

**THE CITY OF MCPHERSON, KANSAS**

**FINANCIAL STATEMENT**

**FOR THE YEAR ENDED DECEMBER 31, 2014**

**City of McPherson, Kansas  
City of Second Class  
Incorporated March 4, 1874  
For the Year Ended December 31, 2014**

**BOARD OF CITY COMMISSIONERS**

Robert D. Moore  
Commissioner of  
Public Facilities

Thomas A. Brown  
Mayor

Michael B. Alkire  
Commissioner of  
Streets and Utilities

**CITY OFFICIALS**

Jeffrey A. Houston  
City Attorney

Nick Gregory  
City Administrator

William 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

Bret Reynolds  
City Inspector

Brian L. Bina  
City Prosecutor

Tamra K. Seely  
City Clerk/HR Officer

Kody A. Kraemer  
Cemetery Sexton

Bo Moddelmog  
Deputy City Clerk

## CITY OF MCPHERSON, KANSAS

**For the Year Ended December 31, 2014**

### **TABLE OF CONTENTS**

	<u>Page Numbers</u>
Independent Auditor's Report.....	1 – 2

### **FINANCIAL SECTION**

Statement 1	Summary Statement of Regulatory Basis Receipts, Expenditures and Unencumbered Cash .....	3 – 4
	Notes to Financial Statement .....	5 – 16

### **REGULATORY – REQUIRED SUPPLEMENTARY INFORMATION**

Schedule 1	Summary of Regulatory Basis Expenditures – Actual and Budget.....	17
Schedule 2	Schedule of Regulatory Basis Receipts and Expenditures – Actual and Budget	

#### **General Fund**

2-1	General Operating Fund.....	18 – 23
-----	-----------------------------	---------

#### **Special Purpose Funds**

2-2	Animal Shelter Fund.....	24
2-3	Consolidated Street and Highway Fund.....	25
2-4	Employee Benefits Contribution Fund.....	26
2-5	Forfeited Property Fund – Police Department .....	27
2-6	Industrial Development Fund .....	28
2-7	Library Fund .....	29
2-8	Library Employee Benefits Fund .....	30
2-9	McPherson Landfill Improvement Corporation.....	31
2-10	Municipal Building Fund .....	32
2-11	Municipal Court Fund .....	33
2-12	Municipal Court ADSAP Fund.....	34
2-13	Municipal Golf Course Fund.....	35
2-14	Operation Warmth Fund.....	36
2-15	Special Alcohol Program Fund.....	37
2-16	Special Park and Recreation Fund .....	38
2-17	Swimming Pool Maintenance and Operation Fund.....	39
2-18	Sales Tax Revenue Fund.....	40
2-19	Tourism and Convention Promotion Fund .....	41

## CITY OF MCPHERSON, KANSAS

For the Year Ended December 31, 2014

### TABLE OF CONTENTS (CONT.)

#### Special Purpose Funds (Cont.)

2-20	Health Self-Insurance Fund .....	42
2-21	Worker's Compensation Self-Insurance Fund .....	43

#### Bond and Interest Fund

2-22	Bond and Interest Fund .....	44
------	------------------------------	----

#### Capital Projects Funds

2-23	Capital Improvement Fund .....	45
2-24	Equipment Reserve Fund .....	46

#### Business Funds

2-25	Electric Utility Fund .....	47
2-26	Sewer Recovery Fund .....	48
2-27	Solid Waste Collection Fund .....	49
2-28	Wastewater System Maintenance and Operation Fund .....	50
2-29	Wastewater System Surplus Fund .....	51
2-30	Water Utility Fund .....	52

#### Trust Funds

2-31	Salthouse-Broadway Cemetery Trust Fund .....	53
2-32	Cemetery Endowment Fund .....	54
2-33	Museum Building and Endowment Fund .....	55
2-34	Police Benefit Fund .....	56
2-35	Firefighters Benefit Fund .....	57

#### Related Municipal Entity

Schedule 3	Schedule of Regulatory Basis Receipts and Expenditures – Actual	
	Library Board .....	58



**McPherson Office**

123 South Main  
P.O. Box 1337  
McPherson, KS 67460-1337  
620.241.1826 office  
888.241.1826 toll  
620.241.6926 fax

**Hutchinson Office**

129 West 2nd, Suite A  
P.O. Box 2889  
Hutchinson, KS 67504-2889  
620.662.3358 office  
888.414.0123 toll  
620.662.3350 fax

## 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, 2014 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 to meet the financial reporting requirements of the State of Kansas; 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 to meet the requirements of the State of Kansas 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.

### *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, 2014, or changes in financial position and cash flows thereof for the year then ended.

### *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, 2014, 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.

### *Report on Supplementary Information*

Our audit was conducted for the purpose of forming an opinion on the 2014 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 2014 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 2014 basic financial statement. The 2014 information has been 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 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.

The 2013 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 2013 basic financial statement upon which we rendered an unmodified opinion dated July 9, 2014. The 2013 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://da.ks.gov/ar/muniserv/>. Such 2013 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 2013 basic financial statement. The 2013 comparative information was subjected to the auditing procedures applied in the audit of the 2013 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 2013 basic financial statement or to the 2013 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 2013 comparative information is fairly stated in all material respects in relation to the 2013 basic financial statement as a whole, on the basis of accounting described in Note 1.

*Swindoll, Janzen, Hawk & Loyd, LLC*

Certified Public Accountants

July 10, 2015

## CITY OF MCPHERSON, KANSAS

SUMMARY STATEMENT OF CASH RECEIPTS, EXPENDITURES AND UNENCUMBERED CASHRegulatory Basis

For the Year Ended December 31, 2014

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

Funds	Beginning Unencumbered Cash Balance	Prior Year Canceled Encumbrances	Receipts	Expenditures	Ending Unencumbered Cash Balance	Add Encumbrances and Accounts Payable	Ending Cash Balance
<b>GENERAL FUND:</b>							
General Operating Fund	\$ 5,065,884	\$ -	\$ 8,129,321	\$ 8,032,916	\$ 5,162,289	\$ 543,320	\$ 5,705,609
<b>SPECIAL PURPOSE FUNDS:</b>							
Animal Shelter Fund	95,856	-	169,589	154,868	110,577	9,699	120,276
Consolidated Street and Highway Fund	2,657,943	-	2,443,111	1,990,900	3,110,154	32,752	3,142,906
Employee Benefits Contribution Fund	1,040,107	-	4,380,682	4,412,904	1,007,885	60,420	1,068,305
Forfeited Property Fund - Police Department	8,436	-	1,601	-	10,037	-	10,037
Industrial Development Fund	416,496	-	66,790	101,000	382,286	-	382,286
Library Fund	-	-	692,920	692,320	600	-	600
Library Employee Benefits Fund	-	-	156,675	156,665	10	-	10
McPherson Landfill Improvement Corporation	2,404	-	2	40	2,366	-	2,366
Municipal Building Fund	196,041	-	110,371	87,873	218,539	5,043	223,582
Municipal Court Fund	34,728	-	304,076	303,022	35,782	-	35,782
Municipal Court ADSAP Fund	22,950	-	638	-	23,588	-	23,588
Municipal Golf Course Fund	14,444	-	548,619	538,608	24,455	5,301	29,756
Operation Warmth Fund	1,727	-	3,643	2,794	2,576	-	2,576
Special Alcohol Program Fund	104,690	-	35,238	25,762	114,166	-	114,166
Special Park and Recreation Fund	60,448	-	35,238	30,000	65,686	-	65,686
Swimming Pool Maintenance and Operation Fund	390,917	-	291,465	265,336	417,046	1,282	418,328
Sales Tax Revenue Fund	134,236	-	1,635,725	1,624,982	144,979	-	144,979
Tourism and Convention Promotion Fund	196,743	-	329,791	273,842	252,692	24,952	277,644
Health Self-Insurance Fund	1,118,689	-	2,065,870	2,104,128	1,080,431	-	1,080,431
Worker's Compensation Self-Insurance Fund	763,542	-	196,545	159,164	800,923	-	800,923
Total Special Purpose Funds	7,260,397	-	13,468,589	12,924,208	7,804,778	139,449	7,944,227
<b>BOND AND INTEREST FUND:</b>							
Bond and Interest Fund	851,672	-	2,015,726	1,916,472	950,926	-	950,926
<b>CAPITAL PROJECTS FUNDS:</b>							
Capital Improvement Fund	5,632,328	-	1,869,673	5,100,891	2,401,110	211,784	2,612,894
Equipment Reserve Fund	1,925,033	-	367,389	633,658	1,658,764	195,445	1,854,209
Total Capital Projects Funds	7,557,361	-	2,237,062	5,734,549	4,059,874	407,229	4,467,103

## CITY OF MCPHERSON, KANSAS

SUMMARY STATEMENT OF CASH RECEIPTS, EXPENDITURES AND UNENCUMBERED CASHRegulatory Basis

For the Year Ended December 31, 2014

Funds	Beginning Unencumbered Cash Balance	Prior Year Canceled Encumbrances	Receipts	Expenditures	Ending Unencumbered Cash Balance	Add Encumbrances and Accounts Payable	Ending Cash Balance
<b>BUSINESS FUNDS:</b>							
Electric Utility Fund	\$ 24,129,289	\$ -	\$ 57,301,924	\$ 55,697,440	\$ 25,733,773	\$ 6,697,412	\$ 32,431,185
Sewer Recovery Fund	344,031	-	49,025	-	393,056	-	393,056
Solid Waste Collection Fund	1,205,108	-	955,983	865,386	1,295,705	75,419	1,371,123
Wastewater System Maintenance and Operation Fund	3,372,016	-	1,709,539	2,266,602	2,814,953	193,357	3,008,311
Wastewater System Surplus Fund	1,082,107	-	673,282	728,853	1,026,536	-	1,026,536
Water Utility Fund	7,360,059	-	3,761,801	4,307,837	6,814,023	471,777	7,285,800
<b>Total Business Funds</b>	<b>37,492,610</b>	<b>-</b>	<b>64,451,554</b>	<b>63,866,118</b>	<b>38,078,046</b>	<b>7,437,965</b>	<b>45,516,011</b>
<b>TRUST FUNDS:</b>							
Salthouse - Broadway Cemetery Trust Fund	50,360	-	140	2,790	47,710	-	47,710
Cemetery Endowment Fund	69,765	-	5,250	-	75,015	-	75,015
Police Benefit Fund	13,751	-	1,103	290	14,564	-	14,564
Firefighters Benefit Fund	5,223	-	8,094	9,338	3,979	-	3,979
<b>Total Trust Funds</b>	<b>139,099</b>	<b>-</b>	<b>14,587</b>	<b>12,418</b>	<b>141,268</b>	<b>-</b>	<b>141,268</b>
<b>Total</b>	<b>58,367,023</b>	<b>-</b>	<b>90,316,839</b>	<b>92,486,681</b>	<b>56,197,181</b>	<b>8,527,963</b>	<b>64,725,144</b>
<b>RELATED MUNICIPAL ENTITY:</b>							
Library Board	525,468	-	1,031,338	1,175,637	381,169	45,851	427,020
<b>Total Reporting Entity</b>	<b>\$ 58,892,491</b>	<b>\$ -</b>	<b>\$ 91,348,177</b>	<b>\$ 93,662,318</b>	<b>\$ 56,578,350</b>	<b>\$ 8,573,814</b>	<b>\$ 65,152,164</b>
					Cash on hand - City Clerk	\$ 450	
					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	55,300,485	
					Investments - KS Municipal Investment Pool	9,423,089	
					<b>Total</b>	<b>64,725,144</b>	
					Related Municipal Entity	427,020	
					<b>Total Reporting Entity</b>	<b>\$ 65,152,164</b>	

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, 2014

### 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 2014.

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 2014.

