

**Annual Report
For the fiscal year ended December 31, 2021**

CITY OF MCPHERSON, KANSAS

The operating data for the City of McPherson, Kansas (the “City”) for the fiscal year ended December 31, 2021, is attached as **Exhibit A**. The City’s audited financial statements for the fiscal year ended December 31, 2021, are attached as **Exhibit B**. Together, the attached operating data and audited financial statements constitute the City’s Annual Report, which is required by the City’s continuing disclosure obligations (collectively, the “**Undertaking**”) pursuant to Rule 15c2-12 under the Securities Exchange Act of 1934, as amended, for the securities listed on **Schedule 1**.

The information contained in this Annual Report is current as of December 31, 2021, or as otherwise indicated. Certain information in this Annual Report has been provided by third-party sources. Nothing contained in the Undertaking or this Annual Report is, or should be construed as, a representation by any person, including the City, that this Annual Report includes all of the information that may be material to a decision to invest in, hold or dispose of any of the securities listed on Schedule 1, or any other securities of the City. Nothing contained in this Annual Report obligates the City to update any of the financial information or operating data contained in this Annual Report.

For additional information, contact:

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CITY OF MCPHERSON, KANSAS

Date: July 29, 2022

Schedule 1

Related Securities

SERIES 137 of 2015 BONDS

Issuer: City of McPherson, Kansas
Issue Name: \$3,750,000 City of McPherson, Kansas General Obligation Refunding and Improvement Bonds, Series 137 of 2015
Date of Issuance: July 22, 2015

SERIES 138 of 2017 BONDS

Issuer: City of McPherson, Kansas
Issue Name: \$2,660,000 City of McPherson, Kansas General Obligation Refunding and Improvement Bonds, Series 138 of 2017
Date of Issuance: July 26, 2017

SERIES 139 of 2018 BONDS

Issuer: City of McPherson, Kansas
Issue Name: \$9,595,000 City of McPherson, Kansas General Obligation Bonds, Series 139 of 2018
Date of Issuance: November 1, 2018

SERIES 140 of 2019 BONDS

Issuer: City of McPherson, Kansas
Issue Name: \$2,670,000 City of McPherson, Kansas General Obligation Bonds, Series 140 of 2019
Date of Issuance: August 15, 2019

SERIES 141 of 2020 BONDS

Issuer: City of McPherson, Kansas
Issue Name: \$8,925,000 City of McPherson, Kansas General Obligation Refunding and Improvement Bonds, Series 141 of 2020
Date of Issuance: August 19, 2020

Exhibit A

Operating data of the City for the fiscal year ended December 31, 2021

Sources of Revenue

The City finances its general operations through the local property tax levy, various other taxes, a variety of license and permit fees, and other miscellaneous sources as indicated below for the 2021 fiscal year:

<u>Source</u>	<u>Percent</u>
Local property tax	38.60%
Franchise fees	5.10
Sales Tax	22.60
License and permits	1.68
Fines and penalties	1.89
Payments made by utility enterprises	18.10
Federal and State grants	0.00
Miscellaneous	<u>12.03</u>
<u>Total</u>	<u>100.00%</u>

Source: Clerk

Property Valuations

There were no material adverse changes to the City's "Property Valuations" disclosure, which describes the process and procedures for the determination of assessed valuation and collection of property taxes in the State of Kansas.

Assessed Valuation

The following table shows the assessed valuation of the taxable tangible property within the City for the following years:

<u>Year</u>	<u>Assessed Valuation of Tangible Taxable</u>		<u>Total Valuation</u>
	<u>Property</u>	<u>Motor Vehicles</u>	
2021	\$125,457,316	\$16,648,775	\$142,106,091
2020	130,090,365	16,811,387	146,901,752
2019	125,615,391	16,443,001	142,058,392
2018	124,696,729	16,058,560	140,755,289
2017	124,572,983	15,591,152	140,164,135

Source: County Clerk

Tax Rates

The following table shows the City's mill levies by fund (per \$1000 of assessed valuation) for each of the years indicated and the current year:

Year	Employee			Library			Total
	General	Benefit	Library	G.O.	Misc.	Employee	
Fund	Fund	Fund	Bonds	Funds	Benefits	Levy	
2021/22	29.042	15.907	5.531	0.517	0.769	1.156	52.922
2020/21	28.714	14.660	5.561	2.101	0.779	1.029	52.844
2019/20	21.349	20.176	5.495	3.756	0.806	0.851	52.433
2018/19	24.464	18.833	5.487	1.734	0.811	1.021	52.350
2017/18	23.543	15.405	5.374	5.693	0.646	1.007	51.668

Source: County Clerk

Aggregate Tax Levies

The aggregate tax levies (per \$1000 assessed valuation) of the City and overlapping jurisdictions for the years indicated are included in the following table:

Year	City	McPherson County	USD 418		Total Levy
			(Includes Rec Commission)	State	
2021/22	52.922	30.738	51.118	1.500	136.278
2020/21	52.844	31.274	56.348	1.500	141.966
2019/20	52.433	32.131	56.256	1.500	142.320
2018/19	52.350	31.414	56.381	1.500	141.645
2017/18	51.668	29.797	57.530	1.500	140.495

Source: County Clerk

Tax Collection Record

The following table sets forth tax collection information for the City for the years indicated:

Year	Total Taxes Levied	Current Taxes Collected	
		Amount	Percentage
2021/22	\$6,995,486	\$6,818,640	97.47%
2020/21	6,616,248	6,565,818	96.41%
2019/20	6,616,248	6,290,100	95.10%
2018/19	6,546,727	6,467,153	98.80%
2017/18	6,342,511	6,308,241	99.46%

Source: County Clerk

Major Taxpayers

The following table sets forth the ten largest taxpayers in the City for taxes levied in the most recent tax collection period (2021/2022):

	<u>Taxpayer</u>	<u>Assessed Valuation</u>	<u>Taxes Levied</u>
1	WALMART REAL ESTATE TRUST	\$1,827,026	\$259,945.62
2	KANSAS GAS SERVICE-DIVISION OF ONE GAS	1,441,274	205,061.58
3	JKC LLC	1,415,918	201,420.36
4	PAUL PROPERTIES TERRA NOVA LLC	1,098,339	156,223.48
5	NORTH AMERICAN SPECIALTY	975,561	138,800.88
6	CITY OF MCPHERSON	856,248	121,733.28
7	BORMAN REAL PROPERTY PTN	829,142	117,968.66
8	LOVE'S TRAVEL STOPS &	816,261	116,135.98
9	COMART DEVELOPMENT LLC	767,050	109,134.34
10	MCPHERSON LODGING INC	757,100	107,718.68

Source: County Clerk

Current Indebtedness of the Issuer

The following table sets forth as of December 31, 2021 of the Bonds all of the outstanding obligations of the Issuer:

GENERAL OBLIGATION BONDS

<u>Description of Indebtedness</u>	<u>Dated Date</u>	<u>Final Maturity</u>	<u>Original Principal Amount</u>	<u>Amount Outstanding</u>	<u>Exempt From Debt Limit</u>
G.O. Refunding and Improvement Bonds, Series 137 of 2015	7/22/2015	8/1/2025	3,750,000	590,000	68,617
G.O. Refunding and Improvement Bonds, Series 138 of 2017	7/26/2017	8/1/2037	2,660,000	1,065,000	187,440
G.O. Bonds, Series 139 of 2018	11/1/2018	8/1/2030	9,595,000	7,655,000	4,495,782
G.O. Bonds, Series 140 of 2019	8/15/2019	8/1/2039	2,670,000	2,470,000	1,130,766
G.O. Bonds, Series 141 of 2020	8/19/2020	8/1/2040	8,925,000	7,610,000	4,670,501
	<i>Total</i>			<i>\$19,390,000</i>	<i>\$10,553,106</i>

TEMPORARY NOTES

<u>Description of Indebtedness</u>	<u>Dated Date</u>	<u>Final Maturity</u>	<u>Original Principal Amount</u>	<u>Amount Outstanding</u>	<u>Exempt From Debt Limit</u>
G.O Temporary Notes, Series B, 2019	4/24/2019	2/1/2023	\$2,400,000	\$2,295,000	0
	<i>Total</i>			<i>\$2,295,000</i>	<i>\$0</i>

REVENUE OBLIGATIONS

<u>Description of Indebtedness</u>	<u>Dated Date</u>	<u>Final Maturity</u>	<u>Original Principal Amount</u>	<u>Amount Outstanding</u>
Water System Refunding Bonds, Series 2021-A	1/14/2021	10/1/2051	\$31,555,000	\$30,795,000

Source: Clerk

Lease Obligations

In addition to the foregoing debt obligations, the City has entered into the following lease obligations. Lease obligations of the City constitute valid and binding obligations of the City in accordance with their terms subject to funds budgeted and appropriated for that purpose during the City's current budget year or funds made available from any lawfully operated revenue producing source as per K.S.A. 10-1116b.

<u>Purpose of Indebtedness</u>	<u>Dated Date</u>	<u>Final Payment Date</u>	<u>Original Principal Amount</u>	<u>Amount Outstanding</u>
Golf Cart	03/02/2020	03/02/2024	\$166,427	\$99,785

Source: Clerk

State Loans

The City has entered into the below described loan agreements (collectively the "Loans") with the Kansas Department of Health and Environment to finance improvements to the City's wastewater treatment plan. The term of the Loans are 20 years and provide for approximately level annual debt service payments. The Loans are "draw-down" obligations with interest accruing on the advanced principal, which interest is payable on a semi-annual basis or at the option of the City, added as principal amount of the Loan. When the improvements are complete, the final principal amount of the Loan is adjusted and Loan repayment terms are re-amortized. The Loans are secured by a pledge of revenues of the City's wastewater system and a pledge of the City's unlimited ad valorem taxes levy.

<u>Purpose of Indebtedness</u>	<u>Dated Date</u>	<u>Final Payment Date</u>	<u>Original Principal Amount</u>	<u>Amount Outstanding</u>
2015 Wastewater Improvements	3/25/2015	9/1/2036	\$4,863,464	\$3,183,170
Total				\$3,183,170

Source: Clerk

Overlapping Indebtedness

The following table sets forth overlapping indebtedness as of December 31, 2021, and the percent attributable (on the basis of assessed valuation) to the City:

<u>Taxing Jurisdiction</u>	<u>Assessed Valuation¹</u>	<u>Outstanding General Obligation Indebtedness</u>	<u>Percent Applicable to Issuer</u>	<u>Amount Applicable to Issuer</u>
McPherson County	\$498,450,177	\$2,845,000	26.43%	\$ 751,933
USD No. 418	254,192,659	10,435,000	51.82%	5,407,417
Total				\$6,159,350

¹ Does not include motor vehicle valuation

Source: County Clerk

Pension and Employee Retirement Plans

The City participates in the Kansas Public Employees Retirement System (“KPERS”) established in 1962, as an instrumentality of the State, pursuant to K.S.A. 74-4901 *et seq.*, to provide retirement and related benefits to public employees in Kansas. KPERS is governed by a board of trustees consisting of nine members, each of whom serve four-year terms. The board of trustees appoints an executive director to serve as the managing officer of KPERS and manage a staff to carry out daily operations of the system.

As of December 31, 2020, KPERS serves approximately 326,000 members and approximately 1,500 participating employers, including the State, school districts, counties, cities, public libraries, hospitals and other governmental units. KPERS administers the following three statewide, defined benefit retirement plans for public employees:

- (a) Kansas Public Employees Retirement System;
- (b) Kansas Police and Firemen’s Retirement System; and
- (c) Kansas Retirement System for Judges.

These three plans are separate and distinct with different membership groups, actuarial assumptions, experience, contribution rates and benefit options. The Kansas Public Employees Retirement System is the largest of the three plans, accounting for approximately 95% of the members. The Kansas Public Employees Retirement System is further divided into two separate groups, as follows:

- (a) *State/School Group* — includes members employed by the State, school districts, community colleges, vocational-technical schools and educational cooperatives. The State of Kansas makes all employer contributions for this group, the majority of which comes from the State General Fund.
- (b) *Local Group* — all participating cities, counties, library boards, water districts and political subdivisions are included in this group. Local employers contribute at a different rate than the State/School Group rate.

KPERS is currently a qualified, governmental, § 401(a) defined benefit pension plan, and has received IRS determination letters attesting to the plan’s qualified status dated October 14, 1999 and March 5, 2001. KPERS is also a “contributory” defined benefit plan, meaning that employees make contributions to the plan. This contrasts it from noncontributory pension plans, which are funded solely by employer contributions. The City’s employees currently annually contribute 6% of their gross salary to the plan if such employees are KPERS Tier 1 members (covered employment prior to July 1, 2009), KPERS Tier 2 members (covered employment on or after July 1, 2009), or KPERS Tier 3 members (covered employment on or after January 1, 2015).

In 2021, the Legislature authorized the issuance of revenue bonds to provide net proceeds of up to \$500 million (the “Revenue Bonds”) the proceeds of which must be applied to the unfunded actuarial pension liability as directed by KPERS. The Revenue Bonds in the principal amount of \$504,535,000 were issued August 26, 2021. The repayment of the Revenue Bonds shall be subject to legislative annual appropriation, shall not be an obligation of the KPERS system, and the full faith and credit or taxing power of the State shall not be pledged to the repayment of the Revenue Bonds. Due to authorization of the Revenue Bonds, the Legislature changed the State/School employer contribution rate from 14.09% to 13.33% for fiscal year 2022 and from 13.86% to 13.11% for fiscal year 2023.

The City’s contribution varies from year to year based upon the annual actuarial valuation and appraisal made by KPERS, subject to legislative caps on percentage increases. The City’s contribution is 8.87% of the employee’s gross salary for calendar year 2021. The City’s contribution is projected to change to 8.90% of gross compensation for calendar year 2022. In addition, the City contributes 1% of the employee’s gross salary for Death and Disability Insurance for covered employees.

