 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 obligations 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.

4. LONG-TERM DEBT

Changes in long-term liabilities for the City for the year ended December 31, 2015 were as follows:

Issue	Interest Issue	Date of Issue	Amount of Issue	Original Date of Final Maturity	Balance Beginning of Year	Additions	Reductions of Principal	Balance End of Year	Interest Paid
General Obligation Bonds:									
Series 130 of 2005	2.875% to 5.00%	7/1/05	\$ 4,975,000	8/1/25	\$ 3,005,000	\$ -	\$ 3,005,000	\$ -	\$ 120,588
Series 131 of 2006	4.00% to 5.00%	7/15/06	1,470,000	8/1/26	930,000	-	100,000	830,000	39,290
Series 132 of 2007	4.15% to 5.50%	8/1/07	1,040,000	8/1/27	650,000	-	65,000	585,000	29,015
Series 133 of 2009	2.55% to 4.50%	7/30/09	1,045,000	8/1/29	815,000	-	50,000	765,000	32,050
Series 134 of 2011	2.00% to 3.50%	6/15/11	2,965,000	8/1/23	1,700,000	-	360,000	1,340,000	41,400
Series 135 of 2012	2.00% to 3.10%	8/1/12	340,000	8/1/32	315,000	-	15,000	300,000	8,940
Series 136 of 2013	2.00% to 4.00%	8/15/13	9,585,000	8/1/33	9,160,000	-	1,045,000	8,115,000	254,000
Series 137 of 2015	2.00% to 3.00%	7/22/15	3,750,000	7/1/25	-	3,750,000	-	3,750,000	-
Total General Obligation Bonds					16,575,000	3,750,000	4,640,000	15,685,000	525,283
Revenue Bonds:									
Series 2011	3.00% to 4.00%	10/13/11	5,445,000	9/1/20	3,775,000	-	580,000	3,195,000	128,225
Series 2012	2.00% to 4.00%	7/5/12	11,085,000	10/1/27	9,955,000	-	625,000	9,330,000	325,419
Total Revenue Bonds					13,730,000	-	1,205,000	12,525,000	453,644
Temporary Notes:									
Series 2015-A	.45%	12/15/15	360,000	12/15/17	-	360,000	-	360,000	-
Total Temporary Notes					-	360,000	-	360,000	-
Kansas Revolving Fund Loans:									
1994 Sewer Fund Improvement	3.26%	5/31/94	1,067,645	9/1/15	71,275	-	71,275	-	1,882
1999 Wastewater Improvement	2.78%	4/19/99	1,127,000	9/1/20	411,653	(146)	63,560	347,947	11,991
2007 Wastewater Improvement	2.50%	10/6/07	11,346,393	3/1/29	8,667,147	-	493,879	8,173,268	234,974
Total Kansas Revolving Fund Loans					9,150,075	(146)	628,714	8,521,215	248,847
Capital Leases:									
Aerial Platform Truck	4.95%	9/11/09	866,722	1/28/20	551,403	-	81,168	470,235	27,294
Total Capital Leases					551,403	-	81,168	470,235	27,294
Total Contractual Indebtedness					\$ 40,006,478	\$ 4,109,854	\$ 6,554,882	\$ 37,561,450	\$ 1,255,068

Continuing Disclosure Requirements

The City of McPherson as Issuer and Dissemination Agent, provided the prior year Annual Audit Report to EMMA (Electronic Municipal Market Access) on a timely basis.

Arbitrage Calculations

Based on the opinion letters from Gilmore & Bell, P.C. of Kansas City, MO, the City of McPherson, as Issuer, is in compliance with the arbitrage rebate calculations pursuant to Code Section 148(f) of the Internal Revenue Code of 1986 as amended.

4. LONG-TERM DEBT (CONT.)

Current maturities of long-term debt and interest for the next five years and in five year increments through maturity are as follows:

	Year								
	2016	2017	2018	2019	2020	2021-2025	2026-2030	2031-2033	Total
Principal:									
General Obligation Bonds:									
Series 131 of 2006	\$ 105,000	\$ 190,000	\$ 110,000	\$ 105,000	\$ 105,000	\$ 195,000	\$ 20,000	\$ -	\$ 830,000
Series 132 of 2007	65,000	70,000	80,000	75,000	80,000	195,000	20,000	-	585,000
Series 133 of 2009	50,000	55,000	55,000	55,000	60,000	305,000	185,000	-	765,000
Series 134 of 2011	370,000	255,000	265,000	85,000	90,000	275,000	-	-	1,340,000
Series 135 of 2012	15,000	15,000	15,000	15,000	15,000	80,000	100,000	45,000	300,000
Series 136 of 2013	1,055,000	1,085,000	1,115,000	770,000	795,000	2,650,000	380,000	265,000	8,115,000
Series 137 of 2015	685,000	745,000	835,000	370,000	385,000	730,000	-	-	3,750,000
Total General Obligation Bonds	2,345,000	2,415,000	2,475,000	1,475,000	1,530,000	4,430,000	705,000	310,000	15,685,000
Revenue Bonds:									
Series 2011	600,000	615,000	635,000	660,000	685,000	-	-	-	3,195,000
Series 2012	640,000	665,000	685,000	705,000	735,000	4,070,000	1,830,000	-	9,330,000
Total Revenue Bonds	1,240,000	1,280,000	1,320,000	1,365,000	1,420,000	4,070,000	1,830,000	-	12,525,000
Temporary Notes									
Series 2015-A	-	360,000	-	-	-	-	-	-	360,000
Total Temporary Notes	-	360,000	-	-	-	-	-	-	360,000
Kansas Revolving Fund Loans:									
1999 Wastewater Improvement	65,501	67,501	69,561	71,685	73,699	-	-	-	347,947
2007 Wastewater Improvement	507,554	521,608	536,051	550,893	566,147	3,074,739	2,416,276	-	8,173,268
Total Kansas Revolving Fund Loans	573,055	589,109	605,612	622,578	639,846	3,074,739	2,416,276	-	8,521,215
Capital Lease:									
Aerial Platform Truck	85,186	89,402	93,828	98,472	103,347	-	-	-	470,235
Total Principal	4,243,241	4,733,511	4,494,440	3,561,050	3,693,193	11,574,739	4,951,276	310,000	37,561,450
Interest:									
General Obligation Bonds:									
Series 131 of 2006	35,240	30,935	22,998	18,433	14,023	23,590	920	-	146,139
Series 132 of 2007	26,253	23,490	20,515	16,915	13,540	21,610	1,410	-	123,733
Series 133 of 2009	30,675	29,175	27,525	25,325	23,125	77,825	21,150	-	234,800
Series 134 of 2011	34,200	26,800	21,063	14,438	11,887	19,113	-	-	127,501
Series 135 of 2012	8,640	8,340	8,040	7,740	7,440	30,225	16,275	2,170	88,870
Series 136 of 2013	233,100	212,000	184,875	154,213	131,113	308,413	103,113	22,738	1,349,565
Series 137 of 2015	92,096	76,150	61,250	44,550	33,450	66,750	-	-	374,246
Total General Obligation Bonds	460,204	406,890	346,266	281,614	234,578	547,526	142,868	24,908	2,444,854
Revenue Bonds:									
Series 2011	110,825	92,825	74,375	52,150	27,400	-	-	-	357,575
Series 2012	312,918	287,319	267,369	246,819	218,619	710,050	86,613	-	2,129,707
Total Revenue Bonds	423,743	380,144	341,744	298,969	246,019	710,050	86,613	-	2,487,282
Temporary Notes									
Series 2015-A	-	3,240	-	-	-	-	-	-	3,240
Total Temporary Notes	-	3,240	-	-	-	-	-	-	3,240
Kansas Revolving Fund Loans:									
1999 Wastewater Improvement	10,050	8,051	5,990	3,866	1,678	-	-	-	29,635
2007 Wastewater Improvement	221,299	207,246	192,803	177,960	162,706	569,527	134,710	-	1,666,251
Total Kansas Revolving Fund Loans	231,349	215,297	198,793	181,826	164,384	569,527	134,710	-	1,695,886
Capital Lease:									
Aerial Platform Truck	23,277	19,060	14,635	9,990	5,116	-	-	-	72,078
Total Interest	1,138,573	1,024,631	901,438	772,399	650,097	1,827,103	364,191	24,908	6,703,340
Total Principal and Interest	\$ 5,381,814	\$ 5,758,142	\$ 5,395,878	\$ 4,333,449	\$ 4,343,290	\$ 13,401,842	\$ 5,315,467	\$ 334,908	\$ 44,264,790

4. LONG-TERM DEBT - CURRENT REFUNDING

In July 2015, the Commission issued \$3,750,000 of General Obligation Refunding and Improvement Bonds Series 137 of 2015 to current refund the General Obligation Bonds Series 130 of 2005 and for the improvement or reimprovement of a main trafficway within the City. The proceeds were also used to pay the costs of issuance. The Commission has followed the provisions of Governmental Accounting Standards Board (GASB) Statement No. 23, Accounting and Financial Reporting for Refundings of Debt Reported by Proprietary Activities. The current refunding resulted in a difference between the reacquisition price and the net carrying value of the old debt of approximately zero. The refunding decreased the Commission's aggregate debt service payments by approximately \$174,524 and resulted in an economic gain (difference between the present values of the old and new debt service payments) of approximately \$160,136.

5. PENSION COSTS AND EMPLOYEE BENEFITS

(a) Defined Benefit Pension Plan

Plan Description. The City and the BPU participates in the Kansas Public Employees Retirement System (KPERS) and the Kansas Police and Firemen's Retirement System (KP&F). Both are part of a cost-sharing multiple-employer defined benefit pension plan as provided by K.S.A. 74-4901, et. seq. Kansas law establishes and amends benefit provisions. KPERS and KP&F issue 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 www.kpers.org or by writing to KPERS (611 South 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. K.S.A. 74-4975 establishes KP&F member-employee contribution rate at 7.15% of covered salary. 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 and KP&F 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 0.85% contribution rate for Death and Disability Program) and the statutory contribution rate was 9.48% for KPERS and 21.36% for KP&F for the fiscal year ended December 31, 2015. Contributions to the pension plan from the City and BPU were \$766,593 for KPERS and \$517,927 for KP&F (Library was \$38,950) for the year ended December 31, 2015.

Net Pension Liability. At December 31, 2015, the City and BPU's proportionate share of the collective net pension liability reported by KPERS was \$6,124,576 and \$3,850,151 for KP&F (Library was \$317,822). The net pension liability was measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2014, which was rolled forward to June 30, 2015. The City and BPU's proportion of the net pension liability was based on the ratio of the City and BPU's 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.

5. PENSION COSTS AND EMPLOYEE BENEFITS (CONT.)

(b) Deferred Compensation Plan

The City offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan is available to all employees who qualify under the plan terms, and permits employees to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death or unforeseeable emergency.

(c) Other Employee Benefits

Vacation – Vacation leave shall be accrued from the employee's date of employment as stipulated hereinafter. If not taken, vacation leave shall accrue from year to year up to the maximum provided depending upon the employee's years of service. No vacation leave shall be taken until a new employee has completed the evaluation period.

Each permanent full-time employee will accrue vacation leave as follows:

<u>Maximum Years of Service</u>	<u>Hours Accrued Per Year</u>	<u>Maximum Accumulation</u>
0 to 5 years	80 working hours	120 working hours
5 to 15 years	120 working hours	180 working hours
15 to 25 years	160 working hours	240 working hours
After 25 years	200 working hours	300 working hours

An employee shall be paid for all accumulated unused vacation leave upon termination.