### 3. DEPOSITS AND INVESTMENTS

As of December 31, 2014, 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	\$ 9,423,089	\$ 9,423,089	\$ -	\$ -	\$ -	S&P AAAF/SLT

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, 2014, is as follows:

Investments	Percentage of Investments
Kansas Municipal Investment Pool	<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, 2014.

At December 31, 2014, the City's carrying amount of deposit was \$55,727,505 and the bank balance was \$57,227,018. The bank balance was held by nine banks resulting in a concentration of credit risk. Of the bank balance, \$1,950,000 was covered by federal depository insurance and \$55,277,018 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, 2014, the City had invested \$9,423,089 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, 2014 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
<b>General Obligation Bonds:</b>									
Series 130 of 2005	2.875% to 5.00%	7/1/05	\$ 4,975,000	8/1/25	3,360,000	\$ -	\$ 355,000	\$ 3,005,000	\$ 138,338
Series 131 of 2006	4.00% to 5.00%	7/15/06	1,470,000	8/1/26	1,025,000	-	95,000	930,000	43,090
Series 132 of 2007	4.15% to 5.50%	8/1/07	1,040,000	8/1/27	715,000	-	65,000	650,000	31,713
Series 133 of 2009	2.55% to 4.50%	7/30/09	1,045,000	8/1/29	865,000	-	50,000	815,000	33,300
Series 134 of 2011	2.00% to 3.50%	6/15/11	2,965,000	8/1/23	2,055,000	-	355,000	1,700,000	48,500
Series 135 of 2012	2.00% to 3.10%	8/1/12	340,000	8/1/32	330,000	-	15,000	315,000	9,240
Series 136 of 2013	2.00% to 4.00%	8/15/13	9,585,000	8/1/33	9,585,000	-	425,000	9,160,000	252,292
<b>Total General Obligation Bonds</b>					<b>17,935,000</b>	<b>-</b>	<b>1,360,000</b>	<b>16,575,000</b>	<b>556,473</b>
<b>Revenue Bonds:</b>									
Series 2011	3.00% to 4.00%	10/13/11	5,445,000	9/1/20	4,340,000	-	565,000	3,775,000	145,175
Series 2012	2.00% to 4.00%	7/5/12	11,085,000	10/1/27	10,565,000	-	610,000	9,955,000	337,619
<b>Total Revenue Bonds</b>					<b>14,905,000</b>	<b>-</b>	<b>1,175,000</b>	<b>13,730,000</b>	<b>482,794</b>
<b>Kansas Revolving Fund Loans:</b>									
1994 Sewer Fund Improvement	3.26%	5/31/94	1,067,645	9/1/15	140,113	-	68,838	71,275	4,319
1999 Wastewater Improvement	2.78%	4/19/99	1,127,000	9/1/20	473,326	-	61,673	411,653	13,878
2007 Wastewater Improvement	2.50%	10/6/07	11,346,393	3/1/29	9,147,720	-	480,573	8,667,147	248,281
<b>Total Kansas Revolving Fund Loans</b>					<b>9,761,159</b>	<b>-</b>	<b>611,084</b>	<b>9,150,075</b>	<b>266,478</b>
<b>Capital Leases:</b>									
Aerial Platform Truck	4.95%	9/11/09	866,722	1/28/20	628,743	-	77,340	551,403	31,123
EZ Go Golf Carts	4.25%	2/27/12	102,079	2/27/14	33,940	-	33,940	-	120
<b>Total Capital Leases</b>					<b>662,683</b>	<b>-</b>	<b>111,280</b>	<b>551,403</b>	<b>31,243</b>
<b>Total Contractual Indebtedness</b>					<b>\$ 43,263,842</b>	<b>\$ -</b>	<b>\$ 3,257,364</b>	<b>\$ 40,006,478</b>	<b>\$ 1,336,988</b>

### 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									Total
	2015	2016	2017	2018	2019	2020-2024	2025-2029	2030-2033		
<b>Principal:</b>										
General Obligation Bonds:										
Series 130 of 2005	\$ 415,000	\$ 440,000	\$ 495,000	\$ 595,000	\$ 135,000	\$ 755,000	\$ 170,000	\$ -	\$ 3,005,000	
Series 131 of 2006	100,000	105,000	190,000	110,000	105,000	275,000	45,000	-	930,000	
Series 132 of 2007	65,000	65,000	70,000	80,000	75,000	265,000	30,000	-	650,000	
Series 133 of 2009	50,000	50,000	55,000	55,000	55,000	325,000	225,000	-	815,000	
Series 134 of 2011	360,000	370,000	255,000	265,000	85,000	365,000	-	-	1,700,000	
Series 135 of 2012	15,000	15,000	15,000	15,000	15,000	75,000	100,000	65,000	315,000	
Series 136 of 2013	1,045,000	1,055,000	1,085,000	1,115,000	770,000	3,380,000	360,000	350,000	9,160,000	
Total General Obligation Bonds	2,050,000	2,100,000	2,165,000	2,235,000	1,240,000	5,440,000	930,000	415,000	16,575,000	
Revenue Bonds:										
Series 2011	580,000	600,000	615,000	635,000	660,000	685,000	-	-	3,775,000	
Series 2012	625,000	640,000	665,000	685,000	705,000	3,930,000	2,705,000	-	9,955,000	
Total Revenue Bonds	1,205,000	1,240,000	1,280,000	1,320,000	1,365,000	4,615,000	2,705,000	-	13,730,000	
Kansas Revolving Fund Loans:										
1994 Sewer Fund Improvement	71,275	-	-	-	-	-	-	-	71,275	
1999 Wastewater Improvement	63,556	65,496	67,496	69,556	71,680	73,869	-	-	411,653	
2007 Wastewater Improvement	493,879	507,554	521,608	536,051	550,893	2,991,897	3,065,265	-	8,667,147	
Total Kansas Revolving Fund Loans	628,710	573,050	589,104	605,607	622,573	3,065,766	3,065,265	-	9,150,075	
Capital Lease:										
Aerial Platform Truck	81,168	85,186	89,402	93,828	98,472	103,347	-	-	551,403	
Total Principal	3,964,878	3,998,236	4,123,506	4,254,435	3,326,045	13,224,113	6,700,265	415,000	40,006,478	
Interest:										
General Obligation Bonds:										
Series 130 of 2005	120,588	99,838	83,888	65,325	43,013	129,663	7,012	-	549,327	
Series 131 of 2006	39,290	35,240	30,935	22,998	18,433	35,543	2,989	-	185,428	
Series 132 of 2007	29,015	26,253	23,490	20,515	16,915	33,740	2,819	-	152,747	
Series 133 of 2009	32,050	30,675	29,175	27,525	25,325	90,825	31,275	-	266,850	
Series 134 of 2011	41,400	34,200	26,800	21,063	14,438	31,000	-	-	168,901	
Series 135 of 2012	8,940	8,640	8,340	8,040	7,740	32,550	19,375	4,185	97,810	
Series 136 of 2013	254,000	233,100	212,000	184,875	154,213	410,463	117,512	37,400	1,603,563	
Total General Obligation Bonds	525,283	467,946	414,628	350,341	280,077	763,784	180,982	41,585	3,024,626	
Revenue Bonds:										
Series 2011	128,225	110,825	92,825	74,375	52,150	27,400	-	-	485,800	
Series 2012	325,419	312,918	287,319	267,369	246,819	845,019	170,262	-	2,455,125	
Total Revenue Bonds	453,644	423,743	380,144	341,744	298,969	872,419	170,262	-	2,940,925	
Kansas Revolving Fund Loans:										
1994 Sewer Fund Improvement	1,882	-	-	-	-	-	-	-	1,882	
1999 Wastewater Improvement	11,995	10,055	8,055	5,995	3,871	1,683	-	-	41,654	
2007 Wastewater Improvement	234,974	221,299	207,246	192,803	177,960	652,370	214,573	-	1,901,225	
Total Kansas Revolving Fund Loans	248,851	231,354	215,301	198,798	181,831	654,053	214,573	-	1,944,763	
Capital Lease:										
Aerial Platform Truck	27,294	23,277	19,060	14,635	9,990	5,115	-	-	99,371	
Total Interest	1,255,072	1,146,320	1,029,133	905,518	770,867	2,295,371	565,817	41,585	8,009,685	
Total Principal and Interest	\$ 5,219,950	\$ 5,144,556	\$ 5,152,639	\$ 5,159,953	\$ 4,096,912	\$ 15,519,484	\$ 7,266,082	\$ 456,585	\$ 48,016,163	

## 5. PENSION COSTS AND EMPLOYEE BENEFITS

### **(a) Defined Benefit Pension Plan**

**Plan Description.** The City participates in the Kansas Public Employees Retirement System (KPERS), a cost-sharing multiple-employer defined benefit pension plan as provided by Kansas law. KPERS provides retirement benefits, life insurance, disability income benefits, and death benefits. Kansas law establishes and amends benefit provisions. KPERS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to KPERS (611 S. Kansas, Suite 100, Topeka, KS 66603) or by calling 1-888-275-5737.

**Funding Policy.** K.S.A. 74-4919 and K.S.A. 74-49,210 establish the KPERS member-employee contribution rates. Effective July 1, 2009 KPERS has two benefit structures and funding depends on whether the employee is a Tier 1 or Tier 2 member. Tier 1 members are active and contributing members hired before July 1, 2009. Tier 2 members were first employed in a covered position on or after July 1, 2009. Kansas law establishes the KPERS member-employee contribution rate at 5% of covered salary for Tier 1 members and at 6% of covered salary for Tier 2 members. The employer collects and remits member-employee contributions according to the provisions of section 414(h) of the Internal Revenue Code. Kansas law provides that the employer contribution rates be determined annually based on the results of an annual actuarial valuation. KPERS is funded on an actuarial reserve basis. Kansas law sets a limitation on annual increases in the employer contribution rates.

### **(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:

Maximum Years of Service	Hours Accrued Per Year	Maximum Accumulation
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.

## 5. PENSION COSTS AND EMPLOYEE BENEFITS (CONT.)

### *(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 \$84,625. Management believes claims incurred, but not reported, are insignificant at December 31, 2014. Starting December 31, 2007, the City chose to not self-insure for workers' compensation. Changes in health insurance claims liability for 2014 and 2013 were as follows:

	2014	2013
Beginning Balance	\$ 95,000	\$ 95,000
Additions	1,740,204	1,560,946
Payments	<u>(1,715,204)</u>	<u>(1,560,946)</u>
Ending Balance	<u>\$ 120,000</u>	<u>\$ 95,000</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.

## **8. CLAIMS AND JUDGMENTS (CONT.)**

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 2013 to 2014.

