

CITY OF MCPHERSON, KANSAS
FINANCIAL STATEMENT
FOR THE YEAR ENDED
DECEMBER 31, 2020

**City of McPherson, Kansas
City of Second Class
Incorporated March 4, 1874
For the Year Ended December 31, 2020**

BOARD OF CITY COMMISSIONERS

Gary L. Mehl
Commissioner of
Public Facilities

Thomas A. Brown
Mayor

Larry E. Wiens
Commissioner of
Public Works

CITY OFFICIALS

Jeffrey A. Houston
City Attorney

Nick Gregory, MPA
City Administrator

William S. Mills
Municipal Court Judge

Johnette Shepek
City Treasurer/Finance Director

TJ Wyssmann
Fire Chief

Mikel Golden
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

Virgil Lyon
Planning & Zoning Administrator

Ryan Rank
Building Inspector

Brian L. Bina
City Prosecutor

Tamra K. Seely, CMC, SHRM-CP
City Clerk/HR Officer

Kody A. Kraemer
Cemetery Sexton

Milton Collins
Code Enforcement Officer/
Sanitation Office

CITY OF MCPHERSON, KANSAS
For the Year Ended December 31, 2020

TABLE OF CONTENTS

**Page
Numbers**

Independent Auditor's Report	1 – 3
------------------------------------	-------

FINANCIAL SECTION

Statement 1	Summary Statement of Receipts, Expenditures and Unencumbered Cash – Regulatory Basis	4 – 5
	Notes to Financial Statement.....	6 – 18

REGULATORY – REQUIRED SUPPLEMENTARY INFORMATION

Schedule 1	Summary of Expenditures – Actual and Budget – Regulatory Basis.....	19
Schedule 2	Schedule of Receipts and Expenditures – Actual and Budget – Regulatory Basis	

General Fund

2-1	General Operating Fund	20 – 25
-----	------------------------------	---------

Special Purpose Funds

2-2	Consolidated Street and Highway Fund	26
2-3	Employee Benefits (Non-Public Safety) Contribution Fund	27
2-4	Employee Benefits (Public Safety) Contribution Fund	28
2-5	Forfeited Property Fund – Police Department	29
2-6	Industrial Development Fund	30
2-7	Library Fund	31
2-8	Library Employee Benefits Fund	32
2-9	McPherson Landfill Improvement Corporation	33
2-10	McPherson Land Bank Fund	34
2-11	Municipal Building Fund	35
2-12	Municipal Court Fund	36
2-13	Municipal Court ADSAP Fund	37
2-14	Municipal Golf Course Fund	38
2-15	Operation Warmth Fund	39
2-16	Special Alcohol Program Fund	40
2-17	Special Park and Recreation Fund	41
2-18	Swimming Pool Maintenance and Operation Fund	42
2-19	Sales Tax Revenue Fund	43
2-20	CID Sales Tax Fund	44

CITY OF MCPHERSON, KANSAS

For the Year Ended December 31, 2020

TABLE OF CONTENTS (CONT.)

REGULATORY – REQUIRED SUPPLEMENTARY INFORMATION (CONT.)

Page Numbers

Special Purpose Funds (Cont.)

2-21	Tourism and Convention Promotion Fund	45
2-22	Health Self-Insurance Fund	46
2-23	Worker's Compensation Self-Insurance Fund	47

Bond and Interest Fund

2-24	Bond and Interest Fund	48
------	------------------------------	----

Capital Projects Funds

2-25	Capital Improvement Fund.....	49 – 50
2-26	Equipment Reserve Fund	51

Business Funds

2-27	Electric Utility Fund	52
2-28	Sewer Recovery Fund	53
2-29	Solid Waste Collection Fund.....	54
2-30	Storm Water Utility Fund	55
2-31	Wastewater System Maintenance and Operation Fund	56
2-32	Wastewater System Surplus Fund	57
2-33	Water Utility Fund	58

Trust Funds

2-34	Salthouse-Broadway Cemetery Trust Fund.....	59
2-35	Cemetery Endowment Fund	60
2-36	Fire Insurance Proceeds Fund.....	61
2-37	Police Benefit Fund	62

CITY OF MCPHERSON, KANSAS
For the Year Ended December 31, 2020

TABLE OF CONTENTS (CONT.)

Related Municipal Entity

Schedule 3	Schedule of Receipts and Expenditures – Regulatory Basis	
	Library Board.....	63

Single Audit Section

	Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	64 – 65
	Independent Auditor's Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by the Uniform Guidance..	66 – 67
Schedule 4	Schedule of Expenditures of Federal Awards.....	68
Schedule 5	Schedule of Findings and Questioned Costs.....	69

INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and City Commission
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, Kansas, a Municipal Financial Reporting Entity as of and for the year ended December 31, 2020 and the related notes to the financial statement.

Management's Responsibility for the Financial Statement

Management is responsible for the preparation and fair presentation of this financial statement in accordance with the *Kansas Municipal Audit and Accounting Guide* as described in Note 1; this includes determining that the regulatory basis of accounting is an acceptable basis for the preparation of the financial statement in the circumstances. Management is also responsible for the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of the financial statement that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

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

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

Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles

As described in Note 1 of the financial statement, the financial statement is prepared by the City of McPherson, 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.

Hutchinson Office
200 N. Main
Hutchinson, KS 67504
620.662.3358

McPherson Office
123 S. Main
McPherson, KS 67460
620.241.1826

Newton Office
3179 N. Main Ste. A
North Newton, KS 67117
316.282.9905

Wichita Office
220 W. Douglas, Ste. 300
Wichita, KS 67202
316.265.5600

www.sjhl.com

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, Kansas as of December 31, 2020, or changes in financial position and cash flows thereof for the year then ended.

Unmodified Opinion on Regulatory Basis of Accounting

In our opinion, the financial statement referred to above presents fairly, in all material respects, the aggregate cash and unencumbered cash balance of the City of McPherson, Kansas as of December 31, 2020, and the aggregate receipts and expenditures for the year then ended in accordance with the financial reporting provisions of the *Kansas Municipal Audit and Accounting Guide* described in Note 1.

Other Matters

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the 2020 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, schedule 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 analysis and are not a required part of the 2020 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 2020 basic financial statement. The 2020 information has been subjected to the auditing procedures applied in the audit of the 2020 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 2020 basic financial statement or to the 2020 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 2020 basic financial statement as a whole, on the basis of accounting described in Note 1.

We also previously audited, in accordance with auditing standards generally accepted in the United States of America, the basic financial statement of the City of McPherson, Kansas as of and for the year ended December 31, 2019 (not presented herein), and have issued our report thereon dated June 1, 2020, which contained an unmodified opinion on the basic financial statement. The 2019 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://www.admin.ks.gov/offices/oar/municipal-services>. The 2019 actual column (2019 comparative information) presented in the individual fund schedules of regulatory basis receipts and expenditures – actual and budget for the year ended December 31, 2020 (Schedule 2 as listed in the table of contents) is presented for purposes of additional analysis and is not a required part of the basic financial statement. Such 2019 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 2019 basic financial statement. The 2019 comparative information was subjected to the auditing procedures applied in the audit of the 2019 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 2019 basic financial statement or to the 2019 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 2019 comparative information is fairly stated in all material respects in relation to the basic financial statement as a whole for the year ended December 31, 2019, on the basis of accounting described in Note 1.

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statement that collectively comprise City of McPherson, Kansas' basic financial statement. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is not a required part of the basic financial statement of the City of McPherson, Kansas.

The schedule of expenditures of federal awards is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statement. Such information has been subjected to the auditing procedures applied in the audit of the financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statement or the 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 basic financial statement taken as a whole, on the basis of accounting described in Note 1.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated May 24, 2021, on our consideration of the City of McPherson, Kansas' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of City of McPherson, Kansas' internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City of McPherson, Kansas' internal control over financial reporting and compliance.

Swindoll, Janzen, Hawk & Loyd, LLC

Swindoll, Janzen, Hawk & Loyd, LLC
McPherson, Kansas
May 24, 2021

CITY OF MCPHERSON, KANSAS

SUMMARY STATEMENT OF RECEIPTS, EXPENDITURES AND UNENCUMBERED CASH**Regulatory Basis****For the Year Ended December 31, 2020**

	Beginning Unencumbered Cash Balance	Receipts	Expenditures	Ending Unencumbered Cash Balance	Add Encumbrances and Accounts Payable	Ending Cash Balance
GENERAL FUND						
General Operating Fund	\$ 4,800,922	\$ 10,436,523	\$ 9,717,898	\$ 5,519,547	\$ 318,554	\$ 5,838,101
SPECIAL PURPOSE FUNDS						
Consolidated Street and Highway Fund	2,012,249	2,955,965	2,799,967	2,168,247	68,369	2,236,616
Employee Benefits (Non-Public Safety) Contribution Fund	317,295	3,969,999	3,787,379	499,915	129,751	629,666
Employee Benefits (Public Safety) Contribution Fund	253,683	1,819,440	1,601,001	472,122	17,152	489,274
Forfeited Property Fund - Police Department	18,737	7,951	1,368	25,320	-	25,320
Industrial Development Fund	430,961	105,311	100,000	436,272	-	436,272
Library Fund	-	759,654	759,654	-	-	-
Library Employee Benefits Fund	-	120,415	120,415	-	-	-
McPherson Landfill Improvement Corporation	2,176	1	40	2,137	-	2,137
McPherson Land Bank Fund	422,267	57,400	38	479,629	-	479,629
Municipal Building Fund	276,976	109,775	119,958	266,793	4,473	271,266
Municipal Court Fund	45,607	226,092	246,832	24,867	-	24,867
Municipal Court ADSAP Fund	24,322	-	-	24,322	-	24,322
Municipal Golf Course Fund	10,467	636,063	543,293	103,237	11,167	114,404
Operation Warmth Fund	1,690	2,975	3,190	1,475	-	1,475
Special Alcohol Program Fund	151,277	30,462	30,400	151,339	1,348	152,687
Special Park and Recreation Fund	62,797	30,462	2,778	90,481	-	90,481
Swimming Pool Maintenance and Operation Fund	334,721	256,489	254,621	336,589	119	336,708
Sales Tax Revenue Fund	1,159,553	2,660,699	1,478,982	2,341,270	-	2,341,270
CID Sales Tax Fund	-	101,182	95,750	5,432	7,507	12,939
Tourism and Convention Promotion Fund	368,255	372,258	383,659	356,854	11,980	368,834
Health Self-Insurance Fund	1,891,740	2,497,654	2,283,584	2,105,810	-	2,105,810
Worker's Compensation Self-Insurance Fund	510,735	275,796	184,646	601,885	-	601,885
Total Special Purpose Funds	8,295,508	16,996,043	14,797,555	10,493,996	251,866	10,745,862
BOND AND INTEREST FUND						
Bond and Interest Fund	311,907	8,855,179	8,549,761	617,325	-	617,325
CAPITAL PROJECTS FUNDS						
Capital Improvement Fund	6,430,288	2,438,750	5,521,772	3,347,266	-	3,347,266
Equipment Reserve Fund	1,345,795	73,662	494,497	924,960	-	924,960
Total Capital Projects Funds	7,776,083	2,512,412	6,016,269	4,272,226	-	4,272,226

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

CITY OF MCPHERSON, KANSAS

SUMMARY STATEMENT OF RECEIPTS, EXPENDITURES AND UNENCUMBERED CASH**Regulatory Basis****For the Year Ended December 31, 2020**

	Beginning Unencumbered Cash Balance	Receipts	Expenditures	Ending Unencumbered Cash Balance	Add Encumbrances and Accounts Payable	Ending Cash Balance
BUSINESS FUNDS						
Electric Utility Fund	\$ 45,348,428	\$ 63,795,670	\$ 68,627,369	\$ 40,516,729	\$ 4,449,284	\$ 44,966,013
Sewer Recovery Fund	515,431	12,175	-	527,606	-	527,606
Solid Waste Collection Fund	1,894,318	1,148,983	1,012,838	2,030,463	80,058	2,110,521
Storm Water Utility Fund	3,176,688	1,236,747	3,023,508	1,389,927	13,022	1,402,949
Wastewater System Maintenance and Operation Fund	3,446,086	2,054,612	2,106,776	3,393,922	73,357	3,467,279
Wastewater System Surplus Fund	774,041	6,231,771	6,283,863	721,949	-	721,949
Water Utility Fund	7,598,214	5,382,372	4,415,606	8,564,980	419,684	8,984,664
Total Business Funds	62,753,206	79,862,330	85,469,960	57,145,576	5,035,405	62,180,981
TRUST FUNDS						
Salthouse - Broadway Cemetery Trust Fund	38,239	298	-	38,537	-	38,537
Cemetery Endowment Fund	114,943	8,763	-	123,706	-	123,706
Police Benefit Fund	12,176	15,139	14,217	13,098	-	13,098
Total Trust Funds	165,358	24,200	14,217	175,341	-	175,341
Total	84,102,984	118,686,687	124,565,660	78,224,011	5,605,825	83,829,836
RELATED MUNICIPAL ENTITY						
Library Board	574,585	1,031,178	970,405	635,358	51,646	687,004
Total Reporting Entity	\$ 84,677,569	\$ 119,717,865	\$ 125,536,065	\$ 78,859,369	\$ 5,657,471	\$ 84,516,840
COMPOSITION OF CASH						
Cash on Hand - City Clerk						\$ 650
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						80,187,671
Investments - KS Municipal Investment Pool						3,640,395
Total						83,829,836
Related Municipal Entity						687,004
Total Reporting Entity						\$ 84,516,840

CITY OF MCPHERSON, KANSAS
NOTES TO FINANCIAL STATEMENT
For the Year Ended December 31, 2020

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 8,700 electric and 5,900 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 the 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 was one such budget amendment for the year 2020.