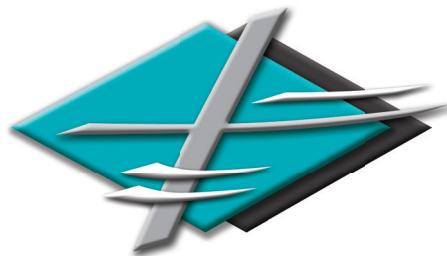
According to the Valuation Report as of December 31, 2020 (the “2020 Valuation Report”) the KPERS Local Group, of which the City is a member, carried an unfunded accrued actuarial liability (“UAAL”) of approximately \$1.419 billion at the end of 2020. The amount of the UAAL in 2020 changed from the previous year’s amount due to the factors discussed in the 2020 Valuation Report; such report also includes additional information relating to the funded status of the KPERS Local Group, including recent trends in the funded status of the KPERS Local Group. A copy of the 2020 Valuation Report is available on the KPERS website at kpers.org/about/reports.html. The City has no means to independently verify any of the information set forth on the KPERS website or in the 2020 Valuation Report, which is the most recent financial and actuarial information available on the KPERS website relating to the funded status of the KPERS Local Group. The 2020 Valuation Report sets the employer contribution rate for the period beginning January 1, 2023, for the KPERS Local Group, and KPERS’ actuaries identified that an employer contribution rate of 8.43% of covered payroll would be necessary, in addition to statutory contributions by covered employees, to eliminate the UAAL by the end of the actuarial period set forth in the 2020 Valuation Report. The statutory contribution rate of employers currently equals the 2020 Valuation Report’s actuarial rate. As a result, members of the Local Group are adequately funding their projected actuarial liabilities and the UAAL can be expected to diminish over time. The required employer contribution rate may increase up to the maximum statutorily allowed rate, which is 1.2% in fiscal year 2017 and thereafter.

The City has established membership in the Kansas Police and Fire Retirement System (“KP&F”) for its police and fire personnel. KP&F is a division of and is administered by KPERS. Annual contributions are adjusted annually based on actuarial studies, subject to legislative caps on percentage increases. According to the 2020 Valuation Report, KP&F carried an UAAL of approximately \$918 million at the end of 2020. For the year beginning January 1, 2021, employees contributed 7.15% of their gross salary to the plan. For the year beginning January 1, 2021, the Issuer contributes 22.80% of employees’ gross compensation. Beginning January 1, 2022, the Issuer’s contribution is projected to change to 22.99% of gross compensation for calendar year 2022.

Exhibit B

Audited financial statements of the City for the fiscal year ended December 31, 2021

CITY OF McPHERSON, KANSAS
FINANCIAL STATEMENT
FOR THE YEAR ENDED
DECEMBER 31, 2021



LOYD GROUP, LLC
Certified Public Accountants

**City of McPherson, Kansas
City of Second Class
Incorporated March 4, 1874
For the Year Ended December 31, 2021**

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

Richard Miller
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

Brita Erkelenz
City Clerk

Kody A. Kraemer
Cemetery Sexton

Milton Collins
Code Enforcement Officer/
Sanitation Office

Sarah Green
HR Director

CITY OF MCPHERSON, KANSAS

For the Year Ended December 31, 2021

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CITY OF MCPHERSON, KANSAS

For the Year Ended December 31, 2021

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LOYD GROUP, LLC

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INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and City Council
McPherson, Kansas 67460

Adverse and Unmodified Opinions

We have audited the accompanying fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances of the City of McPherson, Kansas (City), a Municipal Financial Reporting Entity, as of and for the year ended December 31, 2021 and the related notes to the financial statement.

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 and Unmodified Opinions section of our report, the accompanying 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 as of December 31, 2021, 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 accompanying financial statement referred to above presents fairly, in all material respects, the aggregate cash and unencumbered cash balance of the City as of December 31, 2021, and the aggregate receipts and expenditures for the year then ended in accordance with the financial reporting provisions of the *Kansas Municipal Audit and Accounting Guide* described in Note 1.

Basis for Adverse and Unmodified Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the *Kansas Municipal Audit and Accounting Guide*. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statement section of our report. We are required to be independent of the City, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our adverse and unmodified audit opinions.

Matter Giving Rise to Adverse Opinion on U.S. Generally Accepted Accounting Principles

As discussed in Note 1 of the financial statement, the financial statement is prepared by the City on the basis of the financial reporting provisions of the *Kansas Municipal Audit and Accounting Guide*, which is a basis of accounting other than accounting principles generally accepted in the United States of America. The effects on the financial statement of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

Other Matter

The prior year's financial statement for the year ended December 31, 2020, was audited by another auditor, who expressed an unmodified opinion on regulatory basis of accounting, on May 24, 2021.

D. Scot Loyd, CPA, CGFM, CFE, CGMA, CNC

"Creating Maneuverability in Government"

Responsibilities of Management 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.

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

Auditor's Responsibilities for the Audit of the Financial Statement

Our objectives are to obtain reasonable assurance about whether the financial statement as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statement.

In performing an audit in accordance with GAAS, we:

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statement, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statement.
- obtain an understanding of internal control relevant to the audit 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 City's internal control. Accordingly, no such opinion is expressed.
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statement.
- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the 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, expenditures-actual and budget, and schedule of regulatory basis receipts and disbursements-agency funds (Schedules 1, 2, and 3 as listed in the table of contents) are presented for purposes of additional analysis and are not a required part of the 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 basic financial statement. The information has been subjected to the auditing procedures applied in the audit of the basic financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statement or to the basic financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In

our opinion, the accompanying supplementary information is fairly stated in all material respects in relation to the basic financial statement as a whole, on the basis of accounting described in Note 1.

Another auditor previously audited, in accordance with auditing standards generally accepted in the United States of America, the basic financial statement of City of McPherson, Kansas as of and for the year ended December 31, 2020 (not presented herein), and have issued their report thereon dated May 24, 2021, which contained an unmodified opinion on the basic financial statement. The 2020 basic financial statement and their 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 <https://admin.ks.gov/offices/oar/municipalservices>. The 2020 actual column (2020 comparative information) presented in the individual fund schedules of regulatory basis receipts and expenditures—actual and budget for the year ended December 31, 2021 (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 2020 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 2020 basic financial statement. The 2020 comparative information was 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 2020 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, 2020, on the basis of accounting described in Note 1.

Loyd Group, LLC

Loyd Group, LLC
Galva, KS
July 1, 2022

CITY OF MCPHERSON, KANSAS

SUMMARY STATEMENT OF RECEIPTS, EXPENDITURES AND UNENCUMBERED CASHRegulatory Basis

For the Year Ended December 31, 2021

	Beginning Unencumbered Cash Balance	Receipts	Expenditures	Ending Unencumbered Cash Balance	Add Encumbrances and Accounts Payable	Ending Cash Balance
GENERAL FUND						
General Operating Fund	\$ 5,519,547	\$ 11,112,622	\$ 11,278,154	\$ 5,354,015	\$ 895,965	\$ 6,249,980
SPECIAL PURPOSE FUNDS						
Consolidated Street and Highway Fund	2,168,247	3,493,953	2,379,714	3,282,486	56,353	3,338,839
Employee Benefits (Non-Public Safety) Contribution Fund	499,915	3,683,115	3,839,604	343,426	133,968	477,394
Employee Benefits (Public Safety) Contribution Fund	472,122	1,593,678	1,648,388	417,412	18,633	436,045
Forfeited Property Fund - Police Department	25,320	3,442	9,358	19,404	-	19,404
Industrial Development Fund	436,272	104,723	168,275	372,720	-	372,720
Library Fund	-	778,077	778,077	-	-	-
Library Employee Benefits Fund	-	141,789	141,789	-	-	-
McPherson Landfill Improvement Corporation	2,137	1	40	2,098	-	2,098
McPherson Land Bank Fund	479,629	-	-	479,629	-	479,629
Municipal Building Fund	266,793	108,378	98,016	277,155	6,563	283,718
Municipal Court Fund	24,867	260,551	253,418	32,000	-	32,000
Municipal Court ADSAP Fund	24,322	150	-	24,472	-	24,472
Municipal Golf Course Fund	103,237	749,513	698,489	154,261	13,031	167,292
Operation Warmth Fund	1,475	6,764	6,307	1,932	-	1,932
Special Alcohol Program Fund	151,339	34,223	40,198	145,364	753	146,117
Special Park and Recreation Fund	90,481	34,223	17,484	107,220	2,030	109,250
Swimming Pool Maintenance and Operation Fund	336,589	344,122	391,583	289,128	1,394	290,522
Sales Tax Revenue Fund	2,341,270	1,879,569	2,545,831	1,675,008	-	1,675,008
CID Sales Tax Fund	5,432	140,885	117,455	28,862	10,159	39,021
Tourism and Convention Promotion Fund	356,854	347,782	340,840	363,796	9,422	373,218
Health Self-Insurance Fund	2,105,810	2,522,021	2,297,694	2,330,137	-	2,330,137
Worker's Compensation Self-Insurance Fund	601,885	189,404	100,989	690,300	-	690,300
Insurance Recovery Fund	-	1,252,501	535,722	716,779	-	716,779
Federal Grant Fund	-	996,614	-	996,614	-	996,614
Total Special Purpose Funds	10,493,996	18,665,478	16,409,271	12,750,203	252,306	13,002,509
BOND AND INTEREST FUND						
Bond and Interest Fund	617,325	5,064,819	5,085,821	596,323	-	596,323
CAPITAL PROJECTS FUNDS						
Capital Improvement Fund	3,347,266	1,199,152	2,522,487	2,023,931	9,585	2,033,516
Equipment Reserve Fund	924,960	1,685,049	560,054	2,049,955	-	2,049,955
Total Capital Projects Funds	4,272,226	2,884,201	3,082,541	4,073,886	9,585	4,083,471

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

CITY OF MCPHERSON, KANSAS

SUMMARY STATEMENT OF RECEIPTS, EXPENDITURES AND UNENCUMBERED CASHRegulatory Basis

For the Year Ended December 31, 2021

	<u>Beginning Unencumbered Cash Balance</u>	<u>Receipts</u>	<u>Expenditures</u>	<u>Ending Unencumbered Cash Balance</u>	<u>Add Encumbrances and Accounts Payable</u>	<u>Ending Cash Balance</u>
BUSINESS FUNDS						
Electric Utility Fund	\$ 40,516,729	\$ 78,309,623	\$ 80,598,563	\$ 38,227,789	\$ 4,767,917	\$ 42,995,706
Sewer Recovery Fund	527,606	27,268	-	554,874	-	554,874
Solid Waste Collection Fund	2,030,463	1,168,922	1,038,995	2,160,390	82,301	2,242,691
Storm Water Utility Fund	1,389,927	1,140,693	1,261,664	1,268,956	25,057	1,294,013
Wastewater System Maintenance and Operation Fund	3,393,922	2,766,150	1,717,250	4,442,822	101,773	4,544,595
Wastewater System Surplus Fund	721,949	672,225	673,296	720,878	-	720,878
Water Utility Fund	8,564,980	37,464,085	11,794,707	34,234,358	626,512	34,860,870
Total Business Funds	<u>57,145,576</u>	<u>121,548,966</u>	<u>97,084,475</u>	<u>81,610,067</u>	<u>5,603,560</u>	<u>87,213,627</u>
TRUST FUNDS						
Salthouse - Broadway Cemetery Trust Fund	38,537	187	-	38,724	-	38,724
Cemetery Endowment Fund	123,706	11,663	-	135,369	-	135,369
Police Benefit Fund	13,098	-	13,098	-	-	-
Total Trust Funds	<u>175,341</u>	<u>11,850</u>	<u>13,098</u>	<u>174,093</u>	<u>-</u>	<u>174,093</u>
Total	<u>78,224,011</u>	<u>159,287,936</u>	<u>132,953,360</u>	<u>104,558,587</u>	<u>6,761,416</u>	<u>111,320,003</u>
RELATED MUNICIPAL ENTITY						
Library Board	<u>635,358</u>	<u>1,117,399</u>	<u>1,057,887</u>	<u>694,870</u>	<u>57,097</u>	<u>751,967</u>
Total Reporting Entity	<u>\$ 78,859,369</u>	<u>\$ 160,405,335</u>	<u>\$ 134,011,247</u>	<u>\$ 105,253,457</u>	<u>\$ 6,818,513</u>	<u>\$ 112,071,970</u>
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					106,379,633	
Investments - KS Municipal Investment Pool					4,938,600	
Total					<u>111,320,003</u>	
Related Municipal Entity					<u>751,967</u>	
Total Reporting Entity					<u>\$ 112,071,970</u>	

CITY OF MCPHERSON, KANSAS

NOTES TO FINANCIAL STATEMENT

For the Year Ended December 31, 2021

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 9,044 electric and 6,004 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.

Senate Bill 13 repealed the tax lid law and introduced the use of a revenue neutral rate with an additional budget hearing required if the proposed tax levy exceeds the revenue neutral rate. These policy changes apply to the 2022 budget cycle. Additional information can be found in the Memo to State of Kansas Taxing Subdivisions (2021) at <https://admin.ks.gov/offices/oar/municipal-services>.

If the municipality is holding a revenue neutral rate hearing, the budget timeline for adoption of the final budget has been adjusted to on or before September 20th. The municipality did not hold a revenue neutral rate hearing for the year.

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 2021.

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.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)

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 2021.

3. DEPOSITS AND INVESTMENTS

As of December 31, 2021, 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	\$ 4,938,600	\$ 4,938,600	\$ -	\$ -	\$ -	S&P AAAF/SLT

K.S.A. 9-1401 establishes the depositories which may be used by the City. The statute requires banks eligible to hold the City's funds have a main or branch bank in the county in which the City is located, or in an adjoining county if such institution has been designated as an official depository, and the banks provide an acceptable rate of 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, 2021, 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, 2021.