During the ordinary course of its operations the City is exposed to various claims, legal actions and complaints. As of December 31, 2014, the City was appealing an adverse jury verdict that was in excess of available insurance coverage. After December 31, 2014, the case was resolved through a negotiated settlement in which the City's non-insured expense is well below any material threshold. This case is now closed. It is of the opinion of the City's management and legal counsel that any current matters are not anticipated to have a material financial impact on the City.

## **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.

## 10. CAPITAL LEASE – RECREATION COMPLEX (CONT.)

The City has subleased the Project (which includes the site and the recreation complex improvements) to the Commission under a sublease which has an initial term of 10 years and an initial renewal term of 5 years. Rentals payable by the Commission under the sublease equal the "basic rental payments" and the "additional rental payments" payable by the City under the Lease Purchase Agreement. When the Certificates of Participation have all been retired, and the Site Lease and Lease Purchase Agreement have terminated, the Commission has the option to extend the term of its sublease from the City for successive extended renewal terms of not to exceed 10 years each until December 18, 2096. The Commission's rentals during the extended terms of its sublease are limited to the payments the City makes as "additional rental payments" during the term of the Lease Purchase Agreement.

On September 15, 2001, Certificates of Participation Series 1996 were refunded. These certificates and the lease-purchase agreement between CitiCapital Commercial Corporation and the Commission for lighting improvements to Wall Park Athletic Fields were refinanced with Certificates of Participation Series 2001, in the amount of \$1,065,000. Also, on September 15, 2001, the City and the Commission entered into Supplemental Sublease No. 1, which amended the basic rental payments to the new maturity amounts.

The City's payments under the Lease Purchase Agreement, which are intended to be paid solely from payments made by the Commission under its sublease, will be an amount equal to the sum of the scheduled "amended basic rental payments" and the unscheduled "additional rental payments." The amended basic rental payments are payable semi-annually on June 1 and December 1 of each year with the initial rental payment due June 1, 2002. The "additional rental payments" are payable within thirty (30) days after notice from the lessor. The "additional rental payments" consist of all taxes and assessments of any nature levied upon the Site or Facility, all reasonable and necessary fees and expenses incurred by the bank as lessor and trustee, and all costs and expenses which the trustee may incur in consequence of or because of any default by the City on the terms of the lease. In case of default of payments from the Commission, the City would remain liable, at a minimum, for all rental payments due under the Lease Purchase Agreement for the remainder of the calendar year. The City could, by non-appropriation as permitted under the Lease Purchase Agreement, escape liability for future basic rental payments due.

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 with the Commission to lease Grant Field Complex. 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:

Year	Total Basic Rental Payment	Principal Component	Interest Component
2015	\$ 57,313	\$ 30,000	\$ 27,313
2016	56,712	30,000	26,712
2017	56,113	30,000	26,113
2018	60,362	35,000	25,362
2019-2023	291,500	180,000	111,500
2024-2028	288,800	210,000	78,800
2029-2033	288,213	255,000	33,213
	<u>\$ 1,099,013</u>	<u>\$ 770,000</u>	<u>\$ 329,013</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, 2014, 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, 2014.

## 12. INTERFUND TRANSFERS

Operating transfers were as follows:

From	To	Regulatory Authority	Amount
Operating transfers (City):			
General Operating	Animal Shelter	Ord. 2870	\$ 120,000
General Operating	Consolidated Street and Highway	K.S.A. 12-1,119	315,000
General Operating	Swimming Pool Maintenance and Operation	Ord. 2708	160,000
General Operating	Capital Improvement	K.S.A. 12-1,118	125,800
General Operating	Equipment Reserve	K.S.A. 12-1,117	187,111
General Operating	McPherson Public Building Commission	Ord. 2887	90,000
General Operating	Bond and Interest	Ord. 3042	87,500
General Operating	Municipal Golf Course	Commission	25,000
Animal Shelter	Equipment Reserve	K.S.A. 12-1,117	3,800
Municipal Golf Course	Equipment Reserve	K.S.A. 12-1,117	13,351
Consolidated Street and Highway	Equipment Reserve	K.S.A. 12-1,117	140,475
Municipal Court	Municipal Court ADSAP	K.S.A. 8-1008	638
Sales Tax Revenue	Capital Improvement	K.S.A. 12-1,118	1,456,079
Sales Tax Revenue	Bond and Interest	Ord. 3069	168,903
Electric Utility	General Operating	K.S.A. 12-825d	1,593,282
Solid Waste Collection	General Operating	K.S.A. 12-2104	50,000
Water Utility	General Operating	K.S.A. 12-825d	60,384
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	<u>218,784</u>
Total Operating transfers (City)			<u>4,876,107</u>
Operating transfers (Library):			
Library	Library Board	K.S.A. 12-1220	692,320
Library Employee Benefits	Library Board	K.S.A. 12-16,102	<u>156,665</u>
Total Operating transfers (Library)			<u>848,985</u>
Total Operating transfers (municipal financial reporting entity)			<u>\$ 5,725,092</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.

Complete financial information for the McPherson City/County Airport may be obtained from the administrative offices of the entity at 1000 S. 81 Bypass, McPherson, Kansas, 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:

	Project Authorization	Expenditures to Date
Certainteed/Oxford Pointe Drainage Imp.	\$ 1,282,979	\$ 802,365
First Street Reconstruction	8,148,036	7,671,079
First Street Design Phase 1	306,175	283,398
Grant T-Ball Complex	986,057	986,057
Barnstormers West Field Paving & Storm Sewer Imp.	453,391	266,715
 Total	 \$ 11,176,638	 \$ 10,009,614

## 15. SUBSEQUENT EVENTS

On June 29, 2015, the City approved the bond sale of a GO Bond Series #137 for \$3,750,000. This bond issue refunded the outstanding amount of \$2,590,000 of the GO Bond Series #130 of 2005 and provides for \$1,200,000 for the reconstruction of Avenue A (from Oak Street east to the RR crossing on the south edge of Wall Park).

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 BUDGET**  
**Regulatory Basis**  
**(Budgeted Funds Only)**  
**For the Year Ended December 31, 2014**

<b>Funds</b>	<b>Certified Budget</b>	<b>Adjustment for Qualifying Budget Credits</b>	<b>Total Budget for Comparison</b>	<b>Expenditures Chargeable to Current Year</b>	<b>Variance Over (Under)</b>
<b>GENERAL FUND:</b>					
General Operating Fund	\$ 11,623,157	\$	- \$ 11,623,157	\$ 8,032,916	\$ (3,590,241)
<b>SPECIAL PURPOSE FUNDS:</b>					
Animal Shelter Fund	226,891	-	226,891	154,868	(72,023)
Consolidated Street and Highway Fund	3,878,494	-	3,878,494	1,990,900	(1,887,594)
Employee Benefits Contribution Fund	2,333,323	-	2,333,323	2,038,501	(294,822)
Industrial Development Fund	425,629	-	425,629	101,000	(324,629)
Library Fund	692,322	-	692,322	692,320	(2)
Library Employee Benefits Fund	156,666	-	156,666	156,665	(1)
Municipal Building Fund	225,164	-	225,164	87,873	(137,291)
Municipal Golf Course Fund	582,950	-	582,950	538,608	(44,342)
Special Alcohol Program Fund	123,356	-	123,356	25,762	(97,594)
Special Park and Recreation Fund	89,584	-	89,584	30,000	(59,584)
Swimming Pool Maintenance and Operation Fund	620,314	-	620,314	265,336	(354,978)
Sales Tax Revenue Fund	1,625,006	-	1,625,006	1,624,982	(24)
Tourism and Convention Promotion Fund	470,550	-	470,550	273,842	(196,708)
<b>BOND AND INTEREST FUND:</b>					
Bond and Interest Fund	2,579,541	-	2,579,541	1,916,472	(663,069)
<b>BUSINESS FUNDS:</b>					
Sewer Recovery Fund	389,744	-	389,744	-	(389,744)
Solid Waste Collection Fund	1,821,468	-	1,821,468	865,386	(956,082)
Wastewater System Maintenance and Operation Fund	3,986,487	-	3,986,487	2,266,602	(1,719,885)
Wastewater System Surplus Fund	1,768,008	-	1,768,008	728,853	(1,039,155)

**CITY OF MCPHERSON, KANSAS**  
**REGULATORY – REQUIRED**  
**SUPPLEMENTARY INFORMATION**  
**FOR THE YEAR ENDED DECEMBER 31, 2014**

## CITY OF MCPHERSON, KANSAS

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

For the Year Ended December 31, 2014

(With Comparative Actual Totals for the Prior Year Ended December 31, 2013)

	2014				Variance Over (Under)
	2013 Actual	Actual	Budget		
Receipts:					
Taxes -					
Ad valorem property tax	\$ 2,002,608	\$ 1,894,904	\$ 1,921,739	\$ (26,835)	
Back tax collections	50,443	24,848	-	24,848	
Motor vehicle tax	281,762	266,161	239,268	26,893	
Recreational vehicle tax	4,051	3,964	3,799	165	
MVL excise tax	301	8,024	251	7,773	
Heavy truck tax	2,278	2,538	1,940	598	
In lieu of tax	52,131	28,397	51,698	(23,301)	
Local retail sales tax	1,888,932	2,058,127	1,700,000	358,127	
Total Taxes	4,282,506	4,286,963	3,918,695	368,268	
Intergovernmental Revenues -					
State of Kansas - liquor tax revenue	30,331	35,238	30,088	5,150	
McPherson County - rescue vehicle runs	5,000	5,000	5,000	-	
McPherson County - ambulance appropriation	366,725	367,944	366,725	1,219	
Total Intergovernmental Revenues	402,056	408,182	401,813	6,369	
Licenses and Permits -					
Utility franchise taxes	465,180	483,085	395,000	88,085	
Beer licenses	1,765	1,025	1,000	25	
Liquor licenses	4,200	4,100	2,750	1,350	
Occupation licenses	8,840	10,565	8,000	2,565	
Building, zoning bonds and demolition permits	124,462	177,676	80,000	97,676	
Dance licenses	-	-	60	(60)	
Fireworks stand licenses	2,500	2,000	2,500	(500)	
Inspections	6,451	5,610	8,000	(2,390)	
Total Licenses and Permits	613,398	684,061	497,310	186,751	

## CITY OF MCPHERSON, KANSAS

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

For the Year Ended December 31, 2014

(With Comparative Actual Totals for the Prior Year Ended December 31, 2013)

	2014				Variance Over (Under)
	2013 Actual	Actual	Budget		
Receipts (cont.):					
Charges for Services -					
Fire contracts - townships	\$ 258,834	\$ 233,177	\$ 233,177	\$ -	
Taxi coupons	11,884	11,110	12,000	(890)	
Cemetery services	36,540	44,675	32,000	12,675	
Total Charges for Services	307,258	288,962	277,177	11,785	
Fines, Forfeitures and Penalties -					
Municipal court fines	282,344	255,209	205,000	50,209	
Vehicle inspections	25,680	25,040	25,000	40	
Total Fines, Forfeitures and Penalties	308,024	280,249	230,000	50,249	
Use of Money and Property -					
Interest received	16,730	17,634	20,000	(2,366)	
Cemetery endowment interest	336	182	700	(518)	
Rent-building, land and equipment	19,445	20,474	15,000	5,474	
Total Use of Money and Property	36,511	38,290	35,700	2,590	
Miscellaneous -					
Para transit receipts	11,054	11,165	12,500	(1,335)	
Reimbursed expenditures	106,623	226,623	80,000	146,623	
Reimbursement from Recreation Commission	73,359	-	-	-	
Grant reimbursement	44,176	-	45,000	(45,000)	
Cemetery lot sales	23,963	16,400	21,000	(4,600)	
Gifts and bequests	-	-	37,500	(37,500)	
Insurance recoveries	117,633	22,542	-	22,542	
Sale of effluent water	87,500	87,500	87,500	-	
Miscellaneous	12,374	14,718	5,000	9,718	
Total Miscellaneous	476,682	378,948	288,500	90,448	