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 and the Related Municipal Entity 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 2020.

3. DEPOSITS AND INVESTMENTS

As of December 31, 2020, the City had the following investments:

Investment Type	Fair Value	Investment Maturities (in Years)				Rating
		Less than 1	1-5	6-10	More than 10	
Kansas Municipal Investment Pool	\$ 3,640,395	\$ 3,640,395	\$ -	\$ -	\$ -	N/A

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 return 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.

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, 2020, is as follows:

Investments	Percentage of Investments
Kansas Municipal Investment Pool	100%

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, 2020.

At December 31, 2020, the City's and Library's carrying amount of deposits was \$80,874,675 and the bank balance was \$82,274,274. The bank balance was held by eight banks resulting in a concentration of credit risk. Of the bank balance, \$2,002,137 was covered by federal depository insurance and \$80,272,137 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, 2020, the City had invested \$3,640,395 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, 2020 were as follows:

Issue	Interest Issue	Date of Issue	Amount of Issue	Original Date of Final Maturity	Balance Beginning of Year	Additions	Reductions of Principal	Balance End of Year	Interest Paid
General Obligation Bonds:									
Series 135 of 2012	2.00% to 3.10%	8/1/12	\$ 340,000	8/1/32	\$ 240,000	\$ -	\$ 240,000	\$ -	\$ 7,440
Series 136 of 2013	2.00% to 4.00%	8/15/13	9,585,000	8/1/33	4,090,000	-	4,090,000	-	131,113
Series 137 of 2015	2.00% to 3.00%	7/22/15	3,750,000	7/1/25	1,115,000	-	385,000	730,000	33,450
Series 138 of 2017	2.00% to 3.00%	7/26/17	2,660,000	8/1/37	1,775,000	-	355,000	1,420,000	49,700
Series 139 of 2018	3.00% to 4.00%	11/1/18	9,595,000	8/1/30	9,030,000	-	675,000	8,355,000	326,513
Series 140 of 2019	2.50% to 4.00%	8/15/19	2,670,000	8/1/39	2,670,000	-	100,000	2,570,000	73,261
Series 141 of 2020	1.50% to 3.00%	8/6/20	8,925,000	8/1/40	-	8,925,000	-	8,925,000	-
Total General Obligation Bonds					18,920,000	8,925,000	5,845,000	22,000,000	621,477
Revenue Bonds:									
Series 2012	2.00% to	7/5/12	11,085,000	10/1/27	6,635,000	-	735,000	5,900,000	218,619
Temporary Notes:									
Series 2019-A	2.40%	3/1/19	870,000	2/1/20	670,000	-	670,000	-	14,740
Series 2019-B	2.4% to 2.45%	4/24/19	2,400,000	2/1/23	2,400,000	-	585,000	1,815,000	66,881
Series 2020-A	1.70%	1/30/20	695,000	11/1/20	-	695,000	695,000	-	6,564
Total Temporary Notes					3,070,000	695,000	1,950,000	1,815,000	88,185
Kansas Revolving Fund Loans:									
1999 Wastewater Improvement	2.78%	4/19/99	1,127,000	9/1/20	73,699	-	73,699	-	1,678
2007 Wastewater Improvement	2.50%	10/6/07	11,346,393	3/1/29	6,057,163	-	6,057,163	-	161,383
2015 Wastewater Improvement	2.13%	3/25/15	4,863,464	3/1/36	3,536,184	-	174,637	3,361,547	74,396
Total Kansas Revolving Fund Loans					9,667,046	-	6,305,499	3,361,547	237,457
Capital Lease:									
Aerial Platform Truck	4.95%	9/11/09	866,722	1/28/20	103,347	-	103,347	-	5,116
Golf Cart	3.25%	3/2/20	166,427	3/2/24	-	166,427	35,478	130,949	-
Total Contractual Indebtedness					\$ 38,395,393	\$ 9,786,427	\$ 14,974,324	\$ 33,207,496	\$ 1,170,854

Continuing Disclosure Requirements

The City of McPherson as Issuer and Dissemination Agent, posted the prior year Annual Audit Report to EMMA (Electronic Municipal Market Access) on a timely basis (a requirement of no later than 210 days after the year-end) as reflected in the continuing disclosure instruction of the City's bond documents. The 2019 Annual Audit Report was posted to EMMA on July 28, 2020.

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								
	2021	2022	2023	2024	2025	2026-2030	2031-2035	2036-2040	Total
Principal:									
General Obligation Bonds:									
Series 137 of 2015	\$ 140,000	\$ 140,000	\$ 150,000	\$ 145,000	\$ 155,000	\$ -	\$ -	\$ -	\$ 730,000
Series 138 of 2017	355,000	265,000	205,000	110,000	100,000	250,000	95,000	40,000	1,420,000
Series 139 of 2018	700,000	725,000	760,000	785,000	820,000	4,565,000	-	-	8,355,000
Series 140 of 2019	100,000	100,000	110,000	115,000	120,000	655,000	735,000	635,000	2,570,000
Series 141 of 2020	1,315,000	1,340,000	1,380,000	690,000	710,000	2,870,000	460,000	160,000	8,925,000
Total General Obligation Bonds	2,610,000	2,570,000	2,605,000	1,845,000	1,905,000	8,340,000	1,290,000	835,000	22,000,000
Revenue Bonds:									
Series 2012	755,000	780,000	815,000	845,000	875,000	1,830,000	-	-	5,900,000
Temporary Notes:									
Series 2019-B	585,000	605,000	625,000	-	-	-	-	-	1,815,000
Kansas Revolving Fund Loans:									
2015 Wastewater Improvement	178,377	182,196	186,098	190,083	194,153	1,034,937	1,150,593	245,110	3,361,547
Capital Lease:									
Golf Cart	31,164	32,190	33,251	34,344	-	-	-	-	130,949
Total Principal	4,159,541	4,169,386	4,264,349	2,914,427	2,974,153	11,204,937	2,440,593	1,080,110	33,207,496
Interest:									
General Obligation Bonds:									
Series 137 of 2015	21,900	17,700	13,500	9,000	4,650	-	-	-	66,750
Series 138 of 2017	42,600	31,950	24,000	17,850	14,550	38,550	14,850	1,800	186,150
Series 139 of 2018	299,513	271,513	242,513	212,113	180,713	439,560	-	-	1,645,925
Series 140 of 2019	72,225	68,225	64,225	59,825	55,225	209,925	130,650	40,250	700,550
Series 141 of 2020	238,023	211,100	170,900	129,500	108,800	227,425	33,175	9,900	1,128,823
Total General Obligation Bonds	674,261	600,488	515,138	428,288	363,938	915,460	178,675	51,950	3,728,198
Revenue Bonds:									
Series 2012	203,000	172,800	141,600	109,000	83,650	86,613	-	-	796,663
Temporary Notes:									
Series 2019-B	37,155	22,724	7,656	-	-	-	-	-	67,535
Kansas Revolving Fund Loans:									
2015 Wastewater Improvement	70,656	66,836	62,935	58,950	54,880	210,227	94,571	3,923	622,978
Capital Lease:									
Golf Cart	4,315	3,288	2,227	1,135	-	-	-	-	10,965
Total Interest	989,387	866,136	729,556	597,373	502,468	1,212,300	273,246	55,873	5,226,339
Total Principal and Interest	\$ 5,148,928	\$ 5,035,522	\$ 4,993,905	\$ 3,511,800	\$ 3,476,621	\$ 12,417,237	\$ 2,713,839	\$ 1,135,983	\$ 38,433,835

5. PENSION COSTS AND EMPLOYEE BENEFITS

(a) Defined Benefit Pension Plan

Plan Description. The City and the BPU participate in the Kansas Public Employees Retirement System (KPERS) and the Kansas Police and Firemen's Retirement System (KP&F). Both are part of a cost-sharing multiple-employer defined benefit pension plan as provided by K.S.A. 74-4901, et. seq. Kansas law establishes and amends benefit provisions. KPERS and KP&F issue a publicly available financial report that includes financial statements and required supplementary information. KPERS' financial statements are included in its Comprehensive Annual Financial Report which can be found on the KPERS website at www.kpers.org or by writing to KPERS (611 South Kansas, Suite 100, Topeka, KS 66603) or by calling 1-888-275-5737.

Contributions. K.S.A. 74-4919 and K.S.A. 74-49,210 establish the KPERS member-employee contribution rates. KPERS has multiple benefit structures and contribution rates depending on whether the employee is a KPERS 1, KPERS 2 or KPERS 3 member. KPERS 1 members are active and contributing members hired before July 1, 2009. KPERS 2 members were first employed in a covered position on or after July 1, 2009, and KPERS 3 members were first employed in a covered position on or after January 1, 2015. Effective January 1, 2015, Kansas law established the KPERS member-employee contribution rate at 6% of covered salary for KPERS 1, KPERS 2 and KPERS 3 members. K.S.A. 74-4975 establishes KP&F member-employee contribution rate at 7.15% of covered salary. Member contributions are withheld by their employer and paid to KPERS according to the provisions of Section 414(h) of the Internal Revenue Code.

State law provides that the employer contribution rates for KPERS 1 and KPERS 2 and KPERS 3 and KP&F be determined based on the results of each annual actuarial valuation. Kansas law sets a limitation on annual increases in the employer contribution rates. The actuarially determined employer contribution rate (not including the 1% contribution rate for the Death and Disability Program) and the statutory contribution rate was 8.61% for KPERS and 21.93% for KP&F for the fiscal year ended December 31, 2020. Contributions to the pension plan from the City and BPU were \$828,935 for KPERS and \$640,781 for KP&F (Library was \$41,322) for the year ended December 31, 2020.

Net Pension Liability. At December 31, 2020, the City and BPU's proportionate share of the collective net pension liability reported by KPERS was \$9,071,882 and \$6,753,262 for KP&F (Library was \$426,704). The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2019, which was rolled forward to June 30, 2020. The City and BPU's proportion of the net pension liability was based on the ratio of the City and BPU's contributions to KPERS, relative to the total employer and non-employer contributions of the Local subgroup within KPERS. Since the KMAAG regulatory basis of accounting does not recognize long-term debt, this liability is not reported in this financial statement.

The complete actuarial valuation report including all actuarial assumptions and methods, and the report on the allocation of the KPERS collective net pension liability to all participating employers are publicly available on the website at www.kpers.org or can be obtained as described above.

(b) Death and Disability Other Post Employment Benefits

K.S.A. 74-4927, disabled members in KPERS receive long-term disability benefits and life insurance benefits. The plan is administered through a trust held by KPERS that is funded to pay annual benefit payments. The employer contribution rate is set at 1% for the year ended December 31, 2020.

(c) 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.

5. PENSION COSTS AND EMPLOYEE BENEFITS (CONT.)

(d) Other Employee Benefits

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

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

<u>Maximum Years of Service</u>	<u>Hours Accrued Per Year</u>	<u>Maximum Accumulation</u>
0 to 5 years	80 working hours	120 working hours
5 to 10 years	120 working hours	180 working hours
10 to 15 years	144 working hours	216 working hours
15 to 20 years	160 working hours	240 working hours
After 20 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 disclosure for accumulated sick leave has been made in the accompanying financial statement.

(e) 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 this 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 \$100,000 per individual per year for health care claims. This plan had fixed costs of \$145,899. Management believes claims incurred, but not reported, are insignificant at December 31, 2020. Starting December 31, 2007, the City chose to not self-insure for workers' compensation. Changes in health insurance claims liability for 2020 and 2019 were as follows:

	<u>2020</u>	<u>2019</u>
Beginning Balance	\$ 100,000	\$ 70,000
Additions	1,852,162	1,706,329
Payments	<u>(1,852,162)</u>	<u>(1,676,329)</u>
Ending Balance	<u>\$ 100,000</u>	<u>\$ 100,000</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.

Notwithstanding anything to the contrary, 2020 was marked by the COVID-10 pandemic and the unique responses at all levels of government and society. The City participated in various activities and governmental programs to address the public health, economic and societal well-being issues presented. The pandemic continues at the end of 2020 and the governmental program requirements are continuously evolving and unclear. The City does not currently anticipate material liability from its pandemic response.

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 2019 to 2020 and there were no settlements that exceeded insurance coverage in the past three years.

During the ordinary course of its operations, the City is a party to various claims, legal actions and complaints. It is the opinion of the City's management and legal counsel that these matters are not anticipated to have a material impact on the City. There were no insurance settlements during 2020 nor were there any pending settlements as of December 31, 2020.

9. LANDFILL CLOSURE AND POSTCLOSURE CARE COST

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

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

10. CAPITAL LEASE – RECREATION COMPLEX

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

On November 12, 2013, the Certificates of Participation 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 an irrigation system to the new and existing fields and a project drainage system. The total estimated cost of the project was \$976,500. The \$800,000 portion of the bond issue is funded by 20-year bonds and is scheduled to be paid by lease payments from the Commission. In June 2013, the Commission entered into a 10-year lease ending May 31, 2023 to lease Grant Field Complex from the City. The lease will automatically renew for a second 10-year term unless either party notifies the other in writing 90 days or more before the end of the first term. The Commission shall pay the City annual rental payments enough to pay all debt services related to, or associated with, the facility and are summarized below:

<u>Year</u>	<u>Total Basic Rental Payment</u>	<u>Principal Component</u>	<u>Interest Component</u>
2021	\$ 57,300	\$ 35,000	\$ 22,300
2022	56,250	35,000	21,250
2023	60,200	40,000	20,200
2024	59,000	40,000	19,000
2025	57,400	40,000	17,400
2026-2030	286,800	225,000	61,800
2031-2033	173,813	160,000	13,813
	<u>\$ 750,763</u>	<u>\$ 575,000</u>	<u>\$ 175,763</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, 2020, 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, 2020.