Sick leave – All full and part-time employees shall be entitled to sick leave with pay for absences resulting from personal illness, injuries, accidents or other physical incapacities, occurring either on or off the job. Full-time employees shall earn one working day of sick leave for each full month of service. Part-time employees shall receive the equivalent of a regularly scheduled day for each full month of service. Other employees shall not have paid sick leave. An employee beginning work on or before the 15th of the month shall get credit for a full month. On termination of employment an employee shall not be paid for accumulated sick leave. Accordingly, no provision for accumulated sick leave has been made in the accompanying financial statement.

(d) Other Post Employment Benefits

As provided by K.S.A. 12-5040, the City allows retirees to participate in the group health insurance plan until they reach 65 years of age. While each retiree pays the full amount of the applicable premium, conceptually, the City 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 the financial statement.

Under the Consolidated Omnibus Budget Reconciliation Act (COBRA), the government makes health care benefits available to eligible dependents. Certain requirements are outlined by the federal government for this coverage. The premium is paid in full by the insured. There is no cost to the government under this program.

6. SELF-INSURANCE PROGRAM

The City is responsible for a potential liability up to \$60,000 per individual per year for health care claims. This plan had fixed costs of \$99,603. Management believes claims incurred, but not reported, are insignificant at December 31, 2015. Starting December 31, 2007, the City chose to not self-insure for workers' compensation. Changes in health insurance claims liability for 2015 and 2014 were as follows:

	<u>2015</u>	<u>2014</u>
Beginning Balance	\$ 120,000	\$ 95,000
Additions	2,012,177	1,740,204
Payments	<u>(1,972,177)</u>	<u>(1,715,204)</u>
Ending Balance	<u>\$ 160,000</u>	<u>\$ 120,000</u>

7. SUMMARY DISCLOSURE OF SIGNIFICANT CONTINGENCIES

The McPherson Area Solid Waste Utility (the Utility), of which the City of McPherson is a member, is subject to the U.S. Environmental Protection Agency rule "Solid Waste Disposal Facility Criteria" which establishes closure requirements for all municipal solid waste landfills that receive solid waste after October 9, 1991. The Utility is responsible for operating and other costs including postclosure costs while it is in existence. Any possible contributions by Utility members required to fund postclosure requirements is not determinable at this time.

The City is subject to various laws and regulations with respect to environmental matters such as air and water quality. The effect of any future changes in environmental laws and/or regulations cannot be estimated. However, compliance with such changes may necessitate substantial expenditures.

8. CLAIMS AND JUDGMENTS

The City participates in federal, state and county programs that are fully or partially funded by grants received from other governmental units. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grant program regulations, the City may be required to reimburse the grantor government. As of the date of this report, grant expenditures have not been audited, but the City believes that disallowed expenditures, if any, based on subsequent audits will not have a material effect on any of the individual governmental funds or the overall financial position of the City.

The City is exposed to various risks of loss related to property loss; torts; theft of, damage to, and destruction of assets; errors and omissions; employee injuries and natural disasters. The City has purchased commercial insurance for these potential risks. There have been no significant reductions in insurance coverage from 2014 to 2015 and there were no settlements (except as noted below) that exceeded insurance coverage in the past three years.

During the ordinary course of its operations the City is exposed to various claims, legal actions and complaints. It is of the opinion of the City's management and legal counsel that except as noted below, any current matters are not anticipated to have a material financial impact on the City. Notwithstanding the above, the City received an adverse jury verdict on October 14, 2014 in the case entitled Michaels v. City of McPherson, Kansas (Case No. 6:13-cv-00128-MLB, D. Kan.). The total amount of the judgment was in excess of \$1.5 million plus accruing interest. The City is covered by \$1 million of insurance coverage. The City and carrier began the process for appeal to the 10th Circuit Court of Appeals, but ultimately decided that settlement was the best option available. Insurance covered all settlement costs except for \$82,199 which was authorized and paid by the City of McPherson on June 16, 2015. The case is now currently closed.

9. LANDFILL CLOSURE AND POSTCLOSURE CARE COST

The City of McPherson and the Kansas Department of Health and Environment (KDHE) entered into a voluntary settlement agreement as of November 6, 1992. The settlement agreement concerns the preparation of a remedial investigation and feasibility study, and participation in good faith negotiations for remedial activities, if required, to be determined following opportunity for public involvement for an area known as the "McPherson City Landfill" located near McPherson, Kansas.

In entering into this settlement agreement, the KDHE and the City of McPherson were going to determine the nature and extent of contamination and any threat to the public health, welfare or the environment caused by the release or threatened release of hazardous substances, pollutants or contaminants at or from the McPherson City Landfill. Once these determinations were made the City of McPherson submitted a work plan for Phase I activities. They were also required to submit plans for Phase II, III and IV, which dealt with closure and postclosure activities. As of July 29, 2005, the City of McPherson had performed entirely the closure activities of the settlement agreement at a total cost of approximately \$424,000. Postclosure expenditures are estimated to be approximately \$450,000 spread over a twenty-year period.

10. CAPITAL LEASE – RECREATION COMPLEX

During the year ended December 31, 1996, the City entered into a Lease Purchase Agreement with Security Bank of Kansas City, as lessor, providing for the acquisition and construction of an outdoor recreational complex (the "Project") to be operated and maintained by the McPherson Recreation Commission (the "Commission"). Funds for acquisition and construction were raised by the lessor by the issuance of Certificates of Participation in the Lease Purchase Agreement in the amount of \$1,000,000. As part of this financing structure, the bank, acting as lessor and trustee for the owners of the Certificates of Participation, paid the purchase price for the site for the Project, which was deeded to the City. The City then leased the site to the bank under a Site Lease, and leased it and the improvements constructed back from the bank under the Lease Purchase Agreement. The terms of the Site Lease and the Lease Purchase Agreement run simultaneously. Rentals payable under the Lease Purchase Agreement will be adequate to pay the owners of the Certificates of Participation their original investment plus interest. Upon payment of all rental payments under the Lease Purchase Agreement, the City has the right to own the Project free of any claims of the bank.

On November 12, 2013, the Certificates of Participation Series were paid in full. This fulfilled the contractual obligations of the Lease Purchase Agreement.

On August 15, 2013, the City issued General Obligation Bonds Series 136, of which, \$800,000 of the bond proceeds were for the purpose of funding a large portion of public building improvements to the existing Grant Field Complex in the form of additional restrooms and storage, additional ball fields including fences, dugouts, and bleachers, as well as irrigation system to the new fields and existing fields and project drainage system. The total estimated cost of the project was \$976,500. The \$800,000 portion of the bond issue is funded by 20-year bonds and is scheduled to be paid by lease payments from the Commission. In June 2013, the Commission entered into a 10-year lease ending May 31, 2023 to lease Grant Field Complex from the City. The lease will automatically renew for a second 10-year term unless either party notifies the other in writing 90 days or more before the end of the first term. The Commission shall pay the City annual rental payments enough to pay all debt services related to, or associated with, the facility and are summarized below:

<u>Year</u>	<u>Total Basic Rental Payment</u>	<u>Principal Component</u>	<u>Interest Component</u>
2016	\$ 56,712	\$ 30,000	\$ 26,712
2017	56,113	30,000	26,113
2018	60,362	35,000	25,362
2019	59,400	35,000	24,400
2020	58,350	35,000	23,350
2021-2025	290,150	190,000	100,150
2026-2030	286,800	225,000	61,800
2031-2033	<u>173,813</u>	<u>160,000</u>	<u>13,813</u>
	<u>\$ 1,041,700</u>	<u>\$ 740,000</u>	<u>\$ 301,700</u>

11. REVENUE BONDS

The various bond ordinances require that certain restricted funds be established to ensure the payment of bonds and interest and to enable the City to meet future needs arising from unusual maintenance requirements or income shortfalls. The ordinances also require the City, among other things, to establish rates and collect charges sufficient to pay the operating maintenance and debt service costs of the utilities and to provide net operating income before depreciation and payment in lieu of taxes, of at least 125% for the electric fund and 125% for the water fund of the maximum annual debt service due on the outstanding bonds. As of December 31, 2015, the City exceeded this coverage requirement for electric and water debt. All of the City's utility plant facilities are pledged under the terms of the ordinances. The City was in compliance with all other requirements of the revenue bond ordinances at December 31, 2015.

12. INTERFUND TRANSFERS

Operating transfers were as follows:

From	To	Regulatory Authority	Amount
Operating transfers (City):			
General Operating	Animal Shelter	Ord. 2870	\$ 130,000
General Operating	Consolidated Street and Highway	K.S.A. 12-1,119	245,000
General Operating	Swimming Pool Maintenance and Operation	Ord. 2708	160,000
General Operating	Capital Improvement	K.S.A. 12-1,118	25,000
General Operating	Equipment Reserve	K.S.A. 12-1,117	554,402
General Operating	McPherson Public Building Commission	Ord. 2887	90,000
General Operating	Bond and Interest	Ord. 3042	87,500
Animal Shelter	Equipment Reserve	K.S.A. 12-1,117	3,800
Consolidated Street and Highway	Equipment Reserve	K.S.A. 12-1,117	118,398
Municipal Court	Municipal Court ADSAP	K.S.A. 8-1008	344
Sales Tax Revenue	Capital Improvement	K.S.A. 12-1,118	33,398
Sales Tax Revenue	Bond and Interest	Ord. 3069	825,738
Electric Utility	General Operating	K.S.A. 12-825d	1,471,017
Solid Waste Collection	General Operating	K.S.A. 12-2104	50,000
Water Utility	General Operating	K.S.A. 12-825d	56,476
Wastewater System Maintenance and Operation	General Operating	K.S.A. 12-630a	60,000
Wastewater System Maintenance and Operation	Bond and Interest	K.S.A. 12-630a	199,860
Total Operating transfers (City)			<u>4,110,933</u>
Operating transfers (Library):			
Library	Library Board	K.S.A. 12-1220	705,398
Library Employee Benefits	Library Board	K.S.A. 12-16,102	153,697
Total Operating transfers (Library)			<u>859,095</u>
Total Operating transfers (municipal financial reporting entity)			<u>\$ 4,970,028</u>

13. OTHER RELATIONSHIPS

McPherson Area Solid Waste Utility

The City of McPherson along with McPherson County and seven other cities located within McPherson County entered into an interlocal agreement, authorized by State Statute, to form the McPherson Area Solid Waste Utility (the Utility) effective July 17, 1991. The purpose of the Utility is to assist its Members in planning, technical and financial matters for comprehensive solid waste management and accomplish the desired objectives of an effective county-wide solid waste management program, including the operation of a cooperative solid waste management program and the operation of a cooperative solid waste processing and disposal system for the benefit of its Members.

Management of the Utility is carried out by an appointed three member Board of Directors. The City appoints one member to the Board of Directors, McPherson County appoints a second Director and the third Director is appointed collectively by the other seven Members of the Utility.

The agreement and the Utility may be terminated by written consent of at least two-thirds of the Members, provided that prior to such termination all contractual obligations and indebtedness of the Utility have been paid in full or sufficient resources have been escrowed for the payment of such obligations in full when due. Upon such termination, the Board of Directors shall liquidate the Utility and distribute the assets in a manner that, in its discretion, it deems appropriate. Accordingly, any ongoing financial interest or access to the Utility's resources is indeterminable until such action is taken by its Board of Directors. In addition, no Member shall be permitted to withdraw for twenty years or such sooner time as provision is made for the payment or discharge of the debt incurred by the County or assumed by the Utility. Any withdrawing Member shall not be entitled to distribution of any real or personal property of the Utility by reason of its withdrawal.

The Board of Directors shall determine the methods of obtaining financing for the Utility. The County provided the initial financing for the acquisition of land to be used as a site for disposal of refuse, constructing structures and acquiring equipment necessary for the sanitary disposal of refuse in McPherson County. Effective January 1, 1992, the fiscal accounting and operations of the Utility were transferred from McPherson County to management of the Utility.