## CITY OF MCPHERSON, KANSAS

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

For the Year Ended December 31, 2014

(With Comparative Actual Totals for the Prior Year Ended December 31, 2013)

	2014			Variance Over (Under)
	2013 Actual	Actual	Budget	
<b>Receipts (cont.):</b>				
Transfers In -				
Electric Utility Fund	\$ 1,551,000	\$ 1,593,282	\$ 1,450,000	\$ 143,282
Cemetery Endowment Fund	217,000	-	-	-
Sales Tax Revenue Fund	705,301	-	-	-
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	63,000	60,384	75,000	(14,616)
Total Transfers In	2,646,301	1,763,666	1,635,000	128,666
Total Receipts	9,072,736	8,129,321	\$ 7,284,195	\$ 845,126
<b>Expenditures:</b>				
Administrative -				
Personal services	400,063	411,012	\$ 407,668	\$ 3,344
Contractual services	304,973	297,078	235,000	62,078
Commodities	5,890	7,959	9,200	(1,241)
Capital outlay	-	-	2,000	(2,000)
Cereal malt beverage stamp	500	250	500	(250)
Housing programs	72,676	52,500	85,000	(32,500)
Refunds	126	40	850	(810)
Travel expense	19,107	18,572	14,100	4,472
Miscellaneous	11,743	14,907	1,800	13,107
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	120	1,953	3,000	(1,047)
McPherson Housing Collation	-	-	10,000	(10,000)
McPherson Museum	42,250	42,250	42,250	-
McPherson Recreation Commission -				
Bond and Interest	73,359	-	-	-
Municipal Golf Course	-	25,000	-	25,000
McPherson Senior Center	5,000	5,000	5,000	-
Transfers out -				
Animal Shelter Fund	120,000	120,000	120,000	-
Municipal Building Fund	90,000	90,000	90,000	-
Bond and Interest Fund	80,000	87,500	87,500	-
Capital Improvement Fund	-	125,800	50,000	75,800
Swimming Pool Maint. and Oper. Fund	160,000	160,000	160,000	-
Total Administrative	1,472,547	1,546,561	4,810,608	(3,264,047)

## CITY OF MCPHERSON, KANSAS

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

For the Year Ended December 31, 2014

(With Comparative Actual Totals for the Prior Year Ended December 31, 2013)

	2014			Variance Over (Under)
	2013 Actual	Actual	Budget	
Expenditures (cont.):				
Police Department -				
Personal services	\$ 1,774,199	\$ 1,773,797	\$ 1,836,397	\$ (62,600)
Contractual services	319,686	322,589	331,381	(8,792)
Commodities	93,623	89,814	136,300	(46,486)
Capital outlay	195,975	48,613	59,200	(10,587)
Miscellaneous	15,901	18,572	22,200	(3,628)
Travel expense	13,159	13,801	9,700	4,101
Uniform allowance	20,517	19,770	18,375	1,395
Transfer out - Equipment Reserve Fund	8,021	37,682	37,682	-
Total Police Department	2,441,081	2,324,638	2,451,235	(126,597)
Engineering -				
Personal services	213,001	203,273	206,720	(3,447)
Contractual services	14,784	32,759	14,570	18,189
Commodities	13,467	21,622	14,200	7,422
Capital outlay	4,077	7,695	1,500	6,195
Travel expense	1,849	901	3,850	(2,949)
Miscellaneous	213	178	100	78
Transfer out - Equipment Reserve Fund	7,331	6,820	6,820	-
Total Engineering	254,722	273,248	247,760	25,488
Sanitation -				
Personal services	111,782	108,918	105,151	3,767
Contractual services	9,790	13,001	25,438	(12,437)
Commodities	3,087	1,961	6,850	(4,889)
Code enforcement supplies	610	248	500	(252)
Miscellaneous	89	84	90	(6)
Travel expense	662	711	700	11
Planning Commission	6,643	6,101	10,000	(3,899)
Transfer out - Equipment Reserve Fund	1,500	1,600	1,600	-
Total Sanitation	134,163	132,624	150,329	(17,705)

## CITY OF MCPHERSON, KANSAS

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

For the Year Ended December 31, 2014

(With Comparative Actual Totals for the Prior Year Ended December 31, 2013)

	2014			Variance Over (Under)
	2013 Actual	Actual	Budget	
Expenditures (cont.):				
Inspection -				
Personal services	\$ 56,173	\$ 67,251	\$ 68,206	\$ (955)
Contractual services	1,532	1,985	2,403	(418)
Commodities	1,882	2,145	2,110	35
Travel expense	914	1,300	1,400	(100)
Miscellaneous	70	2,643	370	2,273
Transfer out - Equipment Reserve Fund	1,613	1,720	1,720	-
Total Inspection	62,184	77,044	76,209	835
Community Building -				
Personal services	9,251	10,696	7,420	3,276
Contractual services	21,547	23,315	38,260	(14,945)
Commodities	376	641	250	391
Capital outlay	-	22,444	-	22,444
Miscellaneous	90	240	300	(60)
Total Community Building	31,264	57,336	46,230	11,106
Legal and Judicial -				
Personal services	61,157	63,943	69,484	(5,541)
Contractual services	273,403	231,294	228,990	2,304
Commodities	3,060	3,595	3,950	(355)
Miscellaneous	19	97	1,000	(903)
Travel expense	867	1,315	100	1,215
Total Legal and Judicial	338,506	300,244	303,524	(3,280)
Park Department -				
Personal services	322,273	309,277	328,296	(19,019)
Contractual services	127,591	155,697	124,800	30,897
Commodities	108,221	111,313	95,300	16,013
Capital outlay	-	32,845	65,000	(32,155)
Miscellaneous	1,362	1,094	1,000	94
Travel expense	925	660	1,500	(840)
Tree care maintenance	165	800	5,000	(4,200)
Transfer out - Equipment Reserve Fund	65,563	72,813	72,813	-
Total Park Department	626,100	684,499	693,709	(9,210)

## CITY OF MCPHERSON, KANSAS

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

For the Year Ended December 31, 2014

(With Comparative Actual Totals for the Prior Year Ended December 31, 2013)

	2014			Variance Over (Under)	
	2013		Budget		
	Actual	Actual			
<b>Expenditures (cont.):</b>					
Ambulance Service -					
Contractual services	\$ 825,045	\$ 835,182	\$ 853,226	\$ (18,044)	
Transfer out - Equipment Reserve Fund	50,000	-	-	-	
Total Ambulance Service	875,045	835,182	853,226	(18,044)	
Cemetery -					
Personal services	112,207	139,457	158,995	(19,538)	
Contractual services	24,054	29,188	38,200	(9,012)	
Commodities	23,563	19,431	30,800	(11,369)	
Capital outlay	2,688	2,332	76,000	(73,668)	
Miscellaneous	343	211	450	(239)	
Travel expense	859	505	700	(195)	
Tree care maintenance	1,694	846	5,000	(4,154)	
Transfer out - Equipment Reserve Fund	20,425	23,387	23,387	-	
Total Cemetery	185,833	215,357	333,532	(118,175)	
Fire Department -					
Personal services	1,013,043	995,820	1,044,661	(48,841)	
Contractual services	161,794	149,953	166,295	(16,342)	
Commodities	39,555	41,211	47,000	(5,789)	
Capital outlay	34,939	15,295	15,000	295	
Miscellaneous	7,252	10,519	10,250	269	
Travel expense	5,276	7,864	8,000	(136)	
Uniform allowance	7,211	7,432	7,500	(68)	
Transfer out - Equipment Reserve Fund	197,900	43,089	43,089	-	
Total Fire Department	1,466,970	1,271,183	1,341,795	(70,612)	
Street Department -					
Transfer out - Consolidated Street and Highway Fund	280,000	315,000	315,000	-	
Total Expenditures	8,168,415	8,032,916	\$ 11,623,157	\$ (3,590,241)	
Receipts over (under) Expenditures	904,321	96,405			
Unencumbered Cash, Beginning of Year	4,161,563	5,065,884			
Unencumbered Cash, End of Year	\$ 5,065,884	\$ 5,162,289			

## CITY OF MCPHERSON, KANSAS

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

For the Year Ended December 31, 2014

(With Comparative Actual Totals for the Prior Year Ended December 31, 2013)

	2014			Variance Over (Under)
	2013 Actual	Actual	Budget	
<b>Receipts:</b>				
Dog tags, impounds, adoption fees	\$ 9,197	\$ 6,247	\$ 11,000	\$ (4,753)
Animal cremations	15,868	16,456	12,500	3,956
Interest received	14	11	200	(189)
Gifts and donations	1,316	26,875	-	26,875
Reimbursed expenditures	1,037	-	-	-
Transfer in - General Operating Fund	120,000	120,000	120,000	-
 Total Receipts	 147,432	 169,589	 \$ 143,700	 \$ 25,889
<b>Expenditures:</b>				
Personal services	86,580	88,618	\$ 98,839	\$ (10,221)
Contractual services	41,844	36,890	37,000	(110)
Commodities	13,215	14,173	15,300	(1,127)
Capital outlay	-	5,245	20,000	(14,755)
Refunds	3,730	2,880	5,000	(2,120)
Travel expense	250	300	1,800	(1,500)
Future improvements	-	-	43,452	(43,452)
Miscellaneous	586	2,962	1,700	1,262
Transfer out - Equipment Reserve Fund	3,563	3,800	3,800	-
 Total Expenditures	 149,768	 154,868	 \$ 226,891	 \$ (72,023)
Receipts over (under) Expenditures	(2,336)	14,721		
Unencumbered Cash, Beginning of Year	98,192	95,856		
Unencumbered Cash, End of Year	\$ 95,856	\$ 110,577		

## 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, 2014

(With Comparative Actual Totals for the Prior Year Ended December 31, 2013)

	2014				Variance Over (Under)	
	2013		Budget			
	Actual	Actual				
<b>Receipts:</b>						
State of Kansas - gas tax	\$ 332,630	\$ 343,518	\$ 343,400	\$ 118		
State of Kansas - connecting links	47,301	47,334	146,020	(98,686)		
Reimbursed expenditures	251,868	101,570	125,000	(23,430)		
City retail sales tax	1,522,610	1,635,689	1,400,000	235,689		
Miscellaneous	1,358	-	-	-		
Transfer in - General Operating Fund	280,000	315,000	320,000	(5,000)		
 Total Receipts	 2,435,767	 2,443,111	 \$ 2,334,420	 \$ 108,691		
 <b>Expenditures:</b>						
Personal services	369,748	394,312	\$ 400,994	\$ (6,682)		
Contractual services	763,039	1,237,416	1,965,212	(727,796)		
Commodities	179,947	177,168	241,000	(63,832)		
Capital outlay	12,293	30,649	1,100	29,549		
Travel expense	2,143	247	2,750	(2,503)		
Miscellaneous	947	635	1,750	(1,115)		
Sidewalk (ADA) improvements	2,365	9,998	15,000	(5,002)		
Infrastructure improvements	-	-	1,110,213	(1,110,213)		
Transfers out -						
Equipment Reserve Fund	140,117	140,475	140,475	-		
 Total Expenditures	 1,470,599	 1,990,900	 \$ 3,878,494	 \$ (1,887,594)		
 Receipts over (under) Expenditures	 965,168	 452,211				
 Unencumbered Cash, Beginning of Year	 1,692,775	 2,657,943				
 Unencumbered Cash, End of Year	 \$ 2,657,943	 \$ 3,110,154				