12. INTERFUND TRANSFERS

Operating transfers were as follows:

From	To	Regulatory Authority	Amount
Operating transfers (City):			
General Operating	Municipal Golf Course	Ord. 2999	\$ 25,000
General Operating	Consolidated Street and Highway	K.S.A. 12-1,119	500,000
General Operating	Swimming Pool Maintenance and Operation	Ord. 2708	180,000
General Operating	Municipal Building	Ord. 2887	45,000
General Operating	Bond and Interest	Ord. 3042	87,500
Consolidated Street and Highway	Bond and Interest	Ord. 3179	667,349
Consolidated Street and Highway	Capital Improvement	K.S.A. 12-1,118	288,614
Sales Tax Revenue	Bond and Interest	Ord. 3069	1,478,982
Electric Utility	General Operating	K.S.A. 12-825d	1,828,568
Solid Waste Collection	General Operating	K.S.A. 12-2104	50,000
Water Utility	General Operating	K.S.A. 12-825d	53,801
Wastewater System Maintenance and Operation	Storm Water Utility	K.S.A. 12-630a	368,938
Wastewater System Maintenance and Operation	Capital Improvement	K.S.A. 12-630a	63,606
Wastewater System Maintenance and Operation	General Operating	K.S.A. 12-630a	116,000
Capital Improvement	Bond and Interest	Debt service	186,872
Storm Water Utility	Bond and Interest	K.S.A. 12-630a	626,704
Storm Water Utility	Capital Improvement	K.S.A. 12-631o	176,149
Total Operating transfers (City)			<u>6,743,083</u>
Operating transfers (Library):			
Library	Library Board	K.S.A. 12-1220	759,654
Library Employee Benefits	Library Board	K.S.A. 12-16,102	<u>120,415</u>
Total Operating transfers (Library)			<u>880,069</u>
Total Operating transfers (municipal financial reporting entity)			<u>\$ 7,623,152</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 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.

13. OTHER RELATIONSHIPS (CONT.)

In 2020, the Authority was awarded a grant through the Federal Aviation Administration (FAA) in the amount of \$240,000. This grant will pay for the updated Airport Layout Planning Project - which the FAA requires every eight to 10 years. ADG out of Denver, Colorado was selected to manage the project. This project is expected to be completed by June of 2022. The authority also applied for CARES grant money through the FAA; they were awarded funding in the amount of \$30,000 in May of 2020. These grant monies covered replacement of the Authority's administration office HVAC system, a fuel card reader and some audit fees.

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

14. CAPITAL PROJECTS

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

	Project Authorization	Expenditures to Date
Community Building Renovation	\$ 5,062,078	\$ 5,051,598
Chestnut Street CDBG 2019	784,906	784,906
Plaza East Place - CID	1,230,946	1,213,565
Grimes/Anna Paving & Storm Sewer	3,998,476	3,978,163
Hartup/Elizabeth Paving & Drainage	2,336,169	2,256,045
Hulse Area Drainage Improvement	4,019,456	4,017,764
Total	<u>\$ 17,432,031</u>	<u>\$ 17,302,041</u>

15. COVID-19 NOTE

On January 30, 2020, the World Health Organization ("WHO") announced a global health emergency because of a new strain of coronavirus in Wuhan, China (the "COVID-19 outbreak") and the risks to the international community as the virus spreads globally beyond its point of origin. In March 2020, the WHO classified the COVID-19 outbreak as a pandemic, based on the rapid increase in exposure globally. The full impact of the COVID-19 outbreak continues to evolve as of the date of this report. As such, it is uncertain as to the full magnitude that the pandemic will have on the City's financial condition, liquidity and future results of operations. Management is actively monitoring the global and local situation on its financial condition, liquidity, operations, suppliers, industry and workforce. Given the daily evolution of the COVID-19 outbreak and the global responses to curb its spread, the City is not able to estimate the effects of the COVID-19 outbreak on its results of operations, financial condition or liquidity for fiscal year 2021. Future potential impacts may include a decrease in certain revenues, reduced customer traffic and the temporary closure of operating hours of our offices.

As a result of COVID-19, the State of Kansas has received Coronavirus Relief Funds (CRF) under the Coronavirus Aid, Relief and Economic Security (CARES) Act. The CRF were passed through to the counties of Kansas through Strengthening People and Revitalizing Kansas (SPARK). SPARK's first round distribution was to local governments in the amount of \$400 million. The City received CRF in the amount of \$600,000 during 2020. The City is encouraged to share the CRF with local businesses within the City. The CRF are to be used to strengthen health, to allow the economy to reopen safely and to remain open. The goals are to be fair, impactful and timely. Additional information and updates on SPARK, the CARES Act and CRF, which includes audit requirements, can be found at <https://covid.ks.gov/>.

16. SUBSEQUENT EVENTS

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.

On February 13, 2020, the Kansas Department of Commerce officially announced the awardees of the CDBG Grant for the 2020 round of funding. The City was awarded a \$300,000 Housing Rehabilitation Grant. This is the third CDBG Housing Rehabilitation Grant received by the City since 2016. The grant is a federal program designed to benefit low to moderate income families by providing specific home improvements. It will include rehabilitation work on 13 homes, including both rental and owner occupied, in a target area best described as bordered on the west by Main Street, on the north by Avenue A, on the east by both sides of Elm Street, and on the south by Avenue F. The grant needs to be completed by March 2022.

In March 2020, the City received word from Kansas Department of Transportation to receive fund reimbursement under the Federal-Aid Transportation Act for Transportation Alternatives (TA) projects by a pass-through Federal Surface Transportation Program (STP). This TA sidewalk project will be constructed from Main Street west to the Meadowlark Trail. The estimated cost of the project is \$751,000 with the City share estimated at \$240,600 which will be paid from the City's .5% Sales Tax. Design is anticipated to be complete in 2021 with letting of the project to follow.

In February 2021, the Commission authorized the Mayor and City Clerk to execute a Development Agreement with Ferguson Hotel Development totaling an estimated \$12.9M. The project consists of an estimated 92-room extended stay hotel and two restaurant pad sites bringing a significant value to the City and the general public as it will promote the economic welfare and the development of the City. The Developer and the City have agreed the development of the property is infeasible without the establishment of various economic development incentives offered by the City such as a Community Improvement District, Transient Guest Tax Rebate, KDOT cost share grant program for the roadway extension, the issuance of Industrial Revenue Bonds, and PILOT (Payment In Lieu of Taxes) payments which the City anticipates being finalized in 2021.

In July 2020, the City signed the McPherson County Coronavirus Relief Fund Agreement with the McPherson County Board of Commissioner's securing the health, safety, and economic well-being of the residents due to the public health emergency and pandemic of COVID-19. The agreement communicates that the County has undertaken as part of the CARES Act to receive funds for the State Finance Counsel Strengthening People and Revitalizing Kansas (SPARK) Taskforce to facilitate and provide for McPherson County population and impact from COVID-19 with funds provided for reimbursement of COVID-19 related costs. As a result of this agreement, the City received \$600,000 in SPARK funding from McPherson County in 2020. The allocation of the SPARK Funds was finalized in March of 2021 whereby the City received an additional \$11,512 in 2021 totaling \$611,512.

CITY OF MCPHERSON, KANSAS
REGULATORY – REQUIRED
SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2020

CITY OF MCPHERSON, KANSAS

SUMMARY OF EXPENDITURES - ACTUAL AND BUDGET**Regulatory Basis****(Budgeted Funds Only)****For the Year Ended December 31, 2020**

	Certified Budget	Adjustment for Qualifying Budget Credits	Total Budget for Comparison	Expenditures Chargeable to Current Year	Variance - Over (Under)
GENERAL FUND					
General Operating Fund	\$ 14,023,302	\$ -	\$ 14,023,302	\$ 9,717,898	\$ (4,305,404)
SPECIAL PURPOSE FUNDS					
Consolidated Street and Highway Fund	5,803,668	-	5,803,668	2,799,967	(3,003,701)
Employee Benefits (Non-Public Safety) Contribution Fund	1,030,491	-	1,030,491	802,480	(228,011)
Employee Benefits (Public Safety) Contribution Fund	1,835,863	-	1,835,863	1,601,001	(234,862)
Industrial Development Fund	508,833	-	508,833	100,000	(408,833)
Library Fund	771,053	-	771,053	759,654	(11,399)
Library Employee Benefits Fund	122,200	-	122,200	120,415	(1,785)
McPherson Land Bank Fund	503,820	-	503,820	38	(503,782)
Municipal Building Fund	380,959	-	380,959	119,958	(261,001)
Municipal Golf Course Fund	630,318	-	630,318	543,293	(87,025)
Special Alcohol Program Fund	157,383	-	157,383	30,400	(126,983)
Special Park and Recreation Fund	106,789	-	106,789	2,778	(104,011)
Swimming Pool Maintenance and Operation Fund	605,820	-	605,820	254,621	(351,199)
Sales Tax Revenue Fund	2,903,802	-	2,903,802	1,478,982	(1,424,820)
CID Sales Tax Fund	350,000	-	350,000	95,750	(254,250)
Tourism and Convention Promotion Fund	721,637	-	721,637	383,659	(337,978)
BOND AND INTEREST FUND					
Bond and Interest Fund	9,116,527	-	9,116,527	8,549,761	(566,766)
CAPITAL PROJECTS FUND					
Capital Improvement Fund	6,827,525	-	6,827,525	5,521,772	(1,305,753)
BUSINESS FUNDS					
Sewer Recovery Fund	560,931	-	560,931	-	(560,931)
Solid Waste Collection Fund	2,900,846	-	2,900,846	1,012,838	(1,888,008)
Storm Water Utility Fund	4,039,758	-	4,039,758	3,023,508	(1,016,250)
Wastewater System Maintenance and Operation Fund	4,893,999	-	4,893,999	2,106,776	(2,787,223)
Wastewater System Surplus Fund	7,006,050	-	7,006,050	6,283,863	(722,187)

CITY OF MCPHERSON, KANSAS

GENERAL OPERATING FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET

Regulatory Basis

For the Year Ended December 31, 2020

(With Comparative Actual Totals for the Prior Year Ended December 31, 2019)

		2020		
	2019			Variance -
	Actual	Actual	Budget	Over
				(Under)
Receipts				
Taxes -				
Ad valorem property tax	\$ 2,975,247	\$ 2,586,122	\$ 2,654,392	\$ (68,270)
Delinquent tax	32,994	32,754	-	32,754
Motor vehicle tax	317,466	341,436	321,360	20,076
Recreational vehicle tax	4,896	5,875	5,029	846
MVL excise tax	2,717	1,784	2,526	(742)
16/20M vehicle tax	1,465	1,263	1,141	122
Commercial vehicle tax	14,662	16,907	17,342	(435)
In lieu of tax	55,080	56,103	55,260	843
In lieu of tax - IRB clients	-	14,198	-	14,198
Local sales tax	2,275,739	2,162,580	2,000,000	162,580
Total Taxes	5,680,266	5,219,022	5,057,050	161,972
Intergovernmental Revenues -				
State of Kansas - liquor tax revenue	45,689	30,462	38,303	(7,841)
McPherson County - rescue vehicle runs	5,000	5,000	5,000	-
McPherson County - HAZMAT/technical response	-	15,000	15,000	-
McPherson County - ambulance appropriation	404,736	404,737	399,736	5,001
McPherson County - RHID receipts	148,444	152,124	158,320	(6,196)
Total Intergovernmental Revenues	603,869	607,323	616,359	(9,036)
Licenses and Permits -				
Utility franchise fees	388,917	365,336	403,000	(37,664)
Beer licenses	1,450	1,325	1,320	5
Liquor licenses	3,600	8,400	6,500	1,900
Occupation licenses	16,584	13,414	16,500	(3,086)
Building, zoning bonds and demolition permits	188,846	123,735	160,000	(36,265)
Fireworks stand licenses	4,000	4,500	3,500	1,000
Dance and events licenses	250	-	-	-
Inspections	4,210	3,045	4,000	(955)
Total Licenses and Permits	607,857	519,755	594,820	(75,065)
Charges for Services -				
Fire contracts - townships	345,442	424,882	414,862	10,020
Taxi coupons	6,085	4,870	3,500	1,370
Cemetery services	34,400	40,485	36,000	4,485
Total Charges for Services	385,927	470,237	454,362	15,875

CITY OF MCPHERSON, KANSAS

GENERAL OPERATING FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET

Regulatory Basis

For the Year Ended December 31, 2020

(With Comparative Actual Totals for the Prior Year Ended December 31, 2019)

