

THE CITY OF MCPHERSON, KANSAS
FINANCIAL STATEMENT
FOR THE YEAR ENDED
DECEMBER 31, 2016

**City of McPherson, Kansas
City of Second Class
Incorporated March 4, 1874
For the Year Ended December 31, 2016**

BOARD OF CITY COMMISSIONERS

Robert D. Moore
Commissioner of
Public Facilities

Thomas A. Brown
Mayor

Larry E. Wiens
Commissioner of
Streets and Utilities

CITY OFFICIALS

Jeffrey A. Houston
City Attorney

Nick Gregory
City Administrator

William S. Mills
Municipal Court Judge

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

Jeffrey Deal
Fire Chief

Robert McClarty
Chief of Police

Tim S. Maier
General Manager, Board
of Public Utilities

Wayne Burns
Director of
Public Land & Facilities

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

Pam Cherry
City Sanitarian

Brian Doherty
Asst. Building Inspector

Brian L. Bina
City Prosecutor

Tamra K. Seely
City Clerk/HR Officer

Kody A. Kraemer
Cemetery Sexton

Bo C. Moddelmog
Asst. City Administrator

CITY OF MCPHERSON, KANSAS
For the Year Ended December 31, 2016

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CITY OF MCPHERSON, KANSAS
For the Year Ended December 31, 2016

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INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and City Commission
McPherson, Kansas 67460

We have audited the accompanying fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances of the City of McPherson, Kansas, a Municipal Financial Reporting Entity as of and for the year ended December 31, 2016 and the related notes to the financial statement.

Management's Responsibility for the Financial Statement

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

Auditor's Responsibility

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

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

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

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

As described in Note 1 of the financial statement, the financial statement is prepared by the City of McPherson, Kansas on the basis of the financial reporting provisions of the *Kansas Municipal Audit and Accounting Guide*, which is a basis of accounting other than accounting principles generally accepted in the United States of America.

The effects on the financial statement of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

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McPherson Office

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Wichita Office

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

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the "Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles" paragraph, the financial statement referred to above does not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the City of McPherson, Kansas as of December 31, 2016, or changes in financial position and cash flows thereof for the year then ended.

Unmodified Opinion on Regulatory Basis of Accounting

In our opinion, the financial statement referred to above presents fairly, in all material respects, the aggregate cash and unencumbered cash balance of the City of McPherson, Kansas as of December 31, 2016, and the aggregate receipts and expenditures for the year then ended in accordance with the financial reporting provisions of the *Kansas Municipal Audit and Accounting Guide* described in Note 1.

Other Matters

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the 2016 fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances (basic financial statement) as a whole. The summary of regulatory basis expenditures-actual and budget, individual fund schedules of regulatory basis receipts and expenditures-actual and budget, schedule of regulatory basis receipts and expenditures-actual-related municipal entity (Schedules 1, 2 and 3 as listed in the table of contents) are presented for purposes of additional analysis and are not a required part of the 2016 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 2016 basic financial statement. The 2016 information has been subjected to the auditing procedures applied in the audit of the 2016 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 2016 basic financial statement or to the 2016 basic financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the 2016 basic financial statement as a whole, on the basis of accounting described in Note 1.

The 2015 Actual column presented in the individual fund schedules of regulatory basis receipts and expenditures-actual and budget, schedules of regulatory basis receipts and expenditures-actual-related municipal entity (Schedules 2 and 3 as listed in the table of contents) are also presented for comparative analysis and are not a required part of the 2016 basic financial statement upon which we rendered an unmodified opinion dated July 3, 2017. The 2015 basic financial statement and our accompanying report are not presented herein, but are available in electronic form from the web site of the Kansas Department of Administration at the following link <http://admin.ks.gov/offices/chief-financial-officer/municipal-services>. Such 2015 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 2015 basic financial statement.

The 2015 comparative information was subjected to the auditing procedures applied in the audit of the 2015 basic financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the 2015 basic financial statement or to the 2015 basic financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the 2015 comparative information is fairly stated in all material respects in relation to the 2015 basic financial statement as a whole, on the basis of accounting described in Note 1.

Swindoll, Janzen, Hawk & Loyd, LLC

Swindoll, Janzen, Hawk & Loyd, LLC
McPherson, Kansas

July 3, 2017

CITY OF MCPHERSON, KANSAS

SUMMARY STATEMENT OF RECEIPTS, EXPENDITURES AND UNENCUMBERED CASH

Regulatory Basis

For the Year Ended December 31, 2016

	Beginning Unencumbered Cash Balance	Receipts	Expenditures	Ending Unencumbered Cash Balance	Add Encumbrances and Accounts Payable	Ending Cash Balance
GENERAL FUND						
General Operating Fund	\$ 4,820,935	\$ 8,372,990	\$ 8,849,639	\$ 4,344,286	\$ 704,243	\$ 5,048,529
SPECIAL PURPOSE FUNDS						
Animal Shelter Fund	88,822	154,925	176,264	67,483	7,376	74,859
Consolidated Street and Highway Fund	4,485,238	2,835,089	3,844,166	3,476,161	70,593	3,546,754
Employee Benefits Contribution Fund	1,037,195	4,657,471	4,689,650	1,005,016	9,408	1,014,424
Forfeited Property Fund - Police Department	15,732	5,804	13,168	8,368	-	8,368
Industrial Development Fund	399,897	68,019	51,000	416,916	-	416,916
Library Fund	800	698,830	699,630	-	-	-
Library Employee Benefits Fund	55	152,254	152,309	-	-	-
McPherson Landfill Improvement Corporation	2,329	2	40	2,291	-	2,291
McPherson Land Bank Fund	100	240,220	-	240,320	-	240,320
Municipal Building Fund	241,071	119,512	121,302	239,281	22,331	261,612
Municipal Court Fund	22,537	240,254	235,820	26,971	-	26,971
Municipal Court ADSAP Fund	23,632	24	150	23,506	-	23,506
Municipal Golf Course Fund	22,603	494,281	499,355	17,529	9,327	26,856
Operation Warmth Fund	3,331	7,045	8,140	2,236	-	2,236
Special Alcohol Program Fund	133,720	28,582	29,864	132,438	1,190	133,628
Special Park and Recreation Fund	91,184	28,583	49,838	69,929	959	70,888
Swimming Pool Maintenance and Operation Fund	397,786	294,811	332,462	360,135	594	360,729
Sales Tax Revenue Fund	967,793	1,563,044	822,738	1,708,099	-	1,708,099
Tourism and Convention Promotion Fund	365,307	283,471	384,793	263,985	9,975	273,960
Health Self-Insurance Fund	907,427	2,443,727	3,178,104	173,050	-	173,050
Worker's Compensation Self-Insurance Fund	677,214	89,178	262,693	503,699	-	503,699
Total Special Purpose Funds	9,883,773	14,405,126	15,551,486	8,737,413	131,753	8,869,166
BOND AND INTEREST FUND						
Bond and Interest Fund	808,846	2,795,097	2,805,203	798,740	-	798,740
CAPITAL PROJECTS FUNDS						
Capital Improvement Fund	1,447,923	2,167,584	2,588,205	1,027,302	520,911	1,548,213
Equipment Reserve Fund	1,421,608	666,727	537,123	1,551,212	144,848	1,696,060
Total Capital Projects Funds	2,869,531	2,834,311	3,125,328	2,578,514	665,759	3,244,273

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, 2016

	Beginning Unencumbered Cash Balance	Receipts	Expenditures	Ending Unencumbered Cash Balance	Add Encumbrances and Accounts Payable	Ending Cash Balance
BUSINESS FUNDS						
Electric Utility Fund	\$ 30,575,200	\$ 59,110,052	\$ 54,590,187	\$ 35,095,065	\$ 4,597,644	\$ 39,692,709
Sewer Recovery Fund	429,985	10,650	2,967	437,668	-	437,668
Solid Waste Collection Fund	1,402,314	1,024,657	913,874	1,513,097	71,905	1,585,002
Storm Water Utility Fund	-	140,334	-	140,334	-	140,334
Wastewater System Maintenance and Operation Fund	3,424,308	1,895,904	1,398,134	3,922,078	57,781	3,979,859
Wastewater System Surplus Fund	971,122	673,651	728,853	915,920	-	915,920
Water Utility Fund	6,918,716	3,903,018	3,791,783	7,029,951	387,783	7,417,734
Total Business Funds	43,721,645	66,758,266	61,425,798	49,054,113	5,115,113	54,169,226
TRUST FUNDS						
Salthouse - Broadway Cemetery Trust Fund	45,329	120	2,500	42,949	-	42,949
Cemetery Endowment Fund	81,641	7,837	-	89,478	-	89,478
Fire Insurance Proceeds Fund	-	71,103	71,103	-	-	-
Police Benefit Fund	13,711	2,295	3,829	12,177	-	12,177
Total Trust Funds	140,681	81,355	77,432	144,604	-	144,604
Total	62,245,411	95,247,145	91,834,886	65,657,670	6,616,868	72,274,538
RELATED MUNICIPAL ENTITY						
Library Board	491,477	1,022,783	974,332	539,928	55,948	595,876
Total Reporting Entity	\$ 62,736,888	\$ 96,269,928	\$ 92,809,218	\$ 66,197,598	\$ 6,672,816	\$ 72,870,414
COMPOSITION OF CASH						
Cash on Hand - City Clerk						\$ 712
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						60,737,827
Investments - City of McPherson Temporary Notes						414,000
Investments - KS Municipal Investment Pool						11,120,879
Total						72,274,538
Related Municipal Entity						595,876
Total Reporting Entity						\$ 72,870,414

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

CITY OF MCPHERSON, KANSAS
NOTES TO FINANCIAL STATEMENT
For the Year Ended December 31, 2016

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) *Municipal Financial Reporting Entity*

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

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

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

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

(b) *Regulatory Basis Fund Types*

General Fund – the chief operating fund. Used to account for all resources except those required to be accounted for in another fund.

Special Purpose Fund – used to account for the proceeds of specific tax levies and other specific regulatory receipt sources (other than Capital Project and tax levies for long-term debt) that are intended for specified purposes.

Bond and Interest Fund – used to account for the accumulation of resources, including tax levies, transfers from other funds and payment of general long-term debt.

Capital Project Fund – used to account for the debt proceeds and other financial resources to be used for acquisition or construction of major capital facilities or equipment.

Business Fund – funds financed in whole or in part by fees charged to users of the goods or services (i.e. enterprise and internal service fund, etc.).

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

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)

(c) Basis of Accounting

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

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

(d) Budgetary Information

Kansas statutes require that an annual operating budget be legally adopted for the General Fund, Special Purpose Funds (unless specifically exempted by statute), Bond and Interest Funds and Business Funds. Although directory rather than mandatory, the statutes provide for the following sequence and timetable in the adoption of the legal annual operating budget:

- 1) Preparation of the budget for the succeeding calendar year on or before August 1st.
- 2) Publication in local newspaper on or before August 5th of the proposed budget and notice of public hearing on the budget.
- 3) Public hearing on or before August 15th, but at least ten days after publication of notice of hearing.
- 4) Adoption of the final budget on or before August 25th.

The statutes allow for the governing body to increase the originally adopted budget for previously unbudgeted increases in regulatory receipts other than ad valorem property taxes. To do this, a notice of public hearing to amend the budget must be published in the local newspaper. At least ten days after publication, the hearing may be held and the governing body may amend the budget at that time. There were no such budget amendments for the year 2016.

The statutes permit transferring budgeted amounts between line items within an individual fund. However, such statutes prohibit expenditures in excess of the total amount of the adopted budget of expenditures of individual funds. Budget comparison statements are presented for each fund showing actual receipts and expenditures compared to legally budgeted receipts and expenditures.

All legal annual operating budgets are prepared using the regulatory basis of accounting, in which regulatory receipts are recognized when cash is received and expenditures include disbursements, accounts payable and encumbrances, with disbursements being adjusted for prior year's accounts payable and encumbrances. Encumbrances are commitments by the municipality for future payments and are supported by a document evidencing the commitment, such as a purchase order or contract. Any unused budgeted expenditure authority lapses at year end.