## CITY OF MCPHERSON, KANSAS

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

For the Year Ended December 31, 2014

(With Comparative Actual Totals for the Prior Year Ended December 31, 2013)

	2014			Variance Over (Under)
	2013 Actual	Actual	Budget	
Receipts:				
Ad valorem property tax	\$ 1,623,631	\$ 1,632,168	\$ 1,655,498	\$ (23,330)
Back tax collections	33,147	19,244	-	19,244
Motor vehicle tax	180,004	205,130	193,964	11,166
Recreational vehicle tax	2,586	3,062	3,079	(17)
MVL excise tax	199	6,478	203	6,275
Heavy truck tax	1,569	1,590	1,572	18
Matching funds	5,325	10,147	-	10,147
Reimbursed expenditures	125,763	126,553	-	126,553
Payroll matching - Board of Public Utilities	2,301,313	2,376,310	-	2,376,310
 Total Receipts	 4,273,537	 4,380,682	 \$ 1,854,316	 \$ 2,526,366
Expenditures Subject to Budget:				
Insurance administrator	772,572	836,808	\$ 991,451	\$ (154,643)
Social Security - payment to Federal	370,988	373,278	405,803	(32,525)
KPERS - payment to State	202,460	232,656	234,220	(1,564)
Workers' Compensation - premium	102,809	75,208	110,000	(34,792)
Unemployment Compensation - payment to State	10,511	22,287	11,668	10,619
Kansas Policemen's and Firemen's Retirement - payment to State	429,326	493,484	575,181	(81,697)
Miscellaneous	1,903	4,780	5,000	(220)
 Total Expenditures Subject to Budget	 1,890,569	 2,038,501	 \$ 2,333,323	 \$ (294,822)
Expenditures Not Subject to Budget:				
Reimbursements	2,301,313	2,374,403		
 Total Expenditures	 4,191,882	 4,412,904		
Receipts over (under) Expenditures	81,655	(32,222)		
Unencumbered Cash, Beginning of Year	958,452	1,040,107		
Unencumbered Cash, End of Year	\$ 1,040,107	\$ 1,007,885		

**CITY OF MCPHERSON, KANSAS****SPECIAL PURPOSE FUND****FORFEITED PROPERTY FUND - POLICE DEPARTMENT****SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL**  
**Regulatory Basis**

For the Year Ended December 31, 2014  
(With Comparative Actual Totals for the Prior Year Ended December 31, 2013)

	<u>2013</u>	<u>2014</u>
Receipts:		
Forfeited property funds	\$ 1,629	\$ 1,601
Expenditures:		
Drug enforcement	6,431	-
Receipts over (under) Expenditures	(4,802)	1,601
Unencumbered Cash, Beginning of Year	13,238	8,436
Unencumbered Cash, End of Year	<u>\$ 8,436</u>	<u>\$ 10,037</u>

**CITY OF MCPHERSON, KANSAS****SPECIAL PURPOSE FUND****INDUSTRIAL DEVELOPMENT FUND****SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET****Regulatory Basis****For the Year Ended December 31, 2014****(With Comparative Actual Totals for the Prior Year Ended December 31, 2013)**

	<b>2014</b>				<b>Variance Over (Under)</b>
	<b>2013 Actual</b>	<b>Actual</b>	<b>Budget</b>		
<b>Receipts:</b>					
Ad valorem property tax	\$ 29,380	\$ 29,795	\$ 30,147	\$ (352)	
Back tax collections	715	361	-	361	
Motor vehicle tax	3,634	3,796	3,513	283	
Recreational vehicle tax	52	57	56	1	
MVL excise tax	4	117	4	113	
Heavy truck tax	30	32	28	4	
Appropriation - McPherson County	33,511	32,632	22,500	10,132	
 Total Receipts	 67,326	 66,790	 \$ 56,248	 \$ 10,542	
<b>Expenditures:</b>					
Contractual services	51,000	101,000	\$ 51,350	\$ 49,650	
Travel expense	-	-	8,000	(8,000)	
Industrial prospect development	-	-	20,000	(20,000)	
Land purchases	-	-	338,779	(338,779)	
Appropriation - Industrial Employee Marketing	-	-	7,500	(7,500)	
 Total Expenditures	 51,000	 101,000	 \$ 425,629	 \$ (324,629)	
 Receipts over (under) Expenditures	 16,326	 (34,210)			
 Unencumbered Cash, Beginning of Year	 400,170	 416,496			
 Unencumbered Cash, End of Year	 \$ 416,496	 \$ 382,286			

## CITY OF MCPHERSON, KANSAS

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

For the Year Ended December 31, 2014

(With Comparative Actual Totals for the Prior Year Ended December 31, 2013)

	2014			Variance Over (Under)
	2013 Actual	Actual	Budget	
<b>Receipts:</b>				
Ad valorem property tax	\$ 571,131	\$ 608,754	\$ 617,382	\$ (8,628)
Back tax collections	12,285	7,386	5,000	2,386
Motor vehicle tax	67,310	73,184	68,233	4,951
Recreational vehicle tax	968	1,092	1,083	9
MVL excise tax	72	2,281	71	2,210
Heavy truck tax	551	223	553	(330)
 Total Receipts	 652,317	 692,920	 \$ 692,322	 \$ 598
<b>Expenditures:</b>				
Transfer out - Library Board - Operating Budget	652,317	692,320	\$ 692,322	\$ (2)
 Receipts over (under) Expenditures	 -	 600		
 Unencumbered Cash, Beginning of Year	 -	 -		
 Unencumbered Cash, End of Year	 \$ -	 \$ 600		

**CITY OF MCPHERSON, KANSAS****SPECIAL PURPOSE FUND****LIBRARY EMPLOYEE BENEFITS FUND****SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET****Regulatory Basis****For the Year Ended December 31, 2014****(With Comparative Actual Totals for the Prior Year Ended December 31, 2013)**

	<b>2014</b>			<b>Variance Over (Under)</b>
	<b>2013 Actual</b>	<b>Actual</b>	<b>Budget</b>	
<b>Receipts:</b>				
Ad valorem property tax	\$ 123,305	\$ 138,619	\$ 140,575	\$ (1,956)
Back tax collections	2,327	1,502	1,000	502
Motor vehicle tax	13,825	15,702	14,723	979
Recreational vehicle tax	199	234	234	-
MVL excise tax	14	492	15	477
Heavy truck tax	106	126	119	7
 Total Receipts	 139,776	 156,675	 \$ 156,666	 \$ 9
<b>Expenditures:</b>				
Transfer out - Library Board - Employee Benefits	139,776	156,665	\$ 156,666	\$ (1)
 Receipts over (under) Expenditures	 -	 10		
 Unencumbered Cash, Beginning of Year	 -	 -		
 Unencumbered Cash, End of Year	 \$ -	 \$ 10		

**CITY OF MCPHERSON, KANSAS****SPECIAL PURPOSE FUND****MCPHERSON LANDFILL IMPROVEMENT CORPORATION****SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL**  
**Regulatory Basis**

**For the Year Ended December 31, 2014**  
**(With Comparative Actual Totals for the Prior Year Ended December 31, 2013)**

	<u>2013</u>	<u>2014</u>
Receipts:		
Interest received	\$ 2	\$ 2
Expenditures:		
Filing fees	<u>40</u>	<u>40</u>
Receipts over (under) Expenditures	(38)	(38)
Unencumbered Cash, Beginning of Year	<u>2,442</u>	<u>2,404</u>
Unencumbered Cash, End of Year	<u>\$ 2,404</u>	<u>\$ 2,366</u>

## CITY OF MCPHERSON, KANSAS

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

For the Year Ended December 31, 2014

(With Comparative Actual Totals for the Prior Year Ended December 31, 2013)

	2014			Variance Over (Under)
	2013 Actual	Actual	Budget	
Receipts:				
Interest received	\$ 20	\$ 15	\$ 50	\$ (35)
Reimbursed expenditures	21,505	20,356	-	20,356
Transfer in - General Operating Fund	90,000	90,000	90,000	-
Total Receipts	111,525	110,371	\$ 90,050	\$ 20,321
Expenditures:				
Contractual services	57,112	57,973	\$ 77,803	\$ (19,830)
Commodities	27,827	28,244	23,000	5,244
Capital outlay	14,200	1,656	25,000	(23,344)
Maintenance reserve	-	-	98,161	(98,161)
Board meetings	-	-	1,000	(1,000)
Miscellaneous	-	-	200	(200)
Total Expenditures	99,139	87,873	\$ 225,164	\$ (137,291)
Receipts over (under) Expenditures	12,386	22,498		
Unencumbered Cash, Beginning of Year	183,655	196,041		
Unencumbered Cash, End of Year	\$ 196,041	\$ 218,539		

**CITY OF MCPHERSON, KANSAS****SPECIAL PURPOSE FUND****MUNICIPAL COURT FUND****SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL**  
**Regulatory Basis****For the Year Ended December 31, 2014**  
**(With Comparative Actual Totals for the Prior Year Ended December 31, 2013)**

	<u>2013</u>	<u>2014</u>
<b>Receipts:</b>		
Fines	\$ 204,519	\$ 174,503
Court cost	45,502	52,438
Supreme Court fee	750	587
Police Training Fee	-	4,404
Police training assessment	26,288	20,454
Drug/alcohol assessment fees	1,264	638
Bonds	1,646	2,110
Parking violations	1,515	2,610
Fingerprint fees	10,524	9,992
Diversion fees	3,925	4,575
Reinstatement fees	3,965	4,085
Attorney fees	20,904	18,762
Miscellaneous	5,713	8,918
 Total Receipts	 326,515	 304,076
 <b>Expenditures:</b>		
Payments to General Operating Fund	266,244	237,682
Payments to State of Kansas	30,865	28,958
Payments to Kansas Bureau of Investigation	699	950
Payments to McPherson County Sheriff	10,636	10,088
Bonds	10,211	12,553
Restitution	6,373	12,153
Transfer out - Municipal Court ADSAP Fund	1,264	638
 Total Expenditures	 326,292	 303,022
 Receipts over (under) Expenditures	 223	 1,054
 Unencumbered Cash, Beginning of Year	 34,505	 34,728
 Unencumbered Cash, End of Year	 \$ 34,728	 \$ 35,782