		2020		Variance -
	2019	Actual	Budget	Over
	Actual			(Under)
Receipts (cont.)				
Fines, Forfeitures and Penalties -				
Municipal court fines	\$ 306,095	\$ 192,662	\$ 227,000	\$ (34,338)
Vehicle inspections	34,100	26,740	34,000	(7,260)
Total Fines, Forfeitures and Penalties	340,195	219,402	261,000	(41,598)
Use of Money and Property -				
Interest received	423,299	365,902	250,000	115,902
Cemetery endowment interest	707	1,288	350	938
Rent-building, land and equipment	23,246	14,314	21,500	(7,186)
Total Use of Money and Property	447,252	381,504	271,850	109,654
Miscellaneous -				
Public Transportation for Nonurbanized Areas	5,486	8,046	3,500	4,546
Reimbursed expenditures	196,048	218,243	130,632	87,611
Coronavirus Relief Funds	-	444,401	-	444,401
STEP Program	-	5,762	-	5,762
Cooperative Fire Protection Program	-	4,000	-	4,000
Dog tag, impound, adoption fee	5,632	4,362	4,400	(38)
Animal cremations	32,990	33,555	18,800	14,755
Grant reimbursements	127,792	88,746	122,000	(33,254)
Cemetery lot sales	19,275	20,288	20,000	288
Gifts and bequests	3,586	3,350	-	3,350
Insurance recoveries	90,488	-	-	-
Sale of effluent water	100,000	100,000	115,000	(15,000)
Community Building receipts	23,731	38,470	50,000	(11,530)
Miscellaneous	2,221	1,688	-	1,688
Total Miscellaneous	607,249	970,911	464,332	506,579
Transfer from Electric Utility Fund	1,682,523	1,828,568	1,800,000	28,568
Transfer from Solid Waste Collection Fund	50,000	50,000	50,000	-
Transfer from Wastewater System				
Maintenance and Operation Fund	80,000	116,000	80,000	36,000
Transfer from Water Utility Fund	52,439	53,801	56,000	(2,199)
Total Transfers	1,864,962	2,048,369	1,986,000	62,369
Total Receipts	10,537,577	10,436,523	\$ 9,705,773	\$ 730,750

CITY OF MCPHERSON, KANSAS

GENERAL OPERATING FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET

Regulatory Basis

For the Year Ended December 31, 2020

(With Comparative Actual Totals for the Prior Year Ended December 31, 2019)

		<u>2020</u>		
	<u>2019</u>	<u>Actual</u>	<u>Budget</u>	<u>Variance -</u>
	<u>Actual</u>			<u>Over</u>
				<u>(Under)</u>
Expenditures				
Administrative -				
Personal services	\$ 581,147	\$ 633,401	\$ 596,050	\$ 37,351
Contractual services	414,088	183,730	239,357	(55,627)
Commodities	11,138	10,356	13,000	(2,644)
Capital outlay	21,553	16,417	-	16,417
Cereal malt beverage stamp	400	400	500	(100)
Housing programs	197,404	162,618	181,000	(18,382)
RHID reimbursement	148,563	152,124	158,320	(6,196)
Employment and random drug test	-	-	500	(500)
Refunds	-	58	500	(442)
Travel expense	35,417	19,742	23,000	(3,258)
Miscellaneous	6,017	2,927	2,000	927
Contingency for storms	-	-	3,200,000	(3,200,000)
Emergency response	-	4,111	-	4,111
Appropriations:				
McPherson Airport Authority	61,240	61,240	65,990	(4,750)
McPherson Main Street	25,500	25,500	25,500	-
Not-For-Profit	2,684	6,000	10,000	(4,000)
McPherson Museum	42,250	42,250	42,250	-
McPherson Senior Center	5,000	5,000	5,000	-
Transfer to Municipal Building Fund	90,000	45,000	90,000	(45,000)
Transfer to Bond and Interest Fund	87,500	87,500	87,500	-
Transfer to Municipal Golf Course Fund	50,000	25,000	50,000	(25,000)
Transfer to Swimming Pool Maint. and Oper. Fund	180,000	180,000	180,000	-
Total Administrative	<u>1,959,901</u>	<u>1,663,374</u>	<u>4,970,467</u>	<u>(3,307,093)</u>
Police Department -				
Personal services	2,144,659	2,189,094	2,297,290	(108,196)
Contractual services	495,247	415,394	510,150	(94,756)
Commodities	124,273	110,945	124,098	(13,153)
Capital outlay	122,993	130,047	134,000	(3,953)
Miscellaneous	21,591	17,929	38,244	(20,315)
Travel expense	28,084	19,885	28,000	(8,115)
Uniform allowance	67,807	17,469	41,000	(23,531)
Emergency response	-	47,418	-	47,418
Transfer to Equipment Reserve Fund	55,747	-	64,764	(64,764)
Total Police Department	<u>3,060,401</u>	<u>2,948,181</u>	<u>3,237,546</u>	<u>(289,365)</u>

CITY OF MCPHERSON, KANSAS

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

For the Year Ended December 31, 2020

(With Comparative Actual Totals for the Prior Year Ended December 31, 2019)

	2019 Actual	2020		Variance - Over (Under)
		Actual	Budget	
Expenditures (cont.)				
Engineering -				
Personal services	\$ 239,174	\$ 256,979	\$ 261,447	\$ (4,468)
Contractual services	6,918	9,332	9,030	302
Commodities	15,028	15,024	23,750	(8,726)
Travel expense	-	212	4,000	(3,788)
Miscellaneous	265	108	150	(42)
Emergency response	-	100	-	100
Transfer to Equipment Reserve Fund	7,200	-	7,200	(7,200)
				-
Total Engineering	268,585	281,755	305,577	(23,822)
Sanitation -				
Personal services	109,085	113,790	110,165	3,625
Contractual services	10,783	13,753	20,079	(6,326)
Commodities	5,068	4,882	14,279	(9,397)
Code enforcement supplies	(14)	396	500	(104)
Miscellaneous	168	-	50	(50)
Travel expense	1,787	383	3,000	(2,617)
Planning Commission	4,285	2,717	9,000	(6,283)
Transfer to Equipment Reserve Fund	1,600	-	1,600	(1,600)
Total Sanitation	132,762	135,921	158,673	(22,752)
Inspection -				
Personal services	65,044	58,101	54,330	3,771
Contractual services	2,268	2,411	2,889	(478)
Commodities	3,882	3,350	10,780	(7,430)
Travel expense	746	100	3,562	(3,462)
Miscellaneous	40	-	350	(350)
Transfer to Equipment Reserve Fund	2,000	-	2,000	(2,000)
Total Inspection	73,980	63,962	73,911	(9,949)

CITY OF MCPHERSON, KANSAS

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

For the Year Ended December 31, 2020

(With Comparative Actual Totals for the Prior Year Ended December 31, 2019)

	2020			Variance - Over (Under)
	2019 Actual	Actual	Budget	
Expenditures (cont.)				
Community Building -				
Personal services	\$ 1,096	\$ 844	\$ 24,360	\$ (23,516)
Contractual services	49,609	47,244	110,700	(63,456)
Commodities	16,840	4,895	10,500	(5,605)
Capital outlay	739	-	-	-
Travel expense	940	145	-	145
Emergency response	-	661	-	661
Miscellaneous	5,594	10,078	-	10,078
Total Community Building	74,818	63,867	145,560	(81,693)
Legal and Judicial -				
Personal services	69,435	74,846	73,148	1,698
Contractual services	211,447	221,091	236,652	(15,561)
Commodities	4,538	2,254	3,100	(846)
Capital outlay	-	1,195	-	1,195
Miscellaneous	-	57	50	7
Emergency response	-	27,364	-	27,364
Travel expense	559	397	1,000	(603)
Total Legal and Judicial	285,979	327,204	313,950	13,254
Park Department -				
Personal services	425,131	408,580	438,066	(29,486)
Contractual services	164,762	103,408	164,555	(61,147)
Commodities	102,492	66,741	81,000	(14,259)
Capital outlay	-	2,907	-	2,907
Miscellaneous	3,107	2,640	400	2,240
Travel expense	1,709	799	1,800	(1,001)
Tree care maintenance	-	509	1,500	(991)
Emergency response	-	3,244	-	3,244
Transfer to Equipment Reserve Fund	53,417	-	65,000	(65,000)
Total Park Department	750,618	588,828	752,321	(163,493)
Ambulance Service -				
Contractual services	856,911	879,413	892,901	(13,488)
Transfer to Equipment Reserve Fund	60,000	-	60,000	(60,000)
Total Ambulance Service	916,911	879,413	952,901	(73,488)

CITY OF MCPHERSON, KANSAS

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

For the Year Ended December 31, 2020

(With Comparative Actual Totals for the Prior Year Ended December 31, 2019)

	2019 Actual	2020		Variance - Over (Under)
		Actual	Budget	
Expenditures (cont.)				
Cemetery -				
Personal services	\$ 163,577	\$ 155,783	\$ 166,540	\$ (10,757)
Contractual services	40,401	25,714	46,000	(20,286)
Commodities	11,741	9,660	17,175	(7,515)
Capital outlay	1,386	1,758	-	1,758
Miscellaneous	41	6	100	(94)
Travel expense	1,910	2,109	1,000	1,109
Emergency response	-	55	-	55
Tree care maintenance	872	1,020	1,000	20
Transfer to Equipment Reserve Fund	21,767	-	26,297	(26,297)
Total Cemetery	241,695	196,105	258,112	(62,007)
Fire Department -				
Personal services	1,175,317	1,170,605	1,221,668	(51,063)
Contractual services	301,140	282,797	286,876	(4,079)
Commodities	79,093	62,868	84,300	(21,432)
Capital outlay	94,132	94,583	77,000	17,583
Miscellaneous	19,428	20,290	21,250	(960)
Travel expense	17,783	15,212	20,000	(4,788)
Uniform allowance	14,994	14,945	15,000	(55)
Emergency response	-	235,665	-	235,665
Transfer to Consolidated Street and Highway Fund	40,000	-	-	-
Transfer to Equipment Reserve Fund	378,330	-	418,104	(418,104)
Total Fire Department	2,120,217	1,896,965	2,144,198	(247,233)
Animal Control -				
Personal services	104,971	97,478	110,779	(13,301)
Contractual services	44,643	40,849	51,324	(10,475)
Commodities	11,598	17,496	14,500	2,996
Capital outlay	-	7,166	12,000	(4,834)
Miscellaneous	8,869	6,423	6,900	(477)
Travel expense	85	2,751	4,000	(1,249)
Emergency response	-	160	-	160
Transfer to Equipment Reserve Fund	11,083	-	11,083	(11,083)
Total Animal Control	181,249	172,323	210,586	(38,263)
Street -				
Transfer to Consolidated Street and Highway Fund	455,000	500,000	500,000	-
Total Expenditures	10,522,116	9,717,898	\$ 14,023,802	\$ (4,305,904)
Receipts Over (Under) Expenditures	15,461	718,625		
Unencumbered Cash, Beginning	4,785,461	4,800,922		
Unencumbered Cash, Ending	\$ 4,800,922	\$ 5,519,547		

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, 2020

(With Comparative Actual Totals for the Prior Year Ended December 31, 2019)

	2019 Actual	2020		Variance - Over (Under)
		Actual	Budget	
Receipts				
State of Kansas - gas tax	\$ 359,839	\$ 340,012	\$ 360,030	\$ (20,018)
State of Kansas - connecting links	63,155	78,944	63,000	15,944
Reimbursed expenditures	209,992	280,278	913,240	(632,962)
Coronavirus Relief Funds	-	18,761	-	18,761
Local sales tax	1,771,070	1,723,976	1,600,000	123,976
Miscellaneous	-	13,994	-	13,994
Transfer from General Operating Fund	495,000	500,000	500,000	-
Total Receipts	2,899,056	2,955,965	\$ 3,436,270	\$ (480,305)
Expenditures				
Personal services	438,676	402,573	\$ 464,462	\$ (61,889)
Contractual services	1,579,524	1,194,854	2,239,018	(1,044,164)
Commodities	291,154	237,225	360,500	(123,275)
Capital outlay	2,588	2,051	720,144	(718,093)
Travel expense	697	1,188	3,500	(2,312)
Miscellaneous	601	1,643	1,250	393
Emergency response	-	301	-	301
Sidewalk (ADA) improvements	5,133	4,169	15,000	(10,831)
Transfer to Capital Improvement Fund	624,793	288,614	1,199,444	(910,830)
Transfer to Bond and Interest Fund	654,700	667,349	667,350	(1)
Transfer to Equipment Reserve Fund	135,000	-	133,000	(133,000)
Total Expenditures	3,732,866	2,799,967	\$ 5,803,668	\$ (3,003,701)
Receipts Over (Under) Expenditures	(833,810)	155,998		
Unencumbered Cash, Beginning	2,846,059	2,012,249		
Unencumbered Cash, Ending	\$ 2,012,249	\$ 2,168,247		

CITY OF MCPHERSON, KANSAS

SPECIAL PURPOSE FUNDEMPLOYEE BENEFITS (NON-PUBLIC SAFETY) CONTRIBUTION FUNDSCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGETRegulatory Basis

For the Year Ended December 31, 2020

(With Comparative Actual Totals for the Prior Year Ended December 31, 2019)