A legal operating budget is not required for Capital Project Funds, Agency Funds, Trust Funds and certain Special Purpose Funds and the Related Municipal Entity as noted in the presentation of the appropriate Schedule 2.

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

2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Compliance with Kansas Statutes

No statute violations noted in 2016.

3. DEPOSITS AND INVESTMENTS

As of December 31, 2016, the City had the following investments:

Investment Type	Fair Value	Investments Maturities (in Years)				Rating
		Less than 1	1-5	6-10	More than 10	
Kansas Municipal Investment Pool	\$ 11,120,879	\$ 11,120,879	\$ -	\$ -	\$ -	S&P AAAf/S1+
City of McPherson Temporary Notes	414,000	414,000	-	-	-	N/A
Total	\$ 11,534,879	\$ 11,534,879	\$ -	\$ -	\$ -	

K.S.A. 9-1401 establishes the depositories which may be used by the City. The statute requires banks eligible to hold the City's funds have a main or branch bank in the county in which the City is located, or in an adjoining county if such institution has been designated as an official depository, and the banks provide an acceptable rate of returns on funds. In addition, K.S.A. 9-1402 requires the banks to pledge securities for deposits in excess of FDIC coverage. The City has no other policies that would further limit interest rate risk.

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

Concentration of credit risk. State statutes place no limit on the amount the City may invest in any one issuer as long as the investments are adequately secured under K.S.A. 9-1402 and 9-1405. The City's allocation of investments as of December 31, 2016, is as follows:

Investments	Percentage of Investments
Kansas Municipal Investment Pool	96.41%
City of McPherson Temporary Notes	3.59%
	<u>100%</u>

Custodial credit risk – deposits. Custodial credit risk is the risk that in the event of a bank failure, the City's deposits may not be returned to it. State statutes require the City's deposits in financial institutions to be entirely covered by federal depository insurance or by collateral held under a joint custody receipt issued by a bank within the State of Kansas, the Federal Reserve Bank of Kansas City, or the Federal Home Loan Bank of Topeka. All deposits were legally secured by December 31, 2016.

At December 31, 2016, the City's and Library's carrying amount of deposit was \$61,333,703 and the bank balance was \$57,253,800. The bank balance was held by eight banks resulting in a concentration of credit risk. Of the bank balance, \$2,000,000 was covered by federal depository insurance and \$55,253,800 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, 2016, the City had invested \$11,120,879 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, 2016 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 131 of 2006	4.00% to 5.00%	7/15/06	1,470,000	8/1/26	830,000	-	105,000	725,000	35,240
Series 132 of 2007	4.15% to 5.50%	8/1/07	1,040,000	8/1/27	585,000	-	65,000	520,000	26,253
Series 133 of 2009	2.55% to 4.50%	7/30/09	1,045,000	8/1/29	765,000	-	50,000	715,000	30,675
Series 134 of 2011	2.00% to 3.50%	6/15/11	2,965,000	8/1/23	1,340,000	-	370,000	970,000	34,200
Series 135 of 2012	2.00% to 3.10%	8/1/12	340,000	8/1/32	300,000	-	15,000	285,000	8,640
Series 136 of 2013	2.00% to 4.00%	8/15/13	9,585,000	8/1/33	8,115,000	-	1,055,000	7,060,000	233,100
Series 137 of 2015	2.00% to 3.00%	7/22/15	3,750,000	7/1/25	3,750,000	-	685,000	3,065,000	92,096
Total General Obligation Bonds					15,685,000	-	2,345,000	13,340,000	460,204
Revenue Bonds:									
Series 2011	3.00% to 4.00%	10/13/11	5,445,000	9/1/20	3,195,000	-	600,000	2,595,000	110,825
Series 2012	2.00% to 4.00%	7/5/12	11,085,000	10/1/27	9,330,000	-	640,000	8,690,000	312,919
Total Revenue Bonds					12,525,000	-	1,240,000	11,285,000	423,744
Temporary Notes:									
Series 2015-A	.45%	12/15/15	360,000	12/15/17	360,000	-	-	360,000	-
Series 2016-A	0.75%	8/29/16	54,000	12/15/17	-	54,000	-	54,000	-
Total Temporary Notes					360,000	54,000	-	414,000	-
Kansas Revolving Fund Loans:									
1999 Wastewater Improvement	2.78%	4/19/99	1,127,000	9/1/20	347,947	-	65,501	282,446	10,050
2007 Wastewater Improvement	2.50%	10/6/07	11,346,393	3/1/29	8,173,268	-	507,554	7,665,714	221,299
Total Kansas Revolving Fund Loans					8,521,215	-	573,055	7,948,160	231,349
Capital Leases:									
Aerial Platform Truck	4.95%	9/11/09	866,722	1/28/20	470,235	-	85,186	385,049	23,277
Golf Carts	3.95%	4/4/16	97,100	4/4/18	-	97,100	33,628	63,472	-
Total Capital Leases					470,235	97,100	118,814	448,521	23,277
Total Contractual Indebtedness					\$ 37,561,450	\$ 151,100	\$ 4,276,869	\$ 33,435,681	\$ 1,138,574

Continuing Disclosure Requirements

The City of McPherson as Issuer and Dissemination Agent, did not post 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 2015 Annual Audit Report was posted to EMMA on September 6, 2016.

Arbitrage Calculations

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

4. LONG-TERM DEBT (CONT.)

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

	Year								Total
	2017	2018	2019	2020	2021	2022-2026	2027-2031	2032-2033	
Principal:									
General Obligation Bonds:									
Series 131 of 2006	\$ 190,000	\$ 110,000	\$ 105,000	\$ 105,000	\$ 110,000	\$ 105,000	\$ -	\$ -	\$ 725,000
Series 132 of 2007	70,000	80,000	75,000	80,000	85,000	120,000	10,000	-	520,000
Series 133 of 2009	55,000	55,000	55,000	60,000	60,000	290,000	140,000	-	715,000
Series 134 of 2011	255,000	265,000	85,000	90,000	85,000	190,000	-	-	970,000
Series 135 of 2012	15,000	15,000	15,000	15,000	15,000	85,000	100,000	25,000	285,000
Series 136 of 2013	1,085,000	1,115,000	770,000	795,000	815,000	1,905,000	395,000	180,000	7,060,000
Series 137 of 2015	745,000	835,000	370,000	385,000	140,000	590,000	-	-	3,065,000
Total General Obligation Bonds	2,415,000	2,475,000	1,475,000	1,530,000	1,310,000	3,285,000	645,000	205,000	13,340,000
Revenue Bonds:									
Series 2011	615,000	635,000	660,000	685,000	-	-	-	-	2,595,000
Series 2012	665,000	685,000	705,000	735,000	755,000	4,215,000	930,000	-	8,690,000
Total Revenue Bonds	1,280,000	1,320,000	1,365,000	1,420,000	755,000	4,215,000	930,000	-	11,285,000
Temporary Notes									
Series 2015-A	360,000	-	-	-	-	-	-	-	360,000
Series 2016-A	54,000	-	-	-	-	-	-	-	54,000
Total Temporary Notes	414,000	-	-	-	-	-	-	-	414,000
Kansas Revolving Fund Loans:									
1999 Wastewater Improvement	67,501	69,561	71,685	73,699	-	-	-	-	282,446
2007 Wastewater Improvement	521,608	536,051	550,893	566,147	581,823	3,159,876	1,749,316	-	7,665,714
Total Kansas Revolving Fund Loans	589,109	605,612	622,578	639,846	581,823	3,159,876	1,749,316	-	7,948,160
Capital Lease:									
Aerial Platform Truck	89,402	93,828	98,472	103,347	-	-	-	-	385,049
Golf Carts	31,121	32,351	-	-	-	-	-	-	63,472
Total Capital Lease	120,523	126,179	98,472	103,347	-	-	-	-	448,521
Total Principal	4,818,632	4,526,791	3,561,050	3,693,193	2,646,823	10,659,876	3,324,316	205,000	33,435,681
Interest:									
General Obligation Bonds:									
Series 131 of 2006	30,935	22,998	18,433	14,023	9,560	14,950	-	-	110,899
Series 132 of 2007	23,490	20,515	16,915	13,540	9,940	12,610	470	-	97,480
Series 133 of 2009	29,175	27,525	25,325	23,125	20,725	65,425	12,825	-	204,125
Series 134 of 2011	26,800	21,063	14,438	11,888	9,188	9,925	-	-	93,302
Series 135 of 2012	8,340	8,040	7,740	7,440	6,975	27,745	13,175	775	80,230
Series 136 of 2013	212,000	184,875	154,213	131,113	107,263	227,613	87,913	11,475	1,116,465
Series 137 of 2015	76,150	61,250	44,550	33,450	21,900	44,850	-	-	282,150
Total General Obligation Bonds	406,890	346,266	281,614	234,579	185,551	403,118	114,383	12,250	1,984,651
Revenue Bonds:									
Series 2011	92,825	74,375	52,150	27,400	-	-	-	-	246,750
Series 2012	287,319	267,369	246,819	218,618	203,000	564,450	29,213	-	1,816,788
Total Revenue Bonds	380,144	341,744	298,969	246,018	203,000	564,450	29,213	-	2,063,538
Temporary Notes									
Series 2015-A	2,637	-	-	-	-	-	-	-	2,637
Series 2016-A	356	-	-	-	-	-	-	-	356
Total Temporary Notes	2,993	-	-	-	-	-	-	-	2,993
Kansas Revolving Fund Loans:									
1999 Wastewater Improvement	8,051	5,990	3,866	1,678	-	-	-	-	19,585
2007 Wastewater Improvement	207,246	192,803	177,960	162,706	147,030	484,391	72,816	-	1,444,952
Total Kansas Revolving Fund Loans	215,297	198,793	181,826	164,384	147,030	484,391	72,816	-	1,464,537
Capital Lease:									
Aerial Platform Truck	19,060	14,635	9,990	5,116	-	-	-	-	48,801
Golf Carts	2,507	1,278	-	-	-	-	-	-	3,785
Total Capital Lease	21,567	15,913	9,990	5,116	-	-	-	-	52,586
Total Interest	1,026,891	902,716	772,399	650,097	535,581	1,451,959	216,412	12,250	5,568,305
Total Principal and Interest	\$ 5,845,523	\$ 5,429,507	\$ 4,333,449	\$ 4,343,290	\$ 3,182,404	\$ 12,111,835	\$ 3,540,728	\$ 217,250	\$ 39,003,986

5. PENSION COSTS AND EMPLOYEE BENEFITS

(a) Defined Benefit Pension Plan

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

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

State law provides that the employer contribution rates for KPERS 1 and KPERS 2 and KPERS 3 and KP&F be determined based on the results of each annual actuarial valuation. Kansas law sets a limitation on annual increases in the employer contribution rates. The actuarially determined employer contribution rate (not including the 1% contribution rate through March 31, 2016 with a 0% moratorium until June 30, 2017 for Death and Disability Program) and the statutory contribution rate was 9.18% for KPERS and 20.42% for KP&F for the fiscal year ended December 31, 2016. Contributions to the pension plan from the City and BPU were \$762,889 for KPERS and \$519,767 for KP&F (Library was \$40,245) for the year ended December 31, 2016.

Net Pension Liability. At December 31, 2016, the City and BPU's proportionate share of the collective net pension liability reported by KPERS was \$7,407,332 and \$4,755,251 for KP&F (Library was \$379,950). The net pension liability was measured as of June 30, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2015, which was rolled forward to June 30, 2016. The City and BPU's proportion of the net pension liability was based on the ratio of the City and BPU's contributions to KPERS, relative to the total employer and non-employer contributions of the Local subgroup within KPERS. Since the KMAAG regulatory basis of accounting does not recognize long-term debt, this liability is not reported in these financial statements.

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

(b) Deferred Compensation Plan

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

5. PENSION COSTS AND EMPLOYEE BENEFITS (CONT.)

(c) Other Employee Benefits

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

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

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

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

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

(d) Other Post Employment Benefits

As provided by K.S.A. 12-5040, the City allows retirees to participate in the group health insurance plan until they reach 65 years of age. While each retiree pays the full amount of the applicable premium, conceptually, the City is subsidizing the retirees because each participant is charged a level of premium regardless of age. However, the cost of this subsidy has not been quantified in the financial statement.