At December 31, 2021, the City's and Library's carrying amount of deposits was \$28,523,658 and the bank balance was \$28,615,280. The bank balance was held by eight banks resulting in a concentration of credit risk. Of the bank balance, \$1,000,000 was covered by federal depository insurance and \$27,615,280 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, 2021, the City had invested \$4,938,600 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, 2021 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 137 of 2015	2.00% to 3.00%	7/22/15	3,750,000	7/1/25	\$ 730,000	\$ -	\$ 140,000	\$ 590,000	\$ 21,900
Series 138 of 2017	2.00% to 3.00%	7/26/17	2,660,000	8/1/37	1,420,000	-	355,000	1,065,000	42,600
Series 139 of 2018	3.00% to 4.00%	11/1/18	9,595,000	8/1/30	8,355,000	-	700,000	7,655,000	299,513
Series 140 of 2019	2.50% to 4.00%	8/15/19	2,670,000	8/1/39	2,570,000	-	100,000	2,470,000	72,225
Series 141 of 2020	1.50% to 3.00%	8/19/20	8,925,000	8/1/40	8,925,000	-	1,315,000	7,610,000	238,023
Total General Obligation Bonds					22,000,000	-	2,610,000	19,390,000	674,261
Revenue Bonds:									
Series 2012	2.00% to	7/5/12	11,085,000	10/1/27	5,900,000	-	5,900,000	-	-
Series 2021 & Rev Refinance	2.25% to	1/14/21	31,555,000	10/1/51	-	31,555,000	760,000	30,795,000	575,468
Total Revenue Bonds					5,900,000	31,555,000	6,660,000	30,795,000	575,468
Temporary Notes:									
Series 2019-B	2.4% to	4/24/19	2,400,000	2/1/23	1,815,000	-	1,520,000	295,000	22,088
Kansas Revolving Fund Loans:									
2015 Wastewater Improvement	2.13%	3/25/15	4,863,464	3/1/36	3,361,547	-	178,377	3,183,170	70,656
Capital Lease:									
Golf Cart	3.25%	3/2/20	166,427	3/2/24	130,949	-	31,164	99,785	4,315
Total Contractual Indebtedness					\$ 33,207,496	\$ 31,555,000	\$ 10,999,541	\$ 53,762,955	\$ 1,346,788

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 2020 Annual Audit Report was posted to EMMA on July 29, 2021

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:

	2022	2023	2024	2025	2026	2027-2031	2032-2036	2037-2041	2042-2046	2047-2051	Total
Principal:											
General Obligation Bonds:											
Series 137 of 2015	\$ 140,000	\$ 150,000	\$ 145,000	\$ 155,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 590,000
Series 138 of 2017	265,000	205,000	110,000	100,000	80,000	185,000	100,000	20,000	-	-	1,065,000
Series 139 of 2018	725,000	760,000	785,000	820,000	855,000	3,710,000	-	-	-	-	7,655,000
Series 140 of 2019	100,000	110,000	115,000	120,000	120,000	680,000	740,000	485,000	-	-	2,470,000
Series 141 of 2020	1,340,000	1,380,000	690,000	710,000	735,000	2,270,000	355,000	130,000	-	-	7,610,000
Total General Obligation Bonds	2,570,000	2,605,000	1,845,000	1,905,000	1,790,000	6,845,000	1,195,000	635,000	-	-	19,390,000
Revenue Bonds:											
Series 2021 (Water)	735,000	1,385,000	1,425,000	1,475,000	1,515,000	3,775,000	4,335,000	4,805,000	5,340,000	6,005,000	30,795,000
Temporary Notes:											
Series 2019-B	295,000	-	-	-	-	-	-	-	-	-	295,000
Kansas Revolving Fund Loans:											
2015 Wastewater Improvement	182,196	186,098	190,083	194,153	198,311	1,057,099	1,175,230	-	-	-	3,183,170
Capital Leases:											
Golf Cart Lease	32,190	33,251	34,344	-	-	-	-	-	-	-	99,785
Total Principal	3,814,386	4,209,349	3,494,427	3,574,153	3,503,311	11,677,099	6,705,230	5,440,000	5,340,000	6,005,000	53,762,955
Interest:											
General Obligation Bonds:											
Series 137 of 2015	17,700	13,500	9,000	4,650	-	-	-	-	-	-	44,850
Series 138 of 2017	31,950	24,000	17,850	14,550	11,550	34,050	12,000	600	-	-	146,550
Series 139 of 2018	271,513	242,513	212,113	180,713	147,913	291,650	-	-	-	-	1,346,413
Series 140 of 2019	68,225	64,225	59,825	55,225	45,931	174,756	105,444	22,750	-	-	596,381
Series 141 of 2020	211,100	170,900	129,500	108,800	87,500	150,325	25,975	6,700	-	-	890,800
Total General Obligation Bonds	600,488	515,138	428,288	363,938	292,894	650,781	143,419	30,050	-	-	3,024,994
Revenue Bonds:											
Series 2021 (Water)	783,303	761,253	719,703	676,953	632,703	2,684,663	2,112,763	1,652,113	1,112,500	448,473	11,584,423
Kansas Revolving Fund Loans:											
2015 Wastewater Improvement	66,836	62,935	58,950	54,880	50,722	188,065	69,933	-	-	-	552,321
Capital Leases:											
Golf Cart Lease	3,288	2,227	1,135	-	-	-	-	-	-	-	6,650
Total Interest	1,453,914	1,341,552	1,208,075	1,095,770	976,318	3,523,509	2,326,114	1,682,163	1,112,500	448,473	15,168,388
Total Principal and Interest	\$ 5,268,300	\$ 5,550,901	\$ 4,702,502	\$ 4,669,923	\$ 4,479,629	\$ 15,200,608	\$ 9,031,344	\$ 7,122,163	\$ 6,452,500	\$ 6,453,473	\$ 68,931,343

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 8.87% for KPERS and 22.80% for KP&F for the fiscal year ended December 31, 2021. Contributions to the pension plan from the City and BPU were \$827,401 for KPERS and \$681,803 for KP&F (Library was \$46,207) for the year ended December 31, 2021.

Net Pension Liability. At December 31, 2021, the City and BPU's proportionate share of the collective net pension liability reported by KPERS was \$6,070,650 and \$4,944,160 for KP&F (Library was \$291,661). The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2020, which was rolled forward to June 30, 2021. 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 Kansas Public Employees Retirement System (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, 2021.

(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:

Maximum Years of Service	Hours Accrued Per Year	Maximum Accumulation
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 \$145,996. Management believes claims incurred, but not reported, are insignificant at December 31, 2021. Starting December 31, 2007, the City chose to not self-insure for workers' compensation. Changes in health insurance claims liability for 2021 and 2020 were as follows:

	2021	2020
Beginning Balance	\$ 100,000	\$ 100,000
Additions	1,863,482	1,852,162
Payments	(1,863,482)	(1,852,162)
Ending Balance	\$ 100,000	\$ 100,000

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, 2021 was marked by the Covid-19 pandemic and the unique continuing 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 continued at the end of 2021 and the governmental program requirements were 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 2020 to 2021 and there were no settlements that exceeded insurance coverage in the past three years.

During the ordinary course of its operations the City is exposed to various claims, legal actions and complaints. It is of the opinion of the City's management and legal counsel that these matters are not anticipated to have a material impact on the City. Except as noted below, there were no liability insurance settlements during 2021 nor are there any pending settlements as of December 31, 2021. However, there have been material property damage settlements as the result of storm damage. The property damage settlement and restoration process continues without material concern.

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:

Year	Total Basic Rental Payment	Principal Component	Interest Component
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	55,800	40,000	15,800
2027-2031	287,800	235,000	52,800
2032-2033	117,013	110,000	7,013
	<u>\$ 693,463</u>	<u>\$ 540,000</u>	<u>\$ 153,463</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, 2021, 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, 2021.

12. INTERFUND TRANSFERS

Operating transfers were as follows:

From	To	Regulatory Authority	Amount
Operating transfers (City):			
General Operating	Consolidated Street and Highway	K.S.A. 12-1,119	\$ 500,000
General Operating	Swimming Pool Maint. And Operation	Ord. 2708	180,000
General Operating	Capital Improvement	K.S.A. 12-1,118	81,455
General Operating	Municipal Golf Course	Commission	25,000
General Operating	Bond and Interest	Ord. 3042	87,500
General Operating	Municipal Building	Ord. 2887	90,000
General Operating	Equipment Reserve	K.S.A. 12-1,117	1,258,688
Municipal Golf Course	Equipment Reserve	K.S.A. 12-1,117	79,923
Consolidated Street and Highway	Equipment Reserve	K.S.A. 12-1,117	267,000
Insurance Recovery	Equipment Reserve	K.S.A. 12-1,117	8,154
CID Sales Tax Revenue	Capital Improvement	K.S.A. 12-1,118	1,974
Sales Tax Revenue	Capital Improvement	K.S.A. 12-1,118	268,908
Sales Tax Revenue	Bond and Interest	Ord. 3069	2,276,923
Consolidated Street and Highway	Bond and Interest	Ord. 3179	413,613
Capital Improvement	Bond and Interest	K.S.A. 12-631o	28,462
Capital Improvement	Wastewater System Maintenance and Operation	K.S.A. 12-631o	483,410
Capital Improvement	Consolidated Street and Highway	K.S.A. 12-1,119	387,492
Capital Improvement	Storm Water Utility	K.S.A. 12-631o	192,148
Consolidated Street and Highway	Capital Improvement	Ord. 3020	599
Electric Utility	General Operating	K.S.A. 12-825d	1,811,657
Solid Waste Collection	General Operating	K.S.A. 12-2104	50,000
Wastewater System Surplus	Bond and Interest	K.S.A. 12-631o	673,296
Water Utility	General Operating	K.S.A. 12-825d	54,791
Wastewater System Maintenance and Operation	General Operating	K.S.A. 12-630a	80,000
Storm Water Utility	Wastewater System Maintenance and Operation	K.S.A. 12-631o	31,944
Storm Water Utility	Bond and Interest	K.S.A. 12-631o	786,012
Total Operating transfers (City)			<u>10,037.495</u>
Operating transfers (Library):			
Library	Library Board	K.S.A. 12-1220	778,077
Library Employee Benefits	Library Board	K.S.A. 12-16,102	<u>141,789</u>
Total Operating transfers (Library)			<u>919,866</u>
Total Operating transfers (municipal financial reporting entity)		\$	<u>10,957,361</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 an Updated Airport Layout Planning Project - which the FAA requires every eight to 10 years. Airport Development Group of Denver, Colorado was selected to manage the project. This project is expected to be compiled 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.

ACRGPs funds in the amount of \$13,000 were received by the airport in 2021 and applied to payroll expenses. Also in 2021, the airport was granted funds in the amount of \$229,537 for replacement of the failed Supplementary Windcone and the failing Precision Approach Path Indicator (PAPI) lights. This project will close out after a successful FAA test flight.

Complete financial information for the McPherson City/County Airport may be obtained from the administrative offices of the entity at 1000 S. 81 Bypass, McPherson, Kansas, 67460.

14. CAPITAL PROJECTS

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

	<u>Project Authorization</u>	<u>Expenditures to Date</u>
Community Building Renovation	\$ 5,194,078	\$ 5,139,598
CDBG 2020	325,000	242,077
Northview Multiuse Trail	339,842	338,921
Erosion Control - Golf Course	172,000	162,900
Northgate Drainage	372,670	233,402
 Total	 <u>\$ 6,403,590</u>	 <u>\$ 6,116,898</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 State and Local Fiscal Recovery Funds (SLFRF) under the American Rescue Plan Act (ARPA). The SLFRF was received from the U.S. Department of Treasury. The City received SLFRF in the amount of \$996,614 during 2021. The SLFRF are to be used to strengthen and improve infrastructure and continue to support the recovery related to the public health emergency. Additional information and updates on ARPA SLFRF, which includes audit requirements, can be found at <https://home.treasury.gov/>.

16. SUBSEQUENT EVENTS

TA Sidewalk Project - In March 2020, the City of McPherson 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 was completed in 2021 and construction is anticipated to be completed by summer of 2022.

2022 CCLIP - On August 9, 2021, public works received approval for CCLIP grant to mill and overlay Main Street south to RR tracks. Design will be done in-house. Total estimated cost was \$475,329 with an estimated \$205,329 for the local match. Project is due to be completed in late 2022 or early 2023.

US 56/K-153 CCLIP - July 29, 2019, City Commission approved the acceptance of the CCLIP grant for US 56/K-153 (Old HWY 81) intersection improvements. This CCLIP grant is a 90/10 split for the cost of design, construction, and inspection of this project. The City will pay 10% plus any amount over 1.1 million estimated cost of construction. On November 4, 2019 this project design was awarded to Alfred Benesch and Company in the amount of \$89,368.93. The City paid Alfred Benesch directly and sent out Reimbursement Payment Voucher to KDOT on November 20, 2021 in the amount of \$80,362, this amount has been paid in full. Construction is expected to begin in the Spring of 2022 and be completed by summer of 2023.

Wall Park Bank Restoration - On May 23, 2021 Commission approved design work for the Wall Park Bank Restoration Project. Bid letting for the construction will be held in March of 2022 with completion expected in October of 2022.

Lakeside Bank Restoration - On May 24, 2021 Commission approved design work for the Lakeside Bank Restoration Project. Bid letting for construction will be in late 2022 or early 2023.

2021 Hail Storm - The City of McPherson experienced significant damage to assets during a May 26, 2021 hail storm. As an overview, there were 13 vehicles that sustained damage. Seven of the vehicles have been repaired. The remaining will be repaired, except for one Fire Department vehicle which was traded off without repair. Seven Fire Department vehicles sustained flood damage which all have been repaired. Each of these vehicles has a \$500 deductible which was paid from the Insurance Recovery fund. The last of the vehicle repairs are expected to be completed in early 2022. During the May 26, 2021 hail storm there were 70 reported structures with damage. We are working closely with a local contractor to gather information for the additional damage to turn into insurance to assess all non-roof related damages. The City has received \$1,170,119 which is listed as the "Advancements". This money has been deposited in the Insurance Recovery Fund. This fund is whereby all financial transactions from this insurance claim will be paid. We have received the repair quotes from the contractor for the repair of roofs on listed property within the Statement of Loss. The City will be paying out of the Insurance Recovery Fund the Actual Cash Value from the Statement of Loss to the Airport (\$156,785) and McPherson Recreation Sports Complex (\$290,818) for their share of the damage. Upon completion of repairs the City will be paid the remaining replacement costs for insurance minus the deductibles. All deductibles will be paid from existing City funds. Storm repairs to roofs and other appurtenances will occur into 2022.

