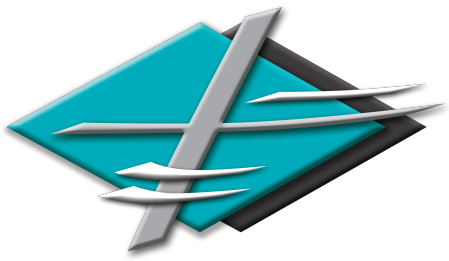
CITY OF McPHERSON, KANSAS

FINANCIAL STATEMENT

FOR THE YEAR ENDED
DECEMBER 31, 2023



LOYD GROUP, LLC

Certified Public Accountants

City of McPherson, Kansas
City of Second Class
Incorporated March 4, 1874
For the Year Ended December 31, 2023

BOARD OF CITY COMMISSIONERS

Gary L. Mehl
Commissioner of
Public Facilities

Thomas A. Brown
Mayor

Larry E. Wiens
Commissioner of
Public Works

CITY OFFICIALS

Jeffrey A. Houston
City Attorney

Nick Gregory, MPA
City Administrator

Daniela Rivas
Administrator of Operations/
Finance Director

Richard Miller
Assistant Finance Director

Gary Price
Municipal Court Judge

Mikel Golden
Chief of Police

TJ Wyssmann
Fire Chief

Lisa Faust
City Clerk

Britta Erkelenz
HR Manager

Josh Bedel
General Manager, Board
of Public Utilities

Wayne Burns
Director of
Public Land & Facilities

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

Virgil Lyon
Planning & Zoning Administrator

Ryan Rank
Building Inspector

Brian L. Bina
City Prosecutor

Jeffery Rife
Cemetery Sexton

Stephen (Tyler) Mermis
Code Enforcement Officer/
Sanitation Office

CITY OF MCPHERSON, KANSAS

For the Year Ended December 31, 2023

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CITY OF MCPHERSON, KANSAS

For the Year Ended December 31, 2023

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CITY OF MCPHERSON, KANSAS

For the Year Ended December 31, 2023

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LOYD GROUP, LLC

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INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and City Commission
McPherson, Kansas 67460

Adverse and Unmodified Opinions

We have audited the accompanying fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances of the City of McPherson, Kansas (City), a Municipal Financial Reporting Entity, as of and for the year ended December 31, 2023 and the related notes to the financial statement.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the Basis for Adverse and Unmodified Opinions section of our report, the accompanying financial statement referred to above does not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the City as of December 31, 2023, or changes in financial position and cash flows thereof for the year then ended.

Unmodified Opinion on Regulatory Basis of Accounting

In our opinion, the accompanying financial statement referred to above presents fairly, in all material respects, the aggregate cash and unencumbered cash balance of the City as of December 31, 2023, and the aggregate receipts and expenditures for the year then ended in accordance with the financial reporting provisions of the *Kansas Municipal Audit and Accounting Guide* described in Note 1.

Basis for Adverse and Unmodified Opinions

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

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

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

Responsibilities of Management for the Financial Statement

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

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

Auditor's Responsibilities for the Audit of the Financial Statement

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

In performing an audit in accordance with GAAS, we:

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statement, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statement.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, no such opinion is expressed.
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statement.
- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

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

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances (basic financial statement) as a whole. The summary of regulatory basis expenditures-actual and budget, individual fund schedules of regulatory basis receipts, expenditures-actual and budget, and schedule of regulatory basis receipts and disbursements-agency funds (Schedules 1, 2, and 3 as listed in the table of contents) are presented for purposes of additional analysis and are not a required part of the basic financial statement, however are required to be presented under the provisions of the *Kansas Municipal Audit and Accounting Guide*. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statement. The information has been subjected to the auditing procedures applied in the audit of the basic financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statement or to the basic financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In

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

We also previously audited, in accordance with auditing standards generally accepted in the United States of America, the basic financial statement of City of McPherson, Kansas as of and for the year ended December 31, 2022 (not presented herein), and have issued their report thereon dated May 19, 2023, which contained an unmodified opinion on the basic financial statement. The 2022 basic financial statement and their accompanying report are not presented herein, but are available in electronic form from the web site of the Kansas Department of Administration at the following link https://admin.ks.gov/offices/oar/municipalservices. The 2022 actual column (2022 comparative information) presented in the individual fund schedules of regulatory basis receipts and expenditures—actual and budget for the year ended December 31, 2023 (Schedule 2 as listed in the table of contents) is presented for purposes of additional analysis and is not a required part of the basic financial statement. Such 2022 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 2022 basic financial statement. The 2022 comparative information was subjected to the auditing procedures applied in the audit of the 2022 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 2022 basic financial statement or to the 2022 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 2022 comparative information is fairly stated in all material respects in relation to the basic financial statement as a whole for the year ended December 31, 2022, on the basis of accounting described in Note 1.