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

6. SELF-INSURANCE PROGRAM

The City is responsible for a potential liability up to \$60,000 per individual per year for health care claims. This plan had fixed costs of \$118,226. Management believes claims incurred, but not reported, are insignificant at December 31, 2016. Starting December 31, 2007, the City chose to not self-insure for workers' compensation. Changes in health insurance claims liability for 2016 and 2015 were as follows:

	<u>2016</u>	<u>2015</u>
Beginning Balance	\$ 160,000	\$ 120,000
Additions	2,481,401	2,012,177
Payments	<u>(2,621,401)</u>	<u>(1,972,177)</u>
Ending Balance	<u>\$ 20,000</u>	<u>\$ 160,000</u>

7. SUMMARY DISCLOSURE OF SIGNIFICANT CONTINGENCIES

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

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

8. CLAIMS AND JUDGMENTS

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

The City is exposed to various risks of loss related to property loss; torts; theft of, damage to, and destruction of assets; errors and omissions; employee injuries and natural disasters. The City has purchased commercial insurance for these potential risks. There have been no significant reductions in insurance coverage from 2015 to 2016 and there were no settlements that exceeded insurance coverage in the past three years.

During the ordinary course of its operations, the City is a party to various claims, legal actions and complaints. It is the opinion of the City's management and legal counsel that these matters are not anticipated to have a material impact on the City.

9. LANDFILL CLOSURE AND POSTCLOSURE CARE COST

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

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

10. CAPITAL LEASE – RECREATION COMPLEX

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

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

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

<u>Year</u>	<u>Total Basic Rental Payment</u>	<u>Principal Component</u>	<u>Interest Component</u>
2017	\$ 56,113	\$ 30,000	\$ 26,113
2018	60,362	35,000	25,362
2019	59,400	35,000	24,400
2020	58,350	35,000	23,350
2021	57,300	35,000	22,300
2022-2026	288,650	195,000	93,650
2027-2031	287,800	235,000	52,800
2032-2033	<u>117,013</u>	<u>110,000</u>	<u>7,013</u>
	<u>\$ 984,988</u>	<u>\$ 710,000</u>	<u>\$ 274,988</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, 2016, 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, 2016.

12. INTERFUND TRANSFERS

Operating transfers were as follows:

From	To	Regulatory Authority	Amount
Operating transfers (City):			
General Operating	Municipal Golf Course	Ord. 2999	\$ 55,000
General Operating	Animal Shelter	Ord. 2870	130,000
General Operating	Consolidated Street and Highway	K.S.A. 12-1,119	335,000
General Operating	Swimming Pool Maintenance and Operation	Ord. 2708	160,000
General Operating	Equipment Reserve	K.S.A. 12-1,117	502,833
General Operating	Municipal Building	Ord. 2887	95,000
General Operating	Bond and Interest	Ord. 3042	87,500
Animal Shelter	Equipment Reserve	K.S.A. 12-1,117	5,800
Consolidated Street and Highway	Equipment Reserve	K.S.A. 12-1,117	118,273
Consolidated Street and Highway	Capital Improvement	K.S.A. 12-1,118	804,000
Consolidated Street and Highway	Bond and Interest	Ord. 3179	254,315
Capital Improvement	Bond and Interest	K.S.A. 10-132	78,417
Municipal Court	Municipal Court ADSAP	K.S.A. 8-1008	24
Sales Tax Revenue	Bond and Interest	Ord. 3069	822,738
Electric Utility	General Operating	K.S.A. 12-825d	1,684,097
Solid Waste Collection	General Operating	K.S.A. 12-2104	50,000
Water Utility	General Operating	K.S.A. 12-825d	50,690
Wastewater System Maintenance and Operation	General Operating	K.S.A. 12-630a	60,000
Wastewater System Maintenance and Operation	Bond and Interest	K.S.A. 12-630a	<u>195,902</u>
Total Operating transfers (City)			<u>5,489,589</u>
Operating transfers (Library):			
Library	Library Board	K.S.A. 12-1220	699,630
Library Employee Benefits	Library Board	K.S.A. 12-16,102	<u>152,309</u>
Total Operating transfers (Library)			<u>851,939</u>
Total Operating transfers (municipal financial reporting entity)			<u>\$ 6,341,528</u>

13. OTHER RELATIONSHIPS

McPherson Area Solid Waste Utility

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

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

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

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

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

McPherson City/County Airport

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

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

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

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

14. CAPITAL PROJECTS

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

	<u>Project Authorization</u>	<u>Expenditures to Date</u>
Ave A Reconstruction (Oak St. east to RR tracks)	\$ 1,466,424	\$ 1,154,227
Calvary Street	280,855	204,561
Centennial Drive Widening	445,987	386,075
Centennial SSD #092B & 092C	2,277,796	726,344
West Trunk Line (lift station #2 to WWTP)	535,050	467,163
WWTP Road Improvement	573,433	519,304
Lift Station #4 (Anna & N High Drive)	684,473	138,710
Ave A Transportation Alternative - Phase I	1,073,653	935,142
Ave A Transportation Alternative - Phase II	321,649	53,464
Mowhawk Interchange	<u>700,000</u>	<u>300,000</u>
Total	<u>\$ 8,359,320</u>	<u>\$ 4,884,990</u>

15. SUBSEQUENT EVENTS

On January 26, 2016 the City was awarded a \$300,000 Community Development Block Grant (CDBG) by the Kansas Department of Commerce. The CDBG is a federal program designed to benefit low to moderate income families by providing specific home improvements. The grant allows for housing rehabilitation for two owner occupied homes, eleven rental units and four home demolitions. This CDBG project is expected to be completed by the Fall of 2017.

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

In 2015 the City entered into agreement with the Kansas Department of Transportation to receive fund reimbursement under the Federal-Aid Transportation Act for Transportation Alternatives (TA) projects by a pass through Federal Surface Transportation Program (STP). This TA sidewalk project will be constructed from Wall Park (south central part of the City) proceeding east and running parallel to East Avenue A and ending at Thunderbird Street. The estimated cost of the project including engineering is \$1,073,653 of which the City is responsible for 40% of the original estimate of \$504,850. Any cost over the \$504,850 will be the responsibility of the City. As of December 31, 2016 the accumulated amount spent on this project was only \$935,142.

On April 15, 2016 the City received notice that it had been awarded an additional maximum TA federal funding in the amount of \$1,102,144. This second project (Phase II) starts on east Avenue A where the first project ended (Thunderbird Street) and proceeds east to Centennial Drive and then north to the retail area near Centennial Drive and Kansas Avenue. The projected total cost of this second TA project is \$1,377,680. The City's responsibility is the 20% match (\$275,536) plus all design, right of way acquisition and utility costs, as well as any non-participating costs over the federal award. As of December 31, 2016 the accumulated amount of this Phase II of the project was \$53,464.

On May 1, 2017 the Board of Public Utilities redeemed the remaining \$2,595,000 of the Electric Utility System Refunding Revenue Bonds, Series 2011.

15. SUBSEQUENT EVENTS (CONT.)

On May 8, 2017 the Commission approved an estimated cost of \$3,000,000.00 for the renovation of the Community Building, plus \$237,000 in design and architectural fees. The time of completion of this project will depend on whether it qualifies for historical tax credits and whether the Commission would decide if the tax credits are worth waiting on and how much additional cost they would make to the project. Therefore the completion would not be anticipated until late 2018 or even 2019.

On May 15, 2017 the City Commission approved \$396,949 in improvements to the Wall Park Tennis Courts for post tension concrete overlay on the existing six courts as well as building four new Quickstart (youth) tennis courts with the same post tension concrete overlay concept. This project is expected to be completed in the Fall of 2017. Both the Wall Park Tennis Court project and the Community Building renovation project are to be funded out of the one-half cent sales tax passed in August of 2012.

On June 26, 2017, the City approved the bond sale of G.O. Bond Series #138 for \$2,660,000 to be dated July 26, 2017. This issue will be a refunding of the outstanding amounts after the normal August 1, 2017 payment of G.O. Bond Issue Series 131-134 issued in 2006 - 2011 totaling \$2,360,000 as well as new money used for street and sanitary sewer district improvements which were originally funded by Series 2015-A and Series 2016-A Temporary Notes.

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

CITY OF MCPHERSON, KANSAS
REGULATORY – REQUIRED
SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2016

CITY OF MCPHERSON, KANSAS

SUMMARY OF EXPENDITURES - ACTUAL AND BUDGETRegulatory Basis

(Budgeted Funds Only)

For the Year Ended December 31, 2016

	<u>Certified Budget</u>	<u>Adjustment for for Qualifying Budget Credits</u>	<u>Total Budget for Comparison</u>	<u>Expenditures Chargeable to Current Year</u>	<u>Variance - Over (Under)</u>
GENERAL FUND:					
General Operating Fund	\$ 12,686,967	\$ -	\$ 12,686,967	\$ 8,849,639	\$ (3,837,328)
SPECIAL PURPOSE FUNDS:					
Animal Shelter Fund	219,189	-	219,189	176,264	(42,925)
Consolidated Street and Highway Fund	5,422,145	-	5,422,145	3,844,166	(1,577,979)
Employee Benefits Contribution Fund	2,508,270	-	2,508,270	2,097,805	(410,465)
Industrial Development Fund	468,277	-	468,277	51,000	(417,277)
Library Fund	709,450	-	709,450	699,630	(9,820)
Library Employee Benefits Fund	154,310	-	154,310	152,309	(2,001)
Municipal Building Fund	304,373	-	304,373	121,302	(183,071)
Municipal Golf Course Fund	583,448	-	583,448	499,355	(84,093)
Special Alcohol Program Fund	145,216	-	145,216	29,864	(115,352)
Special Park and Recreation Fund	103,136	-	103,136	49,838	(53,298)
Swimming Pool Maintenance and Operation Fund	705,396	-	705,396	332,462	(372,934)
Sales Tax Revenue Fund	1,815,749	-	1,815,749	822,738	(993,011)
Tourism and Convention Promotion Fund	592,363	-	592,363	384,793	(207,570)
BOND AND INTEREST FUND:					
Bond and Interest Fund	3,468,568	-	3,468,568	2,805,203	(663,365)
BUSINESS FUNDS:					
Sewer Recovery Fund	453,056	-	453,056	2,967	(450,089)
Solid Waste Collection Fund	2,526,355	-	2,526,355	913,874	(1,612,481)
Wastewater System Maintenance and Operation Fund	4,686,076	-	4,686,076	1,398,134	(3,287,942)
Wastewater System Surplus Fund	1,615,229	-	1,615,229	728,853	(886,376)

CITY OF MCPHERSON, KANSAS

GENERAL OPERATING FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET

Regulatory Basis

For the Year Ended December 31, 2016

(With Comparative Actual Totals for the Prior Year Ended December 31, 2015)

	2015 Actual	2016		Variance - Over (Under)
		Actual	Budget	
Receipts				
Taxes -				
Ad valorem property tax	\$ 2,221,425	\$ 2,262,214	\$ 2,304,551	\$ (42,337)
Delinquent tax	22,660	27,398	-	27,398
Motor vehicle tax	251,691	254,072	269,169	(15,097)
Recreational vehicle tax	3,533	3,953	4,085	(132)
MVL excise tax	180	847	328	519
16/20M vehicle tax	4,338	3,134	1,291	1,843
Commercial vehicle tax	278	12,245	13,142	(897)
In lieu of tax	-	134,573	52,250	82,323
Local sales tax	2,235,637	1,929,815	2,000,000	(70,185)
Total Taxes	4,739,742	4,628,251	4,644,816	(16,565)
Intergovernmental Revenues -				
State of Kansas - liquor tax revenue	37,051	28,583	36,337	(7,754)
McPherson County - rescue vehicle runs	5,000	5,000	5,000	-
McPherson County - ambulance appropriation	366,725	399,736	398,725	1,011
Total Intergovernmental Revenues	408,776	433,319	440,062	(6,743)
Licenses and Permits -				
Utility franchise fees	428,054	363,234	475,000	(111,766)
Beer licenses	1,025	1,150	1,000	150
Liquor licenses	4,200	4,500	4,000	500
Occupation licenses	9,240	16,155	10,000	6,155
Building, zoning bonds and demolition permits	145,518	140,943	175,000	(34,057)
Fireworks stand licenses	2,500	3,000	2,500	500
Inspections	5,579	4,050	6,000	(1,950)
Total Licenses and Permits	596,116	533,032	673,500	(140,468)