Financial information of the McPherson Area Solid Waste Utility is not included in this report. Complete financial statements may be obtained from the administrative offices of the entity at 1431 17th Ave, McPherson, KS 67460.

McPherson City/County Airport

The McPherson Airport Authority (the Authority) was established as provided for by applicable State Statutes. The property and business of the Authority is managed by its Board of Directors. The Board consists of five directors. Four directors are selected by the governing bodies of the City and County, two by the City and two by the County, and one at-large director is selected by the other four. Each entity provides ongoing financial responsibility through annual appropriations for the operation of the airport on an equal basis, as determined through the preparation of an annual operating budget. The City of McPherson levies property taxes for its allocation and McPherson County funding is provided from the County's General Fund.

The Authority is authorized only to issue revenue bonds, notes or other evidence of indebtedness payable from airport revenues. Title to the airport property remains with the City and County as equal co-owners. Title to all real and personal property purchased with funds of the Authority will be acquired, held and disposed of in the name of the Authority unless otherwise required by law or by the terms of a gift or grant. The Authority may be dissolved by vote of at least two-thirds (2/3) of the respective governing body members of each owner. The Board of Directors of the Authority shall liquidate the assets of the Authority and distribute the assets of the Authority or the net proceeds thereof to the City and County in a manner to be determined by it pursuant to law. Full possession and use of the Airport shall revert to the owners as equal tenants in common upon termination of the Authority.

The Authority was awarded a \$1,976,801 federal grant in 2015 to Rehabilitate and Realign (parallel) Taxiway A and Reconstruct Taxiway A3. The design of this project was completed in 2015 and has a projected cost of \$2,196,446 including the cost of the design. Construction of the project is expected to begin in 2017 when the first federal funds are expected to be received. The project is expected to be completed in 2017 or early 2018. The City and County will be expected to share in funding the required local 10% match of the project.

Complete financial information for the McPherson City/County Airport may be obtained from the administrative offices of the entity at 1000 S. Bypass, McPherson, KS 67460.

14. CAPITAL PROJECTS

Capital project authorizations with approved change orders compared with expenditures (excluding principal and interest, legal fees, etc.) from inception are as follows:

	<u>Project Authorization</u>	<u>Expenditures to Date</u>
Certainteed/Oxford Pointe Drainage Improvement	\$ 1,326,173	\$ 1,309,203
First Street Reconstruction	8,148,036	7,954,476
Barnstormers Drainage Improvement	536,774	532,669
Ave A Reconstruction (Oak St. east to RR tracks)	1,410,058	680,440
Calvary Street	280,855	202,626
Centennial SSD #092B & 092C	529,982	470,055
West Trunk Line (lift station #2 to WWTP)	535,050	460,422
WWTP Road Improvement	<u>573,071</u>	<u>479,061</u>
Total	<u>\$ 13,339,999</u>	<u>\$ 12,088,952</u>

15. SUBSEQUENT EVENTS

On January 26, 2016 the City was awarded a \$300,000 Community Development Block Grant (CDBG) by the Kansas Department of Commerce. The CDBG is a federal program designed to benefit low to moderate income families by providing specific home improvements. The grant allows for housing rehabilitation for two owner occupied homes, eleven rental units and four home demolitions.

On March 28, 2016 the Commission approved a lease purchase agreement for a fleet of thirty 2016 EZ Go electric golf cars and two 2016 EZ Go utility gas vehicles for a term of 36 months with three annual lease payments totaling \$100,885.

In the Summer of 2015 construction began on West Trunk Line, Centennial Drive Sewer, Lift Station #4 and SSD #033C Improvements, as well as the reconstruction of Wastewater Treatment Plant Road. Some of these projects will be completed in 2016. Completion of all of these projects is anticipated by the end of the Summer of 2017. The estimated cost of these projects is \$5,863,464 and will be funded with the Kansas Department of Health and Environment Revolving Loan Fund. The loan will not be finalized until the completion of all the projects. Interest payments on the draw downs of the revolving loan are currently being made every six months.

In 2015 the City entered into agreement with the Kansas Department of Transportation to receive fund reimbursement under the Federal-Aid Transportation Act for Transportation Alternatives (TA) projects by a pass through Federal Surface Transportation Program (STP). This TA sidewalk project will be constructed from Wall Park (south central part of the City) proceeding east and running parallel to East Avenue A and ending at Thunderbird Street. The estimated cost of the project including engineering is \$504,850 of which the City is responsible for 40%. Any cost over the \$504,850 will be the responsibility of the City. As of December 31, 2015 the accumulated amount spent on this project was only \$85,630. On April 15, 2016 the City received notice that it had been awarded an additional maximum TA federal funding in the amount of \$1,102,144. This second project starts on east Avenue A where the first project ended (Thunderbird Street) and proceeds east to Centennial Drive and then north to the retail area near Centennial Drive and Kansas Avenue. The projected total cost of this second TA project is \$1,377,680. The City's responsibility is the 20% match (\$275,536) plus all Design, Right of Way acquisition and Utility costs, as well as any non-participating costs over the federal award.

Management has evaluated the effects on the financial statement of subsequent events occurring through the date of this report, which is the date at which the financial statement was available to be issued.

CITY OF MCPHERSON, KANSAS

SUMMARY OF EXPENDITURES - ACTUAL AND BUDGETRegulatory Basis

(Budgeted Funds Only)

For the Year Ended December 31, 2015

<u>Funds</u>	<u>Certified Budget</u>	<u>Adjustment for Qualifying Budget Credits</u>	<u>Total Budget for Comparison</u>	<u>Expenditures Chargeable to Current Year</u>	<u>Variance Over (Under)</u>
GENERAL FUND:					
General Operating Fund	\$ 12,335,441	\$ -	\$ 12,335,441	\$ 8,689,234	\$ (3,646,207)
SPECIAL PURPOSE FUNDS:					
Animal Shelter Fund	213,216	-	213,216	177,364	(35,852)
Consolidated Street and Highway Fund	4,907,711	-	4,907,711	1,333,863	(3,573,848)
Employee Benefits Contribution Fund	2,447,362	-	2,447,362	2,059,593	(387,769)
Industrial Development Fund	454,416	-	454,416	51,000	(403,416)
Library Fund	705,401	-	705,401	705,398	(3)
Library Employee Benefits Fund	153,700	-	153,700	153,697	(3)
Municipal Building Fund	249,138	-	249,138	90,583	(158,555)
Municipal Golf Course Fund	569,270	-	569,270	503,283	(65,987)
Special Alcohol Program Fund	129,403	-	129,403	22,497	(106,906)
Special Park and Recreation Fund	90,382	-	90,382	11,553	(78,829)
Swimming Pool Maintenance and Operation Fund	729,017	-	729,017	312,740	(416,277)
Sales Tax Revenue Fund	1,929,230	-	1,929,230	859,136	(1,070,094)
Tourism and Convention Promotion Fund	499,451	-	499,451	374,092	(125,359)
BOND AND INTEREST FUND:					
Bond and Interest Fund	3,283,178	-	3,283,178	2,569,075	(714,103)
BUSINESS FUNDS:					
Sewer Recovery Fund	404,031	-	404,031	-	(404,031)
Solid Waste Collection Fund	2,455,758	-	2,455,758	903,108	(1,552,650)
Wastewater System Maintenance and Operation Fund	4,432,918	-	4,432,918	1,452,621	(2,980,297)
Wastewater System Surplus Fund	1,641,346	-	1,641,346	728,853	(912,493)

CITY OF MCPHERSON, KANSAS
REGULATORY – REQUIRED
SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2015

CITY OF MCPHERSON, KANSAS

GENERAL OPERATING FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET

Regulatory Basis

For the Year Ended December 31, 2015

(With Comparative Actual Totals for the Prior Year Ended December 31, 2014)

	2014 Actual	2015		Variance Over (Under)
		Actual	Budget	
Receipts:				
Taxes -				
Ad valorem property tax	\$ 1,894,904	\$ 2,221,425	\$ 2,251,109	\$ (29,684)
Back tax collections	24,848	22,660	-	22,660
Motor vehicle tax	266,161	251,691	228,382	23,309
Recreational vehicle tax	3,964	3,533	3,301	232
MVL excise tax	8,024	180	226	(46)
Heavy truck tax	2,538	4,338	1,913	2,425
Commercial vehicle tax	-	278	-	278
In lieu of tax	28,397	-	52,250	(52,250)
Local retail sales tax	2,058,127	2,235,637	1,900,000	335,637
Total Taxes	4,286,963	4,739,742	4,437,181	302,561
Intergovernmental Revenues -				
State of Kansas - liquor tax revenue	35,238	37,051	31,113	5,938
McPherson County - rescue vehicle runs	5,000	5,000	5,000	-
McPherson County - ambulance appropriation	367,944	366,725	366,725	-
Total Intergovernmental Revenues	408,182	408,776	402,838	5,938
Licenses and Permits -				
Utility franchise taxes	483,085	428,054	475,000	(46,946)
Beer licenses	1,025	1,025	1,000	25
Liquor licenses	4,100	4,200	4,000	200
Occupation licenses	10,565	9,240	8,000	1,240
Building, zoning bonds and demolition permits	177,676	145,518	175,000	(29,482)
Fireworks stand licenses	2,000	2,500	2,500	-
Inspections	5,610	5,579	8,000	(2,421)
Total Licenses and Permits	684,061	596,116	673,500	(77,384)

CITY OF MCPHERSON, KANSAS

GENERAL OPERATING FUNDSCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGETRegulatory Basis

For the Year Ended December 31, 2015

(With Comparative Actual Totals for the Prior Year Ended December 31, 2014)

		<u>2015</u>		
	<u>2014</u>	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>
	<u>Actual</u>			<u>Over</u>
				<u>(Under)</u>
Receipts (cont.):				
Charges for Services -				
Fire contracts - townships	\$ 233,177	\$ 263,171	\$ 255,000	\$ 8,171
Taxi coupons	11,110	10,930	11,000	(70)
Cemetery services	44,675	40,430	36,500	3,930
Total Charges for Services	288,962	314,531	302,500	12,031
Fines, Forfeitures and Penalties -				
Municipal court fines	255,209	251,896	270,000	(18,104)
Vehicle inspections	25,040	26,740	25,000	1,740
Total Fines, Forfeitures and Penalties	280,249	278,636	295,000	(16,364)
Use of Money and Property -				
Interest received	17,634	20,758	17,000	3,758
Cemetery endowment interest	182	214	500	(286)
Rent-building, land and equipment	20,474	20,414	19,000	1,414
Total Use of Money and Property	38,290	41,386	36,500	4,886
Miscellaneous -				
Para transit receipts	11,165	9,597	11,000	(1,403)
Reimbursed expenditures	226,623	164,202	10,000	154,202
Grant reimbursement	-	12,236	120,000	(107,764)
Cemetery lot sales	16,400	19,883	22,500	(2,617)
Gifts and bequests	-	-	10,000	(10,000)
Insurance recoveries	22,542	26,125	-	26,125
Sale of effluent water	87,500	87,500	87,500	-
Miscellaneous	14,718	11,657	5,000	6,657
Total Miscellaneous	378,948	331,200	266,000	65,200

CITY OF MCPHERSON, KANSAS

GENERAL OPERATING FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET

Regulatory Basis

For the Year Ended December 31, 2015

(With Comparative Actual Totals for the Prior Year Ended December 31, 2014)