		<u>2020</u>		
	<u>2019</u>	<u>Actual</u>	<u>Budget</u>	<u>Variance -</u>
	<u>Actual</u>			<u>Over</u>
				<u>(Under)</u>
Receipts				
Ad valorem property tax	\$ 670,231	\$ 859,514	\$ 881,926	\$ (22,412)
Delinquent tax	10,393	9,195	-	9,195
Motor vehicle tax	90,063	77,194	72,386	4,808
Recreational vehicle tax	1,407	1,331	1,133	198
MVL excise tax	971	406	569	(163)
16/20M vehicle tax	845	293	257	36
Commercial vehicle tax	3,388	3,809	3,906	(97)
Matching funds	7,935	7,242	-	7,242
Reimbursed expenditures	4,939	6,210	-	6,210
Coronavirus Relief Funds	-	15,188	-	15,188
In lieu of taxes - IRB clients	-	4,718	-	4,718
Payroll matching - Board of Public Utilities	3,046,191	2,984,899	-	2,984,899
Total Receipts	3,836,363	3,969,999	\$ 960,177	\$ 3,009,822
Expenditures Subject to Budget				
Insurance administrator	363,959	351,653	\$ 554,981	\$ (203,328)
Social security-payment to Federal	165,884	162,136	180,237	(18,101)
KPERS-payment to State	207,498	198,146	226,414	(28,268)
Worker's compensation-premium	56,327	74,548	56,505	18,043
Unemployment compensation-payment to State	11,730	8,899	2,354	6,545
Miscellaneous	20,113	7,098	10,000	(2,902)
Total Expenditures Subject to Budget	825,511	802,480	\$ 1,030,491	\$ (228,011)
Expenditures Not Subject to Budget:				
Reimbursements	3,046,191	2,984,899		
Total Expenditures	3,871,702	3,787,379		
Receipts Over (Under) Expenditures	(35,339)	182,620		
Unencumbered Cash, Beginning	352,634	317,295		
Unencumbered Cash, Ending	\$ 317,295	\$ 499,915		

CITY OF MCPHERSON, KANSAS

SPECIAL PURPOSE FUNDEMPLOYEE BENEFITS (PUBLIC SAFETY) CONTRIBUTION FUNDSCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGETRegulatory Basis

For the Year Ended December 31, 2020

(With Comparative Actual Totals for the Prior Year Ended December 31, 2019)

		<u>2020</u>		
	<u>2019</u>	<u>Actual</u>	<u>Budget</u>	<u>Variance -</u>
	<u>Actual</u>			<u>Over</u>
				<u>(Under)</u>
Receipts				
Ad valorem property tax	\$ 1,620,273	\$ 1,584,811	\$ 1,626,420	\$ (41,609)
Delinquent tax	12,049	16,439	-	16,439
Motor vehicle tax	113,887	179,301	174,993	4,308
Recreational vehicle tax	1,735	3,026	2,738	288
MVL excise tax	730	871	1,376	(505)
16/20M vehicle tax	-	532	621	(89)
Commercial vehicle tax	6,204	9,190	9,443	(253)
In lieu of taxes - IRB clients	-	8,700	-	8,700
Reimbursed expenditures	4,581	6,915	5,000	1,915
Coronavirus Relief Funds	-	9,655	-	9,655
Total Receipts	<u>1,759,459</u>	<u>1,819,440</u>	<u>\$ 1,820,591</u>	<u>\$ (1,151)</u>
Expenditures Subject to Budget				
Insurance administrator	537,450	531,685	\$ 733,350	\$ (201,665)
Social security-payment to Federal	252,732	254,400	285,117	(30,717)
KPERS-payment to State	40,769	41,447	45,615	(4,168)
Worker's compensation-premium	66,971	114,570	64,993	49,577
Unemployment compensation-payment to State	4,492	3,569	3,727	(158)
Kansas Policemen's and Firemen's				
Retirement-payment to State	649,819	640,782	703,061	(62,279)
Miscellaneous	<u>16,317</u>	<u>14,548</u>	<u>-</u>	<u>14,548</u>
Total Expenditures Subject to Budget	<u>1,568,550</u>	<u>1,601,001</u>	<u>\$ 1,835,863</u>	<u>\$ (234,862)</u>
Receipts Over (Under) Expenditures	190,909	218,439		
Unencumbered Cash, Beginning	<u>62,774</u>	<u>253,683</u>		
Unencumbered Cash, Ending	<u>\$ 253,683</u>	<u>\$ 472,122</u>		

CITY OF MCPHERSON, KANSAS

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

For the Year Ended December 31, 2020

(With Comparative Actual Totals for the Prior Year Ended December 31, 2019)

	<u>2019 Actual</u>	<u>2020 Actual</u>
Receipts		
Forfeited property funds	\$ 6,489	\$ 7,951
Expenditures		
Drug enforcement	<u>4,688</u>	<u>1,368</u>
Receipts Over (Under) Expenditures	1,801	6,583
Unencumbered Cash, Beginning	<u>16,936</u>	<u>18,737</u>
Unencumbered Cash, Ending	<u>\$ 18,737</u>	<u>\$ 25,320</u>

CITY OF MCPHERSON, KANSAS

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

For the Year Ended December 31, 2020

(With Comparative Actual Totals for the Prior Year Ended December 31, 2019)

	2019 Actual	2020		Variance - Over (Under)
		Actual	Budget	
Receipts				
Ad valorem property tax	\$ 49,260	\$ 48,822	\$ 50,000	\$ (1,178)
Delinquent tax	406	507	-	507
Motor vehicle tax	3,288	5,310	5,318	(8)
Recreational vehicle tax	51	88	83	5
MVL excise tax	28	24	42	(18)
16/20M truck tax	15	13	19	(6)
Commercial vehicle tax	151	279	287	(8)
Appropriation - McPherson County	50,000	50,000	50,000	-
In lieu of taxes - IRB clients	-	268	-	268
Total Receipts	103,199	105,311	\$ 105,749	\$ (438)
Expenditures				
Contractual services	100,000	100,000	\$ 100,000	\$ -
Travel expense	-	-	8,000	(8,000)
Industrial prospect development	-	-	20,000	(20,000)
Land purchases	-	-	380,833	(380,833)
Total Expenditures	100,000	100,000	\$ 508,833	\$ (408,833)
Receipts Over (Under) Expenditures	3,199	5,311		
Unencumbered Cash, Beginning	427,762	430,961		
Unencumbered Cash, Ending	\$ 430,961	\$ 436,272		

CITY OF MCPHERSON, KANSAS

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

For the Year Ended December 31, 2020

(With Comparative Actual Totals for the Prior Year Ended December 31, 2019)

		<u>2020</u>		
	<u>2019</u>	<u>Actual</u>	<u>Budget</u>	<u>Variance -</u>
	<u>Actual</u>			<u>Over</u>
				<u>(Under)</u>
Receipts				
Ad valorem property tax	\$ 667,311	\$ 665,694	\$ 683,137	\$ (17,443)
Delinquent collections	7,555	7,699	10,000	(2,301)
Motor vehicle tax	72,390	76,799	72,076	4,723
Recreational vehicle tax	1,116	1,324	1,128	196
MVL excise tax	619	403	567	(164)
16/20M truck tax	332	288	256	32
Commercial vehicle tax	3,347	3,793	3,889	(96)
In lieu of taxes - IRB client	-	3,654	-	3,654
Total Receipts	<u>752,670</u>	<u>759,654</u>	<u>\$ 771,053</u>	<u>\$ (11,399)</u>
Expenditures				
Transfer to - Library Board - Operating Budget	<u>752,670</u>	<u>759,654</u>	<u>\$ 771,053</u>	<u>\$ (11,399)</u>
Receipts Over (Under) Expenditures	-	-		
Unencumbered Cash, Beginning	-	-		
Unencumbered Cash, Ending	<u>\$ -</u>	<u>\$ -</u>		

CITY OF MCPHERSON, KANSAS

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

For the Year Ended December 31, 2020

(With Comparative Actual Totals for the Prior Year Ended December 31, 2019)

	2019 Actual	2020		Variance - Over (Under)
		Actual	Budget	
Receipts				
Ad valorem property tax	\$ 124,172	\$ 103,083	\$ 105,708	\$ (2,625)
Delinquent tax	1,458	1,378	2,000	(622)
Motor vehicle tax	13,838	14,307	13,406	901
Recreational vehicle tax	214	246	210	36
MVL excise tax	121	75	105	(30)
16/20M vehicle tax	70	54	48	6
Commercial vehicle tax	627	706	723	(17)
In lieu of taxes - IRB clients	-	566	-	566
Total Receipts	<u>140,500</u>	<u>120,415</u>	<u>\$ 122,200</u>	<u>\$ (1,785)</u>
Expenditures				
Transfer to - Library Board - Employee Benefits	<u>140,500</u>	<u>120,415</u>	<u>\$ 122,200</u>	<u>\$ (1,785)</u>
Receipts Over (Under) Expenditures	-	-		
Unencumbered Cash, Beginning	<u>-</u>	<u>-</u>		
Unencumbered Cash, Ending	<u>\$ -</u>	<u>\$ -</u>		

CITY OF MCPHERSON, KANSAS

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

For the Year Ended December 31, 2020

(With Comparative Actual Totals for the Prior Year Ended December 31, 2019)

	<u>2019 Actual</u>	<u>2020 Actual</u>
Receipts		
Interest received	\$ 2	\$ 1
Expenditures		
Filing fees	<u>40</u>	<u>40</u>
Receipts Over (Under) Expenditures	(38)	(39)
Unencumbered Cash, Beginning	<u>2,214</u>	<u>2,176</u>
Unencumbered Cash, Ending	<u>\$ 2,176</u>	<u>\$ 2,137</u>

CITY OF MCPHERSON, KANSAS

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

For the Year Ended December 31, 2020

(With Comparative Actual Totals for the Prior Year Ended December 31, 2019)

	<u>2019 Actual</u>	<u>2020</u>		<u>Variance - Over (Under)</u>
		<u>Actual</u>	<u>Budget</u>	
Receipts				
Sale of land	\$ 61,000	\$ 57,400	\$ 57,400	\$ -
Expenditures				
Contractual services	815	-	\$ 24,500	\$ (24,500)
Capital outlay	-	-	479,320	(479,320)
Miscellaneous	38	38	-	38
Total Expenditures	853	38	\$ 503,820	\$ (503,782)
Receipts Over (Under) Expenditures	60,147	57,362		
Unencumbered Cash, Beginning	362,120	422,267		
Unencumbered Cash, Ending	\$ 422,267	\$ 479,629		

CITY OF MCPHERSON, KANSAS

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

For the Year Ended December 31, 2020

(With Comparative Actual Totals for the Prior Year Ended December 31, 2019)

		<u>2020</u>		
	<u>2019</u>	<u>Actual</u>	<u>Budget</u>	<u>Variance - Over (Under)</u>
Receipts				
Interest received	\$ 1,619	\$ 307	\$ 1,150	\$ (843)
Reimbursed expenditures	23,804	20,612	25,000	(4,388)
Coronavirus Relief Funds	-	43,856	-	43,856
Transfer from General Operating Fund	90,000	45,000	90,000	(45,000)
Total Receipts	<u>115,423</u>	<u>109,775</u>	<u>\$ 116,150</u>	<u>\$ (6,375)</u>
Expenditures				
Contractual services	71,274	51,820	\$ 270,900	\$ (219,080)
Commodities	29,636	24,345	27,000	(2,655)
Capital outlay	1,604	-	43,663	(43,663)
Maintenance reserve	-	-	39,396	(39,396)
Emergency response	-	43,793	-	43,793
Total Expenditures	<u>102,514</u>	<u>119,958</u>	<u>\$ 380,959</u>	<u>\$ (261,001)</u>
Receipts Over (Under) Expenditures	12,909	(10,183)		
Unencumbered Cash, Beginning	<u>264,067</u>	<u>276,976</u>		
Unencumbered Cash, Ending	<u>\$ 276,976</u>	<u>\$ 266,793</u>		

CITY OF MCPHERSON, KANSAS

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

For the Year Ended December 31, 2020

(With Comparative Actual Totals for the Prior Year Ended December 31, 2019)

	2019 Actual	2020 Actual
Receipts		
Fines	\$ 197,070	\$ 114,191
Court cost	88,051	40,728
DUI Community Corrections	-	1,990
Supreme Court fee	1,975	911
Police training fee	19,665	9,064
Police training assessment	40,722	18,287
Seat belt safety	7,880	6,075
Bonds	2,261	1,615
Parking violations	1,861	510
Fingerprint fees	8,605	6,270
Diversion fees	2,500	6,400
Reinstatement fees	5,445	4,132
Attorney fees	16,923	15,041
Miscellaneous	2,581	878
Total Receipts	395,539	226,092
Expenditures		
Payments to General Operating Fund	295,460	194,931
Payments to State of Kansas	73,779	39,929
Payments to McPherson County Sheriff	8,269	6,495
Bonds	-	7,160
Restitution	(1,751)	(1,683)
Transfer to Municipal Court ADSAP Fund	210	-
Total Expenditures	375,967	246,832
Receipts Over (Under) Expenditures	19,572	(20,740)
Unencumbered Cash, Beginning	26,035	45,607
Unencumbered Cash, Ending	\$ 45,607	\$ 24,867

CITY OF MCPHERSON, KANSAS

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

For the Year Ended December 31, 2020

(With Comparative Actual Totals for the Prior Year Ended December 31, 2019)

	<u>2019 Actual</u>	<u>2020 Actual</u>
Receipts		
Transfer from Municipal Court Fund	\$ 210	\$ -
Expenditures	<u>-</u>	<u>-</u>
Receipts Over (Under) Expenditures	210	-
Unencumbered Cash, Beginning	<u>24,112</u>	<u>24,322</u>
Unencumbered Cash, Ending	<u>\$ 24,322</u>	<u>\$ 24,322</u>

CITY OF MCPHERSON, KANSAS

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

For the Year Ended December 31, 2020

(With Comparative Actual Totals for the Prior Year Ended December 31, 2019)