CITY OF MCPHERSON, KANSAS

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

For the Year Ended December 31, 2016

(With Comparative Actual Totals for the Prior Year Ended December 31, 2015)

	2015 Actual	2016		Variance - Over (Under)
		Actual	Budget	
Receipts (cont.)				
Charges for Services -				
Fire contracts - townships	\$ 263,171	\$ 261,633	\$ 275,000	\$ (13,367)
Taxi coupons	10,930	7,990	11,000	(3,010)
Cemetery services	40,430	30,655	39,000	(8,345)
Total Charges for Services	<u>314,531</u>	<u>300,278</u>	<u>325,000</u>	<u>(24,722)</u>
Fines, Forfeitures and Penalties -				
Municipal court fines	251,896	195,089	270,000	(74,911)
Vehicle inspections	26,740	34,700	25,000	9,700
Total Fines, Forfeitures and Penalties	<u>278,636</u>	<u>229,789</u>	<u>295,000</u>	<u>(65,211)</u>
Use of Money and Property -				
Interest received	20,758	53,629	17,000	36,629
Cemetery endowment interest	214	2,064	500	1,564
Rent-building, land and equipment	20,414	34,431	32,000	2,431
Total Use of Money and Property	<u>41,386</u>	<u>90,124</u>	<u>49,500</u>	<u>40,624</u>
Miscellaneous -				
Para transit receipts	9,597	7,899	11,000	(3,101)
Reimbursed expenditures	164,202	107,606	40,000	67,606
Grant reimbursements	12,236	56,952	185,750	(128,798)
Cemetery lot sales	19,883	24,188	20,000	4,188
Gifts and bequests	-	-	10,000	(10,000)
Insurance recoveries	26,125	-	-	-
Sale of effluent water	87,500	90,038	87,500	2,538
Miscellaneous	11,657	26,727	14,000	12,727
Total Miscellaneous	<u>331,200</u>	<u>313,410</u>	<u>368,250</u>	<u>(54,840)</u>

CITY OF MCPHERSON, KANSAS

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

For the Year Ended December 31, 2016

(With Comparative Actual Totals for the Prior Year Ended December 31, 2015)

	2015 Actual	2016		Variance - Over (Under)
		Actual	Budget	
Receipts (cont.)				
Transfer from Electric Utility Fund	\$ 1,471,017	\$ 1,684,097	\$ 1,600,000	\$ 84,097
Transfer from Solid Waste Collection Fund	50,000	50,000	50,000	-
Transfer from Wastewater System Maint. and Op. Fund	60,000	60,000	60,000	-
Transfer from Water Utility Fund	56,476	50,690	60,000	(9,310)
Total Transfers	1,637,493	1,844,787	1,770,000	74,787
Total Receipts	8,347,880	8,372,990	\$ 8,566,128	\$ (193,138)
Expenditures				
Administrative -				
Personal services	442,575	476,600	\$ 455,464	\$ 21,136
Contractual services	382,928	207,337	239,100	(31,763)
Commodities	15,161	15,449	8,200	7,249
Capital outlay	61,204	262	4,500	(4,238)
Cereal malt beverage stamp	425	275	500	(225)
Housing programs	60,159	120,053	185,750	(65,697)
Refunds	90	-	850	(850)
Payment in lieu of taxes	-	10,440	-	10,440
Travel expense	25,728	21,278	21,400	(122)
Miscellaneous	10,628	2,072	15,675	(13,603)
Contingency for storms	-	-	3,400,000	(3,400,000)
Appropriations:				
McPherson Airport Authority	61,240	64,990	61,240	3,750
McPherson Main Street	25,500	25,500	25,500	-
McPherson County Emer. Management	600	11,006	3,000	8,006
McPherson Housing Collation	10,000	-	-	-
McPherson Museum	42,250	42,250	42,250	-
McPherson Senior Center	5,000	5,000	5,000	-
Not-for-Profit	-	-	10,000	(10,000)
Transfer to Animal Shelter Fund	130,000	130,000	130,000	-
Transfer to Municipal Building Fund	90,000	95,000	95,000	-
Transfer to Bond and Interest Fund	87,500	87,500	87,500	-
Transfer to Capital Improvement Fund	25,000	-	-	-
Transfer to Municipal Golf Course Fund	-	55,000	-	55,000
Transfer to Swimming Pool Maint. and Oper. Fund	160,000	160,000	160,000	-
Total Administrative	1,635,988	1,530,012	4,950,929	(3,420,917)

CITY OF MCPHERSON, KANSAS

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

For the Year Ended December 31, 2016

(With Comparative Actual Totals for the Prior Year Ended December 31, 2015)

	2015 Actual	2016		Variance - Over (Under)
		Actual	Budget	
Expenditures (cont.)				
Police Department -				
Personal services	\$ 1,724,754	\$ 1,839,615	\$ 1,992,470	\$ (152,855)
Contractual services	328,293	385,270	404,893	(19,623)
Commodities	86,350	61,228	110,250	(49,022)
Capital outlay	135,412	80,561	89,900	(9,339)
Miscellaneous	19,279	20,119	29,800	(9,681)
Travel expense	10,108	16,500	16,000	500
Uniform allowance	14,283	33,490	23,000	10,490
Transfer to Equipment Reserve Fund	38,502	50,836	50,836	-
Total Police Department	2,356,981	2,487,619	2,717,149	(229,530)
Engineering -				
Personal services	234,660	227,739	237,210	(9,471)
Contractual services	37,856	38,144	13,600	24,544
Commodities	10,824	8,980	22,100	(13,120)
Capital outlay	3,712	1,479	-	1,479
Travel expense	4,443	996	3,850	(2,854)
Miscellaneous	69	53	150	(97)
Transfer to Equipment Reserve Fund	10,200	8,200	8,200	-
Total Engineering	301,764	285,591	285,110	481
Sanitation -				
Personal services	120,558	99,618	124,732	(25,114)
Contractual services	8,751	11,932	25,864	(13,932)
Commodities	4,725	8,532	4,500	4,032
Code enforcement supplies	877	433	500	(67)
Miscellaneous	25	12	65	(53)
Travel expense	1,497	1,810	1,000	810
Planning Commission	7,168	8,654	10,000	(1,346)
Transfer to Equipment Reserve Fund	1,600	1,760	1,760	-
Total Sanitation	145,201	132,751	168,421	(35,670)

CITY OF MCPHERSON, KANSAS

GENERAL OPERATING FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET

Regulatory Basis

For the Year Ended December 31, 2016

(With Comparative Actual Totals for the Prior Year Ended December 31, 2015)

	2015 Actual	2016		Variance - Over (Under)
		Actual	Budget	
Expenditures (cont.)				
Inspection -				
Personal services	\$ 117,789	\$ 97,630	\$ 124,975	\$ (27,345)
Contractual services	2,764	3,420	2,174	1,246
Commodities	4,421	8,314	5,865	2,449
Travel expense	1,872	1,068	2,600	(1,532)
Miscellaneous	89	556	370	186
Transfer to Equipment Reserve Fund	2,150	3,520	3,520	-
Total Inspection	<u>129,085</u>	<u>114,508</u>	<u>139,504</u>	<u>(24,996)</u>
Community Building -				
Personal services	6,134	9,256	7,878	1,378
Contractual services	25,971	20,421	38,260	(17,839)
Commodities	2,728	1,046	250	796
Miscellaneous	255	220	300	(80)
Total Community Building	<u>35,088</u>	<u>30,943</u>	<u>46,688</u>	<u>(15,745)</u>
Legal and Judicial -				
Personal services	62,672	65,267	67,220	(1,953)
Contractual services	220,712	216,618	235,700	(19,082)
Commodities	2,595	2,158	2,300	(142)
Miscellaneous	55	25	100	(75)
Travel expense	577	825	1,100	(275)
Total Legal and Judicial	<u>286,611</u>	<u>284,893</u>	<u>306,420</u>	<u>(21,527)</u>
Park Department -				
Personal services	351,206	410,141	358,176	51,965
Contractual services	154,596	192,609	199,800	(7,191)
Commodities	74,067	91,917	96,300	(4,383)
Capital outlay	118,518	366	-	366
Miscellaneous	1,152	1,429	400	1,029
Travel expense	2,317	1,198	2,500	(1,302)
Tree care maintenance	-	-	4,500	(4,500)
Transfer to Equipment Reserve Fund	72,813	72,173	72,173	-
Total Park Department	<u>774,669</u>	<u>769,833</u>	<u>733,849</u>	<u>35,984</u>

CITY OF MCPHERSON, KANSAS

GENERAL OPERATING FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET

Regulatory Basis

For the Year Ended December 31, 2016

(With Comparative Actual Totals for the Prior Year Ended December 31, 2015)

	2015 Actual	2016		Variance - Over (Under)
		Actual	Budget	
Expenditures (cont.)				
Ambulance Service -				
Contractual services	\$ 834,017	\$ 860,149	\$ 873,442	\$ (13,293)
Transfer to Equipment Reserve Fund	50,000	50,000	50,000	-
Total Ambulance Service	884,017	910,149	923,442	(13,293)
Cemetery -				
Personal services	152,348	134,397	165,222	(30,825)
Contractual services	32,188	42,312	31,700	10,612
Commodities	16,360	12,606	26,500	(13,894)
Capital outlay	4,695	25,619	3,100	22,519
Miscellaneous	249	203	-	203
Travel expense	108	1,675	900	775
Tree care maintenance	1,086	3,278	2,500	778
Transfer to Equipment Reserve Fund	26,426	26,426	26,426	-
Total Cemetery	233,460	246,516	256,348	(9,832)
Fire Department -				
Personal services	1,019,536	1,044,641	1,134,406	(89,765)
Contractual services	173,913	233,067	236,015	(2,948)
Commodities	46,330	39,799	46,288	(6,489)
Capital outlay	40,421	81,348	82,000	(652)
Miscellaneous	10,214	11,550	13,250	(1,700)
Travel expense	7,701	9,952	10,000	(48)
Uniform allowance	10,544	11,549	12,230	(681)
Transfer to Equipment Reserve Fund	352,711	289,918	289,918	-
Total Fire Department	1,661,370	1,721,824	1,824,107	(102,283)
Street -				
Transfer to Consolidated Street and Highway Fund	245,000	335,000	335,000	-
Total Expenditures	8,689,234	8,849,639	\$ 12,686,967	\$ (3,837,328)
Receipts Over (Under) Expenditures	(341,354)	(476,649)		
Unencumbered Cash, Beginning	5,162,289	4,820,935		
Unencumbered Cash, Ending	\$ 4,820,935	\$ 4,344,286		

CITY OF MCPHERSON, KANSAS

SPECIAL PURPOSE FUND

ANIMAL SHELTER FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET

Regulatory Basis

For the Year Ended December 31, 2016

(With Comparative Actual Totals for the Prior Year Ended December 31, 2015)

	2016			Variance - Over (Under)
	2015	Actual	Budget	
Receipts				
Dog tags, impounds, adoption fees	\$ 6,710	\$ 6,297	\$ 7,000	\$ (703)
Animal cremations	14,800	16,745	16,000	745
Interest received	16	42	100	(58)
Gifts and donations	4,083	1,823	-	1,823
Reimbursed expenditures	-	18	-	18
Transfer from General Operating Fund	130,000	130,000	130,000	-
Total Receipts	155,609	154,925	\$ 153,100	\$ 1,825
Expenditures				
Personal services	109,938	114,749	\$ 123,859	\$ (9,110)
Contractual services	38,769	41,100	39,942	1,158
Commodities	13,677	10,085	17,750	(7,665)
Capital outlay	7,031	-	5,400	(5,400)
Refunds	2,795	3,555	4,000	(445)
Travel expense	635	650	1,850	(1,200)
Future improvements	-	-	18,638	(18,638)
Miscellaneous	719	325	1,950	(1,625)
Transfer to Equipment Reserve Fund	3,800	5,800	5,800	-
Total Expenditures	177,364	176,264	\$ 219,189	\$ (42,925)
Receipts Over (Under) Expenditures	(21,755)	(21,339)		
Unencumbered Cash, Beginning	110,577	88,822		
Unencumbered Cash, Ending	\$ 88,822	\$ 67,483		