	2014 Actual	2015		Variance Over (Under)
		Actual	Budget	
Receipts (cont.):				
Transfers In -				
Electric Utility Fund	\$ 1,593,282	\$ 1,471,017	\$ 1,500,000	\$ (28,983)
Solid Waste Collection Fund	50,000	50,000	50,000	-
Wastewater System Maint. and Op. Fund	60,000	60,000	60,000	-
Water Utility Fund	60,384	56,476	65,000	(8,524)
Total Transfers In	1,763,666	1,637,493	1,675,000	(37,507)
Total Receipts	8,129,321	8,347,880	\$ 8,088,519	\$ 259,361
Expenditures:				
Administrative -				
Personal services	411,012	442,575	\$ 425,762	\$ 16,813
Contractual services	297,078	382,928	223,500	159,428
Commodities	7,959	15,161	8,450	6,711
Capital outlay	-	61,204	365,000	(303,796)
Cereal malt beverage stamp	250	425	500	(75)
Housing programs	52,500	60,159	145,000	(84,841)
Refunds	40	90	850	(760)
Travel expense	18,572	25,728	21,850	3,878
Miscellaneous	14,907	10,628	15,650	(5,022)
Contingency for storms	-	-	3,400,000	(3,400,000)
Appropriations:				
McPherson Airport Authority	61,240	61,240	61,240	-
McPherson Main Street	25,500	25,500	25,500	-
McPherson County Emer. Management	1,953	600	3,000	(2,400)
McPherson Housing Collation	-	10,000	10,000	-
McPherson Museum	42,250	42,250	42,250	-
Municipal Golf Course	25,000	-	-	-
McPherson Senior Center	5,000	5,000	5,000	-
Transfers out -				
Animal Shelter Fund	120,000	130,000	130,000	-
Municipal Building Fund	90,000	90,000	90,000	-
Bond and Interest Fund	87,500	87,500	87,500	-
Capital Improvement Fund	125,800	25,000	25,000	-
Swimming Pool Maint. and Oper. Fund	160,000	160,000	160,000	-
Total Administrative	1,546,561	1,635,988	5,246,052	(3,610,064)

CITY OF MCPHERSON, KANSAS

GENERAL OPERATING FUNDSCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGETRegulatory Basis

For the Year Ended December 31, 2015

(With Comparative Actual Totals for the Prior Year Ended December 31, 2014)

	2014 Actual	2015		Variance Over (Under)
		Actual	Budget	
Expenditures (cont.):				
Police Department -				
Personal services	\$ 1,773,797	\$ 1,724,754	\$ 1,919,128	\$ (194,374)
Contractual services	322,589	328,293	378,555	(50,262)
Commodities	89,814	86,350	122,155	(35,805)
Capital outlay	48,613	135,412	65,400	70,012
Miscellaneous	18,572	19,279	24,300	(5,021)
Travel expense	13,801	10,108	16,000	(5,892)
Uniform allowance	19,770	14,283	22,000	(7,717)
Transfer out - Equipment Reserve Fund	37,682	38,502	38,502	-
Total Police Department	2,324,638	2,356,981	2,586,040	(229,059)
Engineering -				
Personal services	203,273	234,660	225,491	9,169
Contractual services	32,759	37,856	23,650	14,206
Commodities	21,622	10,824	11,250	(426)
Capital outlay	7,695	3,712	4,000	(288)
Travel expense	901	4,443	3,850	593
Miscellaneous	178	69	150	(81)
Transfer out - Equipment Reserve Fund	6,820	10,200	10,200	-
Total Engineering	273,248	301,764	278,591	23,173
Sanitation -				
Personal services	108,918	120,558	110,274	10,284
Contractual services	13,001	8,751	25,685	(16,934)
Commodities	1,961	4,725	6,150	(1,425)
Code enforcement supplies	248	877	500	377
Miscellaneous	84	25	90	(65)
Travel expense	711	1,497	1,000	497
Planning Commission	6,101	7,168	10,000	(2,832)
Transfer out - Equipment Reserve Fund	1,600	1,600	1,600	-
Total Sanitation	132,624	145,201	155,299	(10,098)

CITY OF MCPHERSON, KANSAS

GENERAL OPERATING FUNDSCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGETRegulatory Basis

For the Year Ended December 31, 2015

(With Comparative Actual Totals for the Prior Year Ended December 31, 2014)

	2014 Actual	2015		Variance Over (Under)
		Actual	Budget	
Expenditures (cont.):				
Inspection -				
Personal services	\$ 67,251	\$ 117,789	\$ 131,702	\$ (13,913)
Contractual services	1,985	2,764	2,428	336
Commodities	2,145	4,421	3,620	801
Travel expense	1,300	1,872	1,400	472
Miscellaneous	2,643	89	370	(281)
Transfer out - Equipment Reserve Fund	1,720	2,150	2,150	-
Total Inspection	77,044	129,085	141,670	(12,585)
Community Building -				
Personal services	10,696	6,134	7,887	(1,753)
Contractual services	23,315	25,971	38,260	(12,289)
Commodities	641	2,728	250	2,478
Capital outlay	22,444	-	-	-
Miscellaneous	240	255	300	(45)
Total Community Building	57,336	35,088	46,697	(11,609)
Legal and Judicial -				
Personal services	63,943	62,672	70,877	(8,205)
Contractual services	231,294	220,712	228,990	(8,278)
Commodities	3,595	2,595	3,950	(1,355)
Miscellaneous	97	55	100	(45)
Travel expense	1,315	577	1,000	(423)
Total Legal and Judicial	300,244	286,611	304,917	(18,306)
Park Department -				
Personal services	309,277	351,206	334,160	17,046
Contractual services	155,697	154,596	124,800	29,796
Commodities	111,313	74,067	98,800	(24,733)
Capital outlay	32,845	118,518	25,000	93,518
Miscellaneous	1,094	1,152	600	552
Travel expense	660	2,317	1,500	817
Tree care maintenance	800	-	5,000	(5,000)
Transfer out - Equipment Reserve Fund	72,813	72,813	72,813	-
Total Park Department	684,499	774,669	662,673	111,996

CITY OF MCPHERSON, KANSAS

GENERAL OPERATING FUNDSCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGETRegulatory Basis

For the Year Ended December 31, 2015

(With Comparative Actual Totals for the Prior Year Ended December 31, 2014)

	2015			Variance Over (Under)
	2014 Actual	Actual	Budget	
Expenditures (cont.):				
Ambulance Service -				
Contractual services	\$ 835,182	\$ 834,017	\$ 830,352	\$ 3,665
Transfer out - Equipment Reserve Fund	-	50,000	50,000	-
Total Ambulance Service	835,182	884,017	880,352	3,665
Cemetery -				
Personal services	139,457	152,348	158,350	(6,002)
Contractual services	29,188	32,188	32,550	(362)
Commodities	19,431	16,360	27,150	(10,790)
Capital outlay	2,332	4,695	3,100	1,595
Miscellaneous	211	249	400	(151)
Travel expense	505	108	900	(792)
Tree care maintenance	846	1,086	5,000	(3,914)
Transfer out - Equipment Reserve Fund	23,387	26,426	26,426	-
Total Cemetery	215,357	233,460	253,876	(20,416)
Fire Department -				
Personal services	995,820	1,019,536	1,060,132	(40,596)
Contractual services	149,953	173,913	164,962	8,951
Commodities	41,211	46,330	47,650	(1,320)
Capital outlay	15,295	40,421	36,500	3,921
Miscellaneous	10,519	10,214	8,250	1,964
Travel expense	7,864	7,701	8,000	(299)
Uniform allowance	7,432	10,544	10,880	(336)
Transfer out - Equipment Reserve Fund	43,089	352,711	197,900	154,811
Total Fire Department	1,271,183	1,661,370	1,534,274	127,096
Street Department -				
Transfer out - Consolidated Street and Highway Fund	315,000	245,000	245,000	-
Total Expenditures	8,032,916	8,689,234	\$ 12,335,441	\$ (3,646,207)
Receipts over (under) Expenditures	96,405	(341,354)		
Unencumbered Cash, Beginning of Year	5,065,884	5,162,289		
Unencumbered Cash, End of Year	\$ 5,162,289	\$ 4,820,935		

CITY OF MCPHERSON, KANSAS

SPECIAL PURPOSE FUNDANIMAL SHELTER FUNDSCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGETRegulatory Basis

For the Year Ended December 31, 2015

(With Comparative Actual Totals for the Prior Year Ended December 31, 2014)

		<u>2015</u>		<u>Variance</u>
	<u>2014</u>	<u>Actual</u>	<u>Budget</u>	<u>Over</u>
	<u>Actual</u>			<u>(Under)</u>
Receipts:				
Dog tags, impounds, adoption fees	\$ 6,247	\$ 6,710	\$ 11,000	\$ (4,290)
Animal cremations	16,456	14,800	16,000	(1,200)
Interest received	11	16	200	(184)
Gifts and donations	26,875	4,083	-	4,083
Transfer in - General Operating Fund	120,000	130,000	130,000	-
Total Receipts	169,589	155,609	\$ 157,200	\$ (1,591)
Expenditures:				
Personal services	88,618	109,938	\$ 114,782	\$ (4,844)
Contractual services	36,890	38,769	38,214	555
Commodities	14,173	13,677	16,100	(2,423)
Capital outlay	5,245	7,031	-	7,031
Refunds	2,880	2,795	5,000	(2,205)
Travel expense	300	635	1,800	(1,165)
Future improvements	-	-	31,820	(31,820)
Miscellaneous	2,962	719	1,700	(981)
Transfer out - Equipment Reserve Fund	3,800	3,800	3,800	-
Total Expenditures	154,868	177,364	\$ 213,216	\$ (35,852)
Receipts over (under) Expenditures	14,721	(21,755)		
Unencumbered Cash, Beginning of Year	95,856	110,577		
Unencumbered Cash, End of Year	\$ 110,577	\$ 88,822		

CITY OF MCPHERSON, KANSAS

SPECIAL PURPOSE FUNDCONSOLIDATED STREET AND HIGHWAY FUNDSCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGETRegulatory Basis

For the Year Ended December 31, 2015

(With Comparative Actual Totals for the Prior Year Ended December 31, 2014)

		<u>2015</u>		
	<u>2014</u>	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>
	<u>Actual</u>			<u>Over</u>
				<u>(Under)</u>
Receipts:				
State of Kansas - gas tax	\$ 343,518	\$ 348,164	\$ 339,920	\$ 8,244
State of Kansas - connecting links	47,334	47,334	47,000	334
Reimbursed expenditures	101,570	386,568	512,064	(125,496)
City retail sales tax	1,635,689	1,681,881	1,500,000	181,881
Transfer in - General Operating Fund	315,000	245,000	245,000	-
Total Receipts	<u>2,443,111</u>	<u>2,708,947</u>	<u>\$ 2,643,984</u>	<u>\$ 64,963</u>
Expenditures:				
Personal services	394,312	406,774	\$ 435,656	\$ (28,882)
Contractual services	1,237,416	536,662	2,215,475	(1,678,813)
Commodities	177,168	219,475	242,000	(22,525)
Capital outlay	30,649	37,283	11,100	26,183
Travel expense	247	1,159	2,750	(1,591)
Miscellaneous	635	775	1,750	(975)
Sidewalk (ADA) improvements	9,998	13,337	15,000	(1,663)
Infrastructure improvements	-	-	1,865,582	(1,865,582)
Transfers out -				
Equipment Reserve Fund	140,475	118,398	118,398	-
Total Expenditures	<u>1,990,900</u>	<u>1,333,863</u>	<u>\$ 4,907,711</u>	<u>\$ (3,573,848)</u>
Receipts over (under) Expenditures	452,211	1,375,084		
Unencumbered Cash, Beginning of Year	<u>2,657,943</u>	<u>3,110,154</u>		
Unencumbered Cash, End of Year	<u>\$ 3,110,154</u>	<u>\$ 4,485,238</u>		

CITY OF MCPHERSON, KANSAS

SPECIAL PURPOSE FUNDEMPLOYEE BENEFITS CONTRIBUTION FUNDSCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGETRegulatory Basis

For the Year Ended December 31, 2015

(With Comparative Actual Totals for the Prior Year Ended December 31, 2014)