**CITY OF MCPHERSON, KANSAS**

**SPECIAL PURPOSE FUND**

**MUNICIPAL COURT ADSAP FUND**

**SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL**

**Regulatory Basis**

**For the Year Ended December 31, 2014**

**(With Comparative Actual Totals for the Prior Year Ended December 31, 2013)**

	<u>2013</u>	<u>2014</u>
Receipts:		
Transfer in - Municipal Court Fund	\$ 1,264	\$ 638
Expenditures:		
Assessments	<u>135</u>	<u>-</u>
Receipts over (under) Expenditures	1,129	638
Unencumbered Cash, Beginning of Year	<u>21,821</u>	<u>22,950</u>
Unencumbered Cash, End of Year	<u>\$ 22,950</u>	<u>\$ 23,588</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, 2014**

**(With Comparative Actual Totals for the Prior Year Ended December 31, 2013)**

	<b>2014</b>			<b>Variance Over (Under)</b>
	<b>2013 Actual</b>	<b>Actual</b>	<b>Budget</b>	
<b>Receipts:</b>				
Membership fees	\$ 135,578	\$ 136,794	\$ 127,000	\$ 9,794
Ten play cards and golf team fees	13,000	9,909	12,000	(2,091)
Cart storage rental fees	48,729	44,929	48,000	(3,071)
Cart rental	57,414	60,962	64,000	(3,038)
Trail fees	4,108	5,346	5,000	346
Driving range revenue	13,213	12,079	14,000	(1,921)
Weekend green fees	63,952	69,221	72,500	(3,279)
Weekday green fees	65,034	68,259	85,000	(16,741)
Concession	22,654	21,250	36,000	(14,750)
Beer sales	18,537	20,109	19,000	1,109
Gift cards	4,190	4,603	3,000	1,603
Pro shop sales	46,684	66,232	55,000	11,232
Grinding services	620	-	-	-
Reimbursed expenses	794	2,900	-	2,900
Miscellaneous	1,488	1,026	3,000	(1,974)
Transfer in - General Operating Fund	-	25,000	-	25,000
 Total Receipts	 495,995	 548,619	 \$ 543,500	 \$ 5,119
 <b>Expenditures:</b>				
Personal services	214,278	227,934	\$ 213,325	\$ 14,609
Contractual services	79,559	80,847	80,600	247
Commodities	130,370	151,345	140,500	10,845
Capital outlay	34,062	34,063	34,000	63
Sales tax	10,798	12,175	16,000	(3,825)
Travel expense	2,360	2,296	2,500	(204)
Membership discount	8,220	6,375	8,000	(1,625)
Credit card fees	5,024	6,411	6,000	411
Gift certificates redeemed	4,394	3,530	5,000	(1,470)
Miscellaneous	473	281	600	(319)
Erosion control	-	-	39,275	(39,275)
Transfer out - Equipment Reserve Fund	37,149	13,351	37,150	(23,799)
 Total Expenditures	 526,687	 538,608	 \$ 582,950	 \$ (44,342)
 Receipts over (under) Expenditures	 (30,692)	 10,011		
 Unencumbered Cash, Beginning of Year	 45,136	 14,444		
 Unencumbered Cash, End of Year	 \$ 14,444	 \$ 24,455		

**CITY OF MCPHERSON, KANSAS**

**SPECIAL PURPOSE FUND**

**OPERATION WARMTH FUND**

**SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL**  
**Regulatory Basis**

**For the Year Ended December 31, 2014**  
**(With Comparative Actual Totals for the Prior Year Ended December 31, 2013)**

	<u>2013</u>	<u>2014</u>
Receipts:		
Donations	\$ 2,283	\$ 3,643
Expenditures:		
Contractual services	<u>4,502</u>	<u>2,794</u>
Receipts over (under) Expenditures	(2,219)	849
Unencumbered Cash, Beginning of Year	<u>3,946</u>	<u>1,727</u>
Unencumbered Cash, End of Year	<u>\$ 1,727</u>	<u>\$ 2,576</u>

**CITY OF MCPHERSON, KANSAS****SPECIAL PURPOSE FUND****SPECIAL ALCOHOL PROGRAM FUND****SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET****Regulatory Basis****For the Year Ended December 31, 2014****(With Comparative Actual Totals for the Prior Year Ended December 31, 2013)**

	<b>2014</b>			<b>Variance Over (Under)</b>
	<b>2013 Actual</b>	<b>Actual</b>	<b>Budget</b>	
Receipts:				
Liquor tax	\$ 30,331	\$ 35,238	\$ 30,088	\$ 5,150
Expenditures:				
Personal services	2,949	4,816	\$ 6,400	\$ (1,584)
Contractual services	15,393	14,345	20,000	(5,655)
Commodities	7,552	6,601	-	6,601
Capital outlay	-	-	86,956	(86,956)
Travel expense	34	-	1,000	(1,000)
Drug enforcement	-	-	9,000	(9,000)
Total Expenditures	25,928	25,762	\$ 123,356	\$ (97,594)
Receipts over (under) Expenditures	4,403	9,476		
Unencumbered Cash, Beginning of Year	100,287	104,690		
Unencumbered Cash, End of Year	<u>\$ 104,690</u>	<u>\$ 114,166</u>		

**CITY OF MCPHERSON, KANSAS****SPECIAL PURPOSE FUND****SPECIAL PARK AND RECREATION FUND****SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET****Regulatory Basis****For the Year Ended December 31, 2014****(With Comparative Actual Totals for the Prior Year Ended December 31, 2013)**

	<b>2014</b>				<b>Variance Over (Under)</b>
	<b>2013 Actual</b>	<b>Actual</b>	<b>Budget</b>		
Receipts:					
Liquor tax	\$ 30,331	\$ 35,238	\$ 30,088	\$ 5,150	
Expenditures:					
Contractual services	30,000	30,000	\$ 30,000	\$ -	
Capital outlay	-	-	59,584	(59,584)	
Total Expenditures	30,000	30,000	\$ 89,584	\$ (59,584)	
Receipts over (under) Expenditures	331	5,238			
Unencumbered Cash, Beginning of Year	60,117	60,448			
Unencumbered Cash, End of Year	\$ 60,448	\$ 65,686			

## 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, 2014

(With Comparative Actual Totals for the Prior Year Ended December 31, 2013)

	2014			Variance Over (Under)
	2013 Actual	Actual	Budget	
Receipts:				
Swimming pool	\$ 91,174	\$ 98,824	\$ 130,000	\$ (31,176)
Concession	25,536	30,107	40,000	(9,893)
Reimbursed expenditures	6,506	2,534	-	2,534
Miscellaneous	834	-	-	-
Transfer in - General Operating Fund	160,000	160,000	160,000	-
Total Receipts	284,050	291,465	\$ 330,000	\$ (38,535)
Expenditures:				
Contractual services	212,829	218,237	\$ 268,700	\$ (50,463)
Commodities	35,254	42,338	51,700	(9,362)
Capital outlay	-	-	33,652	(33,652)
Miscellaneous	834	834	1,200	(366)
Refunds	770	259	1,000	(741)
Sales tax	1,975	2,234	3,500	(1,266)
Travel expense	1,497	1,434	800	634
Pool maintenance	-	-	259,762	(259,762)
Total Expenditures	253,159	265,336	\$ 620,314	\$ (354,978)
Receipts over (under) Expenditures	30,891	26,129		
Unencumbered Cash, Beginning of Year	360,026	390,917		
Unencumbered Cash, End of Year	\$ 390,917	\$ 417,046		

## CITY OF MCPHERSON, KANSAS

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

For the Year Ended December 31, 2014

(With Comparative Actual Totals for the Prior Year Ended December 31, 2013)

	2014			Variance Over (Under)
	2013 Actual	Actual	Budget	
Receipts:				
Local retail sales tax	\$ 1,522,610	\$ 1,635,689	\$ 1,500,000	\$ 135,689
Interest received	21	36	-	36
Total Receipts	<u>1,522,631</u>	<u>1,635,725</u>	<u>\$ 1,500,000</u>	<u>\$ 135,725</u>
Expenditures:				
McPherson Opera House	466,094	1,456,079	\$ 1,456,103	\$ (24)
Transfer out -				
General Operating Fund	922,301	-	-	-
Bond and Interest Fund	-	168,903	168,903	-
Total Expenditures	<u>1,388,395</u>	<u>1,624,982</u>	<u>\$ 1,625,006</u>	<u>\$ (24)</u>
Receipts over (under) Expenditures	134,236	10,743		
Unencumbered Cash, Beginning of Year	-	<u>134,236</u>		
Unencumbered Cash, End of Year	<u>\$ 134,236</u>	<u>\$ 144,979</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, 2014

(With Comparative Actual Totals for the Prior Year Ended December 31, 2013)

	2014			Variance Over (Under)
	2013 Actual	Actual	Budget	
<b>Receipts:</b>				
State of Kansas - guest tax	\$ 239,033	\$ 312,713	\$ 239,000	\$ 73,713
Booth and registration fees	1,400	1,043	3,000	(1,957)
Reimbursed expenditures	2,367	514	3,000	(2,486)
Trolley revenue	5,930	6,563	5,600	963
Grants	7,133	-	-	-
Gifts	1,200	5,700	10,000	(4,300)
Miscellaneous	1,266	3,258	7,500	(4,242)
<b>Total Receipts</b>	<b>258,329</b>	<b>329,791</b>	<b>\$ 268,100</b>	<b>\$ 61,691</b>
<b>Expenditures:</b>				
Personal services	86,943	94,294	\$ 90,617	\$ 3,677
Contractual services	79,063	82,006	74,300	7,706
Commodities	55,528	60,448	58,900	1,548
Refunds	411	-	200	(200)
Travel expense	8,615	6,640	11,000	(4,360)
Capital outlay - trolley replacement	-	-	206,908	(206,908)
Grant expenditures	33,214	30,166	27,500	2,666
Miscellaneous	262	288	1,125	(837)
<b>Total Expenditures</b>	<b>264,036</b>	<b>273,842</b>	<b>\$ 470,550</b>	<b>\$ (196,708)</b>
Receipts over (under) Expenditures	(5,707)	55,949		
Unencumbered Cash, Beginning of Year	<b>202,450</b>	<b>196,743</b>		
Unencumbered Cash, End of Year	<b>\$ 196,743</b>	<b>\$ 252,692</b>		

## CITY OF MCPHERSON, KANSAS

SPECIAL PURPOSE FUNDHEALTH SELF-INSURANCE FUNDSCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL  
Regulatory BasisFor the Year Ended December 31, 2014  
(With Comparative Actual Totals for the Prior Year Ended December 31, 2013)

	<u>2013</u>	<u>2014</u>
Receipts:		
Interest received	\$ 4,361	\$ 3,680
Miscellaneous	-	1,210
Transfers in - various funds	1,851,446	2,038,855
Reimbursements	<u>14,178</u>	<u>22,125</u>
Total Receipts	<u>1,869,985</u>	<u>2,065,870</u>
Expenditures:		
Cost of insurance	280,153	247,054
Claims paid	1,560,946	1,715,204
Administrative fees	82,562	84,624
Reimbursements	<u>3,700</u>	<u>57,246</u>
Total Expenditures	<u>1,927,361</u>	<u>2,104,128</u>
Receipts over (under) Expenditures	(57,376)	(38,258)
Unencumbered Cash, Beginning of Year	<u>1,176,065</u>	<u>1,118,689</u>
Unencumbered Cash, End of Year	<u>\$ 1,118,689</u>	<u>\$ 1,080,431</u>