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, 2016

(With Comparative Actual Totals for the Prior Year Ended December 31, 2015)

	2015 Actual	2016		Variance - Over (Under)
		Actual	Budget	
Receipts				
State of Kansas - gas tax	\$ 348,164	\$ 349,348	\$ 343,250	\$ 6,098
State of Kansas - connecting links	47,334	47,367	47,000	367
Reimbursed expenditures	386,568	527,227	304,000	223,227
Local sales tax	1,681,881	1,562,289	1,550,000	12,289
Miscellaneous	-	13,858	-	13,858
Transfer from General Operating Fund	245,000	335,000	335,000	-
Total Receipts	<u>2,708,947</u>	<u>2,835,089</u>	<u>\$ 2,579,250</u>	<u>\$ 255,839</u>
Expenditures				
Personal services	406,774	424,422	\$ 45,757	\$ 378,665
Contractual services	536,662	1,949,781	2,322,084	(372,303)
Commodities	219,475	269,568	242,500	27,068
Capital outlay	37,283	12,527	10,000	2,527
Travel expense	1,159	949	3,500	(2,551)
Miscellaneous	775	1,959	1,250	709
Sidewalk (ADA) improvements	13,337	8,372	15,000	(6,628)
Infrastructure improvements	-	-	2,409,466	(2,409,466)
Transfer to Capital Improvement Fund	-	804,000	-	804,000
Transfer to Bond and Interest Fund	-	254,315	254,315	-
Transfer to Equipment Reserve Fund	118,398	118,273	118,273	-
Total Expenditures	<u>1,333,863</u>	<u>3,844,166</u>	<u>\$ 5,422,145</u>	<u>\$ (1,577,979)</u>
Receipts Over (Under) Expenditures	1,375,084	(1,009,077)		
Unencumbered Cash, Beginning	<u>3,110,154</u>	<u>4,485,238</u>		
Unencumbered Cash, Ending	<u>\$ 4,485,238</u>	<u>\$ 3,476,161</u>		

CITY OF MCPHERSON, KANSAS

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

For the Year Ended December 31, 2016

(With Comparative Actual Totals for the Prior Year Ended December 31, 2015)

	2015 Actual	2016		Variance - Over (Under)
		Actual	Budget	
Receipts				
Ad valorem property tax	\$ 1,666,630	\$ 1,814,441	\$ 1,848,322	\$ (33,881)
Delinquent tax	17,972	21,680	-	21,680
Motor vehicle tax	214,551	194,952	201,942	(6,990)
Recreational vehicle tax	3,013	3,037	3,064	(27)
MVL excise tax	150	650	100	550
16/20M vehicle tax	3,659	2,522	969	1,553
Commercial vehicle tax	240	9,191	9,859	(668)
Matching funds	8,214	6,244	-	6,244
Reimbursed expenditures	174,474	12,909	-	12,909
Payroll matching - Board of Public Utilities	2,575,594	2,591,845	-	2,591,845
Total Receipts	4,664,497	4,657,471	\$ 2,064,256	\$ 2,593,215
Expenditures Subject to Budget				
Insurance administrator	827,036	886,041	\$ 1,006,462	\$ (120,421)
Social security-payment to Federal	376,576	374,997	454,658	(79,661)
KPERS-payment to State	244,071	218,223	285,994	(67,771)
Worker's compensation-premium	52,930	52,277	100,646	(48,369)
Unemployment compensation-payment to State	14,749	10,827	13,073	(2,246)
Kansas Policemen's and Firemen's Retirement-payment to State	503,526	519,766	639,937	(120,171)
Miscellaneous	40,705	35,674	7,500	28,174
Total Expenditures Subject to Budget	2,059,593	2,097,805	\$ 2,508,270	\$ (410,465)
Expenditures Not Subject to Budget:				
Reimbursements	2,575,594	2,591,845		
Total Expenditures	4,635,187	4,689,650		
Receipts Over (Under) Expenditures	29,310	(32,179)		
Unencumbered Cash, Beginning	1,007,885	1,037,195		
Unencumbered Cash, Ending	<u>\$ 1,037,195</u>	<u>\$ 1,005,016</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, 2016

(With Comparative Actual Totals for the Prior Year Ended December 31, 2015)

	<u>2015</u> <u>Actual</u>	<u>2016</u> <u>Actual</u>
Receipts		
Forfeited property funds	\$ 8,863	\$ 5,804
Expenditures		
Drug enforcement	<u>3,168</u>	<u>13,168</u>
Receipts Over (Under) Expenditures	5,695	(7,364)
Unencumbered Cash, Beginning	<u>10,037</u>	<u>15,732</u>
Unencumbered Cash, Ending	<u>\$ 15,732</u>	<u>\$ 8,368</u>

CITY OF MCPHERSON, KANSAS

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

For the Year Ended December 31, 2016

(With Comparative Actual Totals for the Prior Year Ended December 31, 2015)

	2015 Actual	2016		Variance - Over (Under)
		Actual	Budget	
Receipts				
Ad valorem property tax	\$ 29,498	\$ 29,479	\$ 30,001	\$ (522)
Delinquent tax	336	377	-	377
Motor vehicle tax	3,911	3,469	3,570	(101)
Recreational vehicle tax	55	54	54	-
MVL excise tax	3	11	4	7
16/20M truck tax	68	45	17	28
Commercial vehicle tax	5	163	174	(11)
Appropriation - McPherson County	34,735	34,421	35,000	(579)
Total Receipts	68,611	68,019	\$ 68,820	\$ (801)
Expenditures				
Contractual services	51,000	51,000	\$ 51,350	\$ (350)
Travel expense	-	-	8,000	(8,000)
Industrial prospect development	-	-	20,000	(20,000)
Land purchases	-	-	388,927	(388,927)
Total Expenditures	51,000	51,000	\$ 468,277	\$ (417,277)
Receipts Over (Under) Expenditures	17,611	17,019		
Unencumbered Cash, Beginning	382,286	399,897		
Unencumbered Cash, Ending	\$ 399,897	\$ 416,916		

CITY OF MCPHERSON, KANSAS

SPECIAL PURPOSE FUND

LIBRARY FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET

Regulatory Basis

For the Year Ended December 31, 2016

(With Comparative Actual Totals for the Prior Year Ended December 31, 2015)

	2015 Actual	2016		Variance - Over (Under)
		Actual	Budget	
Receipts				
Ad valorem property tax	\$ 617,104	\$ 613,047	\$ 624,502	\$ (11,455)
Delinquent collections	6,640	7,800	5,000	2,800
Motor vehicle tax	79,256	72,276	74,767	(2,491)
Recreational vehicle tax	1,113	1,126	1,135	(9)
MVL excise tax	54	241	37	204
16/20M truck tax	1,341	937	359	578
Commercial vehicle tax	90	3,403	3,650	(247)
Total Receipts	<u>705,598</u>	<u>698,830</u>	<u>\$ 709,450</u>	<u>\$ (10,620)</u>
Expenditures				
Transfer to - Library Board - Operating Budget	<u>705,398</u>	<u>699,630</u>	<u>\$ 709,450</u>	<u>\$ (9,820)</u>
Receipts Over (Under) Expenditures	200	(800)		
Unencumbered Cash, Beginning	<u>600</u>	<u>800</u>		
Unencumbered Cash, Ending	<u>\$ 800</u>	<u>\$ -</u>		

CITY OF MCPHERSON, KANSAS

SPECIAL PURPOSE FUND

LIBRARY EMPLOYEE BENEFITS FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET

Regulatory Basis

For the Year Ended December 31, 2016

(With Comparative Actual Totals for the Prior Year Ended December 31, 2015)

	<u>2016</u>			Variance - Over (Under)
	<u>2015</u>	<u>Actual</u>	<u>Budget</u>	
Receipts				
Ad valorem property tax	\$ 133,809	\$ 133,487	\$ 135,972	\$ (2,485)
Delinquent tax	1,451	1,713	1,000	713
Motor vehicle tax	17,897	15,808	16,214	(406)
Recreational vehicle tax	251	246	246	-
MVL excise tax	12	53	8	45
16/20M vehicle tax	301	209	78	131
Commercial vehicle tax	21	738	792	(54)
Total Receipts	<u>153,742</u>	<u>152,254</u>	<u>\$ 154,310</u>	<u>\$ (2,056)</u>
Expenditures				
Transfer to - Library Board - Employee Benefits	153,697	152,309	<u>\$ 154,310</u>	<u>\$ (2,001)</u>
Receipts Over (Under) Expenditures	45	(55)		
Unencumbered Cash, Beginning	10	55		
Unencumbered Cash, Ending	<u>\$ 55</u>	<u>\$ -</u>		

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, 2016

(With Comparative Actual Totals for the Prior Year Ended December 31, 2015)

	<u>2015 Actual</u>	<u>2016 Actual</u>
Receipts		
Interest received	\$ 3	\$ 2
Expenditures		
Filing fees	<u>40</u>	<u>40</u>
Receipts Over (Under) Expenditures	(37)	(38)
Unencumbered Cash, Beginning	<u>2,366</u>	<u>2,329</u>
Unencumbered Cash, Ending	<u>\$ 2,329</u>	<u>\$ 2,291</u>

CITY OF MCPHERSON, KANSAS

SPECIAL PURPOSE FUND

MCPHERSON LAND BANK FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL

Regulatory Basis

For the Year Ended December 31, 2016

(With Comparative Actual Totals for the Prior Year Ended December 31, 2015)

	<u>2015</u> <u>Actual</u>	<u>2016</u> <u>Actual</u>
Receipts		
Sale of land	\$ 100	\$ 240,220
Expenditures		
Filing fees	-	-
Receipts Over (Under) Expenditures	100	240,220
Unencumbered Cash, Beginning	-	100
Unencumbered Cash, Ending	<u>\$ 100</u>	<u>\$ 240,320</u>

CITY OF MCPHERSON, KANSAS

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

For the Year Ended December 31, 2016

(With Comparative Actual Totals for the Prior Year Ended December 31, 2015)

	<u>2015</u>	<u>2016</u>		<u>Variance - Over (Under)</u>
		<u>Actual</u>	<u>Budget</u>	
Receipts				
Interest received	\$ 32	\$ 124	\$ 50	\$ 74
Reimbursed expenditures	23,083	24,388	20,000	4,388
Transfer from General Operating Fund	90,000	95,000	95,000	-
Total Receipts	<u>113,115</u>	<u>119,512</u>	<u>\$ 115,050</u>	<u>\$ 4,462</u>
Expenditures				
Contractual services	56,949	69,195	\$ 71,981	\$ (2,786)
Commodities	33,634	39,550	30,000	9,550
Capital outlay	-	12,557	70,000	(57,443)
Maintenance reserve	-	-	132,192	(132,192)
Miscellaneous	-	-	200	(200)
Total Expenditures	<u>90,583</u>	<u>121,302</u>	<u>\$ 304,373</u>	<u>\$ (183,071)</u>
Receipts Over (Under) Expenditures	22,532	(1,790)		
Unencumbered Cash, Beginning	<u>218,539</u>	<u>241,071</u>		
Unencumbered Cash, Ending	<u>\$ 241,071</u>	<u>\$ 239,281</u>		

CITY OF MCPHERSON, KANSAS

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

For the Year Ended December 31, 2016

(With Comparative Actual Totals for the Prior Year Ended December 31, 2015)