The 2020 Community Development Block Grant (2020 CDBG) Housing Rehab Grant was received in January 2021. This grant was for a total of \$300,000 to be used exclusively to Rehab Houses in a south Central portion of McPherson. So far the Grant has funded 11 units. There are still another two (2) units that need to be completed. A grant extension was recently granted extending the grant from March 2021 to June 14, 2021 in order to give more time to find the remaining units to be completed. We are currently seeking two more eligible home candidates for rehabilitation. There is still approximately \$119,000 that needs to be expended for this grant.

The City of McPherson has been notified that we will be receiving \$500,000 in Community Development Block Grant (2022 CDBG) Funds through the Kansas Department of Commerce beginning in 2022. Of that \$300,000 will be spent on Housing Rehabilitation for 12 homes and the remaining \$200,000 will be in the form of matching funds widening and improvements to Walnut Street between Avenue A and Avenue D. There are matching funds that City of McPherson, Landlords, and other matching services will contribute to receive the said funds. Grant Funds will need to be requested as the project is completed. The project is generally expected to be completed with 2-years of signing a grant agreement which will occur at the end of February 2022.

16. SUBSEQUENT EVENTS (CONT.)

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 Economic Development grant program for the roadway extension, the issuance of Industrial Revenue Bonds, and PILOT (Payment In Lieu of Taxes) payments which we anticipate to be finalized in 2021.

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 State and Local Fiscal Recovery Funds (SLFRF) under the American Rescue Plan Act (ARPA). The SLFRF was received from the U.S. Department of Treasury. The City received SLFRF in the amount of \$996,614 during 2021. The SLFRF are to be used to strengthen and improve infrastructure and continue to support the recovery related to the public health emergency. Additional information and updates on ARPA SLFRF, which includes audit requirements, can be found at <https://home.treasury.gov/>.

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

CITY OF MCPHERSON, KANSAS
REGULATORY – REQUIRED
SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2021

CITY OF MCPHERSON, KANSAS

SUMMARY OF EXPENDITURES - ACTUAL AND BUDGET

Regulatory Basis
(Budgeted Funds Only)
For the Year Ended December 31, 2021

	Certified Budget	Adjustment for for Qualifying Budget Credits	Total Budget for Comparison	Expenditures Chargeable to Current Year	Variance - Over (Under)
GENERAL FUND					
General Operating Fund	\$ 15,167,815	\$ -	\$ 15,167,815	\$ 11,278,154	\$ (3,889,661)
SPECIAL PURPOSE FUNDS					
Consolidated Street and Highway Fund	4,867,971	-	4,867,971	2,379,714	(2,488,257)
Employee Benefits (Non-Public Safety) Contribution Fund	950,781	-	950,781	752,007	(198,774)
Employee Benefits (Public Safety) Contribution Fund	2,002,160	-	2,002,160	1,648,388	(353,772)
Industrial Development Fund	542,679	-	542,679	168,275	(374,404)
Library Fund	806,135	-	806,135	778,077	(28,058)
Library Employee Benefits Fund	146,800	-	146,800	141,789	(5,011)
McPherson Land Bank Fund	422,267	-	422,267	-	(422,267)
Municipal Building Fund	369,426	-	369,426	98,016	(271,410)
Municipal Golf Course Fund	830,499	-	830,499	698,489	(132,010)
Special Alcohol Program Fund	196,331	-	196,331	40,198	(156,133)
Special Park and Recreation Fund	80,384	-	80,384	17,484	(62,900)
Swimming Pool Maintenance and Operation Fund	702,421	-	702,421	391,583	(310,838)
Sales Tax Revenue Fund	2,882,272	-	2,882,272	2,545,831	(336,441)
CID Sales Tax Fund	225,400	-	225,400	117,455	(107,944)
Tourism and Convention Promotion Fund	765,619	-	765,619	340,840	(424,779)
Insurance Recovery Fund	1,855,008	-	1,855,008	535,722	(1,319,286)
BOND AND INTEREST FUND					
Bond and Interest Fund	5,682,144	-	5,682,144	5,085,821	(596,323)
CAPITAL PROJECTS FUND					
Capital Improvement Fund	3,613,502	-	3,613,502	2,522,487	(1,091,015)
BUSINESS FUNDS					
Sewer Recovery Fund	562,431	-	562,431	-	(562,431)
Solid Waste Collection Fund	3,281,341	-	3,281,341	1,038,995	(2,242,346)
Storm Water Utility Fund	2,180,244	-	2,180,244	1,261,664	(918,580)
Wastewater System Maintenance and Operation Fund	5,262,850	-	5,262,850	1,717,250	(3,545,600)
Wastewater System Surplus Fund	1,394,958	-	1,394,958	673,296	(721,662)

CITY OF MCPHERSON, KANSAS

GENERAL OPERATING FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET

Regulatory Basis

For the Year Ended December 31, 2021

(With Comparative Actual Totals for the Prior Year Ended December 31, 2020)

	2021			Variance - Over (Under)
	2020	Actual	Budget	
Receipts				
Taxes -				
Ad valorem property tax	\$ 2,586,122	\$ 3,537,142	\$ 3,691,145	\$ (154,003)
Delinquent tax	32,754	27,409	-	27,409
Motor vehicle tax	341,436	304,907	293,283	11,624
Recreational vehicle tax	5,875	6,167	5,011	1,156
MVL excise tax	1,784	1,039	2,316	(1,277)
16/20M vehicle tax	1,263	1,188	1,199	(11)
Commercial vehicle tax	16,907	16,064	14,505	1,559
In lieu of tax	56,103	57,273	56,071	1,202
In lieu of tax - IRB clients	14,198	19,361	-	19,361
Local sales tax	2,162,580	2,324,514	2,000,000	324,514
Total Taxes	5,219,022	6,295,064	6,063,530	231,534
Intergovernmental Revenues -				
State of Kansas - liquor tax revenue	30,462	34,223	46,993	(12,770)
McPherson County - rescue vehicle runs	5,000	5,000	5,000	-
McPherson County - HAZMAT/technical response	15,000	15,000	15,000	-
McPherson County - ambulance appropriation	404,737	404,737	399,736	5,001
McPherson County - RHID receipts	152,124	181,633	175,000	6,633
Total Intergovernmental Revenues	607,323	640,593	641,729	(1,136)
Licenses and Permits -				
Utility franchise fees	365,336	425,496	403,000	22,496
Beer licenses	1,325	1,425	1,320	105
Liquor licenses	8,400	3,600	4,850	(1,250)
Occupation licenses	13,414	15,046	16,500	(1,454)
Building, zoning bonds and demolition permits	123,735	145,876	160,000	(14,124)
Fireworks stand licenses	4,500	3,000	3,500	(500)
Dance and events licenses	-	15	-	15
Inspections	3,045	4,110	4,000	110
Total Licenses and Permits	519,755	598,568	593,170	5,398
Charges for Services -				
Fire contracts - townships	424,882	535,304	481,774	53,530
Taxi coupons	4,870	6,010	6,000	10
Cemetery services	40,485	52,260	36,000	16,260
Total Charges for Services	470,237	593,574	523,774	69,800

CITY OF MCPHERSON, KANSAS

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

For the Year Ended December 31, 2021

(With Comparative Actual Totals for the Prior Year Ended December 31, 2020)

	2021			Variance - Over (Under)
	2020 Actual	Actual	Budget	
Receipts (cont.)				
Fines, Forfeitures and Penalties -				
Municipal court fines	\$ 192,662	\$ 193,912	\$ 227,000	\$ (33,088)
Vehicle inspections	26,740	27,380	34,000	(6,620)
Total Fines, Forfeitures and Penalties	219,402	221,292	261,000	(39,708)
Use of Money and Property -				
Interest received	365,902	82,896	65,500	17,396
Cemetery endowment interest	1,288	1,311	100	1,211
Rent-building, land and equipment	14,314	16,544	21,500	(4,956)
Total Use of Money and Property	381,504	100,751	87,100	13,651
Miscellaneous -				
Public Transportation for Nonurbanized Areas	8,046	7,240	4,500	2,740
Reimbursed expenditures	218,243	208,948	150,000	58,948
Coronavirus Relief Funds	444,401	-	-	-
STEP Program	5,762	-	-	-
Cooperative Fire Protection Program	4,000	-	-	-
Dog tag, impound, adoption fee	4,362	3,801	4,400	(599)
Animal cremations	33,555	33,875	23,500	10,375
Grant reimbursements	88,746	186,445	100,000	86,445
Cemetery lot sales	20,288	35,038	20,000	15,038
Gifts and bequests	3,350	6,401	500	5,901
Sale of effluent water	100,000	100,000	100,000	-
Community Building receipts	38,470	79,088	102,600	(23,512)
Miscellaneous	1,688	5,496	-	5,496
Total Miscellaneous	970,911	666,332	505,500	160,832
Transfers				
Transfer from Electric Utility Fund	1,828,568	1,811,657	1,902,250	(90,593)
Transfer from Solid Waste Collection Fund	50,000	50,000	50,000	-
Transfer from Wastewater System				
Maintenance and Operation Fund	116,000	80,000	80,000	-
Transfer from Water Utility Fund	53,801	54,791	49,800	4,991
Total Transfers	2,048,369	1,996,448	2,082,050	(85,602)
Total Receipts	10,436,523	11,112,622	\$ 10,757,853	\$ 354,769

CITY OF MCPHERSON, KANSAS

GENERAL OPERATING FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET

Regulatory Basis

For the Year Ended December 31, 2021

(With Comparative Actual Totals for the Prior Year Ended December 31, 2020)

	2021			Variance - Over (Under)
	2020 Actual	Actual	Budget	
Expenditures				
Administrative -				
Personal services	\$ 633,401	\$ 618,161	\$ 633,330	\$ (15,169)
Contractual services	183,730	207,189	231,320	(24,131)
Commodities	10,356	12,384	13,800	(1,416)
Capital outlay	16,417	-	-	-
Cereal malt beverage stamp	400	525	500	25
Housing programs	162,618	205,745	155,000	50,745
RHID reimbursement	152,124	181,633	175,000	6,633
Employment and random drug test	-	-	500	(500)
Refunds	58	-	500	(500)
Travel expense	19,742	7,950	23,000	(15,050)
Miscellaneous	2,927	5,267	2,500	2,767
Contingency for storms	-	-	3,200,000	(3,200,000)
Emergency response	4,111	-	-	-
Legal fees and services	-	1,193	-	1,193
Appropriations:				
McPherson Airport Authority	61,240	61,240	61,240	-
McPherson Main Street	25,500	25,500	25,500	
Not-For-Profit	6,000	3,400	10,000	(6,600)
McPherson Museum	42,250	42,250	42,250	-
McPherson Senior Center	5,000	5,000	5,000	-
Transfer to Municipal Building Fund	45,000	90,000	90,000	-
Transfer to Bond and Interest Fund	87,500	87,500	87,500	-
Transfer to Municipal Golf Course Fund	25,000	25,000	50,000	(25,000)
Transfer to Capital Improvement Fund	-	25,455	-	25,455
Transfer to Swimming Pool Maint. and Oper. Fund	180,000	180,000	180,000	-
Total Administrative	1,663,374	1,785,392	4,986,940	(3,201,548)
Police Department -				
Personal services	2,189,094	2,199,424	2,497,724	(298,300)
Contractual services	415,394	473,450	542,200	(68,750)
Commodities	110,945	107,475	131,750	(24,275)
Capital outlay	130,047	73,967	132,000	(58,033)
Miscellaneous	17,929	33,690	46,000	(12,310)
Travel expense	19,885	24,014	35,000	(10,986)
Uniform allowance	17,469	29,903	45,446	(15,543)
Emergency response	47,418	(148)	-	(148)
Transfer to Equipment Reserve Fund	-	163,091	163,091	-
Total Police Department	2,948,181	3,104,866	3,593,211	(488,345)

CITY OF MCPHERSON, KANSAS

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

For the Year Ended December 31, 2021

(With Comparative Actual Totals for the Prior Year Ended December 31, 2020)

	2021			Variance - Over (Under)
	2020 Actual	Actual	Budget	
Expenditures (cont.)				
Engineering -				
Personal services	\$ 256,979	\$ 262,618	\$ 268,538	\$ (5,920)
Contractual services	9,332	18,623	5,033	13,590
Commodities	15,024	17,371	25,250	(7,879)
Travel expense	212	2,075	4,000	(1,925)
Miscellaneous	108	120	150	(30)
Emergency response	100	-	-	-
Transfer to Equipment Reserve Fund	-	12,800	12,800	-
Total Engineering	281,755	313,607	315,771	(2,164)
Sanitation -				
Personal services	113,790	109,004	120,183	(11,179)
Contractual services	13,753	13,861	15,647	(1,786)
Commodities	4,882	4,355	5,950	(1,595)
Code enforcement supplies	396	-	500	(500)
Miscellaneous	-	-	50	(50)
Travel expense	383	630	3,000	(2,370)
Planning Commission	2,717	3,054	9,000	(5,946)
Transfer to Equipment Reserve Fund	-	3,920	3,920	-
Total Sanitation	135,921	134,824	158,250	(23,426)
Inspection -				
Personal services	58,101	59,177	60,882	(1,705)
Contractual services	2,411	2,754	2,855	(101)
Commodities	3,350	3,140	10,245	(7,105)
Travel expense	100	95	3,176	(3,081)
Miscellaneous	-	-	250	(250)
Transfer to Equipment Reserve Fund	-	4,000	4,000	-
Total Inspection	63,962	69,166	81,408	(12,242)