	2014 Actual	2015		Variance Over (Under)
		Actual	Budget	
Receipts:				
Ad valorem property tax	\$ 1,632,168	\$ 1,666,630	\$ 1,688,852	\$ (22,222)
Back tax collections	19,244	17,972	-	17,972
Motor vehicle tax	205,130	214,551	196,742	17,809
Recreational vehicle tax	3,062	3,013	2,843	170
MVL excise tax	6,478	150	196	(46)
Heavy truck tax	1,590	3,659	1,648	2,011
Commercial vehicle tax	-	240	-	240
Matching funds	10,147	8,214	-	8,214
Reimbursed expenditures	126,553	174,474	-	174,474
Payroll matching - Board of Public Utilities	2,376,310	2,575,594	-	2,575,594
Total Receipts	4,380,682	4,664,497	\$ 1,890,281	\$ 2,774,216
Expenditures Subject to Budget:				
Insurance administrator	836,808	827,036	\$ 976,090	\$ (149,054)
Social Security - payment to Federal	373,278	376,576	431,671	(55,095)
KPERS - payment to State	232,656	244,071	274,478	(30,407)
Workers' Compensation - premium	75,208	52,930	111,985	(59,055)
Unemployment Compensation - payment to State	22,287	14,749	7,901	6,848
Kansas Policemen's and Firemen's Retirement - payment to State	493,484	503,526	637,737	(134,211)
Miscellaneous	4,780	40,705	7,500	33,205
Total Expenditures Subject to Budget	2,038,501	2,059,593	\$ 2,447,362	\$ (387,769)
Expenditures Not Subject to Budget:				
Reimbursements	2,374,403	2,575,594		
Total Expenditures	4,412,904	4,635,187		
Receipts over (under) Expenditures	(32,222)	29,310		
Unencumbered Cash, Beginning of Year	1,040,107	1,007,885		
Unencumbered Cash, End of Year	\$ 1,007,885	\$ 1,037,195		

CITY OF MCPHERSON, KANSAS

SPECIAL PURPOSE FUNDFORFEITED PROPERTY FUND - POLICE DEPARTMENTSCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUALRegulatory Basis

For the Year Ended December 31, 2015

(With Comparative Actual Totals for the Prior Year Ended December 31, 2014)

	<u>2014</u>	<u>2015</u>
Receipts:		
Forfeited property funds	\$ 1,601	\$ 8,863
Expenditures:		
Drug enforcement	<u>-</u>	<u>3,168</u>
Receipts over (under) Expenditures	1,601	5,695
Unencumbered Cash, Beginning of Year	<u>8,436</u>	<u>10,037</u>
Unencumbered Cash, End of Year	<u>\$ 10,037</u>	<u>\$ 15,732</u>

CITY OF MCPHERSON, KANSAS

SPECIAL PURPOSE FUNDINDUSTRIAL DEVELOPMENT FUNDSCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGETRegulatory Basis

For the Year Ended December 31, 2015

(With Comparative Actual Totals for the Prior Year Ended December 31, 2014)

	2014 Actual	2015		Variance Over (Under)
		Actual	Budget	
Receipts:				
Ad valorem property tax	\$ 29,795	\$ 29,498	\$ 29,852	\$ (354)
Back tax collections	361	336	-	336
Motor vehicle tax	3,796	3,911	3,583	328
Recreational vehicle tax	57	55	52	3
MVL excise tax	117	3	4	(1)
Heavy truck tax	32	68	30	38
Commercial vehicle tax	-	5	-	5
Appropriation - McPherson County	32,632	34,735	35,000	(265)
Total Receipts	66,790	68,611	\$ 68,521	\$ 90
Expenditures:				
Contractual services	101,000	51,000	\$ 51,350	\$ (350)
Travel expense	-	-	8,000	(8,000)
Industrial prospect development	-	-	20,000	(20,000)
Land purchases	-	-	367,566	(367,566)
Appropriation - Industrial Employee Marketing	-	-	7,500	(7,500)
Total Expenditures	101,000	51,000	\$ 454,416	\$ (403,416)
Receipts over (under) Expenditures	(34,210)	17,611		
Unencumbered Cash, Beginning of Year	416,496	382,286		
Unencumbered Cash, End of Year	\$ 382,286	\$ 399,897		

CITY OF MCPHERSON, KANSAS

SPECIAL PURPOSE FUNDLIBRARY FUNDSCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGETRegulatory Basis

For the Year Ended December 31, 2015

(With Comparative Actual Totals for the Prior Year Ended December 31, 2014)

	<u>2014 Actual</u>	<u>2015</u>		<u>Variance Over (Under)</u>
		<u>Actual</u>	<u>Budget</u>	
Receipts:				
Ad valorem property tax	\$ 608,754	\$ 617,104	\$ 625,282	\$ (8,178)
Back tax collections	7,386	6,640	5,000	1,640
Motor vehicle tax	73,184	79,256	73,371	5,885
Recreational vehicle tax	1,092	1,113	1,060	53
MVL excise tax	2,281	54	73	(19)
Heavy truck tax	223	1,341	615	726
Commercial vehicle tax	-	90	-	90
Total Receipts	<u>692,920</u>	<u>705,598</u>	<u>\$ 705,401</u>	<u>\$ 197</u>
Expenditures:				
Transfer out - Library Board - Operating Budget	<u>692,320</u>	<u>705,398</u>	<u>\$ 705,401</u>	<u>\$ (3)</u>
Receipts over (under) Expenditures	600	200		
Unencumbered Cash, Beginning of Year	<u>-</u>	<u>600</u>		
Unencumbered Cash, End of Year	<u>\$ 600</u>	<u>\$ 800</u>		

CITY OF MCPHERSON, KANSAS

SPECIAL PURPOSE FUNDLIBRARY EMPLOYEE BENEFITS FUNDSCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGETRegulatory Basis

For the Year Ended December 31, 2015

(With Comparative Actual Totals for the Prior Year Ended December 31, 2014)

	2014 Actual	2015		Variance Over (Under)
		Actual	Budget	
Receipts:				
Ad valorem property tax	\$ 138,619	\$ 133,809	\$ 135,596	\$ (1,787)
Back tax collections	1,502	1,451	1,000	451
Motor vehicle tax	15,702	17,897	16,706	1,191
Recreational vehicle tax	234	251	241	10
MVL excise tax	492	12	17	(5)
Heavy truck tax	126	301	140	161
Commercial vehicle tax	-	21	-	21
Total Receipts	<u>156,675</u>	<u>153,742</u>	<u>\$ 153,700</u>	<u>\$ 42</u>
Expenditures:				
Transfer out - Library Board - Employee Benefits	<u>156,665</u>	<u>153,697</u>	<u>\$ 153,700</u>	<u>\$ (3)</u>
Receipts over (under) Expenditures	10	45		
Unencumbered Cash, Beginning of Year	<u>-</u>	<u>10</u>		
Unencumbered Cash, End of Year	<u>\$ 10</u>	<u>\$ 55</u>		

CITY OF MCPHERSON, KANSAS

SPECIAL PURPOSE FUNDMCPHERSON LANDFILL IMPROVEMENT CORPORATIONSCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUALRegulatory Basis

For the Year Ended December 31, 2015

(With Comparative Actual Totals for the Prior Year Ended December 31, 2014)

	<u>2014</u>	<u>2015</u>
Receipts:		
Interest received	\$ 2	\$ 3
Expenditures:		
Filing fees	<u>40</u>	<u>40</u>
Receipts over (under) Expenditures	(38)	(37)
Unencumbered Cash, Beginning of Year	<u>2,404</u>	<u>2,366</u>
Unencumbered Cash, End of Year	<u>\$ 2,366</u>	<u>\$ 2,329</u>

CITY OF MCPHERSON, KANSAS

SPECIAL PURPOSE FUNDMCPHERSON LAND BANK FUNDSCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUALRegulatory Basis

For the Year Ended December 31, 2015

(With Comparative Actual Totals for the Prior Year Ended December 31, 2014)

	<u>2014</u>	<u>2015</u>
Receipts:		
Interest received	\$ -	\$ 100
Expenditures:		
Filing fees	-	-
Receipts over (under) Expenditures	-	100
Unencumbered Cash, Beginning of Year	-	-
Unencumbered Cash, End of Year	<u>\$ -</u>	<u>\$ 100</u>

CITY OF MCPHERSON, KANSAS

SPECIAL PURPOSE FUNDMUNICIPAL BUILDING FUNDSCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGETRegulatory Basis

For the Year Ended December 31, 2015

(With Comparative Actual Totals for the Prior Year Ended December 31, 2014)

	2014 Actual	2015		Variance Over (Under)
		Actual	Budget	
Receipts:				
Interest received	\$ 15	\$ 32	\$ 50	\$ (18)
Reimbursed expenditures	20,356	23,083	-	23,083
Transfer in - General Operating Fund	90,000	90,000	90,000	-
Total Receipts	110,371	113,115	\$ 90,050	\$ 23,065
Expenditures:				
Contractual services	57,973	56,949	\$ 80,066	\$ (23,117)
Commodities	28,244	33,634	29,000	4,634
Capital outlay	1,656	-	25,000	(25,000)
Maintenance reserve	-	-	114,872	(114,872)
Miscellaneous	-	-	200	(200)
Total Expenditures	87,873	90,583	\$ 249,138	\$ (158,555)
Receipts over (under) Expenditures	22,498	22,532		
Unencumbered Cash, Beginning of Year	196,041	218,539		
Unencumbered Cash, End of Year	\$ 218,539	\$ 241,071		

CITY OF MCPHERSON, KANSAS

SPECIAL PURPOSE FUNDMUNICIPAL COURT FUNDSCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUALRegulatory Basis

For the Year Ended December 31, 2015

(With Comparative Actual Totals for the Prior Year Ended December 31, 2014)

	<u>2014</u>	<u>2015</u>
Receipts:		
Fines	\$ 174,503	\$ 152,205
Court cost	52,438	56,689
Supreme Court fee	587	642
Police Training Fee	4,404	7,597
Police training assessment	20,454	21,585
Drug/alcohol assessment fees	638	344
Bonds	2,110	3,321
Parking violations	2,610	2,550
Fingerprint fees	9,992	9,883
Diversion fees	4,575	4,491
Reinstatement fees	4,085	3,262
Attorney fees	18,762	17,241
Miscellaneous	8,918	8,051
Total Receipts	<u>304,076</u>	<u>287,861</u>
Expenditures:		
Payments to General Operating Fund	237,682	244,358
Payments to State of Kansas	28,958	34,487
Payments to Kansas Bureau of Investigation	950	800
Payments to McPherson County Sheriff	10,088	9,183
Bonds	12,553	12,558
Restitution	12,153	(624)
Transfer out - Municipal Court ADSAP Fund	638	344
Total Expenditures	<u>303,022</u>	<u>301,106</u>
Receipts over (under) Expenditures	1,054	(13,245)
Unencumbered Cash, Beginning of Year	<u>34,728</u>	<u>35,782</u>
Unencumbered Cash, End of Year	<u>\$ 35,782</u>	<u>\$ 22,537</u>

CITY OF MCPHERSON, KANSAS

SPECIAL PURPOSE FUNDMUNICIPAL COURT ADSAP FUNDSCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUALRegulatory Basis

For the Year Ended December 31, 2015

(With Comparative Actual Totals for the Prior Year Ended December 31, 2014)

	<u>2014</u>	<u>2015</u>
Receipts:		
Transfer in - Municipal Court Fund	\$ 638	\$ 344
Expenditures:		
Assessments	<u>-</u>	<u>300</u>
Receipts over (under) Expenditures	638	44
Unencumbered Cash, Beginning of Year	<u>22,950</u>	<u>23,588</u>
Unencumbered Cash, End of Year	<u>\$ 23,588</u>	<u>\$ 23,632</u>