	<u>2015 Actual</u>	<u>2016 Actual</u>
Receipts		
Fines	\$ 152,205	\$ 127,965
Court cost	56,689	41,982
Supreme Court fee	642	847
Police training fee	7,597	7,650
Police training assessment	21,585	17,436
Drug/alcohol assessment fees	344	-
Bonds	3,321	611
Parking violations	2,550	1,800
Fingerprint fees	9,883	9,475
Diversion fees	4,491	2,910
Reinstatement fees	3,262	3,007
Attorney fees	17,241	20,061
Miscellaneous	8,051	6,510
	<u>287,861</u>	<u>240,254</u>
Total Receipts		
Expenditures		
Payments to General Operating Fund	244,358	194,847
Payments to State of Kansas	34,487	27,716
Payments to Kansas Bureau of Investigation	800	-
Payments to McPherson County Sheriff	9,183	9,587
Bonds	12,558	6,494
Restitution	(624)	(2,848)
Transfer to Municipal Court ADSAP Fund	344	24
	<u>301,106</u>	<u>235,820</u>
Total Expenditures		
Receipts Over (Under) Expenditures	(13,245)	4,434
Unencumbered Cash, Beginning	<u>35,782</u>	<u>22,537</u>
Unencumbered Cash, Ending	<u>\$ 22,537</u>	<u>\$ 26,971</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, 2016

(With Comparative Actual Totals for the Prior Year Ended December 31, 2015)

	<u>2015 Actual</u>	<u>2016 Actual</u>
Receipts		
Transfer from Municipal Court Fund	\$ 344	\$ 24
Expenditures		
Assessments	<u>300</u>	<u>150</u>
Receipts Over (Under) Expenditures	44	(126)
Unencumbered Cash, Beginning	<u>23,588</u>	<u>23,632</u>
Unencumbered Cash, Ending	<u>\$ 23,632</u>	<u>\$ 23,506</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, 2016

(With Comparative Actual Totals for the Prior Year Ended December 31, 2015)

	2015 Actual	2016		Variance - Over (Under)
		Actual	Budget	
Receipts				
Membership fees	\$ 130,421	\$ 127,256	\$ 141,750	\$ (14,494)
Ten play cards and golf team fees	12,310	10,100	10,500	(400)
Cart storage rental fees	47,575	47,815	47,250	565
Cart rental	58,799	46,511	63,000	(16,489)
Trail fees	4,888	4,418	5,250	(832)
Driving range revenue	11,937	11,007	13,650	(2,643)
Weekend green fees	64,987	44,832	73,500	(28,668)
Weekday green fees	68,736	53,049	72,450	(19,401)
Concessions	23,539	20,397	24,150	(3,753)
Beer sales	17,408	20,731	19,475	1,256
Gift cards	6,649	5,751	4,000	1,751
Pro shop sales	52,226	39,043	67,000	(27,957)
Reimbursed expenditures	1,164	7,567	1,000	6,567
Miscellaneous	792	804	-	804
Transfer from General Operating Fund	-	55,000	-	55,000
Total Receipts	<u>501,431</u>	<u>494,281</u>	<u>\$ 542,975</u>	<u>\$ (48,694)</u>
Expenditures				
Personal services	242,897	228,735	\$ 238,784	\$ (10,049)
Contractual services	103,422	83,692	83,300	392
Commodities	127,276	128,128	153,000	(24,872)
Capital outlay	-	33,628	32,450	1,178
Sales tax	11,977	11,571	13,925	(2,354)
Travel expense	2,169	1,677	2,500	(823)
Membership discount	4,325	-	5,000	(5,000)
Credit card fees	6,058	5,545	6,400	(855)
Gift certificates redeemed	4,851	5,445	4,000	1,445
Miscellaneous	308	199	600	(401)
Refunds	-	735	-	735
Improvements	-	-	15,489	(15,489)
Transfer to Equipment Reserve Fund	-	-	28,000	(28,000)
Total Expenditures	<u>503,283</u>	<u>499,355</u>	<u>\$ 583,448</u>	<u>\$ (84,093)</u>
Receipts Over (Under) Expenditures	(1,852)	(5,074)		
Unencumbered Cash, Beginning	<u>24,455</u>	<u>22,603</u>		
Unencumbered Cash, Ending	<u>\$ 22,603</u>	<u>\$ 17,529</u>		

CITY OF MCPHERSON, KANSAS

SPECIAL PURPOSE FUND

OPERATION WARMTH FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL

Regulatory Basis

For the Year Ended December 31, 2016

(With Comparative Actual Totals for the Prior Year Ended December 31, 2015)

	<u>2015</u> <u>Actual</u>	<u>2016</u> <u>Actual</u>
Receipts		
Donations	\$ 5,618	\$ 7,045
Expenditures		
Contractual services	<u>4,863</u>	<u>8,140</u>
Receipts Over (Under) Expenditures	755	(1,095)
Unencumbered Cash, Beginning	<u>2,576</u>	<u>3,331</u>
Unencumbered Cash, Ending	<u>\$ 3,331</u>	<u>\$ 2,236</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, 2016

(With Comparative Actual Totals for the Prior Year Ended December 31, 2015)

	<u>2015</u>	<u>2016</u>		<u>Variance Over (Under)</u>
		<u>Actual</u>	<u>Budget</u>	
Receipts				
Local alcoholic liquor tax	\$ 37,051	\$ 28,582	\$ 36,337	\$ (7,755)
Donations	5,000	-	-	-
Total Receipts	<u>42,051</u>	<u>28,582</u>	<u>\$ 36,337</u>	<u>\$ (7,755)</u>
Expenditures				
Personal services	4,514	5,109	\$ 7,000	\$ (1,891)
Contractual services	11,236	18,161	20,000	(1,839)
Commodities	6,747	6,545	-	6,545
Capital outlay	-	-	108,216	(108,216)
Travel expense	-	49	1,000	(951)
Drug enforcement	-	-	9,000	(9,000)
Total Expenditures	<u>22,497</u>	<u>29,864</u>	<u>\$ 145,216</u>	<u>\$ (115,352)</u>
Receipts Over (Under) Expenditures	19,554	(1,282)		
Unencumbered Cash, Beginning	<u>114,166</u>	<u>133,720</u>		
Unencumbered Cash, Ending	<u>\$ 133,720</u>	<u>\$ 132,438</u>		

CITY OF MCPHERSON, KANSAS

SPECIAL PURPOSE FUND

SPECIAL PARK AND RECREATION FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET

Regulatory Basis

For the Year Ended December 31, 2016

(With Comparative Actual Totals for the Prior Year Ended December 31, 2015)

	2015 Actual	2016		Variance - Over (Under)
		Actual	Budget	
Receipts				
Local alcoholic liquor tax	\$ 37,051	\$ 28,583	\$ 36,337	\$ (7,754)
Expenditures				
Contractual services	11,553	25,848	\$ -	\$ 25,848
Capital outlay	-	23,990	103,136	(79,146)
Total Expenditures	11,553	49,838	\$ 103,136	\$ (53,298)
Receipts Over (Under) Expenditures	25,498	(21,255)		
Unencumbered Cash, Beginning	65,686	91,184		
Unencumbered Cash, Ending	\$ 91,184	\$ 69,929		

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, 2016

(With Comparative Actual Totals for the Prior Year Ended December 31, 2015)

	2015 Actual	2016		Variance - Over (Under)
		Actual	Budget	
Receipts				
Swimming pool	\$ 100,371	\$ 99,240	\$ 100,000	\$ (760)
Concessions	29,681	32,233	32,500	(267)
Reimbursed expenditures	2,595	1,554	-	1,554
Miscellaneous	833	1,784	-	1,784
Transfer from General Operating Fund	160,000	160,000	160,000	-
Total Receipts	<u>293,480</u>	<u>294,811</u>	<u>\$ 292,500</u>	<u>\$ 2,311</u>
Expenditures				
Contractual services	255,668	276,722	\$ 297,250	\$ (20,528)
Commodities	50,991	51,170	45,000	6,170
Capital outlay	1,395	-	-	-
Miscellaneous	1,134	866	1,000	(134)
Refunds	139	146	500	(354)
Sales tax	2,443	2,533	2,500	33
Travel expense	970	1,025	1,000	25
Pool maintenance	-	-	358,146	(358,146)
Total Expenditures	<u>312,740</u>	<u>332,462</u>	<u>\$ 705,396</u>	<u>\$ (372,934)</u>
Receipts Over (Under) Expenditures	(19,260)	(37,651)		
Unencumbered Cash, Beginning	<u>417,046</u>	<u>397,786</u>		
Unencumbered Cash, Ending	<u>\$ 397,786</u>	<u>\$ 360,135</u>		

CITY OF MCPHERSON, KANSAS

SPECIAL PURPOSE FUND

SALES TAX REVENUE FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET

Regulatory Basis

For the Year Ended December 31, 2016

(With Comparative Actual Totals for the Prior Year Ended December 31, 2015)

	<u>2015</u>	<u>2016</u>		<u>Variance - Over (Under)</u>
		<u>Actual</u>	<u>Budget</u>	
Receipts				
Local sales tax	\$ 1,681,881	\$ 1,562,289	\$ 1,800,000	\$ (237,711)
Interest income	69	755	-	755
Total Receipts	<u>1,681,950</u>	<u>1,563,044</u>	<u>\$ 1,800,000</u>	<u>\$ (236,956)</u>
Expenditures				
McPherson Opera House	33,398	-	\$ -	\$ -
Community building renovation	-	-	993,011	(993,011)
Transfer to Bond and Interest Fund	<u>825,738</u>	<u>822,738</u>	<u>822,738</u>	<u>-</u>
Total Expenditures	<u>859,136</u>	<u>822,738</u>	<u>\$ 1,815,749</u>	<u>\$ (993,011)</u>
Receipts Over (Under) Expenditures	822,814	740,306		
Unencumbered Cash, Beginning	<u>144,979</u>	<u>967,793</u>		
Unencumbered Cash, Ending	<u>\$ 967,793</u>	<u>\$ 1,708,099</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, 2016

(With Comparative Actual Totals for the Prior Year Ended December 31, 2015)

	2015 Actual	2016		Variance - Over (Under)
		Actual	Budget	
Receipts				
State of Kansas - guest tax	\$ 389,656	\$ 268,437	\$ 300,000	\$ (31,563)
Booth and registration fees	-	-	500	(500)
Reimbursed expenditures	4,363	918	2,000	(1,082)
Trolley revenue	4,546	4,539	7,000	(2,461)
Grants	67,500	7,500	-	7,500
Gifts	20,200	1,850	10,000	(8,150)
Miscellaneous	442	227	2,500	(2,273)
Total Receipts	<u>486,707</u>	<u>283,471</u>	<u>\$ 322,000</u>	<u>\$ (38,529)</u>
Expenditures				
Personal services	96,098	117,083	\$ 115,910	\$ 1,173
Contractual services	102,501	95,737	117,675	(21,938)
Commodities	60,894	64,790	68,000	(3,210)
Capital outlay	7,288	46,066	36,000	10,066
Refunds	-	-	225	(225)
Appropriation - guest tax	-	11,433	-	11,433
Travel expense	7,253	7,604	7,500	104
Capital outlay - trolley replacement	-	-	211,553	(211,553)
Marketing grant	32,309	34,519	35,000	(481)
Grant expenditures	67,500	7,500	-	7,500
Miscellaneous	249	61	500	(439)
Total Expenditures	<u>374,092</u>	<u>384,793</u>	<u>\$ 592,363</u>	<u>\$ (207,570)</u>
Receipts Over (Under) Expenditures	112,615	(101,322)		
Unencumbered Cash, Beginning	<u>252,692</u>	<u>365,307</u>		
Unencumbered Cash, Ending	<u>\$ 365,307</u>	<u>\$ 263,985</u>		

CITY OF MCPHERSON, KANSAS

SPECIAL PURPOSE FUND

HEALTH SELF-INSURANCE FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL

Regulatory Basis

For the Year Ended December 31, 2016

(With Comparative Actual Totals for the Prior Year Ended December 31, 2015)