CITY OF MCPHERSON, KANSAS

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

For the Year Ended December 31, 2021

(With Comparative Actual Totals for the Prior Year Ended December 31, 2020)

	2021			Variance - Over (Under)
	2020 Actual	Actual	Budget	
Expenditures (cont.)				
Community Building -				
Personal services	\$ 844	\$ 2,602	\$ 48,000	\$ (45,398)
Contractual services	47,244	71,301	85,572	(14,271)
Commodities	4,895	6,909	10,500	(3,591)
Capital outlay	-	-	-	-
Travel expense	145	-	33,800	(33,800)
Emergency response	661	-	-	-
Miscellaneous	10,078	15,605	-	15,605
Total Community Building	63,867	96,417	177,872	(81,455)
Legal and Judicial -				
Personal services	74,846	80,793	79,145	1,648
Contractual services	221,091	219,109	236,485	(17,376)
Commodities	2,254	4,064	3,350	714
Capital outlay	1,195	-	-	-
Miscellaneous	57	6	25	(19)
Emergency response	27,364	910	-	910
Travel expense	397	919	1,000	(81)
Total Legal and Judicial	327,204	305,801	320,005	(14,204)
Park Department -				
Personal services	408,580	413,713	413,428	285
Contractual services	103,408	179,516	167,825	11,691
Commodities	66,741	65,762	81,000	(15,238)
Capital outlay	2,907	747	-	747
Miscellaneous	2,640	1,372	400	972
Travel expense	799	1,501	1,800	(299)
Tree care maintenance	509	734	1,500	(766)
Emergency response	3,244	-	-	-
Transfer to Capital Improvement Fund	-	-	56,000	(56,000)
Transfer to Equipment Reserve Fund	-	120,955	120,955	-
Total Park Department	588,828	784,300	842,908	(58,608)
Ambulance Service -				
Contractual services	879,413	893,735	885,592	8,143
Transfer to Capital Improvement Fund	-	56,000	-	56,000
Transfer to Equipment Reserve Fund	-	120,000	120,000	-
Total Ambulance Service	879,413	1,069,735	1,005,592	64,143

CITY OF MCPHERSON, KANSAS

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

For the Year Ended December 31, 2021

(With Comparative Actual Totals for the Prior Year Ended December 31, 2020)

	2021			Variance -
	2020 Actual	Actual	Budget	Over (Under)
Expenditures (cont.)				
Cemetery -				
Personal services	\$ 155,783	\$ 161,690	\$ 171,533	\$ (9,843)
Contractual services	25,714	24,358	33,887	(9,529)
Commodities	9,660	14,616	16,675	(2,059)
Capital outlay	1,758	6,000	1,300	4,700
Miscellaneous	6	87	-	87
Travel expense	2,109	245	575	(330)
Emergency response	55	-	-	-
Tree care maintenance	1,020	1,848	-	1,848
Transfer to Equipment Reserve Fund	-	47,169	47,169	-
Total Cemetery	196,105	256,013	271,139	(15,126)
Fire Department -				
Personal services	1,170,605	1,275,156	1,366,971	\$ (91,815)
Contractual services	282,797	382,471	302,750	79,721
Commodities	62,868	83,191	85,000	(1,809)
Capital outlay	94,583	82,670	85,000	(2,330)
Miscellaneous	20,290	25,131	46,250	(21,119)
Travel expense	15,212	22,872	22,000	872
Uniform allowance	14,945	16,290	17,000	(710)
Emergency response	235,665	7,434	-	7,434
Transfer to Equipment Reserve Fund	-	764,289	764,289	-
Total Fire Department	1,896,965	2,659,504	2,689,260	(29,756)
Animal Control -				
Personal services	97,478	101,478	113,182	\$ (11,704)
Contractual services	40,849	53,388	49,163	4,225
Commodities	17,496	11,012	14,750	(3,738)
Capital outlay	7,166	4,466	13,000	(8,534)
Miscellaneous	6,423	5,672	6,900	(1,228)
Travel expense	2,751	49	6,000	(5,951)
Emergency response	160	-	-	-
Transfer to Equipment Reserve Fund	-	22,464	22,464	-
Total Animal Control	172,323	198,529	225,459	(26,930)
Street -				
Transfer to Consolidated Street and Highway Fund	500,000	500,000	500,000	-
Total Expenditures	9,717,898	11,278,154	\$ 15,167,815	\$ (3,889,661)
Receipts Over (Under) Expenditures	718,625	(165,532)		
Unencumbered Cash, Beginning	4,800,922	5,519,547		
Unencumbered Cash, Ending	\$ 5,519,547	\$ 5,354,015		

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, 2021

(With Comparative Actual Totals for the Prior Year Ended December 31, 2020)

	2021			Variance - Over (Under)
	2020 Actual	Actual	Budget	
Receipts				
State of Kansas - gas tax	\$ 340,012	\$ 378,404	\$ 298,380	\$ 80,024
State of Kansas - connecting links	78,944	78,836	63,000	15,836
Reimbursed expenditures	280,278	267,541	348,000	(80,459)
Coronavirus Relief Funds	18,761	-	-	-
Local sales tax	1,723,976	1,879,525	1,600,000	279,525
Miscellaneous	13,994	2,155	-	2,155
Transfer from General Operating Fund	500,000	500,000	500,000	-
Transfer from Capital Improvement	-	387,492	-	387,492
 Total Receipts	 2,955,965	 3,493,953	 \$ 2,809,380	 \$ 684,573
Expenditures				
Personal services	402,573	339,879	\$ 457,604	\$ (117,725)
Contractual services	1,194,854	1,144,897	1,775,561	(630,664)
Commodities	237,225	201,483	356,875	(155,392)
Capital outlay	2,051	1,803	1,577,568	(1,575,765)
Travel expense	1,188	1,241	4,750	(3,509)
Miscellaneous	1,643	1,649	-	1,649
Emergency response	301	-	-	-
Sidewalk (ADA) improvements	4,169	7,550	15,000	(7,450)
Transfer to Capital Improvement Fund	288,614	599	-	599
Transfer to Bond and Interest Fund	667,349	413,613	413,613	-
Transfer to Equipment Reserve Fund	-	267,000	267,000	-
 Total Expenditures	 2,799,967	 2,379,714	 \$ 4,867,971	 \$ (2,488,257)
Receipts Over (Under) Expenditures	155,998	1,114,239		
Unencumbered Cash, Beginning	2,012,249	2,168,247		
Unencumbered Cash, Ending	<u>\$ 2,168,247</u>	<u>\$ 3,282,486</u>		

CITY OF MCPHERSON, KANSAS

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

For the Year Ended December 31, 2021

(With Comparative Actual Totals for the Prior Year Ended December 31, 2020)

	2021			Variance - Over (Under)
	2020 Actual	Actual	Budget	
Receipts				
Ad valorem property tax	\$ 859,514	\$ 457,011	\$ 476,850	\$ (19,839)
Delinquent tax	9,195	7,358	-	7,358
Motor vehicle tax	77,194	95,553	97,452	(1,899)
Recreational vehicle tax	1,331	1,895	1,665	230
MVL excise tax	406	306	769	(463)
16/20M vehicle tax	293	268	270	(2)
Commercial vehicle tax	3,809	5,312	4,820	492
Matching funds	7,242	6,839	-	6,839
Reimbursed expenditures	6,210	17,230	10,000	7,230
Coronavirus Relief Funds	15,188	-	-	-
In lieu of taxes - IRB clients	4,718	2,502	-	2,502
Payroll matching - Board of Public Utilities	2,984,899	3,088,841	-	3,088,841
 Total Receipts	 3,969,999	 3,683,115	 \$ 591,826	 \$ 3,091,289
Expenditures Subject to Budget				
Insurance administrator	351,653	334,059	\$ 435,455	\$ (101,396)
Social security-payment to Federal	162,136	161,350	188,505	(27,155)
KPERS-payment to State	198,146	191,474	243,210	(51,736)
Worker's compensation-premium	74,548	42,717	55,654	(12,937)
Unemployment compensation-payment to State	8,899	9,095	12,957	(3,862)
Miscellaneous	7,098	13,312	15,000	(1,688)
 Total Expenditures Subject to Budget	 802,480	 752,007	 \$ 950,781	 \$ (198,774)
Expenditures Not Subject to Budget:				
Reimbursements	2,984,899	3,087,597		
Total Expenditures	3,787,379	3,839,604		
Receipts Over (Under) Expenditures	182,620	(156,489)		
Unencumbered Cash, Beginning	317,295	499,915		
Unencumbered Cash, Ending	\$ 499,915	\$ 343,426		

CITY OF MCPHERSON, KANSAS

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

For the Year Ended December 31, 2021

(With Comparative Actual Totals for the Prior Year Ended December 31, 2020)

	2021			Variance - Over (Under)
	2020 Actual	Actual	Budget	
Receipts				
Ad valorem property tax	\$ 1,584,811	\$ 1,348,872	\$ 1,407,520	\$ (58,648)
Delinquent tax	16,439	14,363	-	14,363
Motor vehicle tax	179,301	183,164	179,715	3,449
Recreational vehicle tax	3,026	3,680	3,071	609
MVL excise tax	871	612	1,419	(807)
16/20M vehicle tax	532	647	653	(6)
Commercial vehicle tax	9,190	9,827	8,889	938
In lieu of taxes - IRB clients	8,700	7,383	-	7,383
Reimbursed expenditures	6,915	25,130	-	25,130
Coronavirus Relief Funds	9,655	-	-	-
Total Receipts	<u>1,819,440</u>	<u>1,593,678</u>	<u>\$ 1,601,267</u>	<u>\$ (7,589)</u>
Expenditures				
Insurance administrator	531,685	566,809	\$ 743,556	\$ (176,747)
Social security-payment to Federal	254,400	263,569	310,362	(46,793)
KPERS-payment to State	41,447	37,632	45,297	(7,665)
Worker's compensation-premium	114,570	79,813	80,654	(841)
Unemployment compensation-payment to State	3,569	3,631	4,868	(1,237)
Kansas Policemen's and Firemen's				
Retirement-payment to State	640,782	681,803	800,423	(118,620)
Miscellaneous	<u>14,548</u>	<u>15,131</u>	<u>17,000</u>	<u>(1,869)</u>
Total Expenditures Subject to Budget	<u>1,601,001</u>	<u>1,648,388</u>	<u>\$ 2,002,160</u>	<u>\$ (353,772)</u>
Receipts Over (Under) Expenditures	218,439	(54,710)		
Unencumbered Cash, Beginning	<u>253,683</u>	<u>472,122</u>		
Unencumbered Cash, Ending	<u>\$ 472,122</u>	<u>\$ 417,412</u>		

CITY OF MCPHERSON, KANSAS

SPECIAL PURPOSE FUND

FORFEITED PROPERTY FUND - POLICE DEPARTMENT

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL

Regulatory Basis

For the Year Ended December 31, 2021

(With Comparative Actual Totals for the Prior Year Ended December 31, 2020)

	2020 Actual	2021 Actual
Receipts		
Forfeited property funds	\$ 7,951	\$ 3,442
Expenditures		
Drug enforcement	1,368	9,358
Receipts Over (Under) Expenditures	6,583	(5,916)
Unencumbered Cash, Beginning	18,737	25,320
Unencumbered Cash, Ending	<u>\$ 25,320</u>	<u>\$ 19,404</u>

CITY OF MCPHERSON, KANSAS

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

For the Year Ended December 31, 2021

(With Comparative Actual Totals for the Prior Year Ended December 31, 2020)

	2021			Variance - Over (Under)
	2020 Actual	Actual	Budget	
Receipts				
Ad valorem property tax	\$ 48,822	\$ 47,919	\$ 50,000	\$ (2,081)
Delinquent tax	507	457	21	436
Motor vehicle tax	5,310	5,631	5,525	106
Recreational vehicle tax	88	113	94	19
MVL excise tax	24	19	57	(38)
16/20M truck tax	13	20	20	-
Commercial vehicle tax	279	303	252	51
Appropriation - McPherson County	50,000	50,000	50,000	-
In lieu of taxes - IRB clients	268	261	-	261
 Total Receipts	 105,311	 104,723	 \$ 105,969	 \$ (1,246)
Expenditures				
Contractual services	100,000	168,275	\$ 100,000	\$ 68,275
Travel expense	-	-	6,000	(6,000)
Industrial prospect development	-	-	20,000	(20,000)
Land purchases	-	-	416,679	(416,679)
 Total Expenditures	 100,000	 168,275	 \$ 542,679	 \$ (374,404)
Receipts Over (Under) Expenditures	5,311	(63,552)		
Unencumbered Cash, Beginning	430,961	436,272		
Unencumbered Cash, Ending	\$ 436,272	\$ 372,720		

CITY OF MCPHERSON, KANSAS

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

For the Year Ended December 31, 2021

(With Comparative Actual Totals for the Prior Year Ended December 31, 2020)

	2021			Variance - Over (Under)
	2020 Actual	Actual	Budget	
Receipts				
Ad valorem property tax	\$ 665,694	\$ 685,031	\$ 714,759	\$ (29,728)
Delinquent collections	7,699	6,411	10,000	(3,589)
Motor vehicle tax	76,799	76,697	75,488	1,209
Recreational vehicle tax	1,324	1,539	1,290	249
MVL excise tax	403	255	596	(341)
16/20M truck tax	288	266	269	(3)
Commercial vehicle tax	3,793	4,127	3,733	394
In lieu of taxes - IRB client	3,654	3,751	-	3,751
Total Receipts	759,654	778,077	\$ 806,135	\$ (28,058)
Expenditures				
Transfer to - Library Board - Operating Budget	759,654	778,077	\$ 806,135	\$ (28,058)
Receipts Over (Under) Expenditures	-	-	-	-
Unencumbered Cash, Beginning	-	-	-	-
Unencumbered Cash, Ending	\$ -	\$ -	\$ -	\$ -