CITY OF MCPHERSON, KANSAS

SPECIAL PURPOSE FUND

MUNICIPAL GOLF COURSE FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET

Regulatory Basis

For the Year Ended December 31, 2015

(With Comparative Actual Totals for the Prior Year Ended December 31, 2014)

	2014 Actual	2015		Variance Over (Under)
		Actual	Budget	
Receipts:				
Membership fees	\$ 136,794	\$ 130,421	\$ 135,000	\$ (4,579)
Ten play cards and golf team fees	9,909	12,310	12,000	310
Cart storage rental fees	44,929	47,575	48,000	(425)
Cart rental	60,962	58,799	64,000	(5,201)
Trail fees	5,346	4,888	5,000	(112)
Driving range revenue	12,079	11,937	14,000	(2,063)
Weekend green fees	69,221	64,987	75,000	(10,013)
Weekday green fees	68,259	68,736	85,000	(16,264)
Concession	21,250	23,539	32,000	(8,461)
Beer sales	20,109	17,408	19,000	(1,592)
Gift cards	4,603	6,649	4,000	2,649
Pro shop sales	66,232	52,226	55,000	(2,774)
Reimbursed expenses	2,900	1,164	-	1,164
Miscellaneous	1,026	792	3,000	(2,208)
Transfer in - General Operating Fund	25,000	-	-	-
Total Receipts	548,619	501,431	\$ 551,000	\$ (49,569)
Expenditures:				
Personal services	227,934	242,897	\$ 233,292	\$ 9,605
Contractual services	80,847	103,422	80,600	22,822
Commodities	151,345	127,276	146,500	(19,224)
Capital outlay	34,063	-	9,000	(9,000)
Sales tax	12,175	11,977	13,650	(1,673)
Travel expense	2,296	2,169	2,500	(331)
Membership discount	6,375	4,325	6,000	(1,675)
Credit card fees	6,411	6,058	6,000	58
Gift certificates redeemed	3,530	4,851	5,000	(149)
Miscellaneous	281	308	600	(292)
Erosion control	-	-	25,656	(25,656)
Transfer out - Equipment Reserve Fund	13,351	-	40,472	(40,472)
Total Expenditures	538,608	503,283	\$ 569,270	\$ (65,987)
Receipts over (under) Expenditures	10,011	(1,852)		
Unencumbered Cash, Beginning of Year	14,444	24,455		
Unencumbered Cash, End of Year	\$ 24,455	\$ 22,603		

CITY OF MCPHERSON, KANSAS

SPECIAL PURPOSE FUNDOPERATION WARMTH FUNDSCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUALRegulatory Basis

For the Year Ended December 31, 2015

(With Comparative Actual Totals for the Prior Year Ended December 31, 2014)

	<u>2014</u>	<u>2015</u>
Receipts:		
Donations	\$ 3,643	\$ 5,618
Expenditures:		
Contractual services	<u>2,794</u>	<u>4,863</u>
Receipts over (under) Expenditures	849	755
Unencumbered Cash, Beginning of Year	<u>1,727</u>	<u>2,576</u>
Unencumbered Cash, End of Year	<u>\$ 2,576</u>	<u>\$ 3,331</u>

CITY OF MCPHERSON, KANSAS

SPECIAL PURPOSE FUNDSPECIAL ALCOHOL PROGRAM FUNDSCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGETRegulatory Basis

For the Year Ended December 31, 2015

(With Comparative Actual Totals for the Prior Year Ended December 31, 2014)

		<u>2015</u>		
	<u>2014</u>	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>
	<u>Actual</u>			<u>Over</u>
				<u>(Under)</u>
Receipts:				
Liquor tax	\$ 35,238	\$ 37,051	\$ 31,113	\$ 5,938
Donations	-	5,000	-	5,000
Total Receipts	<u>35,238</u>	<u>42,051</u>	<u>\$ 31,113</u>	<u>\$ 10,938</u>
Expenditures:				
Personal services	4,816	4,514	\$ 6,400	\$ (1,886)
Contractual services	14,345	11,236	20,000	(8,764)
Commodities	6,601	6,747	-	6,747
Capital outlay	-	-	93,003	(93,003)
Travel expense	-	-	1,000	(1,000)
Drug enforcement	-	-	9,000	(9,000)
Total Expenditures	<u>25,762</u>	<u>22,497</u>	<u>\$ 129,403</u>	<u>\$ (106,906)</u>
Receipts over (under) Expenditures	9,476	19,554		
Unencumbered Cash, Beginning of Year	<u>104,690</u>	<u>114,166</u>		
Unencumbered Cash, End of Year	<u>\$ 114,166</u>	<u>\$ 133,720</u>		

CITY OF MCPHERSON, KANSAS

SPECIAL PURPOSE FUNDSPECIAL PARK AND RECREATION FUNDSCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGETRegulatory Basis

For the Year Ended December 31, 2015

(With Comparative Actual Totals for the Prior Year Ended December 31, 2014)

	<u>2014 Actual</u>	<u>2015</u>		<u>Variance Over (Under)</u>
		<u>Actual</u>	<u>Budget</u>	
Receipts:				
Liquor tax	\$ 35,238	\$ 37,051	\$ 31,113	\$ 5,938
Expenditures:				
Contractual services	30,000	11,553	\$ 30,000	\$ (18,447)
Capital outlay	-	-	60,382	(60,382)
Total Expenditures	<u>30,000</u>	<u>11,553</u>	<u>\$ 90,382</u>	<u>\$ (78,829)</u>
Receipts over (under) Expenditures	5,238	25,498		
Unencumbered Cash, Beginning of Year	<u>60,448</u>	<u>65,686</u>		
Unencumbered Cash, End of Year	<u>\$ 65,686</u>	<u>\$ 91,184</u>		

CITY OF MCPHERSON, KANSAS

SPECIAL PURPOSE FUNDSWIMMING POOL MAINTENANCE AND OPERATION FUNDSCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGETRegulatory Basis

For the Year Ended December 31, 2015

(With Comparative Actual Totals for the Prior Year Ended December 31, 2014)

		<u>2015</u>		
	<u>2014</u>	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>
	<u>Actual</u>			<u>Over</u>
				<u>(Under)</u>
Receipts:				
Swimming pool	\$ 98,824	\$ 100,371	\$ 125,000	\$ (24,629)
Concession	30,107	29,681	50,000	(20,319)
Reimbursed expenditures	2,534	2,595	-	2,595
Miscellaneous	-	833	-	833
Transfer in - General Operating Fund	160,000	160,000	160,000	-
Total Receipts	<u>291,465</u>	<u>293,480</u>	<u>\$ 335,000</u>	<u>\$ (41,520)</u>
Expenditures:				
Contractual services	218,237	255,668	\$ 268,700	\$ (13,032)
Commodities	42,338	50,991	51,700	(709)
Capital outlay	-	1,395	-	1,395
Miscellaneous	834	1,134	1,200	(66)
Refunds	259	139	1,000	(861)
Sales tax	2,234	2,443	3,500	(1,057)
Travel expense	1,434	970	800	170
Pool maintenance	-	-	402,117	(402,117)
Total Expenditures	<u>265,336</u>	<u>312,740</u>	<u>\$ 729,017</u>	<u>\$ (416,277)</u>
Receipts over (under) Expenditures	26,129	(19,260)		
Unencumbered Cash, Beginning of Year	<u>390,917</u>	<u>417,046</u>		
Unencumbered Cash, End of Year	<u>\$ 417,046</u>	<u>\$ 397,786</u>		

CITY OF MCPHERSON, KANSAS

SPECIAL PURPOSE FUNDSALES TAX REVENUE FUNDSCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGETRegulatory Basis

For the Year Ended December 31, 2015

(With Comparative Actual Totals for the Prior Year Ended December 31, 2014)

		<u>2015</u>		
	<u>2014</u>	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>
	<u>Actual</u>			<u>Over</u>
				<u>(Under)</u>
Receipts:				
Local retail sales tax	\$ 1,635,689	\$ 1,681,881	\$ 1,750,000	\$ (68,119)
Interest received	36	69	-	69
Total Receipts	<u>1,635,725</u>	<u>1,681,950</u>	<u>\$ 1,750,000</u>	<u>\$ (68,050)</u>
Expenditures:				
McPherson Opera House	1,456,079	33,398	\$ 1,103,492	\$ (1,070,094)
Transfer out -				
Bond and Interest Fund	<u>168,903</u>	<u>825,738</u>	<u>825,738</u>	<u>-</u>
Total Expenditures	<u>1,624,982</u>	<u>859,136</u>	<u>\$ 1,929,230</u>	<u>\$ (1,070,094)</u>
Receipts over (under) Expenditures	10,743	822,814		
Unencumbered Cash, Beginning of Year	<u>134,236</u>	<u>144,979</u>		
Unencumbered Cash, End of Year	<u>\$ 144,979</u>	<u>\$ 967,793</u>		

CITY OF MCPHERSON, KANSAS

SPECIAL PURPOSE FUNDTOURISM AND CONVENTION PROMOTION FUNDSCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGETRegulatory Basis

For the Year Ended December 31, 2015

(With Comparative Actual Totals for the Prior Year Ended December 31, 2014)

		2015		Variance
	2014	Actual	Budget	Over
	Actual			(Under)
Receipts:				
State of Kansas - guest tax	\$ 312,713	\$ 389,656	\$ 239,000	\$ 150,656
Booth and registration fees	1,043	-	3,000	(3,000)
Reimbursed expenditures	514	4,363	3,000	1,363
Trolley revenue	6,563	4,546	5,600	(1,054)
Grants	-	67,500	-	67,500
Gifts	5,700	20,200	10,000	10,200
Miscellaneous	3,258	442	7,500	(7,058)
Total Receipts	329,791	486,707	\$ 268,100	\$ 218,607
Expenditures:				
Personal services	94,294	96,098	\$ 90,617	\$ 5,481
Contractual services	82,006	102,501	71,300	31,201
Commodities	60,448	60,894	61,600	(706)
Capital outlay	-	7,288	-	7,288
Refunds	-	-	225	(225)
Travel expense	6,640	7,253	9,000	(1,747)
Capital outlay - trolley replacement	-	-	230,983	(230,983)
Marketing grant	-	32,309	-	32,309
Grant expenditures	30,166	67,500	35,000	32,500
Miscellaneous	288	249	726	(477)
Total Expenditures	273,842	374,092	\$ 499,451	\$ (125,359)
Receipts over (under) Expenditures	55,949	112,615		
Unencumbered Cash, Beginning of Year	196,743	252,692		
Unencumbered Cash, End of Year	\$ 252,692	\$ 365,307		

CITY OF MCPHERSON, KANSAS

SPECIAL PURPOSE FUNDHEALTH SELF-INSURANCE FUNDSCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUALRegulatory Basis

For the Year Ended December 31, 2015

(With Comparative Actual Totals for the Prior Year Ended December 31, 2014)

	<u>2014</u>	<u>2015</u>
Receipts:		
Interest received	\$ 3,680	\$ 3,077
Miscellaneous	1,210	347
Reimbursement from various funds	2,038,855	2,176,095
Reimbursements	<u>22,125</u>	<u>125,499</u>
Total Receipts	<u>2,065,870</u>	<u>2,305,018</u>
Expenditures:		
Cost of insurance	247,054	360,807
Claims paid	1,715,204	1,972,177
Administrative fees	84,624	99,603
Reimbursements	<u>57,246</u>	<u>45,435</u>
Total Expenditures	<u>2,104,128</u>	<u>2,478,022</u>
Receipts over (under) Expenditures	(38,258)	(173,004)
Unencumbered Cash, Beginning of Year	<u>1,118,689</u>	<u>1,080,431</u>
Unencumbered Cash, End of Year	<u>\$ 1,080,431</u>	<u>\$ 907,427</u>