## CITY OF MCPHERSON, KANSAS

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

For the Year Ended December 31, 2014

(With Comparative Actual Totals for the Prior Year Ended December 31, 2013)

	<u>2013</u>	<u>2014</u>
Receipts:		
Interest received	\$ 2,670	\$ 2,554
Reimbursement	251	-
Transfer in - various funds	<u>180,237</u>	<u>193,991</u>
 Total Receipts	 <u>183,158</u>	 <u>196,545</u>
Expenditures:		
Cost of insurance	175,400	158,712
Claims paid	10,637	-
Miscellaneous	<u>1,499</u>	<u>452</u>
 Total Expenditures	 <u>187,536</u>	 <u>159,164</u>
Receipts over (under) Expenditures	(4,378)	37,381
Unencumbered Cash, Beginning of Year	<u>767,920</u>	<u>763,542</u>
Unencumbered Cash, End of Year	<u>\$ 763,542</u>	<u>\$ 800,923</u>

## CITY OF MCPHERSON, KANSAS

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

For the Year Ended December 31, 2014

(With Comparative Actual Totals for the Prior Year Ended December 31, 2013)

	2014			Variance Over (Under)
	2013 Actual	Actual	Budget	
<b>Receipts:</b>				
Ad valorem property tax	\$ 871,648	\$ 980,637	\$ 994,754	\$ (14,117)
Back tax collections	16,082	10,394	-	10,394
Motor vehicle tax	84,977	107,975	104,116	3,859
Recreational vehicle tax	1,221	1,613	1,653	(40)
MVL excise tax	92	3,472	109	3,363
Heavy truck tax	708	760	844	(84)
Special assessments	362,767	378,861	335,000	43,861
Bond proceeds	1,839,968	-	-	-
Recreation Commission Reimbursement	-	56,827	56,827	-
Transfers in -				
Wastewater System Maintenance and Operation Fund	214,920	218,784	218,784	-
Capital Improvement Fund	1,742	-	-	-
Sales Tax Revenue Fund	-	168,903	168,903	-
General Fund (NCRA)	80,000	87,500	87,500	-
<b>Total Receipts</b>	<b>3,474,125</b>	<b>2,015,726</b>	<b>\$ 1,968,490</b>	<b>\$ 47,236</b>
<b>Expenditures:</b>				
Bond principal	1,267,960	1,360,000	\$ 1,145,000	\$ 215,000
Interest coupons	400,221	556,472	411,050	145,422
Commission and postage	-	-	300	(300)
Special assessments delinquencies	-	-	1,023,191	(1,023,191)
<b>Total Expenditures Subject to Budget</b>	<b>1,668,181</b>	<b>1,916,472</b>	<b>\$ 2,579,541</b>	<b>\$ (663,069)</b>
<b>Expenditures Not Subject to Budget:</b>				
Bond proceeds	1,839,968	-		
<b>Total Expenditures</b>	<b>3,508,149</b>	<b>1,916,472</b>		
<b>Receipts over (under) Expenditures</b>	<b>(34,024)</b>	<b>99,254</b>		
Unencumbered Cash, Beginning of Year	885,696	851,672		
<b>Unencumbered Cash, End of Year</b>	<b>\$ 851,672</b>	<b>\$ 950,926</b>		

## CITY OF MCPHERSON, KANSAS

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

For the Year Ended December 31, 2014

(With Comparative Actual Totals for the Prior Year Ended December 31, 2013)

	<u>2013</u>	<u>2014</u>
<b>Receipts:</b>		
Ad valorem property tax	\$ 48,967	\$ 49,343
Back tax collections	1,458	616
Motor vehicle tax	6,057	6,327
Recreational vehicle tax	87	94
MVL excise tax	7	196
Heavy truck tax	51	54
Bond proceeds	7,795,000	-
Temporary note proceeds	100,000	-
Interest received	535	566
Developer's share	46,157	207,927
Special assessments prepaid	9,816	-
Federal/State Appropriations	-	22,671
Transfers in -		
General Fund	-	125,800
Sales Tax Revenue Fund	-	1,456,079
<b>Total Receipts</b>	<u>8,008,135</u>	<u>1,869,673</u>
<b>Expenditures:</b>		
<b>Capital Projects -</b>		
Certainteed/Oxford Point Drainage Improvements	73,834	693,201
First Street reconstruction	3,876,229	3,794,849
Grant Complex Tball Improvements	754,875	232,655
Veranda SSD #190	103,695	-
Veranda Paving	739,258	-
Barnstormers West Field SSD #191	64,514	-
Barnstormers West Field Paving	201,397	-
Front Porch/Welcome sign	1,672	27,172
Tennis court improvements	-	50,800
Community dog park	-	22,113
Barnstormer's drainage improvements	-	266,715
Erosion control	14,387	13,386
Transfer to Bond and Interest Fund	1,742	-
<b>Total Expenditures</b>	<u>5,831,603</u>	<u>5,100,891</u>
<b>Receipts over (under) Expenditures</b>	<u>2,176,532</u>	<u>(3,231,218)</u>
<b>Unencumbered Cash, Beginning of Year</b>	<u>3,455,796</u>	<u>5,632,328</u>
<b>Unencumbered Cash, End of Year</b>	<u>\$ 5,632,328</u>	<u>\$ 2,401,110</u>

## CITY OF MCPHERSON, KANSAS

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

For the Year Ended December 31, 2014

(With Comparative Actual Totals for the Prior Year Ended December 31, 2013)

	<u>2013</u>	<u>2014</u>
Receipts:		
Interest received	\$ 196	\$ 152
Reimbursed expenditures	3,240	22,500
Transfers in -		
General Operating Fund	352,353	187,111
Municipal Golf Course Fund	37,149	13,351
Animal Shelter Fund	3,563	3,800
Consolidated Street and Highway Fund	<u>140,117</u>	<u>140,475</u>
Total Receipts	<u>536,618</u>	<u>367,389</u>
Expenditures:		
Capital outlay	136,892	525,195
Aerial platform truck lease	<u>108,462</u>	<u>108,463</u>
Total Expenditures	<u>245,354</u>	<u>633,658</u>
Receipts over (under) Expenditures	291,264	(266,269)
Unencumbered Cash, Beginning of Year	<u>1,633,769</u>	<u>1,925,033</u>
Unencumbered Cash, End of Year	<u>\$ 1,925,033</u>	<u>\$ 1,658,764</u>

## CITY OF MCPHERSON, KANSAS

BUSINESS FUNDELECTRIC UTILITY FUNDSCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUALRegulatory Basis

For the Year Ended December 31, 2014

(With Comparative Actual Totals for the Prior Year Ended December 31, 2013)

	<u>2013</u>	<u>2014</u>
<b>Receipts:</b>		
User fees	\$ 48,092,209	\$ 51,044,764
Sales to interconnection	3,207,125	4,577,746
Interest received	46,113	69,123
Street lighting	187,878	216,095
Merchandising, jobbing and contract work	868,821	317,438
Refuse collection and sewer service fees	59,170	63,254
Penalties and late charge interest	63,505	87,694
Sales tax	858,160	821,709
Meter deposits	207,700	104,756
Proceeds from sale of equipment	7,855	(5,425)
Farm income	<u>17,165</u>	<u>4,770</u>
<b>Total Receipts</b>	<b>53,615,701</b>	<b>57,301,924</b>
<b>Expenditures:</b>		
Purchased power	35,618,372	37,967,417
Fuel	251,456	1,444,855
Distribution and transmission	4,950,700	3,746,223
Production	2,390,350	2,275,723
Capital outlay	192,414	4,515,096
Debt service	711,675	742,618
Administrative and general	1,866,329	2,384,529
Merchandising	306,668	170,505
Farm expenses	13,502	11,077
Meter deposits	21,749	24,406
Sales tax	858,160	821,709
Transfer out - General Operating Fund - In lieu of taxes	<u>1,551,000</u>	<u>1,593,282</u>
<b>Total Expenditures</b>	<b>48,732,375</b>	<b>55,697,440</b>
<b>Receipts over (under) Expenditures</b>	<b>4,883,326</b>	<b>1,604,484</b>
<b>Unencumbered Cash, Beginning of Year</b>	<b><u>19,245,963</u></b>	<b><u>24,129,289</u></b>
<b>Unencumbered Cash, End of Year</b>	<b><u>\$ 24,129,289</u></b>	<b><u>\$ 25,733,773</u></b>

## CITY OF MCPHERSON, KANSAS

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

For the Year Ended December 31, 2014

(With Comparative Actual Totals for the Prior Year Ended December 31, 2013)

	2014			Variance Over (Under)
	2013 Actual	Actual	Budget	
Receipts:				
Sewer recovery fee	\$ 14,285	\$ 49,025	\$ 30,000	\$ 19,025
Expenditures:				
Capital outlay	—	—	\$ 389,744	\$ (389,744)
Receipts over (under) Expenditures	14,285	49,025		
Unencumbered Cash, Beginning of Year	329,746	344,031		
Unencumbered Cash, End of Year	<u>\$ 344,031</u>	<u>\$ 393,056</u>		

## CITY OF MCPHERSON, KANSAS

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

For the Year Ended December 31, 2014

(With Comparative Actual Totals for the Prior Year Ended December 31, 2013)

	2014			Variance Over (Under)
	2013 Actual	Actual	Budget	
<b>Receipts:</b>				
Refuse collections	\$ 803,982	\$ 873,811	\$ 700,000	\$ 173,811
Landfill closure fee	70,316	82,139	90,000	(7,861)
Waste tags	30	33	-	33
Reimbursements	7,496	-	-	-
<b>Total Receipts</b>	<b>881,824</b>	<b>955,983</b>	<b>\$ 790,000</b>	<b>\$ 165,983</b>
<b>Expenditures:</b>				
Contractual services	722,529	815,383	\$ 713,750	\$ 101,633
Landfill mitigation	-	-	1,057,118	(1,057,118)
Miscellaneous	3	3	600	(597)
Transfers out -				
General Operating Fund	50,000	50,000	50,000	-
<b>Total Expenditures</b>	<b>772,532</b>	<b>865,386</b>	<b>\$ 1,821,468</b>	<b>\$ (956,082)</b>
Receipts over (under) Expenditures	109,292	90,597		
Unencumbered Cash, Beginning of Year	1,095,816	1,205,108		
<b>Unencumbered Cash, End of Year</b>	<b>\$ 1,205,108</b>	<b>\$ 1,295,705</b>		

## 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, 2014

(With Comparative Actual Totals for the Prior Year Ended December 31, 2013)

	2014			Variance Over (Under)
	2013 Actual	Actual	Budget	
Receipts:				
Sewer service charges	\$ 1,628,062	\$ 1,632,772	\$ 1,520,000	\$ 112,772
Sale of grain, equipment and supplies	117,709	57,381	25,000	32,381
Rent	2,471	1,994	750	1,244
Reimbursements	85,190	13,762	-	13,762
Miscellaneous	2,946	3,630	8,400	(4,770)
Total Receipts	1,836,378	1,709,539	\$ 1,554,150	\$ 155,389
Expenditures:				
Personal services	242,588	250,163	\$ 261,425	\$ (11,262)
Contractual services	696,267	1,484,333	710,283	774,050
Commodities	120,495	71,214	102,500	(31,286)
Capital outlay	469,566	29,899	2,474,337	(2,444,438)
Travel expense	1,527	2,595	6,000	(3,405)
Miscellaneous	1,160	906	4,450	(3,544)
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	214,920	218,784	218,784	-
Total Expenditures	1,955,231	2,266,602	\$ 3,986,487	\$ (1,719,885)
Receipts over (under) Expenditures	(118,853)	(557,063)		
Unencumbered Cash, Beginning of Year	3,490,869	3,372,016		
Unencumbered Cash, End of Year	\$ 3,372,016	\$ 2,814,953		