CITY OF MCPHERSON, KANSAS

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

For the Year Ended December 31, 2021

(With Comparative Actual Totals for the Prior Year Ended December 31, 2020)

	2021			Variance - Over (Under)
	2020 Actual	Actual	Budget	
Receipts				
Ad valorem property tax	\$ 103,083	\$ 126,758	\$ 132,188	\$ (5,430)
Delinquent tax	1,378	1,101	2,000	(899)
Motor vehicle tax	14,307	12,255	11,691	564
Recreational vehicle tax	246	249	200	49
MVL excise tax	75	42	92	(50)
16/20M vehicle tax	54	50	50	-
Commercial vehicle tax	706	641	579	62
In lieu of taxes - IRB clients	566	693	-	693
Total Receipts	120,415	141,789	\$ 146,800	\$ (5,011)
Expenditures				
Transfer to - Library Board - Employee Benefits	120,415	141,789	\$ 146,800	\$ (5,011)
Receipts Over (Under) Expenditures	-	-		
Unencumbered Cash, Beginning	-	-		
Unencumbered Cash, Ending	\$ -	\$ -		

CITY OF MCPHERSON, KANSAS

SPECIAL PURPOSE FUND

MCPHERSON LANDFILL IMPROVEMENT CORPORATION

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL

Regulatory Basis

For the Year Ended December 31, 2021

(With Comparative Actual Totals for the Prior Year Ended December 31, 2020)

	2020 Actual	2021 Actual
Receipts		
Interest received	\$ 1	\$ 1
Expenditures		
Filing fees	<u>40</u>	<u>40</u>
Receipts Over (Under) Expenditures	(39)	(39)
Unencumbered Cash, Beginning	<u>2,176</u>	<u>2,137</u>
Unencumbered Cash, Ending	<u>\$ 2,137</u>	<u>\$ 2,098</u>

CITY OF MCPHERSON, KANSAS**SPECIAL PURPOSE FUND****MCPHERSON LAND BANK FUND****SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET****Regulatory Basis****For the Year Ended December 31, 2021****(With Comparative Actual Totals for the Prior Year Ended December 31, 2020)**

	2021				Variance - Over (Under)
	2020	Actual	Actual	Budget	
Receipts					
Sale of land	\$ 57,400	\$ -	\$ -	\$ -	\$ -
Expenditures					
Contractual services	-	-	\$ 24,500	\$ 24,500	\$ (24,500)
Capital outlay	-	-	397,767	397,767	(397,767)
Miscellaneous	38	-	-	-	-
Total Expenditures	38	-	\$ 422,267	\$ 422,267	\$ (422,267)
Receipts Over (Under) Expenditures	57,362	-			
Unencumbered Cash, Beginning	422,267	479,629			
Unencumbered Cash, Ending	\$ 479,629	\$ 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, 2021

(With Comparative Actual Totals for the Prior Year Ended December 31, 2020)

	2021			Variance - Over (Under)
	2020	Actual	Budget	
Receipts				
Interest received	\$ 307	\$ 20	\$ 250	\$ (230)
Reimbursed expenditures	20,612	18,358	24,000	(5,642)
Coronavirus Relief Funds	43,856	-	-	-
Transfer from General Operating Fund	45,000	90,000	90,000	-
Total Receipts	109,775	108,378	\$ 114,250	\$ (5,872)
Expenditures				
Contractual services	51,820	63,929	\$ 65,743	\$ (1,814)
Commodities	24,345	26,108	28,100	(1,992)
Capital outlay	-	7,979	275,583	(267,604)
Emergency response	43,793	-	-	-
Total Expenditures	119,958	98,016	\$ 369,426	\$ (271,410)
Receipts Over (Under) Expenditures	(10,183)	10,362		
Unencumbered Cash, Beginning	276,976	266,793		
Unencumbered Cash, Ending	\$ 266,793	\$ 277,155		

CITY OF MCPHERSON, KANSAS

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

For the Year Ended December 31, 2021

(With Comparative Actual Totals for the Prior Year Ended December 31, 2020)

	<u>2020 Actual</u>	<u>2021 Actual</u>
Receipts		
Fines	\$ 114,191	\$ 131,486
Court cost	40,728	46,907
DUI Community Corrections	1,990	3,134
Supreme Court fee	911	1,045
Police training fee	9,064	10,367
Police training assessment	18,287	20,337
Seat belt safety	6,075	9,860
Bonds	1,615	1,022
KBI Fee	-	477
Parking violations	510	225
Fingerprint fees	6,270	6,341
Diversion fees	6,400	6,400
Reinstatement fees	4,132	7,376
Attorney fees	15,041	14,199
Miscellaneous	<u>878</u>	<u>1,375</u>
Total Receipts	<u>226,092</u>	<u>260,551</u>
Expenditures		
Payments to General Operating Fund	194,931	197,680
Payments to State of Kansas	39,929	47,837
Payments to McPherson County Sheriff	6,495	5,965
Bonds	7,160	7,665
Restitution	<u>(1,683)</u>	<u>(5,729)</u>
Total Expenditures	<u>246,832</u>	<u>253,418</u>
Receipts Over (Under) Expenditures	(20,740)	7,133
Unencumbered Cash, Beginning	<u>45,607</u>	<u>24,867</u>
Unencumbered Cash, Ending	<u>\$ 24,867</u>	<u>\$ 32,000</u>

CITY OF MCPHERSON, KANSAS

SPECIAL PURPOSE FUND

MUNICIPAL COURT ADSAP FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL

Regulatory Basis

For the Year Ended December 31, 2021

(With Comparative Actual Totals for the Prior Year Ended December 31, 2020)

	2020 Actual	2021 Actual
Receipts		
Miscellaneous	\$ -	\$ 150
Expenditures	- -	- -
Receipts Over (Under) Expenditures	- -	150
Unencumbered Cash, Beginning	<u>24,322</u>	<u>24,322</u>
Unencumbered Cash, Ending	<u>\$ 24,322</u>	<u>\$ 24,472</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, 2021

(With Comparative Actual Totals for the Prior Year Ended December 31, 2020)

	2020		2021		Variance - Over (Under)
	Actual	Actual	Budget		
Receipts					
Membership fees	\$ 128,254	\$ 155,700	\$ 154,540	\$ 1,160	
Ten play cards and golf team fees	13,820	15,360	14,320	1,040	
Cart storage rental fees	48,199	54,165	54,165	-	
Cart rental	81,550	91,303	87,727	3,576	
Trail fees	3,837	4,426	4,410	16	
Driving range revenue	18,135	20,444	19,321	1,123	
Weekend green fees	75,528	92,217	101,841	(9,624)	
Weekday green fees	83,819	91,589	100,855	(9,266)	
Concessions	21,079	27,449	26,253	1,196	
Beer sales	41,189	55,971	53,169	2,802	
Gift cards	3,394	5,041	3,650	1,391	
Pro shop sales	80,559	97,717	94,614	3,103	
Reimbursed expenditures	44	933	318	615	
Coronavirus Relief Funds	4,079	-	-	-	
Golf lessons	6,065	11,682	11,561	121	
Miscellaneous	1,512	516	518	(2)	
Transfer from General Operating Fund	25,000	25,000	-	25,000	
Total Receipts	636,063	749,513	\$ 727,262	\$ 22,251	
Expenditures					
Personal services	241,856	253,844	\$ 282,701	\$ (28,857)	
Contractual services	86,121	99,947	122,453	(22,506)	
Commodities	144,148	187,192	267,361	(80,169)	
Capital outlay	35,478	35,478	35,000	478	
Sales tax	20,305	24,418	15,500	8,918	
Travel expense	1,200	680	1,000	(320)	
Credit card fees	9,259	10,514	7,300	3,214	
Gift certificates redeemed	3,278	3,661	4,000	(339)	
Miscellaneous	367	996	100	896	
Refunds	1,281	1,836	-	1,836	
Improvements	-	-	15,161	(15,161)	
Transfer to Equipment Reserve Fund	-	79,923	79,923	-	
Total Expenditures	543,293	698,489	\$ 830,499	\$ (132,010)	
Receipts Over (Under) Expenditures	92,770	51,024			
Unencumbered Cash, Beginning	10,467	103,237			
Unencumbered Cash, Ending	\$ 103,237	\$ 154,261			

CITY OF MCPHERSON, KANSAS

SPECIAL PURPOSE FUND

OPERATION WARMTH FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL

Regulatory Basis

For the Year Ended December 31, 2021

(With Comparative Actual Totals for the Prior Year Ended December 31, 2020)

	2020 Actual	2021 Actual
Receipts		
Donations	\$ 2,975	\$ 6,764
Expenditures		
Contractual services	3,190	6,307
Receipts Over (Under) Expenditures	(215)	457
Unencumbered Cash, Beginning	1,690	1,475
Unencumbered Cash, Ending	<u>\$ 1,475</u>	<u>\$ 1,932</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, 2021

(With Comparative Actual Totals for the Prior Year Ended December 31, 2020)

	2021			Variance Over (Under)
	2020	Actual	Budget	
Receipts				
Local alcoholic liquor tax	\$ 30,462	\$ 34,223	\$ 46,993	\$ (12,770)
Expenditures				
Personal services	1,538	3,126	\$ 7,725	\$ (4,599)
Contractual services	27,587	32,670	30,000	2,670
Commodities	1,111	4,361	-	4,361
Capital outlay	-	-	151,606	(151,606)
Travel expense	164	41	1,000	(959)
Drug enforcement	-	-	6,000	(6,000)
Total Expenditures	30,400	40,198	\$ 196,331	\$ (156,133)
Receipts Over (Under) Expenditures	62	(5,975)		
Unencumbered Cash, Beginning	151,277	151,339		
Unencumbered Cash, Ending	\$ 151,339	\$ 145,364		

CITY OF MCPHERSON, KANSAS**SPECIAL PURPOSE FUND****SPECIAL PARK AND RECREATION FUND****SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET****Regulatory Basis****For the Year Ended December 31, 2021****(With Comparative Actual Totals for the Prior Year Ended December 31, 2020)**

	2021				Variance - Over (Under)
	2020 Actual	Actual	Budget		
Receipts					
Local alcoholic liquor tax	\$ 30,462	\$ 34,223	\$ 46,993	\$ (12,770)	
Expenditures					
Contractual services	2,778	4,058	\$ 5,000	\$ (942)	
Capital outlay	-	13,426	\$ 75,384	\$ (61,958)	
Total Expenditures	2,778	17,484	\$ 80,384	\$ (62,900)	
Receipts Over (Under) Expenditures	27,684	16,739			
Unencumbered Cash, Beginning	62,797	90,481			
Unencumbered Cash, Ending	\$ 90,481	\$ 107,220			

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, 2021

(With Comparative Actual Totals for the Prior Year Ended December 31, 2020)

	2021			Variance - Over (Under)
	2020 Actual	Actual	Budget	
Receipts				
Swimming pool	\$ 57,814	\$ 125,670	\$ 128,000	\$ (2,330)
Concessions	14,446	36,952	30,000	6,952
Reimbursed expenditures	57	800	-	800
Coronavirus Relief Funds	3,472	-	-	-
Miscellaneous	700	700	-	700
Transfer from General Operating Fund	180,000	180,000	180,000	-
Total Receipts	256,489	344,122	\$ 338,000	\$ 6,122
Expenditures				
Contractual services	175,231	317,764	\$ 230,690	\$ 87,074
Commodities	44,234	63,620	68,500	(4,880)
Capital outlay	30,684	3,960	-	3,960
Credit card fees	739	1,872	1,500	372
Miscellaneous	785	700	700	-
Emergency response	444	-	200	(200)
Refunds	160	245	100	145
Sales tax	1,196	3,075	2,600	475
Travel expense	1,148	347	2,200	(1,853)
Pool maintenance	-	-	395,931	(395,931)
Total Expenditures	254,621	391,583	\$ 702,421	\$ (310,838)
Receipts Over (Under) Expenditures	1,868	(47,461)		
Unencumbered Cash, Beginning	334,721	336,589		
Unencumbered Cash, Ending	\$ 336,589	\$ 289,128		

CITY OF MCPHERSON, KANSAS

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

For the Year Ended December 31, 2021

(With Comparative Actual Totals for the Prior Year Ended December 31, 2020)

	2021			Variance - Over (Under)
	2020	Actual	Budget	
Receipts				
Local sales tax	\$ 1,723,976	\$ 1,879,525	\$ 1,650,000	\$ 229,525
CID - Plaza East Place	935,844	-	-	-
Interest income	879	44	500	(456)
Total Receipts	<u>2,660,699</u>	<u>1,879,569</u>	<u>\$ 1,650,500</u>	<u>\$ 229,069</u>
Expenditures				
Transfer to:				
Capital Improv Fund-Northview Sidewalk	-	268,908	\$ -	\$ 268,908
Capital Improv Fund-Wall Park tennis court	-	-	1,435,067	(1,435,067)
Bond and Interest Fund	<u>1,478,982</u>	<u>2,276,923</u>	<u>1,447,205</u>	<u>829,718</u>
Total Expenditures	<u>1,478,982</u>	<u>2,545,831</u>	<u>\$ 2,882,272</u>	<u>\$ (336,441)</u>
Receipts Over (Under) Expenditures	1,181,717	(666,262)		
Unencumbered Cash, Beginning	<u>1,159,553</u>	<u>2,341,270</u>		
Unencumbered Cash, Ending	<u>\$ 2,341,270</u>	<u>\$ 1,675,008</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, 2021

(With Comparative Actual Totals for the Prior Year Ended December 31, 2020)