	<u>2015</u> <u>Actual</u>	<u>2016</u> <u>Actual</u>
Receipts		
Interest received	\$ 3,077	\$ 3,423
Miscellaneous	347	650
Reimbursement from various funds	2,176,095	2,409,267
Reimbursement	<u>125,499</u>	<u>30,387</u>
Total Receipts	<u>2,305,018</u>	<u>2,443,727</u>
Expenditures		
Cost of insurance	360,807	402,499
Claims paid	1,972,177	2,621,401
Administrative fees	99,603	118,226
Reimbursements	<u>45,435</u>	<u>35,978</u>
Total Expenditures	<u>2,478,022</u>	<u>3,178,104</u>
Receipts Over (Under) Expenditures	(173,004)	(734,377)
Unencumbered Cash, Beginning	<u>1,080,431</u>	<u>907,427</u>
Unencumbered Cash, Ending	<u>\$ 907,427</u>	<u>\$ 173,050</u>

CITY OF MCPHERSON, KANSAS

SPECIAL PURPOSE FUND

WORKER'S COMPENSATION SELF-INSURANCE FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL

Regulatory Basis

For the Year Ended December 31, 2016

(With Comparative Actual Totals for the Prior Year Ended December 31, 2015)

	<u>2015</u> <u>Actual</u>	<u>2016</u> <u>Actual</u>
Receipts		
Interest received	\$ 2,352	\$ 4,283
Reimbursement from various funds	<u>55,259</u>	<u>84,895</u>
Total Receipts	<u>57,611</u>	<u>89,178</u>
Expenditures		
Cost of insurance	76,557	262,349
Claims paid	232	-
Reimbursed expenditures	104,531	-
Miscellaneous	<u>-</u>	<u>344</u>
Total Expenditures	<u>181,320</u>	<u>262,693</u>
Receipts Over (Under) Expenditures	(123,709)	(173,515)
Unencumbered Cash, Beginning	<u>800,923</u>	<u>677,214</u>
Unencumbered Cash, Ending	<u>\$ 677,214</u>	<u>\$ 503,699</u>

CITY OF MCPHERSON, KANSAS

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

For the Year Ended December 31, 2016

(With Comparative Actual Totals for the Prior Year Ended December 31, 2015)

	2015 Actual	2016		Variance - Over (Under)
		Actual	Budget	
Receipts				
Ad valorem property tax	\$ 768,120	\$ 835,053	\$ 850,743	\$ (15,690)
Delinquent tax	9,856	10,777	-	10,777
Motor vehicle tax	126,602	94,551	93,069	1,482
Recreational vehicle tax	2,124	1,346	447	899
MVL excise tax	86	316	46	270
16/20M vehicle tax	1,779	1,477	1,412	65
Commercial vehicle tax	144	4,241	4,544	(303)
Special assessments	347,873	351,751	346,008	5,743
Bond proceeds	2,642,226	-	-	-
Recreation commission reimbursement	57,313	56,713	56,713	-
Transfer from Wastewater System Maintenance and Operation Fund	199,860	195,902	195,902	-
Transfer from Consolidated Street and Highway Fund	-	254,315	254,315	-
Transfer from Sales Tax Revenue Fund	825,738	822,738	822,738	-
Transfer from General Operating Fund (CHS/NCRA Refinery)	87,500	87,500	87,500	-
Transfer from Capital Improvement Fund	-	78,417	-	78,417
Total Receipts	<u>5,069,221</u>	<u>2,795,097</u>	<u>\$ 2,713,437</u>	<u>\$ 81,660</u>
Expenditures Subject to Budget				
Bond principal	2,043,793	2,345,000	\$ 2,345,000	\$ -
Interest coupons	525,282	460,203	460,204	(1)
Commission and postage	-	-	300	(300)
Special assessments delinquencies	-	-	663,064	(663,064)
Total Expenditures Subject to Budget	<u>2,569,075</u>	<u>2,805,203</u>	<u>\$ 3,468,568</u>	<u>\$ (663,365)</u>
Expenditures Not Subject to Budget:				
Bond proceeds	<u>2,642,226</u>	<u>-</u>		
Total Expenditures	<u>5,211,301</u>	<u>2,805,203</u>		
Receipts Over (Under) Expenditures	(142,080)	(10,106)		
Unencumbered Cash, Beginning	<u>950,926</u>	<u>808,846</u>		
Unencumbered Cash, Ending	<u>\$ 808,846</u>	<u>\$ 798,740</u>		

CITY OF MCPHERSON, KANSAS

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

For the Year Ended December 31, 2016

(With Comparative Actual Totals for the Prior Year Ended December 31, 2015)

	2015 Actual	2016		Variance - Over (Under)
		Actual	Budget	
Receipts				
Ad valorem property tax	\$ 768,120	\$ 835,053	\$ 850,743	\$ (15,690)
Delinquent tax	9,856	10,777	-	10,777
Motor vehicle tax	126,602	94,551	93,069	1,482
Recreational vehicle tax	2,124	1,346	447	899
MVL excise tax	86	316	46	270
16/20M vehicle tax	1,779	1,477	1,412	65
Commercial vehicle tax	144	4,241	4,544	(303)
Special assessments	347,873	351,751	346,008	5,743
Bond proceeds	2,642,226	-	-	-
Recreation commission reimbursement	57,313	56,713	56,713	-
Transfer from Wastewater System Maintenance and Operation Fund	199,860	195,902	195,902	-
Transfer from Consolidated Street and Highway Fund	-	254,315	254,315	-
Transfer from Sales Tax Revenue Fund	825,738	822,738	822,738	-
Transfer from General Operating Fund (CHS/NCRA Refinery)	87,500	87,500	87,500	-
Transfer from Capital Improvement Fund	-	78,417	-	78,417
Total Receipts	<u>5,069,221</u>	<u>2,795,097</u>	<u>\$ 2,713,437</u>	<u>\$ 81,660</u>
Expenditures Subject to Budget				
Bond principal	2,043,793	2,345,000	\$ 2,345,000	\$ -
Interest coupons	525,282	460,203	460,204	(1)
Commission and postage	-	-	300	(300)
Special assessments delinquencies	-	-	663,064	(663,064)
Total Expenditures Subject to Budget	<u>2,569,075</u>	<u>2,805,203</u>	<u>\$ 3,468,568</u>	<u>\$ (663,365)</u>
Expenditures Not Subject to Budget:				
Bond proceeds	<u>2,642,226</u>	-		
Total Expenditures	<u>5,211,301</u>	<u>2,805,203</u>		
Receipts Over (Under) Expenditures	(142,080)	(10,106)		
Unencumbered Cash, Beginning	<u>950,926</u>	<u>808,846</u>		
Unencumbered Cash, Ending	<u>\$ 808,846</u>	<u>\$ 798,740</u>		

CITY OF MCPHERSON, KANSAS

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

For the Year Ended December 31, 2016

(With Comparative Actual Totals for the Prior Year Ended December 31, 2015)

	<u>2015</u> <u>Actual</u>	<u>2016</u> <u>Actual</u>
Receipts		
Ad valorem property tax	\$ 49,377	\$ 49,168
Delinquent tax	570	629
Motor vehicle tax	6,484	5,796
Recreational vehicle tax	91	90
MVL excise tax	5	19
16/20M truck tax	111	76
Commercial vehicle tax	7	272
Bond proceeds	1,185,000	-
Temporary note and KDHE loan proceeds	802,266	1,278,504
Interest received	450	1,638
Developer's share	303,914	12,661
Reimbursed expenditures	-	4,481
Community Development Block Grant	-	10,250
Transfer from General Operating Fund	25,000	-
Transfer from Sales Tax Revenue Fund	33,398	-
Transfer from Consolidated Street and Highway Fund	-	804,000
Total Receipts	<u>2,406,673</u>	<u>2,167,584</u>
Expenditures		
Capital Projects -		
Certainteed/Oxford Point drainage improvements	488,116	-
Front Porch/Welcome sign	5,800	1,900
Community dog park	18,792	8,123
Barnstormer's drainage improvements	265,954	-
Erosion control	80,985	-
Community building renovation	3,400	280
Calvary Street	202,626	1,935
Centennial Drive widening	59,831	326,244
Grimes-Loomis SSD #12A	40,245	196
West trunk line	460,422	6,742
Lift station #4	-	138,710
WWTP Road - Ave. A to WWTP	479,061	40,244
Ave. A reconstruction (Oak to RR)	680,438	473,788
Ave. A TA - sidewalk (phase I)	85,630	849,513
Ave. A TA - sidewalk (phase II)	-	53,464
Centennial SSD #092B	470,055	256,289
Barber St east alley	-	50,556
Fisher sewer extention SSD #002C	18,505	1,804
Mohawk interchange	-	300,000
Transfer to Bond and Interest Fund	-	78,417
Total Expenditures	<u>3,359,860</u>	<u>2,588,205</u>
Receipts Over (Under) Expenditures	(953,187)	(420,621)
Unencumbered Cash, Beginning	<u>2,401,110</u>	<u>1,447,923</u>
Unencumbered Cash, Ending	<u>\$ 1,447,923</u>	<u>\$ 1,027,302</u>

CITY OF MCPHERSON, KANSAS

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

For the Year Ended December 31, 2016

(With Comparative Actual Totals for the Prior Year Ended December 31, 2015)

	<u>2015</u> <u>Actual</u>	<u>2016</u> <u>Actual</u>
Receipts		
Interest received	\$ 218	\$ 822
Reimbursed expenditures	18,375	38,999
Transfer from General Operating Fund	554,402	502,833
Transfer from Animal Shelter Fund	3,800	5,800
Transfer from Consolidated Street and Highway Fund	<u>118,398</u>	<u>118,273</u>
Total Receipts	<u>695,193</u>	<u>666,727</u>
Expenditures		
Capital outlay	824,787	428,661
Aerial platform truck lease	<u>108,462</u>	<u>108,462</u>
Total Expenditures	<u>933,249</u>	<u>537,123</u>
Receipts Over (Under) Expenditures	(238,056)	129,604
Unencumbered Cash, Beginning	1,658,764	1,421,608
Prior Year Cancelled Encumbrance	<u>900</u>	<u>-</u>
Unencumbered Cash, Ending	<u>\$ 1,421,608</u>	<u>\$ 1,551,212</u>

CITY OF MCPHERSON, KANSAS

BUSINESS FUNDELECTRIC UTILITY FUNDSCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUALRegulatory Basis

For the Year Ended December 31, 2016

(With Comparative Actual Totals for the Prior Year Ended December 31, 2015)

	<u>2015</u> <u>Actual</u>	<u>2016</u> <u>Actual</u>
Receipts		
User fees	\$ 48,990,867	\$ 53,198,913
Sales to interconnection	5,225,731	4,109,101
Interest received	101,402	130,295
Street lighting	229,696	242,045
Merchandising, jobbing and contract work	249,640	520,704
Refuse collection and sewer service fees	63,481	60,766
Penalties and late charge interest	78,230	83,591
Sales tax	855,867	556,019
Meter deposits	119,892	174,072
Proceeds from sale of equipment	64,250	28,775
Farm income	5,603	5,771
	<u>55,984,659</u>	<u>59,110,052</u>
Total Receipts		
Expenditures		
Purchased power	36,049,858	39,637,092
Fuel	2,116,929	1,076,493
Distribution and transmission	3,487,138	4,123,807
Production	3,281,661	3,496,177
Capital Outlay	1,006,540	1,283,858
Debt service	708,226	710,826
Administrative and general	1,929,260	1,446,409
Merchandising	131,985	413,189
Farm expenses	7,166	14,593
Meter deposits	91,588	153,013
Sales tax	861,864	550,633
Transfer to - General Operation Fund - In lieu of taxes	1,471,017	1,684,097
	<u>51,143,232</u>	<u>54,590,187</u>
Total Expenditures		
Receipts Over (Under) Expenditures	4,841,427	4,519,865
Unencumbered Cash, Beginning	<u>25,733,773</u>	<u>30,575,200</u>
Unencumbered Cash, Ending	<u>\$ 30,575,200</u>	<u>\$ 35,095,065</u>

CITY OF MCPHERSON, KANSAS

BUSINESS FUND

SEWER RECOVERY FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET

Regulatory Basis

For the Year Ended December 31, 2016

(With Comparative Actual Totals for the Prior Year Ended December 31, 2015)