	2019 Actual	2020		Variance - Over (Under)
		Actual	Budget	
Receipts				
Membership fees	\$ 116,666	\$ 128,254	\$ 125,000	\$ 3,254
Ten play cards and golf team fees	11,400	13,820	13,500	320
Cart storage rental fees	45,939	48,199	45,000	3,199
Cart rental	53,102	81,550	62,500	19,050
Trail fees	3,353	3,837	5,500	(1,663)
Driving range revenue	14,423	18,135	14,500	3,635
Weekend green fees	63,982	75,528	60,000	15,528
Weekday green fees	60,931	83,819	70,000	13,819
Concessions	21,001	21,079	25,000	(3,921)
Beer sales	34,112	41,189	32,000	9,189
Gift cards	4,842	3,394	5,000	(1,606)
Pro shop sales	63,168	80,559	80,000	559
Reimbursed expenditures	4,690	44	-	44
Coronavirus Relief Funds	-	4,079	-	4,079
Golf lessons	6,708	6,065	-	6,065
Miscellaneous	482	1,512	750	762
Transfer from General Operating Fund	50,000	25,000	50,000	(25,000)
Total Receipts	554,799	636,063	\$ 588,750	\$ 47,313
Expenditures				
Personal services	263,536	241,856	\$ 271,583	\$ (29,727)
Contractual services	74,926	86,121	76,594	9,527
Commodities	148,114	144,148	154,500	(10,352)
Capital outlay	-	35,478	35,000	478
Sales tax	15,491	20,305	15,000	5,305
Travel expense	1,763	1,200	750	450
Credit card fees	7,269	9,259	6,000	3,259
Gift certificates redeemed	3,853	3,278	-	3,278
Miscellaneous	68	367	21,236	(20,869)
Refunds	900	1,281	-	1,281
Improvements	-	-	49,655	(49,655)
Transfer to Equipment Reserve Fund	38,131	-	-	-
Total Expenditures	554,051	543,293	\$ 630,318	\$ (87,025)
Receipts Over (Under) Expenditures	748	92,770		
Unencumbered Cash, Beginning	9,719	10,467		
Unencumbered Cash, Ending	\$ 10,467	\$ 103,237		

CITY OF MCPHERSON, KANSAS

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

For the Year Ended December 31, 2020

(With Comparative Actual Totals for the Prior Year Ended December 31, 2019)

	<u>2019 Actual</u>	<u>2020 Actual</u>
Receipts		
Donations	\$ 5,708	\$ 2,975
Expenditures		
Contractual services	<u>5,657</u>	<u>3,190</u>
Receipts Over (Under) Expenditures	51	(215)
Unencumbered Cash, Beginning	<u>1,639</u>	<u>1,690</u>
Unencumbered Cash, Ending	<u>\$ 1,690</u>	<u>\$ 1,475</u>

CITY OF MCPHERSON, KANSAS

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

For the Year Ended December 31, 2020

(With Comparative Actual Totals for the Prior Year Ended December 31, 2019)

		<u>2020</u>		
	<u>2019</u>	<u>Actual</u>	<u>Budget</u>	<u>Variance Over (Under)</u>
Receipts				
Local alcoholic liquor tax	\$ 45,689	\$ 30,462	\$ 38,303	\$ (7,841)
Expenditures				
Personal services	5,040	1,538	\$ 7,333	\$ (5,795)
Contractual services	25,715	27,587	30,000	(2,413)
Commodities	5,457	1,111	-	1,111
Capital outlay	-	-	110,050	(110,050)
Travel expense	200	164	1,000	(836)
Drug enforcement	-	-	9,000	(9,000)
Total Expenditures	<u>36,412</u>	<u>30,400</u>	<u>\$ 157,383</u>	<u>\$ (126,983)</u>
Receipts Over (Under) Expenditures	9,277	62		
Unencumbered Cash, Beginning	<u>142,000</u>	<u>151,277</u>		
Unencumbered Cash, Ending	<u>\$ 151,277</u>	<u>\$ 151,339</u>		

CITY OF MCPHERSON, KANSAS

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

For the Year Ended December 31, 2020

(With Comparative Actual Totals for the Prior Year Ended December 31, 2019)

		<u>2020</u>		
	<u>2019</u>			<u>Variance -</u>
	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>Over</u>
				<u>(Under)</u>
Receipts				
Local alcoholic liquor tax	\$ 45,689	\$ 30,462	\$ 38,303	\$ (7,841)
Expenditures				
Contractual services	48,612	2,778	\$ 30,000	\$ (27,222)
Capital outlay	-	-	76,789	(76,789)
Total Expenditures	48,612	2,778	\$ 106,789	\$ (104,011)
Receipts Over (Under) Expenditures	(2,923)	27,684		
Unencumbered Cash, Beginning	65,720	62,797		
Unencumbered Cash, Ending	\$ 62,797	\$ 90,481		

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, 2020

(With Comparative Actual Totals for the Prior Year Ended December 31, 2019)

		<u>2020</u>		
	<u>2019</u>			<u>Variance -</u>
	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>Over</u>
				<u>(Under)</u>
Receipts				
Swimming pool	\$ 129,640	\$ 57,814	\$ 128,000	\$ (70,186)
Concessions	31,768	14,446	30,000	(15,554)
Reimbursed expenditures	1,066	57	-	57
Coronavirus Relief Funds	-	3,472	-	3,472
Miscellaneous	744	700	-	700
Transfer from General Operating Fund	180,000	180,000	180,000	-
Total Receipts	<u>343,218</u>	<u>256,489</u>	<u>\$ 338,000</u>	<u>\$ (81,511)</u>
Expenditures				
Contractual services	213,342	175,231	\$ 244,900	\$ (69,669)
Commodities	68,265	44,234	58,000	(13,766)
Capital outlay	4,635	30,684	-	30,684
Credit card fees	1,472	739	500	239
Miscellaneous	1,012	785	1,000	(215)
Emergency response	-	444	-	444
Refunds	70	160	200	(40)
Sales tax	2,732	1,196	2,500	(1,304)
Travel expense	2,189	1,148	1,200	(52)
Pool maintenance	-	-	297,520	(297,520)
Total Expenditures	<u>293,717</u>	<u>254,621</u>	<u>\$ 605,820</u>	<u>\$ (351,199)</u>
Receipts Over (Under) Expenditures	49,501	1,868		
Unencumbered Cash, Beginning	<u>285,220</u>	<u>334,721</u>		
Unencumbered Cash, Ending	<u>\$ 334,721</u>	<u>\$ 336,589</u>		

CITY OF MCPHERSON, KANSAS

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

For the Year Ended December 31, 2020

(With Comparative Actual Totals for the Prior Year Ended December 31, 2019)

		<u>2020</u>		
	<u>2019</u>	<u>Actual</u>	<u>Budget</u>	<u>Variance - Over (Under)</u>
Receipts				
Local sales tax	\$ 1,771,070	\$ 1,723,976	\$ 1,600,000	\$ 123,976
CID - Plaza East Place	-	935,844	-	935,844
Interest income	4,680	879	-	879
Total Receipts	<u>1,775,750</u>	<u>2,660,699</u>	<u>\$ 1,600,000</u>	<u>\$ 1,060,699</u>
Expenditures				
Transfer to:				
Capital Improv Fund-Wall Park tennis court	-	-	\$ 651,719	\$ (651,719)
Capital Improv Fund-Community bldg renov	1,144,641	-	1,424,983	(1,424,983)
Bond and Interest Fund	828,550	1,478,982	827,100	651,882
Total Expenditures	<u>1,973,191</u>	<u>1,478,982</u>	<u>\$ 2,903,802</u>	<u>\$ (1,424,820)</u>
Receipts Over (Under) Expenditures	(197,441)	1,181,717		
Unencumbered Cash, Beginning	<u>1,356,994</u>	<u>1,159,553</u>		
Unencumbered Cash, Ending	<u>\$ 1,159,553</u>	<u>\$ 2,341,270</u>		

CITY OF MCPHERSON, KANSAS

SPECIAL PURPOSE FUNDCID SALES TAX FUNDSCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGETRegulatory Basis

For the Year Ended December 31, 2020

(With Comparative Actual Totals for the Prior Year Ended December 31, 2019)

		<u>2020</u>		
	<u>2019</u>	<u>Actual</u>	<u>Budget</u>	<u>Variance - Over (Under)</u>
Receipts				
CID sales tax	\$ -	\$ 80,990	\$ 350,000	\$ (269,010)
Miscellaneous	-	20,192	-	20,192
Total Receipts	-	101,182	<u>\$ 350,000</u>	<u>\$ (248,818)</u>
Expenditures				
Developer reimbursement	-	95,750	<u>\$ 350,000</u>	<u>\$ (254,250)</u>
Receipts Over (Under) Expenditures	-	5,432		
Unencumbered Cash, Beginning	-	-		
Unencumbered Cash, Ending	<u>\$ -</u>	<u>\$ 5,432</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, 2020

(With Comparative Actual Totals for the Prior Year Ended December 31, 2019)

	2019 Actual	2020		Variance - Over (Under)
		Actual	Budget	
Receipts				
State of Kansas - guest tax	\$ 536,464	\$ 349,867	\$ 420,000	\$ (70,133)
Reimbursed expenditures	7,130	7,302	6,940	362
Coronavirus Relief Funds	-	9,119	-	9,119
Trolley revenue	5,193	3,150	5,000	(1,850)
Grants	-	2,500	-	2,500
Gifts	75	-	200	(200)
Miscellaneous	215	320	200	120
Total Receipts	549,077	372,258	\$ 432,340	\$ (60,082)
Expenditures				
Personal services	176,292	190,325	\$ 199,155	\$ (8,830)
Contractual services	112,559	98,039	106,075	(8,036)
Commodities	34,095	20,431	42,500	(22,069)
Refunds	450	90	100	(10)
Appropriation - guest tax	86,191	49,981	66,667	(16,686)
Travel expense	6,508	3,645	8,000	(4,355)
Capital outlay - trolley replacement	-	-	268,835	(268,835)
Marketing grant	24,768	20,725	30,000	(9,275)
Emergency response	-	212	-	212
Miscellaneous	5	211	305	(94)
Total Expenditures	440,868	383,659	\$ 721,637	\$ (337,978)
Receipts Over (Under) Expenditures	108,209	(11,401)		
Unencumbered Cash, Beginning	260,046	368,255		
Unencumbered Cash, Ending	\$ 368,255	\$ 356,854		

CITY OF MCPHERSON, KANSAS

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

For the Year Ended December 31, 2020

(With Comparative Actual Totals for the Prior Year Ended December 31, 2019)

	2019 Actual	2020 Actual
Receipts		
Interest received	\$ 14,755	\$ 14,009
Prescription drug rebates	49,850	66,246
Reimbursement from various funds	2,460,029	2,409,074
Reimbursement	<u>14,529</u>	<u>8,325</u>
Total Receipts	<u>2,539,163</u>	<u>2,497,654</u>
Expenditures		
Cost of insurance	385,378	279,662
Claims paid	1,676,329	1,852,162
Administrative fees	141,499	145,899
Employee assistance	2,777	2,777
Reimbursements	<u>1,228</u>	<u>3,084</u>
Total Expenditures	<u>2,207,211</u>	<u>2,283,584</u>
Receipts Over (Under) Expenditures	331,952	214,070
Unencumbered Cash, Beginning	<u>1,559,788</u>	<u>1,891,740</u>
Unencumbered Cash, Ending	<u>\$ 1,891,740</u>	<u>\$ 2,105,810</u>

CITY OF MCPHERSON, KANSAS

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

For the Year Ended December 31, 2020

(With Comparative Actual Totals for the Prior Year Ended December 31, 2019)

	<u>2019 Actual</u>	<u>2020 Actual</u>
Receipts		
Interest received	\$ 5,048	\$ 4,725
Reimbursement from various funds	<u>202,868</u>	<u>271,071</u>
Total Receipts	<u>207,916</u>	<u>275,796</u>
Expenditures		
Cost of insurance	196,322	184,222
Miscellaneous	<u>436</u>	<u>424</u>
Total Expenditures	<u>196,758</u>	<u>184,646</u>
Receipts Over (Under) Expenditures	11,158	91,150
Unencumbered Cash, Beginning	<u>499,577</u>	<u>510,735</u>
Unencumbered Cash, Ending	<u>\$ 510,735</u>	<u>\$ 601,885</u>

CITY OF MCPHERSON, KANSAS

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

For the Year Ended December 31, 2020

(With Comparative Actual Totals for the Prior Year Ended December 31, 2019)

	2019 Actual	2020		Variance - Over (Under)
		Actual	Budget	
Receipts				
Ad valorem property tax	\$ 210,759	\$ 455,153	\$ 455,153	\$ -
Delinquent tax	6,719	4,967	4,967	-
Motor vehicle tax	78,267	33,600	33,600	-
Recreational vehicle tax	1,209	662	662	-
MVL excise tax	687	269	269	-
16/20M vehicle tax	399	306	306	-
Commercial vehicle tax	3,546	1,222	1,222	-
Special assessments	252,180	434,002	434,003	(1)
Bond proceeds	2,646,684	4,816,743	4,816,743	-
Recreation commission reimbursement	59,400	58,350	58,350	-
Transfer from Capital Improvement Fund	77,910	186,872	136,312	50,560
Transfer from Consolidated Street and Highway Fund	654,700	667,349	667,349	-
Transfer from Sales Tax Revenue Fund	828,550	1,478,982	1,582,076	(103,094)
Transfer from General Operating Fund (CHS/NCRA Refinery)	87,500	87,500	87,500	-
Transfer from Storm Water Utility Fund	511,019	626,704	523,610	103,094
In lieu of taxes - IRB clients	-	2,498	2,498	-
Total Receipts	<u>5,419,529</u>	<u>8,855,179</u>	<u>\$ 8,804,620</u>	<u>\$ 50,559</u>
Expenditures				
Bond principal	4,811,819	7,822,336	\$ 7,822,336	\$ -
Interest coupons	524,937	688,356	688,356	-
Commission and postage	-	39,069	39,069	-
Escrow payout	-	-	190,000	(190,000)
Special assessments delinquencies	-	-	376,766	(376,766)
Total Expenditures	<u>5,336,756</u>	<u>8,549,761</u>	<u>\$ 9,116,527</u>	<u>\$ (566,766)</u>
Receipts Over (Under) Expenditures	82,773	305,418		
Unencumbered Cash, Beginning	<u>229,134</u>	<u>311,907</u>		
Unencumbered Cash, Ending	<u>\$ 311,907</u>	<u>\$ 617,325</u>		