	2021			Variance - Over (Under)
	2020	Actual	Budget	
Receipts				
CID sales tax	\$ 80,990	\$ 140,885	\$ 219,000	\$ (78,115)
Miscellaneous	20,192	-	-	-
Total Receipts	<u>101,182</u>	<u>140,885</u>	<u>\$ 219,000</u>	<u>\$ (78,115)</u>
Expenditures				
Transfer to Capital Improvement	-	1,974	\$ -	\$ 1,974
Developer reimbursement	95,750	115,481	225,400	(109,919)
Total Expenditures	<u>95,750</u>	<u>117,455</u>	<u>\$ 225,400</u>	<u>\$ (107,945)</u>
Receipts Over (Under) Expenditures	5,432	23,430		
Unencumbered Cash, Beginning	-	<u>5,432</u>		
Unencumbered Cash, Ending	<u>\$ 5,432</u>	<u>\$ 28,862</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, 2021

(With Comparative Actual Totals for the Prior Year Ended December 31, 2020)

	2021			Variance - Over (Under)
	2020 Actual	Actual	Budget	
Receipts				
State of Kansas - guest tax	\$ 349,867	\$ 321,931	\$ 430,000	\$ (108,069)
Reimbursed expenditures	7,302	4,712	10,000	(5,288)
Coronavirus Relief Funds	9,119	-	-	-
Trolley revenue	3,150	2,805	5,000	(2,195)
Grants	2,500	-	-	-
Gifts	-	-	100	(100)
Miscellaneous	320	18,334	200	18,134
Total Receipts	372,258	347,782	\$ 445,300	\$ (97,518)
Expenditures				
Personal services	190,325	151,280	\$ 212,537	\$ (61,257)
Contractual services	98,039	89,563	112,641	(23,078)
Commodities	20,431	15,173	34,600	(19,427)
Refunds	90	185	100	85
Appropriation - guest tax	49,981	45,990	61,428	(15,438)
Travel expense	3,645	4,734	8,000	(3,266)
Capital outlay - trolley replacement	-	-	311,063	(311,063)
Marketing grant	20,725	19,900	25,000	(5,100)
Emergency response	212	-	-	-
Miscellaneous	211	14,015	250	13,765
Total Expenditures	383,659	340,840	\$ 765,619	\$ (424,779)
Receipts Over (Under) Expenditures	(11,401)	6,942		
Unencumbered Cash, Beginning	368,255	356,854		
Unencumbered Cash, Ending	\$ 356,854	\$ 363,796		

CITY OF MCPHERSON, KANSAS

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

For the Year Ended December 31, 2021

(With Comparative Actual Totals for the Prior Year Ended December 31, 2020)

	<u>2020 Actual</u>	<u>2021 Actual</u>
Receipts		
Interest received	\$ 14,009	\$ 11,037
Prescription drug rebates	66,246	95,425
Reimbursement from various funds	2,409,074	2,414,290
Reimbursement	8,325	1,269
	<hr/>	<hr/>
Total Receipts	<u>2,497,654</u>	<u>2,522,021</u>
Expenditures		
Cost of insurance	279,662	283,386
Claims paid	1,852,162	1,863,482
Administrative fees	145,899	145,996
Employee assistance	2,777	2,777
Cobra Subsidy	-	801
Reimbursements	3,084	1,252
	<hr/>	<hr/>
Total Expenditures	<u>2,283,584</u>	<u>2,297,694</u>
Receipts Over (Under) Expenditures	214,070	224,327
Unencumbered Cash, Beginning	<u>1,891,740</u>	<u>2,105,810</u>
Unencumbered Cash, Ending	<u>\$ 2,105,810</u>	<u>\$ 2,330,137</u>

CITY OF MCPHERSON, KANSAS

SPECIAL PURPOSE FUNDWORKER'S COMPENSATION SELF-INSURANCE FUNDSCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL
Regulatory BasisFor the Year Ended December 31, 2021
(With Comparative Actual Totals for the Prior Year Ended December 31, 2020)

	2020 Actual	2021 Actual
Receipts		
Interest received	\$ 4,725	\$ 1,632
Reimbursement from various funds	<u>271,071</u>	<u>187,772</u>
Total Receipts	<u>275,796</u>	<u>189,404</u>
Expenditures		
Cost of insurance	184,222	100,553
Miscellaneous	<u>424</u>	<u>436</u>
Total Expenditures	<u>184,646</u>	<u>100,989</u>
Receipts Over (Under) Expenditures	91,150	88,415
Unencumbered Cash, Beginning	<u>510,735</u>	<u>601,885</u>
Unencumbered Cash, Ending	<u>\$ 601,885</u>	<u>\$ 690,300</u>

CITY OF MCPHERSON, KANSAS

SPECIAL PURPOSE FUNDINSURANCE RECOVERY FUNDSCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGETRegulatory Basis

For the Year Ended December 31, 2021

(With Comparative Actual Totals for the Prior Year Ended December 31, 2020)

	2021			Variance - Over (Under)
	2020 Actual	Actual	Budget	
Receipts				
Reimbursed expenditures	\$ -	\$ 1,252,501	\$ 1,855,008	\$ (602,507)
Expenditures				
Contractual services	-	79,965	\$ 1,855,008	\$ (1,775,043)
Transfer to Equipment Reserve Fund	-	8,154	-	8,154
Payment to McPherson airport Authority	-	156,785	-	156,785
Payment to McPherson Recreation Commissio	-	290,818	-	290,818
Total Expenditures	-	535,722	\$ 1,855,008	\$ (1,319,286)
Receipts Over (Under) Expenditures	-	716,779		
Unencumbered Cash, Beginning	-	-		
Unencumbered Cash, Ending	\$ -	\$ 716,779		

CITY OF MCPHERSON, KANSAS

SPECIAL PURPOSE FUND

FEDERAL GRANT FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL

Regulatory Basis

For the Year Ended December 31, 2021

(With Comparative Actual Totals for the Prior Year Ended December 31, 2020)

	2020	2021
Receipts		
Federal appropriations	\$ -	\$ 996,614
Expenditures	- -	- -
Receipts Over (Under) Expenditures	- -	996,614
Unencumbered Cash, Beginning	- -	- -
Unencumbered Cash, Ending	<u>\$ -</u>	<u>\$ 996,614</u>

CITY OF MCPHERSON, KANSAS

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

For the Year Ended December 31, 2021

(With Comparative Actual Totals for the Prior Year Ended December 31, 2020)

	2021			Variance - Over (Under)
	2020 Actual	Actual	Budget	
Receipts				
Ad valorem property tax	\$ 455,153	\$ 258,809	\$ 258,810	\$ (1)
Delinquent tax	4,967	3,557	3,557	-
Motor vehicle tax	33,600	47,986	47,986	-
Recreational vehicle tax	662	933	933	-
MVL excise tax	269	145	145	-
16/20M vehicle tax	306	84	84	-
Commercial vehicle tax	1,222	2,801	2,801	-
Special assessments	434,002	425,981	425,981	-
Bond proceeds	4,816,743	-	-	-
Recreation commission reimbursement	58,350	57,300	57,300	-
Transfer from Capital Improvement Fund	186,872	28,462	87,500	(59,038)
Transfer from Consolidated Street and Highway Fund	667,349	413,613	413,613	-
Transfer from Sales Tax Revenue Fund	1,478,982	2,276,923	2,276,922	1
Transfer from General Operating Fund (CHS Refinery)	87,500	87,500	28,462	59,038
Transfer from Storm Water Utility Fund	626,704	786,012	786,012	-
Transfer from Wastewater System Surplus	-	673,296	673,296	-
In lieu of taxes - IRB clients	2,498	1,417	1,417	-
 Total Receipts	 8,855,179	 5,064,819	 \$ 5,064,819	 \$ -
Expenditures				
Bond principal	7,822,336	4,130,000	\$ 4,130,000	\$ -
Interest coupons	688,356	699,961	699,961	-
Commission and postage	39,069	4	4	-
Escrow payout	-	255,856	255,856	-
Special assessments delinquencies	-	-	596,323	(596,323)
 Total Expenditures	 8,549,761	 5,085,821	 \$ 5,682,144	 \$ (596,323)
Receipts Over (Under) Expenditures	305,418	(21,002)		
Unencumbered Cash, Beginning	311,907	617,325		
Unencumbered Cash, Ending	\$ 617,325	\$ 596,323		

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, 2021

(With Comparative Actual Totals for the Prior Year Ended December 31, 2020)

	2021			Variance - Over (Under)
	2020 Actual	Actual	Budget	
Receipts				
Ad valorem property tax	\$ 48,821	\$ 48,042	\$ 48,042	\$ -
Delinquent tax	572	470	500	(30)
Motor vehicle tax	5,695	5,633	5,633	-
Recreational vehicle tax	98	113	113	-
MVL excise tax	30	19	19	-
16/20M truck tax	22	20	20	-
In lieu of taxes - IRB clients	268	263	-	263
Commercial vehicle tax	281	303	303	-
Bond proceeds	7,765	-	-	-
Note proceeds	10,259	-	-	-
Interest received	16,718	38	-	38
Developer's share	1,295,963	47,588	35,000	12,588
Miscellaneous	13,431	16,587	17,000	(413)
Federal/State appropriation	498,770	193,760	194,500	(740)
Community Development Block Grant	-	-	-	-
Special assessments prepaid	11,688	-	-	-
Interfund transfers	-	533,380	-	533,380
Transfer from Sales Tax Revenue Fund	-	268,908	-	268,908
Transfer from CID Sales Tax Revenue Fund	-	1,974	-	1,974
Transfer from General Fund	-	81,455	106	81,349
Transfer from Storm Water Utility Fund	176,149	-	-	-
Transfer from Wastewater System Maint. and Op. Fund	63,606	-	-	-
Transfer from Consolidated Street and Highway Fund	288,614	599	-	599
Total Receipts	2,438,750	1,199,152	\$ 301,236	\$ 897,916
Expenditures				
Capital Projects -				
1928 Fire truck restoration	18,556	47,102	\$ 35,000	\$ 12,102
Barnstormers West Field SSD #201	100,177	-	-	-
Barnstormers West Field paving and storm sewer impr.	8,094	-	-	-
Community building renovation	55,905	88,000	44,000	44,000
Public lands CIP-West/East Lakeside Mill & Overlay	73,113	82,303	330,241	(247,938)
Eagles Wings unit 2, phase 1, paving and storm sewer	5,138	-	-	-
Eagles Wings unit 2, phase 1, SSD #166B	1,570	-	-	-
Eagles Wings unit 2, phase 2, paving and storm sewer	11,756	-	-	-
Eagles Wings unit 2, phase 2, SSD #166C	1,324	-	-	-
North Frontage Road Extension	-	517	-	517
Grimes/Anna Street paving	992,447	-	-	-
Grimes/Anna Street drainage	336,924	-	-	-
Hartup/Elizabeth Street paving	1,465,667	-	-	-
Hartup/Elizabeth Street drainage	31,012	-	-	-
Ave. A TA - sidewalk (phase I)	-	35,861	270,000	(234,139)

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, 2021

(With Comparative Actual Totals for the Prior Year Ended December 31, 2020)

	2021			Variance - Over (Under)
	2020 Actual	Actual	Budget	
Expenditures (Cont.)				
Capital Projects (Cont.) -				
CDBG grant of 2018	\$ 85,556	\$ -	\$ -	\$ -
CDBG grant of 2019	737,695	7,500	207,500	(200,000)
CDBG grant of 2020-CV044	132,000	-	-	-
CDBG grant of 2020	68,514	179,938	-	179,938
CID Plaza East Place	987,493	-	-	-
CID Champlain Street improvements	47,695	-	-	-
Premier subdivision SSD #202	42,424	-	-	-
Premier paving and storm sewer improvements	(38,250)	-	-	-
Hulse Street paving	984	-	-	-
Northview multi use trail	69,106	243,474	-	243,474
Public Lands Capital Improvement Projects	-	50,000	50,000	-
Police Dept. CIP Projects	-	-	35,000	(35,000)
Erosion control projects	100,000	-	175,300	(175,300)
2020 capital improvement and street projects	-	162,900	2,501,461	(2,338,561)
Interfund transfers	-	533,380	-	533,380
Transfer to Stormwater Utility Fund	-	192,148	-	192,148
Transfer to Consolidated Street and Highway	-	387,492	-	387,492
Transfer to Wastewater O&M Fund	-	483,410	-	-
Transfer to Bond and Interest Fund	186,872	28,462	-	28,462
Total Expenditures	<u>5,521,772</u>	<u>2,522,487</u>	<u>\$ 3,648,502</u>	<u>\$ (1,609,425)</u>
Receipts Over (Under) Expenditures	(3,083,022)	(1,323,335)		
Unencumbered Cash, Beginning	<u>6,430,288</u>	<u>3,347,266</u>		
Unencumbered Cash, Ending	<u>\$ 3,347,266</u>	<u>\$ 2,023,931</u>		

CITY OF MCPHERSON, KANSAS

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

For the Year Ended December 31, 2021

(With Comparative Actual Totals for the Prior Year Ended December 31, 2020)

	2020 Actual	2021 Actual
Receipts		
Interest received	\$ 1,678	\$ 27
Insurance recoveries	11,276	-
Reimbursed expenditures	28,248	71,258
Coronavirus Relief Funds	32,460	-
Transfer from General Operating Fund	-	1,258,688
Transfer from Insurance Recovery Fund	-	8,154
Transfer from Consolidated Street and Highway Fund	-	267,000
Transfer from Municipal Golf Course Fund	-	79,923
 Total Receipts	 73,662	 1,685,050
Expenditures		
Capital outlay	353,575	560,054
Emergency response	32,460	-
Aerial platform truck lease	108,462	-
 Total Expenditures	 494,497	 560,054
Receipts Over (Under) Expenditures	(420,835)	1,124,996
Unencumbered Cash, Beginning	1,345,795	924,960
 Unencumbered Cash, Ending	 \$ 924,960	 \$ 2,049,956

CITY OF MCPHERSON, KANSAS

BUSINESS FUNDELECTRIC UTILITY FUNDSCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL
Regulatory Basis

For the Year Ended December 31, 2021

(With Comparative Actual Totals for the Prior Year Ended December 31, 2020)