CITY OF MCPHERSON, KANSAS

SPECIAL PURPOSE FUNDWORKER'S COMPENSATION SELF-INSURANCE FUNDSCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUALRegulatory Basis

For the Year Ended December 31, 2015

(With Comparative Actual Totals for the Prior Year Ended December 31, 2014)

	<u>2014</u>	<u>2015</u>
Receipts:		
Interest received	\$ 2,554	\$ 2,352
Reimbursement from various funds	<u>193,991</u>	<u>55,259</u>
Total Receipts	<u>196,545</u>	<u>57,611</u>
Expenditures:		
Cost of insurance	158,712	76,557
Claims paid	-	232
Reimbursed expenses	-	104,531
Miscellaneous	<u>452</u>	<u>-</u>
Total Expenditures	<u>159,164</u>	<u>181,320</u>
Receipts over (under) Expenditures	37,381	(123,709)
Unencumbered Cash, Beginning of Year	<u>763,542</u>	<u>800,923</u>
Unencumbered Cash, End of Year	<u>\$ 800,923</u>	<u>\$ 677,214</u>

CITY OF MCPHERSON, KANSAS

BOND AND INTEREST FUNDSCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGETRegulatory Basis

For the Year Ended December 31, 2015

(With Comparative Actual Totals for the Prior Year Ended December 31, 2014)

	2014 Actual	2015		Variance Over (Under)
		Actual	Budget	
Receipts:				
Ad valorem property tax	\$ 980,637	\$ 768,120	\$ 778,342	\$ (10,222)
Back tax collections	10,394	9,856	-	9,856
Motor vehicle tax	107,975	126,602	118,218	8,384
Recreational vehicle tax	1,613	1,779	1,708	71
MVL excise tax	3,472	86	117	(31)
Heavy truck tax	760	2,124	991	1,133
Commercial vehicle tax	-	144	-	144
Special assessments	378,861	347,873	310,000	37,873
Bond proceeds	-	2,642,226	-	2,642,226
Recreation Commission Reimbursement	56,827	57,313	57,313	-
Transfers in -				
Wastewater System Maintenance and Operation Fund	218,784	199,860	199,860	-
Sales Tax Revenue Fund	168,903	825,738	825,738	-
General Fund (CHS/NCRA Refinery)	87,500	87,500	87,500	-
Total Receipts	<u>2,015,726</u>	<u>5,069,221</u>	<u>\$ 2,379,787</u>	<u>\$ 2,689,434</u>
Expenditures:				
Bond principal	1,360,000	2,043,793	\$ 2,050,000	\$ (6,207)
Interest coupons	556,472	525,282	525,283	(1)
Commission and postage	-	-	300	(300)
Special assessments delinquencies	-	-	707,595	(707,595)
Total Expenditures Subject to Budget	<u>1,916,472</u>	<u>2,569,075</u>	<u>\$ 3,283,178</u>	<u>\$ (714,103)</u>
Expenditures Not Subject to Budget:				
Bond proceeds	<u>-</u>	<u>2,642,226</u>		
Total Expenditures	<u>1,916,472</u>	<u>5,211,301</u>		
Receipts over (under) Expenditures	99,254	(142,080)		
Unencumbered Cash, Beginning of Year	<u>851,672</u>	<u>950,926</u>		
Unencumbered Cash, End of Year	<u>\$ 950,926</u>	<u>\$ 808,846</u>		

CITY OF MCPHERSON, KANSAS

CAPITAL PROJECTS FUNDCAPITAL IMPROVEMENT FUNDSCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUALRegulatory Basis

For the Year Ended December 31, 2015

(With Comparative Actual Totals for the Prior Year Ended December 31, 2014)

	<u>2014</u>	<u>2015</u>
Receipts:		
Ad valorem property tax	\$ 49,343	\$ 49,377
Back tax collections	616	570
Motor vehicle tax	6,327	6,484
Recreational vehicle tax	94	91
MVL excise tax	196	5
Heavy truck tax	54	111
Commercial vehicle tax	-	7
Bond proceeds	-	1,185,000
Temporary note and KDHE loan proceeds	-	802,266
Interest received	566	450
Developer's share	207,927	303,914
Federal/State Appropriations	22,671	-
Transfers in -		
General Fund	125,800	25,000
Sales Tax Revenue Fund	<u>1,456,079</u>	<u>33,398</u>
Total Receipts	<u>1,869,673</u>	<u>2,406,673</u>
Expenditures:		
Capital Projects -		
Certainited/Oxford Point drainage improvements	693,201	488,116
First Street reconstruction	3,794,849	-
Grant Complex Tball Improvements	232,655	-
Front Porch/Welcome sign	27,172	5,800
Tennis court improvements	50,800	-
Community dog park	22,113	18,792
Barnstormer's drainage improvements	266,715	265,954
Erosion control	13,386	80,985
Community building renovation	-	3,400
Calvary Street	-	202,626
Centennial Drive widening	-	59,831
Grimes-Loomis SSD #12A	-	40,245
West trunk line-lift station #4	-	460,422
WWTP Road-Ave. A to WWTP	-	479,061

CITY OF MCPHERSON, KANSAS

CAPITAL PROJECTS FUNDCAPITAL IMPROVEMENT FUNDSCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUALRegulatory Basis

For the Year Ended December 31, 2015

(With Comparative Actual Totals for the Prior Year Ended December 31, 2014)

	<u>2014</u>	<u>2015</u>
Expenditures (Cont.):		
Capital Projects (Cont.) -		
Ave. A reconstruction (Oak to RR)	-	680,438
Ave A. TA-sidewalk	-	85,630
Centennial SSD #092B	-	470,055
Barber St east alley	-	18,505
	<u>5,100,891</u>	<u>3,359,860</u>
Total Expenditures		
	<u>5,100,891</u>	<u>3,359,860</u>
Receipts over (under) Expenditures	(3,231,218)	(953,187)
Unencumbered Cash, Beginning of Year	<u>5,632,328</u>	<u>2,401,110</u>
Unencumbered Cash, End of Year	<u>\$ 2,401,110</u>	<u>\$ 1,447,923</u>

CITY OF MCPHERSON, KANSAS

CAPITAL PROJECTS FUNDEQUIPMENT RESERVE FUNDSCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUALRegulatory Basis

For the Year Ended December 31, 2015

(With Comparative Actual Totals for the Prior Year Ended December 31, 2014)

	<u>2014</u>	<u>2015</u>
Receipts:		
Interest received	\$ 152	\$ 218
Reimbursed expenditures	22,500	18,375
Transfers in -		
General Operating Fund	187,111	554,402
Municipal Golf Course Fund	13,351	-
Animal Shelter Fund	3,800	3,800
Consolidated Street and Highway Fund	<u>140,475</u>	<u>118,398</u>
Total Receipts	<u>367,389</u>	<u>695,193</u>
Expenditures:		
Capital outlay	525,195	824,787
Aerial platform truck lease	<u>108,463</u>	<u>108,462</u>
Total Expenditures	<u>633,658</u>	<u>933,249</u>
Receipts over (under) Expenditures	(266,269)	(238,056)
Unencumbered Cash, Beginning of Year	1,925,033	1,658,764
Prior Year Cancelled Encumbrance	<u>-</u>	<u>900</u>
Unencumbered Cash, End of Year	<u>\$ 1,658,764</u>	<u>\$ 1,421,608</u>

CITY OF MCPHERSON, KANSAS

BUSINESS FUNDELECTRIC UTILITY FUNDSCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUALRegulatory Basis

For the Year Ended December 31, 2015

(With Comparative Actual Totals for the Prior Year Ended December 31, 2014)

	<u>2014</u>	<u>2015</u>
Receipts:		
User fees	\$ 51,044,764	\$ 48,990,867
Sales to interconnection	4,577,746	5,225,731
Interest received	69,123	101,402
Street lighting	216,095	229,696
Merchandising, jobbing and contract work	317,438	249,640
Refuse collection and sewer service fees	63,254	63,481
Penalties and late charge interest	87,694	78,230
Sales tax	821,709	855,867
Meter deposits	104,756	119,892
Proceeds from sale of equipment	(5,425)	64,250
Farm income	4,770	5,603
Total Receipts	<u>57,301,924</u>	<u>55,984,659</u>
Expenditures:		
Purchased power	37,967,417	36,049,858
Fuel	1,444,855	2,116,929
Distribution and transmission	3,746,223	3,487,138
Production	2,275,723	3,281,661
Capital outlay	4,515,096	1,006,540
Debt service	742,618	708,226
Administrative and general	2,384,529	1,929,260
Merchandising	170,505	131,985
Farm expenses	11,077	7,166
Meter deposits	24,406	91,588
Sales tax	821,709	861,864
Transfer out - General Operating Fund - In lieu of taxes	<u>1,593,282</u>	<u>1,471,017</u>
Total Expenditures	<u>55,697,440</u>	<u>51,143,232</u>
Receipts over (under) Expenditures	1,604,484	4,841,427
Unencumbered Cash, Beginning of Year	<u>24,129,289</u>	<u>25,733,773</u>
Unencumbered Cash, End of Year	<u>\$ 25,733,773</u>	<u>\$ 30,575,200</u>

CITY OF MCPHERSON, KANSAS

BUSINESS FUNDSEWER RECOVERY FUNDSCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGETRegulatory Basis

For the Year Ended December 31, 2015

(With Comparative Actual Totals for the Prior Year Ended December 31, 2014)

		<u>2015</u>		
	<u>2014</u>	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>
	<u>Actual</u>			<u>Over</u>
				<u>(Under)</u>
Receipts:				
Sewer recovery fee	\$ 49,025	\$ 36,929	\$ 30,000	\$ 6,929
Expenditures:				
Capital outlay	-	-	\$ 404,031	\$ (404,031)
Receipts over (under) Expenditures	49,025	36,929		
Unencumbered Cash, Beginning of Year	344,031	393,056		
Unencumbered Cash, End of Year	\$ 393,056	\$ 429,985		

CITY OF MCPHERSON, KANSAS

BUSINESS FUNDSOLID WASTE COLLECTION FUNDSCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGETRegulatory Basis

For the Year Ended December 31, 2015

(With Comparative Actual Totals for the Prior Year Ended December 31, 2014)

		<u>2015</u>		
	<u>2014</u>	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>
	<u>Actual</u>			<u>Over</u>
				<u>(Under)</u>
Receipts:				
Refuse collections	\$ 873,811	\$ 929,685	\$ 985,000	\$ (55,315)
Landfill closure fee	82,139	79,937	90,000	(10,063)
Waste tags	33	95	-	95
Total Receipts	<u>955,983</u>	<u>1,009,717</u>	<u>\$ 1,075,000</u>	<u>\$ (65,283)</u>
Expenditures:				
Contractual services	815,383	853,105	\$ 823,750	\$ 29,355
Landfill mitigation	-	-	1,581,408	(1,581,408)
Miscellaneous	3	3	600	(597)
Transfers out -				
General Operating Fund	<u>50,000</u>	<u>50,000</u>	<u>50,000</u>	<u>-</u>
Total Expenditures	<u>865,386</u>	<u>903,108</u>	<u>\$ 2,455,758</u>	<u>\$ (1,552,650)</u>
Receipts over (under) Expenditures	90,597	106,609		
Unencumbered Cash, Beginning of Year	<u>1,205,108</u>	<u>1,295,705</u>		
Unencumbered Cash, End of Year	<u>\$ 1,295,705</u>	<u>\$ 1,402,314</u>		

CITY OF MCPHERSON, KANSAS

BUSINESS FUNDWASTEWATER SYSTEM MAINTENANCE AND OPERATION FUNDSCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGETRegulatory Basis