CITY OF MCPHERSON, KANSAS

CAPITAL PROJECTS FUND

CAPITAL IMPROVEMENT FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET

Regulatory Basis

For the Year Ended December 31, 2020

(With Comparative Actual Totals for the Prior Year Ended December 31, 2019)

	2019 Actual	2020		Variance - Over (Under)
		Actual	Budget	
Receipts				
Ad valorem property tax	\$ 49,376	\$ 48,821	\$ 50,100	\$ (1,279)
Delinquent tax	570	572	-	572
Motor vehicle tax	5,458	5,695	5,329	366
Recreational vehicle tax	84	98	83	15
MVL excise tax	47	30	42	(12)
16/20M truck tax	26	22	19	3
In lieu of taxes - IRB clients	-	268	-	268
Commercial vehicle tax	251	281	287	(6)
Bond proceeds	3,341,433	7,765	-	7,765
Note proceeds	-	10,259	-	10,259
Interest received	186,115	16,718	-	16,718
Developer's share	901,371	1,295,963	-	1,295,963
Miscellaneous	2,750	13,431	-	13,431
Federal/State appropriation	-	498,770	798,240	(299,470)
Community Development Block Grant	155,154	-	-	-
Special assessments prepaid	-	11,688	-	11,688
Transfer from Sales Tax Revenue Fund	1,144,641	-	651,719	(651,719)
Transfer from Storm Water Utility Fund	131,326	176,149	-	176,149
Transfer from Wastewater System Maint. and Op. Fund	20,103	63,606	-	63,606
Transfer from Consolidated Street and Highway Fund	624,793	288,614	1,199,444	(910,830)
Total Receipts	6,563,498	2,438,750	\$ 2,705,263	\$ (266,513)
Expenditures				
Capital Projects -				
1928 Fire truck restoration	3,919	18,556	\$ -	\$ 18,556
Barnstormers West Field SSD #201	7,215	100,177	-	100,177
Barnstormers West Field paving and storm sewer impr.	162,011	8,094	-	8,094
Community building renovation	3,208,490	55,905	651,719	(595,814)
Public lands capital projects	27,400	73,113	-	73,113
Eagles Wings unit 2, phase 1, paving and storm sewer	312,242	5,138	-	5,138
Eagles Wings unit 2, phase 1, SSD #166B	94,134	1,570	-	1,570
Eagles Wings unit 2, phase 2, paving and storm sewer	709,953	11,756	-	11,756
Eagles Wings unit 2, phase 2, SSD #166C	88,432	1,324	-	1,324
Grimes/Anna Street paving	718,200	992,447	1,775,799	(783,352)
Grimes/Anna Street drainage	1,216,594	336,924	1,052,859	(715,935)
Hartup/Elizabeth Street paving	179,908	1,465,667	527,401	938,266
Hartup/Elizabeth Street drainage	324,317	31,012	72,681	(41,669)
Lift station #4	15,758	-	-	-
Ave. A TA - sidewalk (phase I)	5,646	-	-	-

CITY OF MCPHERSON, KANSAS

CAPITAL PROJECTS FUND

CAPITAL IMPROVEMENT FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET

Regulatory Basis

For the Year Ended December 31, 2020

(With Comparative Actual Totals for the Prior Year Ended December 31, 2019)

		2020		
	2019			Variance -
	Actual	Actual	Budget	Over
				(Under)
Expenditures (Cont.)				
Capital Projects (Cont.) -				
CDBG grant of 2018	\$ 214,626	\$ 85,556	\$ -	\$ 85,556
CDBG grant of 2019	55,272	737,695	54,732	682,963
CDBG grant of 2020-CV044	-	132,000	-	132,000
CDBG grant of 2020	-	68,514	-	68,514
CID Plaza East Place	169,408	987,493	37,980	949,513
CID Champlain Street improvements	19,116	47,695	-	47,695
Intersection KS Avenue/81 Bypass	-	-	886,933	(886,933)
Premier subdivision SSD #202	2,401	42,424	-	42,424
Premier paving and storm sewer improvements	82,131	(38,250)	-	(38,250)
Hulse Street paving	24,960	984	61,239	(60,255)
Hulse Street drainage	273	-	153,088	(153,088)
Northview multi use trail	-	69,106	-	69,106
Erosion control projects	-	100,000	-	100,000
2020 capital improvement and street projects	-	-	1,553,094	(1,553,094)
Transfer to Bond and Interest Fund	77,910	186,872	-	186,872
Total Expenditures	<u>7,720,316</u>	<u>5,521,772</u>	<u>\$ 6,827,525</u>	<u>\$ (1,305,753)</u>
Receipts Over (Under) Expenditures	(1,156,818)	(3,083,022)		
Unencumbered Cash, Beginning	<u>7,587,106</u>	<u>6,430,288</u>		
Unencumbered Cash, Ending	<u>\$ 6,430,288</u>	<u>\$ 3,347,266</u>		

CITY OF MCPHERSON, KANSAS

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

For the Year Ended December 31, 2020

(With Comparative Actual Totals for the Prior Year Ended December 31, 2019)

	2019 Actual	2020 Actual
Receipts		
Interest received	\$ 13,586	\$ 1,678
Insurance recoveries	-	11,276
Reimbursed expenditures	139,344	28,248
Coronavirus Relief Funds	-	32,460
Transfer from General Operating Fund	591,144	-
Transfer from Consolidated Street and Highway Fund	135,000	-
Transfer from Municipal Golf Course Fund	38,131	-
Total Receipts	<u>917,205</u>	<u>73,662</u>
Expenditures		
Capital outlay	1,550,527	353,575
Emergency response	-	32,460
Aerial platform truck lease	108,462	108,462
Total Expenditures	<u>1,658,989</u>	<u>494,497</u>
Receipts Over (Under) Expenditures	(741,784)	(420,835)
Unencumbered Cash, Beginning	<u>2,087,579</u>	<u>1,345,795</u>
Unencumbered Cash, Ending	<u>\$ 1,345,795</u>	<u>\$ 924,960</u>

CITY OF MCPHERSON, KANSAS

BUSINESS FUNDELECTRIC UTILITY FUNDSCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUALRegulatory Basis

For the Year Ended December 31, 2020

(With Comparative Actual Totals for the Prior Year Ended December 31, 2019)

	<u>2019</u> <u>Actual</u>	<u>2020</u> <u>Actual</u>
Receipts		
User fees	\$ 56,902,245	\$ 56,026,761
Sales to interconnection	5,621,874	4,741,058
Interest received	992,137	873,776
Street lighting	475,589	315,574
Merchandising, jobbing and contract work	481,436	274,565
Refuse collection and sewer service fees	85,620	86,059
Penalties and late charge interest	64,272	46,386
Sales tax	946,073	926,385
Meter deposits	162,468	422,364
Proceeds from sale of equipment	34,228	73,401
Farm income	<u>3,644</u>	<u>9,341</u>
Total Receipts	<u>65,769,586</u>	<u>63,795,670</u>
Expenditures		
Purchased power	43,343,403	42,587,516
Fuel	2,438,382	1,759,357
Distribution and transmission	3,956,622	3,922,390
Production	3,837,927	2,698,025
Capital Outlay	3,611,157	11,992,198
Administrative and general	2,818,510	2,401,913
Merchandising	136,335	113,179
Farm expenses	335	31,710
Meter deposits	159,040	369,103
Sales tax	917,670	923,410
Transfer to - General Operation Fund - In lieu of taxes	<u>1,682,523</u>	<u>1,828,568</u>
Total Expenditures	<u>62,901,904</u>	<u>68,627,369</u>
Receipts Over (Under) Expenditures	2,867,682	(4,831,699)
Unencumbered Cash, Beginning	<u>42,480,746</u>	<u>45,348,428</u>
Unencumbered Cash, Ending	<u>\$ 45,348,428</u>	<u>\$ 40,516,729</u>

CITY OF MCPHERSON, KANSAS

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

For the Year Ended December 31, 2020

(With Comparative Actual Totals for the Prior Year Ended December 31, 2019)

		<u>2020</u>		
	<u>2019 Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>Variance - Over (Under)</u>
Receipts				
Sewer recovery fee	\$ 14,500	\$ 12,175	<u>\$ 30,000</u>	<u>\$ (17,825)</u>
Expenditures	<u>-</u>	<u>-</u>	<u>\$ 560,931</u>	<u>\$ (560,931)</u>
Receipts Over (Under) Expenditures	14,500	12,175		
Unencumbered Cash, Beginning	<u>500,931</u>	<u>515,431</u>		
Unencumbered Cash, Ending	<u>\$ 515,431</u>	<u>\$ 527,606</u>		

CITY OF MCPHERSON, KANSAS

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

For the Year Ended December 31, 2020

(With Comparative Actual Totals for the Prior Year Ended December 31, 2019)

		<u>2020</u>		
	<u>2019</u>			<u>Variance -</u>
	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>Over</u>
				<u>(Under)</u>
Receipts				
User fees	\$ 1,032,907	\$ 1,057,682	\$ 1,000,000	\$ 57,682
Landfill closure fees	88,221	91,301	80,000	11,301
Total Receipts	<u>1,121,128</u>	<u>1,148,983</u>	<u>\$ 1,080,000</u>	<u>\$ 68,983</u>
Expenditures				
Contractual services	934,130	962,524	\$ 974,500	\$ (11,976)
Landfill mitigation	423	374	1,874,746	(1,874,372)
Refunds	-	(63)	-	(63)
Miscellaneous	3	3	1,600	(1,597)
Transfer to General Operation Fund	<u>50,000</u>	<u>50,000</u>	<u>50,000</u>	<u>-</u>
Total Expenditures	<u>984,556</u>	<u>1,012,838</u>	<u>\$ 2,900,846</u>	<u>\$ (1,888,008)</u>
Receipts Over (Under) Expenditures	136,572	136,145		
Unencumbered Cash, Beginning	<u>1,757,746</u>	<u>1,894,318</u>		
Unencumbered Cash, Ending	<u>\$ 1,894,318</u>	<u>\$ 2,030,463</u>		

CITY OF MCPHERSON, KANSAS

BUSINESS FUNDSTORM WATER UTILITY FUNDSCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGETRegulatory Basis

For the Year Ended December 31, 2020

(With Comparative Actual Totals for the Prior Year Ended December 31, 2019)

	2019 Actual	2020		Variance - Over (Under)
		Actual	Budget	
Receipts				
Storm water utility fees	\$ 852,445	\$ 856,229	\$ 857,201	\$ (972)
Interest received	62,639	5,710	-	5,710
Reimbursed expenditures	14,453	5,870	5,870	-
Note/bond sale proceeds	20,375	-	-	-
Transfer from Wastewater System Maintenance and Operation Fund	54,522	368,938	-	368,938
Total Receipts	1,004,434	1,236,747	\$ 863,071	\$ 373,676
Expenditures				
Personal services	1,299	1,084	\$ 1,084	\$ -
Contractual services	1,711,263	2,202,782	3,406,120	(1,203,338)
Commodities	-	100	100	-
Capital outlay	-	5,250	5,250	-
Travel expense	269	455	-	455
Miscellaneous	-	10,972	500	10,472
Emergency response	-	12	-	12
Transfer to Bond and Interest Fund	511,019	626,704	626,704	-
Transfer to Capital Improvement Fund	131,326	176,149	-	176,149
Total Expenditures	2,355,176	3,023,508	\$ 4,039,758	\$ (1,016,250)
Receipts Over (Under) Expenditures	(1,350,742)	(1,786,761)		
Unencumbered Cash, Beginning	4,527,430	3,176,688		
Unencumbered Cash, Ending	\$ 3,176,688	\$ 1,389,927		

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, 2020

(With Comparative Actual Totals for the Prior Year Ended December 31, 2019)

		<u>2020</u>		
	<u>2019</u>			<u>Variance -</u>
	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>Over</u>
				<u>(Under)</u>
Receipts				
User fees	\$ 1,991,192	\$ 1,967,239	\$ 1,800,000	\$ 167,239
Sale of grain, equipment and supplies	54,801	50,808	50,000	808
Grease operating permit fees	-	7,190	8,280	(1,090)
Rent	896	-	800	(800)
ROW permit fees	18,615	3,650	4,000	(350)
Reimbursed expenditures	31,406	17,030	16,000	1,030
Coronavirus Relief Funds	-	8,449	-	8,449
Miscellaneous	1,142	246	1,000	(754)
Total Receipts	<u>2,098,052</u>	<u>2,054,612</u>	<u>\$ 1,880,080</u>	<u>\$ 174,532</u>
Expenditures				
Personal services	342,564	347,973	\$ 362,925	\$ (14,952)
Contractual services	1,923,498	759,313	2,203,706	(1,444,393)
Commodities	112,637	123,842	131,038	(7,196)
Capital outlay	-	-	1,785,920	(1,785,920)
Travel expense	779	132	5,000	(4,868)
Miscellaneous	2,045	2,553	1,000	1,553
Emergency response	-	9	-	9
Appropriations:				
KDHE, RLF Main Street	249,033	249,033	249,033	-
KDHE, UV Project	75,551	75,377	75,377	-
Transfer to Capital Improvement Fund	20,103	63,606	-	63,606
Transfer to General Operating Fund	80,000	116,000	80,000	36,000
Transfer to Storm Water Utility Fund	54,522	368,938	-	368,938
Total Expenditures	<u>2,860,732</u>	<u>2,106,776</u>	<u>\$ 4,893,999</u>	<u>\$ (2,787,223)</u>
Receipts Over (Under) Expenditures	(762,680)	(52,164)		
Unencumbered Cash, Beginning	<u>4,208,766</u>	<u>3,446,086</u>		
Unencumbered Cash, Ending	<u>\$ 3,446,086</u>	<u>\$ 3,393,922</u>		