	2015	2016		Variance - Over (Under)
		Actual	Actual	
Receipts				
Sewer recovery fee	\$ 36,929	\$ 10,650	\$ <u>30,000</u>	\$ <u>(19,350)</u>
Expenditures				
Capital outlay	<u>-</u>	<u>2,967</u>	\$ <u>453,056</u>	\$ <u>(450,089)</u>
Receipts Over (Under) Expenditures	36,929	7,683		
Unencumbered Cash, Beginning	<u>393,056</u>	<u>429,985</u>		
Unencumbered Cash, Ending	\$ <u>429,985</u>	\$ <u>437,668</u>		

CITY OF MCPHERSON, KANSAS

BUSINESS FUND

SOLID WASTE COLLECTION FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET

Regulatory Basis

For the Year Ended December 31, 2016

(With Comparative Actual Totals for the Prior Year Ended December 31, 2015)

	2015 Actual	2016		Variance - Over (Under)
		Actual	Budget	
Receipts				
User fees	\$ 929,685	\$ 951,845	\$ 945,000	\$ 6,845
Landfill closure fees	79,937	72,812	85,000	(12,188)
Waste tags	95	-	-	-
Total Receipts	<u>1,009,717</u>	<u>1,024,657</u>	<u>\$ 1,030,000</u>	<u>\$ (5,343)</u>
Expenditures				
Contractual services	853,105	863,871	\$ 775,000	\$ 88,871
Landfill mitigation	-	-	1,700,755	(1,700,755)
Miscellaneous	3	3	600	(597)
Transfer to General Operation Fund	50,000	50,000	50,000	-
Total Expenditures	<u>903,108</u>	<u>913,874</u>	<u>\$ 2,526,355</u>	<u>\$ (1,612,481)</u>
Receipts Over (Under) Expenditures	106,609	110,783		
Unencumbered Cash, Beginning	<u>1,295,705</u>	<u>1,402,314</u>		
Unencumbered Cash, Ending	<u>\$ 1,402,314</u>	<u>\$ 1,513,097</u>		

CITY OF MCPHERSON, KANSAS

BUSINESS FUND

STORM WATER UTILITY FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET

Regulatory Basis

For the Year Ended December 31, 2016

(With Comparative Actual Totals for the Prior Year Ended December 31, 2015)

	2015	2016		Variance - Over (Under)
		Actual	Actual	
Receipts				
Storm water utility fees	\$ -	\$ 140,334	\$ -	\$ 140,334
Expenditures	-	-	-	-
Receipts Over (Under) Expenditures	-	140,334		
Unencumbered Cash, Beginning	-	-		
Unencumbered Cash, Ending	\$ -	\$ 140,334		

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, 2016

(With Comparative Actual Totals for the Prior Year Ended December 31, 2015)

	2015 Actual	2016		Variance - Over (Under)
		Actual	Budget	
Receipts				
User fees	\$ 1,819,191	\$ 1,827,974	\$ 1,750,000	\$ 77,974
Sale of grain, equipment and supplies	41,398	34,377	50,000	(15,623)
Rent	2,017	820	2,500	(1,680)
Reimbursed expenditures	196,794	30,215	18,000	12,215
Miscellaneous	2,576	2,518	3,400	(882)
Total Receipts	<u>2,061,976</u>	<u>1,895,904</u>	<u>\$ 1,823,900</u>	<u>\$ 72,004</u>
Expenditures				
Personal services	265,307	278,577	\$ 333,178	\$ (54,601)
Contractual services	627,588	661,075	749,200	(88,125)
Commodities	119,564	93,601	125,200	(31,599)
Capital outlay	19,732	7,791	2,834,045	(2,826,254)
Travel expense	4,253	1,488	5,000	(3,512)
Miscellaneous	7,609	995	1,000	(5)
Appropriations:				
KDHE, RLF Main Street	73,157	23,154	307,000	(283,846)
KDHE, UV Project	75,551	75,551	75,551	-
Transfer to Bond and Interest Fund	199,860	195,902	195,902	-
Transfer to General Operating Fund	60,000	60,000	60,000	-
Total Expenditures	<u>1,452,621</u>	<u>1,398,134</u>	<u>\$ 4,686,076</u>	<u>\$ (3,287,942)</u>
Receipts Over (Under) Expenditures	609,355	497,770		
Unencumbered Cash, Beginning	<u>2,814,953</u>	<u>3,424,308</u>		
Unencumbered Cash, Ending	<u>\$ 3,424,308</u>	<u>\$ 3,922,078</u>		

CITY OF MCPHERSON, KANSAS

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

For the Year Ended December 31, 2016

(With Comparative Actual Totals for the Prior Year Ended December 31, 2015)

	2015 Actual	2016		Variance - Over (Under)
		Actual	Budget	
Receipts				
Interest received	\$ 1,439	\$ 1,651	\$ 1,500	\$ 151
User fee	<u>672,000</u>	<u>672,000</u>	<u>672,000</u>	<u>-</u>
Total Receipts	<u>673,439</u>	<u>673,651</u>	<u>\$ 673,500</u>	<u>\$ 151</u>
Expenditures				
Appropriation:				
KDHE, WWT plant improvement	728,853	728,853	\$ 728,853	\$ -
Contingency for future loan payments	<u>-</u>	<u>-</u>	<u>886,376</u>	<u>(886,376)</u>
Total Expenditures	<u>728,853</u>	<u>728,853</u>	<u>\$ 1,615,229</u>	<u>\$ (886,376)</u>
Receipts Over (Under) Expenditures	(55,414)	(55,202)		
Unencumbered Cash, Beginning	<u>1,026,536</u>	<u>971,122</u>		
Unencumbered Cash, Ending	<u>\$ 971,122</u>	<u>\$ 915,920</u>		

CITY OF MCPHERSON, KANSAS

BUSINESS FUNDWATER UTILITY FUNDSCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUALRegulatory Basis

For the Year Ended December 31, 2016

(With Comparative Actual Totals for the Prior Year Ended December 31, 2015)

	<u>2015 Actual</u>	<u>2016 Actual</u>
Receipts		
User fees	\$ 3,399,149	\$ 3,383,831
Interest received	25,835	33,463
Farm income	188,449	255,856
Merchandising, jobbing and contract work	166,909	137,492
Refuse collection and sewer service fees	11,203	12,241
Water protection fees	29,190	26,294
Sales tax	<u>75,623</u>	<u>53,841</u>
Total Receipts	<u>3,896,358</u>	<u>3,903,018</u>
Expenditures		
Production	576,555	598,192
Distribution and transmission	964,802	1,016,782
Administrative and general	326,819	359,842
Capital outlay	362,687	308,751
Farm expenses	54,497	54,471
Merchandising	48,320	36,958
Debt service	1,303,916	1,284,767
Water protection fee	22,685	27,646
Sales tax	74,908	53,684
Transfer to General Operation Fund - In lieu of taxes	<u>56,476</u>	<u>50,690</u>
Total Expenditures	<u>3,791,665</u>	<u>3,791,783</u>
Receipts Over (Under) Expenditures	104,693	111,235
Unencumbered Cash, Beginning	<u>6,814,023</u>	<u>6,918,716</u>
Unencumbered Cash, Ending	<u>\$ 6,918,716</u>	<u>\$ 7,029,951</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, 2016

(With Comparative Actual Totals for the Prior Year Ended December 31, 2015)

	<u>2015</u>	<u>2016</u>
Receipts		
Interest received	\$ 119	\$ 120
Expenditures		
Contractual services	<u>2,500</u>	<u>2,500</u>
Receipts Over (Under) Expenditures	(2,381)	(2,380)
Unencumbered Cash, Beginning	<u>47,710</u>	<u>45,329</u>
Unencumbered Cash, Ending	<u>\$ 45,329</u>	<u>\$ 42,949</u>

CITY OF MCPHERSON, KANSAS

TRUST FUND

CEMETERY ENDOWMENT FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL

Regulatory Basis

For the Year Ended December 31, 2016

(With Comparative Actual Totals for the Prior Year Ended December 31, 2015)

	<u>2015</u>	<u>2016</u>
Receipts		
Sale of lots and spaces	\$ 6,626	\$ 7,837
Expenditures	<u>-</u>	<u>-</u>
Receipts Over (Under) Expenditures	6,626	7,837
Unencumbered Cash, Beginning	<u>75,015</u>	<u>81,641</u>
Unencumbered Cash, Ending	<u>\$ 81,641</u>	<u>\$ 89,478</u>

CITY OF MCPHERSON, KANSAS

TRUST FUND

FIRE INSURANCE PROCEEDS FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL

Regulatory Basis

For the Year Ended December 31, 2016

(With Comparative Actual Totals for the Prior Year Ended December 31, 2015)

	<u>2015</u>	<u>2016</u>
Receipts		
Insurance escrow	\$ 8,650	\$ 71,103
Expenditures		
Reimburse escrow	<u>8,650</u>	<u>71,103</u>
Receipts Over (Under) Expenditures	-	-
Unencumbered Cash, Beginning	<u>-</u>	<u>-</u>
Unencumbered Cash, Ending	<u>\$ -</u>	<u>\$ -</u>

CITY OF MCPHERSON, KANSAS

TRUST FUNDPOLICE BENEFIT FUNDSCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUALRegulatory Basis

For the Year Ended December 31, 2016

(With Comparative Actual Totals for the Prior Year Ended December 31, 2015)

	<u>2015</u>	<u>2016</u>
Receipts		
Fundraisers	\$ -	\$ 1,766
Interest received	37	29
Donations	690	500
	<u>727</u>	<u>2,295</u>
Total Cash Receipts		
Expenditures		
Gifts to injured/sick officers	175	321
Office supplies/miscellaneous	1,405	179
Memorials	-	250
Team building	-	718
Meals and food supplies	-	2,361
	<u>1,580</u>	<u>3,829</u>
Total Expenditures		
Receipts Over (Under) Expenditures	(853)	(1,534)
Unencumbered Cash, Beginning	<u>14,564</u>	<u>13,711</u>
Unencumbered Cash, Ending	<u>\$ 13,711</u>	<u>\$ 12,177</u>

CITY OF MCPHERSON, KANSAS

RELATED MUNICIPAL ENTITY

LIBRARY BOARD

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL

Regulatory Basis

For the Year Ended December 31, 2016

(With Comparative Actual Totals for the Prior Year Ended December 31, 2015)

	Capital		Operating	Employee	Totals	
	Improvement	General			Budget	Benefits
Receipts:						
Interest received	\$ 568	\$ 16	\$ 417	\$ -	\$ 1,001	\$ 865
Fines and fees	-	13,646	-	-	13,646	15,721
Gifts	2,500	5,995	-	-	8,495	8,165
Sales	-	2,744	-	-	2,744	1,398
State of Kansas	-	-	4,139	-	4,139	4,441
South Central Kansas Library System	-	-	45,663	-	45,663	42,417
Reimbursements	-	2,403	-	-	2,403	3,104
Miscellaneous	-	353	-	-	353	139
MCCF	-	-	13,700	-	13,700	11,360
Transfers in -						
General	-	-	8,800	-	8,800	20,600
Operating Budget	69,900	-	-	-	69,900	70,500
Library Fund	-	-	699,630	152,309	851,939	859,095
Total Receipts	72,968	25,157	772,349	152,309	1,022,783	1,037,805
Expenditures:						
Personal services	-	-	463,495	-	463,495	439,849
Contractual services	7,157	-	137,540	129,052	273,749	268,069
Commodities	37,250	113	105,530	-	142,893	112,585
Capital outlay	-	-	1,183	-	1,183	488
Reimbursements	-	-	3,126	-	3,126	1,656
Miscellaneous and refunds	-	2,426	2,772	-	5,198	6,361
Grant disbursements/gift expense	-	5,988	-	-	5,988	7,389
Transfers out -						
Capital Improvement	-	-	-	-	-	70,500
Operating Budget	-	8,800	69,900	-	78,700	20,600
Total Expenditures	44,407	17,327	783,546	129,052	974,332	927,497
Receipts over (under) Expenditures	28,561	7,830	(11,197)	23,257	48,451	110,308
Unencumbered Cash, Beginning of Year	250,889	5,732	125,897	108,959	491,477	381,169
Unencumbered Cash, End of Year	\$ 279,450	\$ 13,562	\$ 114,700	\$ 132,216	\$ 539,928	\$ 491,477