For the Year Ended December 31, 2015

(With Comparative Actual Totals for the Prior Year Ended December 31, 2014)

		<u>2015</u>		
	<u>2014</u>	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>
	<u>Actual</u>			<u>Over</u>
				<u>(Under)</u>
Receipts:				
Sewer service charges	\$ 1,632,772	\$ 1,819,191	\$ 1,600,000	\$ 219,191
Sale of grain, equipment and supplies	57,381	41,398	35,000	6,398
Rent	1,994	2,017	2,500	(483)
Reimbursements	13,762	196,794	-	196,794
Miscellaneous	3,630	2,576	8,400	(5,824)
Total Receipts	<u>1,709,539</u>	<u>2,061,976</u>	<u>\$ 1,645,900</u>	<u>\$ 416,076</u>
Expenditures:				
Personal services	250,163	265,307	\$ 318,242	\$ (52,935)
Contractual services	1,484,333	627,588	736,070	(108,482)
Commodities	71,214	119,564	112,100	7,464
Capital outlay	29,899	19,732	2,850,388	(2,830,656)
Travel expense	2,595	4,253	6,000	(1,747)
Miscellaneous	906	7,609	1,550	6,059
Appropriations:				-
KDHE, RLF Main Street	73,157	73,157	73,157	-
KDHE, UV Project	75,551	75,551	75,551	-
Transfers out -				
General Operating Fund	60,000	60,000	60,000	-
Bond and Interest Fund	218,784	199,860	199,860	-
Total Expenditures	<u>2,266,602</u>	<u>1,452,621</u>	<u>\$ 4,432,918</u>	<u>\$ (2,980,297)</u>
Receipts over (under) Expenditures	(557,063)	609,355		
Unencumbered Cash, Beginning of Year	<u>3,372,016</u>	<u>2,814,953</u>		
Unencumbered Cash, End of Year	<u>\$ 2,814,953</u>	<u>\$ 3,424,308</u>		

CITY OF MCPHERSON, KANSAS

BUSINESS FUNDWASTEWATER SYSTEM SURPLUS FUNDSCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGETRegulatory Basis

For the Year Ended December 31, 2015

(With Comparative Actual Totals for the Prior Year Ended December 31, 2014)

		<u>2015</u>		
	<u>2014</u>	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>
	<u>Actual</u>			<u>Over</u>
				<u>(Under)</u>
Receipts:				
Interest received	\$ 1,282	\$ 1,439	\$ 5,000	\$ (3,561)
Sewer service fee	<u>672,000</u>	<u>672,000</u>	<u>639,046</u>	<u>32,954</u>
Total Receipts	<u>673,282</u>	<u>673,439</u>	<u>\$ 644,046</u>	<u>\$ 29,393</u>
Expenditures:				
Appropriation:				
KDHE, WWT plant improvement	728,853	728,853	\$ 728,853	\$ -
Contingency for future loan payments	<u>-</u>	<u>-</u>	<u>912,493</u>	<u>(912,493)</u>
Total Expenditures	<u>728,853</u>	<u>728,853</u>	<u>\$ 1,641,346</u>	<u>\$ (912,493)</u>
Receipts over (under) Expenditures	(55,571)	(55,414)		
Unencumbered Cash, Beginning of Year	<u>1,082,107</u>	<u>1,026,536</u>		
Unencumbered Cash, End of Year	<u>\$ 1,026,536</u>	<u>\$ 971,122</u>		

CITY OF MCPHERSON, KANSAS

BUSINESS FUNDWATER UTILITY FUNDSCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUALRegulatory Basis

For the Year Ended December 31, 2015

(With Comparative Actual Totals for the Prior Year Ended December 31, 2014)

	<u>2014</u>	<u>2015</u>
Receipts:		
Sale of water	\$ 3,161,080	\$ 3,399,149
Interest received	21,243	25,835
Farm income	190,162	188,449
Merchandising, jobbing and contract work	269,455	166,909
Refuse collection and sewer service fees	12,096	11,203
Water protection fees	30,870	29,190
Water meter advances	7,153	-
Sales tax	69,759	75,623
Proceeds from sale of equipment	(17)	-
Total Receipts	<u>3,761,801</u>	<u>3,896,358</u>
Expenditures:		
Production	458,615	576,555
Distribution and transmission	947,951	964,802
Administrative and general	460,231	326,819
Capital outlay	880,416	362,687
Farm expenses	57,276	54,497
Merchandising	76,007	48,320
Debt service	1,258,435	1,303,916
Water protection fees	38,763	22,685
Sales tax	69,759	74,908
Transfer out - General Operating Fund - In lieu of taxes	<u>60,384</u>	<u>56,476</u>
Total Expenditures	<u>4,307,837</u>	<u>3,791,665</u>
Receipts over (under) Expenditures	(546,036)	104,693
Unencumbered Cash, Beginning of Year	<u>7,360,059</u>	<u>6,814,023</u>
Unencumbered Cash, End of Year	<u>\$ 6,814,023</u>	<u>\$ 6,918,716</u>

CITY OF MCPHERSON, KANSAS

TRUST FUNDSALTHOUSE-BROADWAY CEMETERY TRUST FUNDSCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUALRegulatory Basis

For the Year Ended December 31, 2015

(With Comparative Actual Totals for the Prior Year Ended December 31, 2014)

	<u>2014</u>	<u>2015</u>
Receipts:		
Interest received	\$ 140	\$ 119
Expenditures:		
Contractual services	<u>2,790</u>	<u>2,500</u>
Receipts over (under) Expenditures	(2,650)	(2,381)
Unencumbered Cash, Beginning of Year	<u>50,360</u>	<u>47,710</u>
Unencumbered Cash, End of Year	<u>\$ 47,710</u>	<u>\$ 45,329</u>

CITY OF MCPHERSON, KANSAS

TRUST FUNDCEMETERY ENDOWMENT FUNDSCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUALRegulatory Basis

For the Year Ended December 31, 2015

(With Comparative Actual Totals for the Prior Year Ended December 31, 2014)

	<u>2014</u>	<u>2015</u>
Receipts:		
Sale of lots and spaces	\$ 5,250	\$ 6,626
Expenditures	<u>-</u>	<u>-</u>
Receipts over (under) Expenditures	5,250	6,626
Unencumbered Cash, Beginning of Year	<u>69,765</u>	<u>75,015</u>
Unencumbered Cash, End of Year	<u>\$ 75,015</u>	<u>\$ 81,641</u>

CITY OF MCPHERSON, KANSAS

TRUST FUNDFIRE INSURANCE PROCEEDS FUNDSCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUALRegulatory Basis

For the Year Ended December 31, 2015

(With Comparative Actual Totals for the Prior Year Ended December 31, 2014)

	<u>2014</u>	<u>2015</u>
Receipts:		
Insurance escrow	\$ -	\$ 8,650
Expenditures:		
Reimburse escrow	<u>-</u>	<u>8,650</u>
Receipts over (under) Expenditures	-	-
Unencumbered Cash, Beginning of Year	<u>-</u>	<u>-</u>
Unencumbered Cash, End of Year	<u>\$ -</u>	<u>\$ -</u>

CITY OF MCPHERSON, KANSAS

TRUST FUNDPOLICE BENEFIT FUNDSCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUALRegulatory Basis

For the Year Ended December 31, 2015

(With Comparative Actual Totals for the Prior Year Ended December 31, 2014)

	<u>2014</u>	<u>2015</u>
Receipts		
Fundraisers	\$ 600	\$ -
Interest received	-	37
Donations	<u>503</u>	<u>690</u>
Total Receipts	<u>1,103</u>	<u>727</u>
Expenditures:		
Gifts to injured/sick officers	175	175
Office supplies/miscellaneous	50	1,405
Meals and food supplies	<u>65</u>	<u>-</u>
Total Expenditures	<u>290</u>	<u>1,580</u>
Receipts over (under) Expenditures	813	(853)
Unencumbered Cash, Beginning of Year	<u>13,751</u>	<u>14,564</u>
Unencumbered Cash, End of Year	<u>\$ 14,564</u>	<u>\$ 13,711</u>

CITY OF MCPHERSON, KANSAS

TRUST FUNDFIREFIGHTERS BENEFIT FUNDSCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUALRegulatory Basis

For the Year Ended December 31, 2015

(With Comparative Actual Totals for the Prior Year Ended December 31, 2014)

	<u>2014</u>	<u>2015</u>
Receipts:		
Brick paver project	\$ -	\$ 150
MDA fundraiser	4,575	4,509
Off duty apparel	1,819	1,266
Pop machine sales	-	182
Donations	65	1,408
Miscellaneous	<u>1,635</u>	<u>58</u>
Total Cash Receipts	<u>8,094</u>	<u>7,573</u>
Expenditures:		
MDA fundraiser	-	4,626
Off duty apparel	828	971
Pop machine sales	500	-
Memorials	6,350	10
Gifts	702	2,418
Accounting fees	440	-
Miscellaneous	<u>518</u>	<u>796</u>
Total Expenditures	<u>9,338</u>	<u>8,821</u>
Receipts over (under) Expenditures	(1,244)	(1,248)
Unencumbered Cash, Beginning of Year	<u>5,223</u>	<u>3,979</u>
Unencumbered Cash, End of Year	<u>\$ 3,979</u>	<u>\$ 2,731</u>

CITY OF MCPHERSON, KANSAS

RELATED MUNICIPAL ENTITY

LIBRARY BOARD

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL

Regulatory Basis

For the Year Ended December 31, 2015

(With Comparative Actual Totals for the Prior Year Ended December 31, 2014)

	Capital Improve- ment	General	Operating Budget	Employee Benefits	Totals	
					2015	2014
Receipts:						
Interest received	\$ 475	\$ 15	\$ 375	\$ -	\$ 865	\$ 936
Fines and fees	-	15,721	-	-	15,721	15,894
Gifts	2,500	5,665	-	-	8,165	6,396
Sales	-	1,398	-	-	1,398	849
State of Kansas	-	-	4,441	-	4,441	4,744
Net return on investment - trust	-	-	-	-	-	6,006
South Central Kansas Library System	-	-	42,417	-	42,417	41,830
Reimbursements	-	3,104	-	-	3,104	3,675
Miscellaneous	-	139	-	-	139	523
MCCF	-	-	11,360	-	11,360	-
Transfers in -						
Endowment	-	-	-	-	-	11,900
General	-	-	20,600	-	20,600	21,100
Operating Budget	70,500	-	-	-	70,500	68,500
Library Fund	-	-	705,398	153,697	859,095	848,985
Total Receipts	73,475	26,042	784,591	153,697	1,037,805	1,031,338
Expenditures:						
Personal services	-	-	439,849	-	439,849	437,060
Contractual services	3,749	-	138,673	125,647	268,069	275,261
Commodities	18,056	108	94,421	-	112,585	146,184
Capital outlay	-	-	488	-	488	7,262
Reimbursements	-	-	1,656	-	1,656	1,596
Miscellaneous and refunds	-	2,968	3,393	-	6,361	5,475
Grant disbursements/gift expense	-	7,389	-	-	7,389	2,891
Trust/other fees	-	-	-	-	-	2,922
2014: McPherson Co Comm Foundation	-	-	-	-	-	195,486
Transfers out -						
Capital Improvement	-	-	70,500	-	70,500	68,500
Operating Budget	-	20,600	-	-	20,600	33,000
Total Expenditures	21,805	31,065	748,980	125,647	927,497	1,175,637
Receipts over (under) Expenditures	51,670	(5,023)	35,611	28,050	110,308	(144,299)
Unencumbered Cash, Beginning of Year	199,219	10,755	90,286	80,909	381,169	525,468
Unencumbered Cash, End of Year	\$ 250,889	\$ 5,732	\$ 125,897	\$ 108,959	\$ 491,477	\$ 381,169