## CITY OF MCPHERSON, KANSAS

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

For the Year Ended December 31, 2014

(With Comparative Actual Totals for the Prior Year Ended December 31, 2013)

	2014			Variance Over (Under)
	2013 Actual	Actual	Budget	
<b>Receipts:</b>				
Interest received	\$ 2,099	\$ 1,282	\$ 5,000	\$ (3,718)
Sewer service fee	672,000	672,000	675,000	(3,000)
<b>Total Receipts</b>	<b>674,099</b>	<b>673,282</b>	<b>\$ 680,000</b>	<b>\$ (6,718)</b>
<b>Expenditures:</b>				
Appropriation:				
KDHE, WWT plant improvement	728,853	728,853	\$ 728,853	\$ -
Contingency for future loan payments	-	-	1,039,155	(1,039,155)
<b>Total Expenditures</b>	<b>728,853</b>	<b>728,853</b>	<b>\$ 1,768,008</b>	<b>\$ (1,039,155)</b>
Receipts over (under) Expenditures	(54,754)	(55,571)		
Unencumbered Cash, Beginning of Year	1,136,861	1,082,107		
<b>Unencumbered Cash, End of Year</b>	<b>\$ 1,082,107</b>	<b>\$ 1,026,536</b>		

## CITY OF MCPHERSON, KANSAS

BUSINESS FUNDWATER UTILITY FUNDSCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUALRegulatory Basis

For the Year Ended December 31, 2014

(With Comparative Actual Totals for the Prior Year Ended December 31, 2013)

	<u>2013</u>	<u>2014</u>
<b>Receipts:</b>		
Sale of water	\$ 3,127,104	\$ 3,161,080
Interest received	33,011	21,243
Farm income	93,781	190,162
Merchandising, jobbing and contract work	64,164	269,455
Refuse collection and sewer service fees	14,790	12,096
Water protection fees	42,938	30,870
Water meter advances	-	7,153
Sales tax	86,497	69,759
Proceeds from sale of equipment	-	(17)
Proceeds from sale of bonds/note payable	<u>974,000</u>	<u>-</u>
 Total Receipts	 <u>4,436,285</u>	 <u>3,761,801</u>
 <b>Expenditures:</b>		
Production	456,817	458,615
Distribution and transmission	1,063,567	947,951
Administrative and general	457,815	460,231
Capital outlay	2,497,168	880,416
Farm expenses	6,108	57,276
Merchandising	15,292	76,007
Debt service	951,270	1,258,435
Water protection fees	42,147	38,763
Sales tax	86,497	69,759
Water meter advances	73,005	-
Transfer out - General Operating Fund - In lieu of taxes	<u>63,000</u>	<u>60,384</u>
 Total Expenditures	 <u>5,712,686</u>	 <u>4,307,837</u>
 Receipts over (under) Expenditures	 (1,276,401)	 (546,036)
 Unencumbered Cash, Beginning of Year	 <u>8,636,460</u>	 <u>7,360,059</u>
 Unencumbered Cash, End of Year	 <u>\$ 7,360,059</u>	 <u>\$ 6,814,023</u>

## CITY OF MCPHERSON, KANSAS

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

For the Year Ended December 31, 2014

(With Comparative Actual Totals for the Prior Year Ended December 31, 2013)

	<u>2013</u>	<u>2014</u>
<b>Receipts:</b>		
Interest received	\$ 269	\$ 140
<b>Expenditures:</b>		
Contractual services	<u>2,500</u>	<u>2,790</u>
Receipts over (under) Expenditures	(2,231)	(2,650)
Unencumbered Cash, Beginning of Year	<u>52,591</u>	<u>50,360</u>
Unencumbered Cash, End of Year	<u>\$ 50,360</u>	<u>\$ 47,710</u>

## CITY OF MCPHERSON, KANSAS

TRUST FUNDCEMETERY ENDOWMENT FUNDSCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUALRegulatory Basis

For the Year Ended December 31, 2014

(With Comparative Actual Totals for the Prior Year Ended December 31, 2013)

	<u>2013</u>	<u>2014</u>
Receipts:		
Sale of lots and spaces	\$ 7,988	\$ 5,250
Expenditures		
Transfer to General Operating Fund	- - - - -	- - - - -
Receipts over (under) Expenditures	7,988	5,250
Unencumbered Cash, Beginning of Year	<u>61,777</u>	<u>69,765</u>
Unencumbered Cash, End of Year	<u>\$ 69,765</u>	<u>\$ 75,015</u>

**CITY OF MCPHERSON, KANSAS**

**TRUST FUND**

**MUSEUM BUILDING AND ENDOWMENT FUND**

**SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL**

**Regulatory Basis**

**For the Year Ended December 31, 2014**

**(With Comparative Actual Totals for the Prior Year Ended December 31, 2013)**

	<u>2013</u>	<u>2014</u>
Receipts:		
Interest received	\$ -	\$ -
Expenditures:		
McPherson Museum	227,999	-
Receipts over (under) Expenditures	(227,999)	-
Unencumbered Cash, Beginning of Year	227,999	-
Unencumbered Cash, End of Year	\$ -	\$ -

## CITY OF MCPHERSON, KANSAS

TRUST FUNDPOLICE BENEFIT FUNDSCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUALRegulatory Basis

For the Year Ended December 31, 2014

(With Comparative Actual Totals for the Prior Year Ended December 31, 2013)

	<u>2013</u>	<u>2014</u>
Receipts		
Fundraisers	\$ 643	\$ 600
Donations	<u>650</u>	<u>503</u>
Total Receipts	<u>1,293</u>	<u>1,103</u>
Expenditures:		
Gifts to injured/sick officers	600	175
Fundraiser	<u>1,390</u>	-
Special Olympics	55	-
Office supplies/miscellaneous	14	50
Meals and food supplies	<u>550</u>	<u>65</u>
Total Expenditures	<u>2,609</u>	<u>290</u>
Receipts over (under) Expenditures	(1,316)	813
Unencumbered Cash, Beginning of Year	<u>15,067</u>	<u>13,751</u>
Unencumbered Cash, End of Year	<u>\$ 13,751</u>	<u>\$ 14,564</u>

Fiscal Year Ended December 31

McPherson City Council  
 100 North Main Street  
 P.O. Box 100  
 McPherson, KS 67460-100  
 (785) 242-2111  
 Fax: (785) 242-2111

McPherson City Clerk  
 100 North Main Street  
 P.O. Box 100  
 McPherson, KS 67460-100  
 (785) 242-2111

## CITY OF MCPHERSON, KANSAS

TRUST FUNDFIREFIGHTERS BENEFIT FUNDSCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUALRegulatory Basis

For the Year Ended December 31, 2014

(With Comparative Actual Totals for the Prior Year Ended December 31, 2013)

	<u>2013</u>	<u>2014</u>
Receipts:		
Brick paver project	\$ 400	\$ -
Education	65	-
MDA fundraiser	3,457	4,575
Off duty apparel	-	1,819
Pop machine sales	233	-
Donations	1,100	65
Miscellaneous	<u>150</u>	<u>1,635</u>
 Total Cash Receipts	 5,405	 8,094
Expenditures:		
Brick paver project	398	-
Education	65	-
MDA fundraiser	3,500	-
Off duty apparel	2,050	828
Pop machine sales	-	500
Memorials	1,055	6,350
Gifts	1,928	702
Accounting fees	247	440
Miscellaneous	<u>774</u>	<u>518</u>
 Total Expenditures	 10,017	 9,338
Receipts over (under) Expenditures	(4,612)	(1,244)
Unencumbered Cash, Beginning of Year	9,835	5,223
Unencumbered Cash, End of Year	<u>\$ 5,223</u>	<u>\$ 3,979</u>

## CITY OF MCPHERSON, KANSAS

RELATED MUNICIPAL ENTITYLIBRARY BOARDSCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUALRegulatory Basis

For the Year Ended December 31, 2014

(With Comparative Actual Totals for the Prior Year Ended December 31, 2013)

	Capital	Endow-	General	Operating	Employee	Totals	
	Improve- ment	ment				2014	2013
<b>Receipts:</b>							
Interest received	\$ 407	\$ 154	\$ 19	\$ 356	\$ -	\$ 936	\$ 3,486
Fines and fees	-	-	15,894	-	-	15,894	20,167
Gifts	2,333	-	4,063	-	-	6,396	9,189
Sales	-	-	849	-	-	849	3,526
State of Kansas	-	-	-	4,744	-	4,744	5,303
Net return on investment - trust	-	6,006	-	-	-	6,006	10,665
South Central Kansas Library System	-	-	-	41,830	-	41,830	33,598
Reimbursements	-	-	3,475	200	-	3,675	4,009
Miscellaneous	-	-	523	-	-	523	1,187
Transfers in -							
Endowment	-	-	-	11,900	-	11,900	11,400
General	-	-	-	21,100	-	21,100	24,000
Operating Budget	68,500	-	-	-	-	68,500	50,000
Library Fund	-	-	-	692,320	156,665	848,985	792,093
Total Receipts	<u>71,240</u>	<u>6,160</u>	<u>24,823</u>	<u>772,450</u>	<u>156,665</u>	<u>1,031,338</u>	<u>968,623</u>
<b>Expenditures:</b>							
Personal services	-	-	-	437,060	-	437,060	432,036
Contractual services	17,073	-	96	129,295	128,797	275,261	257,039
Commodities	32,574	-	-	113,610	-	146,184	108,356
Capital outlay	-	-	-	7,262	-	7,262	1,026
Reimbursements	-	-	-	1,596	-	1,596	2,959
Miscellaneous and refunds	-	-	1,628	3,847	-	5,475	6,115
Grant disbursements/gift expense	-	-	2,891	-	-	2,891	4,727
Trust/other fees	-	2,922	-	-	-	2,922	1,676
2014: McPherson Co Comm Foundation	-	195,486	-	-	-	195,486	-
Transfers out -							
Capital Improvement	-	-	-	68,500	-	68,500	50,000
Operating Budget	-	11,900	21,100	-	-	33,000	35,400
Total Expenditures	<u>49,647</u>	<u>210,308</u>	<u>25,715</u>	<u>761,170</u>	<u>128,797</u>	<u>1,175,637</u>	<u>899,334</u>
Receipts over (under) Expenditures	21,593	(204,148)	(892)	11,280	27,868	(144,299)	69,289
Unencumbered Cash, Beginning of Year	<u>177,626</u>	<u>204,148</u>	<u>11,647</u>	<u>79,006</u>	<u>53,041</u>	<u>525,468</u>	<u>456,179</u>
Unencumbered Cash, End of Year	<u>\$ 199,219</u>	<u>\$ -</u>	<u>\$ 10,755</u>	<u>\$ 90,286</u>	<u>\$ 80,909</u>	<u>\$ 381,169</u>	<u>\$ 525,468</u>