CITY OF MCPHERSON, KANSAS

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

For the Year Ended December 31, 2020

(With Comparative Actual Totals for the Prior Year Ended December 31, 2019)

	2019 Actual	2020		Variance - Over (Under)
		Actual	Budget	
Receipts				
Interest received	\$ 14,094	\$ 4,762	\$ 5,000	\$ (238)
User fee	672,000	672,000	672,000	-
Bond proceeds	-	5,555,009	5,555,009	-
Total Receipts	686,094	6,231,771	\$ 6,232,009	\$ (238)
Expenditures				
Appropriation:				
KDHE, WWT plant improvement	728,853	6,283,863	\$ 6,283,862	\$ 1
Contingency for future loan payments	-	-	722,188	(722,188)
Total Expenditures	728,853	6,283,863	\$ 7,006,050	\$ (722,187)
Receipts Over (Under) Expenditures	(42,759)	(52,092)		
Unencumbered Cash, Beginning	816,800	774,041		
Unencumbered Cash, Ending	\$ 774,041	\$ 721,949		

CITY OF MCPHERSON, KANSAS

BUSINESS FUNDWATER UTILITY FUNDSCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUALRegulatory Basis

For the Year Ended December 31, 2020

(With Comparative Actual Totals for the Prior Year Ended December 31, 2019)

	<u>2019 Actual</u>	<u>2020 Actual</u>
Receipts		
User fees	\$ 3,966,159	\$ 4,650,276
Interest received	172,897	140,552
Farm income	207,239	219,118
Merchandising, jobbing and contract work	181,707	246,838
Refuse collection and sewer service fees	15,114	15,199
Water protection fees	27,066	39,029
Sales tax	<u>63,130</u>	<u>71,360</u>
Total Receipts	<u>4,633,312</u>	<u>5,382,372</u>
Expenditures		
Production	567,204	588,017
Distribution and transmission	1,461,675	1,165,821
Administrative and general	464,089	429,490
Capital outlay	578,945	964,934
Farm expenses	96,414	77,767
Merchandising	5,466	11,740
Debt service	982,816	1,015,611
Water protection fee	26,082	38,213
Sales tax	62,403	70,212
Transfer to General Operation Fund - In lieu of taxes	<u>52,439</u>	<u>53,801</u>
Total Expenditures	<u>4,297,533</u>	<u>4,415,606</u>
Receipts Over (Under) Expenditures	335,779	966,766
Unencumbered Cash, Beginning	<u>7,262,435</u>	<u>7,598,214</u>
Unencumbered Cash, Ending	<u>\$ 7,598,214</u>	<u>\$ 8,564,980</u>

CITY OF MCPHERSON, KANSAS

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

For the Year Ended December 31, 2020

(With Comparative Actual Totals for the Prior Year Ended December 31, 2019)

	<u>2019</u>	<u>2020</u>
Receipts		
Interest received	\$ 398	\$ 298
Expenditures	<u>-</u>	<u>-</u>
Receipts Over (Under) Expenditures	398	298
Unencumbered Cash, Beginning	<u>37,841</u>	<u>38,239</u>
Unencumbered Cash, Ending	<u>\$ 38,239</u>	<u>\$ 38,537</u>

CITY OF MCPHERSON, KANSAS

TRUST FUNDCEMETERY ENDOWMENT FUNDSCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUALRegulatory Basis

For the Year Ended December 31, 2020

(With Comparative Actual Totals for the Prior Year Ended December 31, 2019)

	<u>2019</u>	<u>2020</u>
Receipts		
Sale of lots and spaces	\$ 6,425	\$ 6,763
Gifts and bequests	<u>-</u>	<u>2,000</u>
Total Receipts	<u>6,425</u>	<u>8,763</u>
Expenditures	<u>-</u>	<u>-</u>
Receipts Over (Under) Expenditures	6,425	8,763
Unencumbered Cash, Beginning	<u>108,518</u>	<u>114,943</u>
Unencumbered Cash, Ending	<u>\$ 114,943</u>	<u>\$ 123,706</u>

CITY OF MCPHERSON, KANSAS

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

For the Year Ended December 31, 2020

(With Comparative Actual Totals for the Prior Year Ended December 31, 2019)

	<u>2019</u>	<u>2020</u>
Receipts		
Insurance escrow	\$ 287	\$ -
Expenditures	<u>28,755</u>	<u>-</u>
Receipts Over (Under) Expenditures	(28,468)	-
Unencumbered Cash, Beginning	<u>28,468</u>	<u>-</u>
Unencumbered Cash, Ending	<u>\$ -</u>	<u>\$ -</u>

CITY OF MCPHERSON, KANSAS

TRUST FUNDPOLICE BENEFIT FUNDSCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUALRegulatory Basis

For the Year Ended December 31, 2020

(With Comparative Actual Totals for the Prior Year Ended December 31, 2019)

	<u>2019</u>	<u>2020</u>
Receipts		
Fundraisers	\$ 1,174	\$ 3,214
Interest received	73	85
Donations	1,500	1,175
Transfer of CD's and Money Market	-	10,484
Miscellaneous	-	181
	<u>2,747</u>	<u>15,139</u>
Total Cash Receipts		
Expenditures		
Gifts to injured/sick officers	100	38
Office supplies/miscellaneous	290	1,473
Memorials	180	-
Community event	-	157
Meals and food supplies	1,257	2,065
McPherson County Community Foundation	-	10,484
	<u>1,827</u>	<u>14,217</u>
Total Expenditures		
Receipts Over (Under) Expenditures	920	922
Unencumbered Cash, Beginning	<u>11,256</u>	<u>12,176</u>
Unencumbered Cash, Ending	<u>\$ 12,176</u>	<u>\$ 13,098</u>

CITY OF MCPHERSON, KANSAS

RELATED MUNICIPAL ENTITYLIBRARY BOARDSCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUALRegulatory Basis

For the Year Ended December 31, 2020

(With Comparative Actual Totals for the Prior Year Ended December 31, 2019)

	Capital Improvement	General	Operating Budget	Employee Benefits	Totals	
					2020	2019
Receipts:						
Interest received	\$ 320	\$ 33	\$ 281	\$ -	\$ 634	\$ 695
Fines and fees	-	3,909	-	-	3,909	8,180
Gifts	2,602	272	-	-	2,874	4,527
Paid Titles	-	2,767	-	-	2,767	-
Sales	-	1,978	-	-	1,978	3,255
State of Kansas	-	-	3,763	-	3,763	3,760
South Central Kansas Library System	-	-	45,813	-	45,813	42,787
Reimbursements	-	-	1,804	-	1,804	2,713
Miscellaneous	-	29	-	-	29	690
MCCF	-	-	17,538	-	17,538	17,087
Transfers in -						
General	70,000	-	-	-	70,000	5,600
Operating Budget	-	-	-	-	-	65,000
Library Fund	-	-	759,654	120,415	880,069	893,170
Total Receipts	72,922	8,988	828,853	120,415	1,031,178	1,047,464
Expenditures:						
Personal services	-	-	492,100	-	492,100	485,540
Contractual services	-	-	134,369	152,841	287,210	312,883
Commodities	-	-	93,976	-	93,976	156,782
Reimbursements	-	-	1,898	-	1,898	2,652
Miscellaneous and refunds	-	566	5,743	-	6,309	7,693
Grant disbursements/gift expense	-	-	-	-	-	3,660
Other	-	2,117	1,870	-	3,987	-
Transfers out -						
Capital Improvement	14,925	-	70,000	-	84,925	65,000
Operating Budget	-	-	-	-	-	5,600
Total Expenditures	14,925	2,683	799,956	152,841	970,405	1,039,810
Receipts over (under) Expenditures	57,997	6,305	28,897	(32,426)	60,773	7,654
Unencumbered Cash, Beginning of Year	328,112	26,540	108,714	111,219	574,585	566,931
Unencumbered Cash, End of Year	\$ 386,109	\$ 32,845	\$ 137,611	\$ 78,793	\$ 635,358	\$ 574,585

SINGLE AUDIT SECTION

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

Honorable Mayor and City Commission
City of McPherson, Kansas 67460

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, and the Kansas Municipal Audit and Accounting Guide, the financial statement of the City of McPherson, Kansas, (City) as of and for the year ended December 31, 2020, and the related notes to the financial statement which collectively comprise the City's basic financial statement, and have issued our report thereon dated May 24, 2021.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statement, we considered the City's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statement, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statement will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

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

Purpose of this Report

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

Swindoll, Janzen, Hawk & Loyd, LLC

Swindoll Janzen Hawk & Loyd, LLC
McPherson, Kansas

May 24, 2021

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

Honorable Mayor and City Commission
McPherson, Kansas 67460

Report on Compliance for Each Major Federal Program

We have audited the City of McPherson, Kansas' (the City) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs for the year ended December 31, 2020. The City's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

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

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

Opinion on Each Major Federal Program

In our opinion, the City, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2020.

Report on Internal Control Over Compliance

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

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

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

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

Swindoll, Janzen, Hawk & Loyd, LLC

Swindoll Janzen Hawk & Loyd, LLC
McPherson, Kansas

May 24, 2021

CITY OF MCPHERSON, KANSAS

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the Year Ended December 31, 2020

Federal Grantor/ Pass Through Grantor/ Program Title	Federal CFDA Number	Grant Number	Disbursements/ Expenditures
<u>U.S. Department of Transportation</u>			
Passed Through State Department of Transportation	20.509		\$ 8,046
Public Transportation for Nonurbanized Areas	20.600		5,762
STEP Program			
TOTAL U.S. DEPARTMENT OF TRANSPORTATION			13,808
<u>U.S. Department of Housing and Urban Development</u>			
Passed Through State Department of Housing	14.228		494,055
Community Development Block Grant			
<u>U.S. Department of Treasury</u>			
Passed Through McPherson County	21.019		599,160
Coronavirus Relief Fund			
<u>U.S. Department of Agriculture</u>			
Passed Through Kansas Forest Service	10.664	BH0088	4,000
Cooperative Fire Protection Program			
TOTAL SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS			\$ 1,111,023

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**Note 1 - Basis of Presentation**

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal grant activity of the City of McPherson, Kansas (the City), under programs of the federal government for the year ended December 31, 2020. The information in the Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the City, it is not intended to and does not present the financial position, changes in net position, or cash flows of the City. The Schedule is presented using a regulatory basis of accounting prescribed by the Kansas Municipal Audit and Accounting Guide (as described in Note 1 to the financial statement), which is the same basis of accounting as the financial statement accompanying this schedule.

Note 2 - Summary of Significant Accounting Policies

(1) Expenditures reported on the Schedule are reported on the regulatory basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

(2) The City has not elected to use the 10 percent *de minimis* indirect cost rate as allowed under the Uniform Guidance.

Note 3 - Funds Expended

Funds where Federal expenditures were receipted and expended:

General Operating Fund	\$ 471,931
Consolidated Street and Highway Fund	18,761
Employee Benefits (Non-Public Safety) Contribution Fund	15,188
Employee Benefits (Public Safety) Contribution Fund	9,655
Municipal Building Fund	43,856
Municipal Golf Course Fund	4,078
Swimming Pool Maintenance and Operation Fund	3,471
Tourism and Convention Promotion Fund	9,119
Equipment Reserve Fund	32,460
Wastewater System Maintenance and Operation Fund	8,449
Capital Improvement Fund	494,055
Total	\$1,111,023

CITY OF MCPHERSON, KANSAS

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Year Ended December 31, 2020

Section 1 – Summary of Auditor's Results**Financial Statement**

- | | |
|--|---------------|
| 1. Type of auditor's opinion issued on whether the financial statement audited was prepared in accordance with GAAP: | Adverse |
| 2. Internal control over financial reporting: | |
| a. Material weaknesses identified? | No |
| b. Significant deficiencies identified? | None Reported |
| 3. Noncompliance material to the financial statement noted? | No |

Federal Awards

- | | |
|---|--------------------|
| 1. Internal control over major programs: | |
| a. Material weaknesses identified? | No |
| b. Significant deficiencies identified? | None Reported |
| 2. Type of auditor's report issued on compliance for major programs: | Unmodified |
| 3. Any audit findings disclosed that are required to be reported in accordance with 2 CFR Section 200.516(a)? | No |
| 4. Identification of major programs: | |
| <u>Name of Federal Program or Cluster</u> | <u>CFDA Number</u> |
| Coronavirus Relief Funds | 21.019 |
| 5. Dollar threshold used to distinguish between Type A and Type B programs: | \$750,000 |
| 6. Auditee qualified as a low-risk auditee? | No |

Section 2 – Findings – Financial Statement Audit

There were no reportable findings

Section 3 – Findings and Questioned Costs – Major Federal Award Programs

U.S. DEPARTMENT OF TREASURY

Coronavirus Relief Fund CFDA number 21.019

There were no reportable findings.