	<u>2020</u> <u>Actual</u>	<u>2021</u> <u>Actual</u>
Receipts		
User fees	\$ 56,026,761	\$ 60,880,652
Sales to interconnection	4,741,058	12,680,410
Interest received	873,776	222,185
Street lighting	315,574	485,471
Merchandising, jobbing and contract work	274,565	2,186,572
Refuse collection and sewer service fees	86,059	86,417
Penalties and late charge interest	46,386	75,507
Sales tax	926,385	1,099,153
Meter deposits	422,364	561,562
Proceeds from sale of equipment	73,401	19,000
Farm income	9,341	12,694
 Total Receipts	 63,795,670	 78,309,623
Expenditures		
Purchased power	42,587,516	49,317,273
Fuel	1,759,357	8,793,114
Distribution and transmission	3,922,390	4,600,656
Production	2,698,025	2,429,213
Capital Outlay	11,992,198	9,481,015
Administrative and general	2,401,913	2,345,261
Merchandising	113,179	174,812
Farm expenses	31,710	15,614
Meter deposits	369,103	528,784
Sales tax	923,410	1,101,164
Transfer to - General Operation Fund -		
In lieu of taxes	1,828,568	1,811,657
 Total Expenditures	 68,627,369	 80,598,563
Receipts Over (Under) Expenditures	(4,831,699)	(2,288,940)
Unencumbered Cash, Beginning	45,348,428	40,516,729
 Unencumbered Cash, Ending	 \$ 40,516,729	 \$ 38,227,789

CITY OF MCPHERSON, KANSAS

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

For the Year Ended December 31, 2021

(With Comparative Actual Totals for the Prior Year Ended December 31, 2020)

	2021			Variance - Over (Under)
	2020 Actual	Actual	Budget	
Receipts				
Sewer recovery fee	\$ 12,175	\$ 27,268	\$ 30,000	\$ (2,732)
Expenditures	-	-	\$ 562,431	\$ (562,431)
Receipts Over (Under) Expenditures	12,175	27,268		
Unencumbered Cash, Beginning	515,431	527,606		
Unencumbered Cash, Ending	\$ 527,606	\$ 554,874		

CITY OF MCPHERSON, KANSAS

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

For the Year Ended December 31, 2021

(With Comparative Actual Totals for the Prior Year Ended December 31, 2020)

	2021			Variance - Over (Under)
	2020 Actual	Actual	Budget	
Receipts				
User fees	\$ 1,057,682	\$ 1,104,029	\$ 1,122,030	\$ (18,001)
Landfill closure fees	91,301	64,893	80,000	(15,107)
Total Receipts	1,148,983	1,168,922	1,202,030	(33,108)
Expenditures				
Contractual services	962,524	988,398	\$ 909,000	\$ 79,398
Landfill mitigation	374	632	2,255,241	(2,254,609)
Refunds	(63)	(38)	1,600	(1,638)
Miscellaneous	3	3	-	3
Transfer to General Operation Fund	50,000	50,000	50,000	-
Total Expenditures	1,012,838	1,038,995	3,215,841	\$ (2,176,846)
Receipts Over (Under) Expenditures	136,145	129,927		
Unencumbered Cash, Beginning	1,894,318	2,030,463		
Unencumbered Cash, Ending	\$ 2,030,463	\$ 2,160,390		

CITY OF MCPHERSON, KANSAS

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

For the Year Ended December 31, 2021

(With Comparative Actual Totals for the Prior Year Ended December 31, 2020)

	2021				Variance - Over (Under)	
	2020		2021			
	Actual	Actual	Budget			
Receipts						
Storm water utility fees	\$ 856,229	\$ 948,538	\$ 849,600	\$ 98,938		
Interest received	5,710	7	500	(493)		
Reimbursed expenditures	5,870	-	-	-		
Transfer from Capital Improvement	-	192,148	-	192,148		
Transfer from Wastewater System Maintenance and Operation Fund	368,938	-	-	-		
Total Receipts	1,236,747	1,140,693	\$ 850,100	\$ 290,593		
Expenditures						
Personal services	1,084	-	\$ -	\$ -		
Contractual services	2,202,782	443,167	380,254	62,913		
Commodities	100	106	-	106		
Capital outlay	5,250	-	1,179,241	(1,179,241)		
Travel expense	455	-	-	-		
Miscellaneous	10,972	435	-	435		
Emergency response	12	-	-	-		
Transfer to Wastewater O&M	-	31,944	-	31,944		
Transfer to Bond and Interest Fund	626,704	786,012	620,749	165,263		
Transfer to Capital Improvement Fund	176,149	-	-	-		
Total Expenditures	3,023,508	1,261,664	\$ 2,180,244	\$ (918,580)		
Receipts Over (Under) Expenditures	(1,786,761)	(120,971)				
Unencumbered Cash, Beginning	3,176,688	1,389,927				
Unencumbered Cash, Ending	\$ 1,389,927	\$ 1,268,956				

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, 2021

(With Comparative Actual Totals for the Prior Year Ended December 31, 2020)

	2021			Variance - Over (Under)
	2020 Actual	Actual	Budget	
Receipts				
User fees	\$ 1,967,239	\$ 2,172,911	\$ 1,900,000	\$ 272,911
Sale of grain, equipment and supplies	50,808	52,117	50,000	2,117
Grease operating permit fees	7,190	8,135	8,280	(145)
Rent	-	-	800	(800)
ROW permit fees	3,650	3,285	4,000	(715)
Reimbursed expenditures	17,030	13,698	30,000	(16,302)
Coronavirus Relief Funds	8,449	-	-	-
Miscellaneous	246	650	1,000	(350)
Transfer from Storm Water Utility	-	31,944	-	31,944
Transfer from Capital Improvement	-	483,410	-	483,410
Total Receipts	2,054,612	2,766,150	\$ 1,994,080	\$ 772,070
Expenditures				
Personal services	347,973	349,704	\$ 356,268	\$ (6,564)
Contractual services	759,313	907,279	912,641	(5,362)
Commodities	123,842	125,853	128,100	(2,247)
Capital outlay	-	1,581	3,530,808	(3,529,227)
Travel expense	132	950	5,000	(4,050)
Miscellaneous	2,553	2,850	500	2,350
Emergency response	9	-	500	(500)
Appropriations:				
KDHE, RLF Main Street	249,033	249,033	249,033	-
KDHE, UV Project	75,377	-	-	-
Transfer to Capital Improvement Fund	63,606	-	-	-
Transfer to General Operating Fund	116,000	80,000	80,000	-
Transfer to Storm Water Utility Fund	368,938	-	-	-
Total Expenditures	2,106,776	1,717,250	\$ 5,262,850	\$ (3,545,600)
Receipts Over (Under) Expenditures	(52,164)	1,048,900		
Unencumbered Cash, Beginning	3,446,086	3,393,922		
Unencumbered Cash, Ending	\$ 3,393,922	\$ 4,442,822		

CITY OF MCPHERSON, KANSAS

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

For the Year Ended December 31, 2021

(With Comparative Actual Totals for the Prior Year Ended December 31, 2020)

	2021			Variance - Over (Under)
	2020 Actual	Actual	Budget	
Receipts				
Interest received	\$ 4,762	\$ 225	\$ 500	\$ (275)
User fee	672,000	672,000	672,000	-
Bond proceeds	5,555,009	-	-	-
Total Receipts	6,231,771	672,225	672,500	\$ (275)
Expenditures				
Appropriation:				
KDHE, WWT plant improvement	6,283,863	-	\$ 728,583	\$ (728,583)
Contingency for future loan payments	-	-	666,375	(666,375)
Transfer to Bond & Interest	-	673,296	-	673,296
Total Expenditures	6,283,863	673,296	1,394,958	\$ (721,662)
Receipts Over (Under) Expenditures	(52,092)	(1,071)		
Unencumbered Cash, Beginning	774,041	721,949		
Unencumbered Cash, Ending	\$ 721,949	\$ 720,878		

CITY OF MCPHERSON, KANSAS

BUSINESS FUNDWATER UTILITY FUNDSCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUALRegulatory Basis

For the Year Ended December 31, 2021

(With Comparative Actual Totals for the Prior Year Ended December 31, 2020)

	<u>2020 Actual</u>	<u>2021 Actual</u>
Receipts		
User fees	\$ 4,650,276	\$ 5,151,731
Interest received	140,552	42,078
Farm income	219,118	351,510
Merchandising, jobbing and contract work	246,838	240,762
Refuse collection and sewer service fees	15,199	15,253
Water protection fees	39,029	27,892
Debt service proceeds	-	31,555,000
Sales tax	<u>71,360</u>	<u>79,859</u>
	<u>5,382,372</u>	<u>37,464,085</u>
Total Receipts		
Expenditures		
Production	588,017	600,710
Distribution and transmission	1,165,821	1,124,420
Administrative and general	429,490	428,006
Capital outlay	964,934	3,085,239
Farm expenses	77,767	112,454
Merchandising	11,740	2,153
Debt service	1,015,611	320,418
Water protection fee	38,213	28,174
Payments to escrow	-	5,958,644
Sales tax	70,212	79,698
Transfer to General Operation Fund -		
In lieu of taxes	<u>53,801</u>	<u>54,791</u>
Total Expenditures	<u>4,415,606</u>	<u>11,794,707</u>
Receipts Over (Under) Expenditures	966,766	25,669,378
Unencumbered Cash, Beginning	<u>7,598,214</u>	<u>8,564,980</u>
Unencumbered Cash, Ending	<u>\$ 8,564,980</u>	<u>\$ 34,234,358</u>

CITY OF MCPHERSON, KANSAS

TRUST FUND

SALTHOUSE-BROADWAY CEMETERY TRUST FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL

Regulatory Basis

For the Year Ended December 31, 2021

(With Comparative Actual Totals for the Prior Year Ended December 31, 2020)

	<u>2020</u>	<u>2021</u>
Receipts		
Interest received	\$ 298	\$ 187
Expenditures	-	-
Receipts Over (Under) Expenditures	298	187
Unencumbered Cash, Beginning	<u>38,239</u>	<u>38,537</u>
Unencumbered Cash, Ending	<u>\$ 38,537</u>	<u>\$ 38,724</u>

CITY OF MCPHERSON, KANSAS

TRUST FUND

CEMETERY ENDOWMENT FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL

Regulatory Basis

For the Year Ended December 31, 2021

(With Comparative Actual Totals for the Prior Year Ended December 31, 2020)

	2020	2021
Receipts		
Sale of lots and spaces	\$ 6,763	\$ 11,663
Gifts and bequests	2,000	-
 Total Receipts	 8,763	 11,663
Expenditures	-	-
Receipts Over (Under) Expenditures	8,763	11,663
Unencumbered Cash, Beginning	114,943	123,706
Unencumbered Cash, Ending	<u>\$ 123,706</u>	<u>\$ 135,369</u>

CITY OF MCPHERSON, KANSAS

TRUST FUNDPOLICE BENEFIT FUNDSCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUALRegulatory Basis

For the Year Ended December 31, 2021

(With Comparative Actual Totals for the Prior Year Ended December 31, 2020)

	<u>2020</u>	<u>2021</u>
Receipts		
Fundraisers	\$ 3,214	\$ -
Interest received	85	-
Donations	1,175	-
Transfer of CD's and Money Market	10,484	-
Miscellaneous	<u>181</u>	<u>-</u>
 Total Cash Receipts	 <u>15,139</u>	 -
Expenditures		
Gifts to injured/sick officers	38	-
Office supplies/miscellaneous	1,473	-
Memorials	-	-
Community event	157	-
Meals and food supplies	2,065	-
McPherson County Community Foundation	<u>10,484</u>	<u>13,098</u>
 Total Expenditures	 <u>14,217</u>	 13,098
Receipts Over (Under) Expenditures	922	(13,098)
Unencumbered Cash, Beginning	<u>12,176</u>	<u>13,098</u>
Unencumbered Cash, Ending	<u>\$ 13,098</u>	<u>\$ -</u>

CITY OF MCPHERSON, KANSAS

RELATED MUNICIPAL ENTITYLIBRARY BOARDSCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUALRegulatory Basis

For the Year Ended December 31, 2021

(With Comparative Actual Totals for the Prior Year Ended December 31, 2020)

	Capital Improvement	General	Operating Budget	Employee Benefits	Totals	
					2021	2020
Receipts:						
Interest received	\$ 411	\$ 47	\$ 219	\$ -	\$ 677	\$ 634
Fines and fees	-	3,762	-	-	3,762	3,909
Gifts	1,074	48,241	-	-	49,315	2,874
Paid Titles	-	2,011	-	-	2,011	2,767
Sales	-	2,995	-	-	2,995	1,978
State of Kansas	-	-	3,713	-	3,713	3,763
South Central Kansas Library System	-	-	68,707	-	68,707	45,813
Reimbursements	-	-	353	-	353	1,804
Miscellaneous	-	-	-	-	-	29
MCCF	-	-	11,000	-	11,000	17,538
Transfers in -						
General	55,000	-	-	-	55,000	70,000
Library Fund	-	-	778,077	141,789	919,866	880,069
Total Receipts	56,485	57,056	862,069	141,789	1,117,399	1,031,178
Expenditures:						
Personal services	-	-	533,918	-	533,918	492,100
Contractual services	-	-	157,908	152,049	309,957	287,210
Commodities	-	-	108,341	-	108,341	93,976
Reimbursements	-	-	2,522	-	2,522	1,898
Miscellaneous and refunds	-	686	8,304	-	8,990	6,309
Other	-	24,174	3,197	-	27,371	3,987
Transfers out -						
Capital Improvement	11,788	-	55,000	-	66,788	84,925
Total Expenditures	11,788	24,860	869,190	152,049	1,057,887	970,405
Receipts over (under) Expenditures	44,697	32,196	(7,121)	(10,260)	59,512	60,773
Unencumbered Cash, Beginning of Year	386,109	32,845	137,611	78,793	635,358	574,585
Unencumbered Cash, End of Year	\$ 430,806	\$ 65,041	\$ 130,490	\$ 68,533	\$ 694,870	\$ 635,358