Our audit was conducted for the purpose of forming an opinion on the financial statement of City of McPherson. The schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards,* is presented for purposes of additional analysis and is also not a required part of the basic financial statement. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statement. The information has been subjected to the auditing procedures applied in the audit of the basic financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statement or to the basic financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the basic financial statement as a whole, on the basis of accounting described in Note 1.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 7, 2024, on our consideration of City of McPherson's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the effectiveness of City of McPherson's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City of McPherson's internal control over financial reporting and compliance.

Loyd Group, LLC

Loyd Group, LLC
Galva, KS
June 7, 2024

CITY OF MCPHERSON, KANSAS

SUMMARY STATEMENT OF RECEIPTS, EXPENDITURES AND UNENCUMBERED CASH
Regulatory Basis
For the Year Ended December 31, 2023

	Beginning Unencumbered Cash Balance	Prior Year Cancelled Encumbrances	Receipts	Expenditures	Ending Unencumbered Cash Balance	Add Encumbrances and Accounts Payable	Ending Cash Balance
GENERAL FUND							
General Operating Fund	$ 5,268,023	$ -	$ 13,323,156	$ 12,586,459	$ 6,004,720	$ 1,560,626	$ 7,565,346
SPECIAL PURPOSE FUNDS							
Consolidated Street and Highway Fund	3,944,751	-	3,728,769	3,568,687	4,104,833	-	4,104,833
Employee Benefits (Non-Public Safety) Contribution Fund	268,987	-	4,182,567	4,226,803	224,751	168,909	393,660
Employee Benefits (Public Safety) Contribution Fund	433,093		1,688,983	1,856,672	265,404	316,087	581,491
Forfeited Property Fund - Police Department	18,905	-	7,795	5,032	21,668	-	21,668
Industrial Development Fund	380,363	-	106,089	100,000	386,452	-	386,452
Library Fund	-	-	800,936	800,936	-	-	-
Library Employee Benefits Fund	-	-	165,029	165,029	-	-	-
McPherson Landfill Improvement Corporation	2,059	-	3	40	2,022	-	2,022
McPherson Land Bank Fund	238,361	-	-	1,913	236,448	-	236,448
Municipal Building Fund	296,434	-	110,514	263,124	143,824	-	143,824
Municipal Court Fund	41,936	-	242,223	245,140	39,019	-	39,019
Municipal Court ADSAP Fund	24,472	-	-	-	24,472	-	24,472
Municipal Golf Course Fund	201,820	-	1,118,352	970,365	349,807	-	349,807
Operation Warmth Fund	971	-	2,903	3,874	-	-	-
Special Alcohol Program Fund	146,043	-	44,150	47,023	143,170	-	143,170
Special Park and Recreation Fund	72,773	-	44,150	42,959	73,964	-	73,964
Swimming Pool Maintenance and Operation Fund	251,694	-	375,360	547,449	79,605	575	80,180
Sales Tax Revenue Fund	2,264,741	-	2,158,636	4,252,527	170,850	-	170,850
CID Sales Tax Fund	19,232		197,897	188,003	29,126	-	29,126
Tourism and Convention Promotion Fund	524,477	-	589,406	539,672	574,211	13,360	587,571
Health Self-Insurance Fund	2,146,244	-	2,830,666	3,082,574	1,894,336	-	1,894,336
Worker's Compensation Self-Insurance Fund	802,102	-	315,170	522,491	594,781	-	594,781
Insurance Recovery Fund	92,377	-	11,576	59,425	44,528	-	44,528
Federal Grant Fund	1,437,662	-	-	411,504	1,026,158	-	1,026,158
State and Local Grant Fund	228,198	-	270,652	263,474	235,376	-	235,376
Total Special Purpose Funds	13,837,695	-	18,991,826	22,164,716	10,664,805	498,931	11,163,736
BOND AND INTEREST FUND							
Bond and Interest Fund	536,137	-	3,030,720	3,112,073	454,784	-	454,784
CAPITAL PROJECTS FUNDS							
Capital Improvement Fund	2,136,122	-	6,478,747	3,926,282	4,688,587	-	4,688,587
Equipment Reserve Fund	820,956	189,589	1,031,576	894,339	1,147,782	812,283	1,960,065
Total Capital Projects Funds	2,957,078	189,589	7,510,323	4,820,621	5,836,369	812,283	6,648,652

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

CITY OF MCPHERSON, KANSAS

SUMMARY STATEMENT OF RECEIPTS, EXPENDITURES AND UNENCUMBERED CASH
Regulatory Basis
For the Year Ended December 31, 2023

	Beginning Unencumbered Cash Balance	Prior Year Cancelled Encumbrances	Receipts	Expenditures	Ending Unencumbered Cash Balance	Add Encumbrances and Accounts Payable	Ending Cash Balance
BUSINESS FUNDS							
Electric Utility Fund	$ 40,330,022	$ -	$ 80,890,864	$ 72,299,126	$ 48,921,760	$ 5,457,638	$ 54,379,398
Sewer Recovery Fund	576,571	-	11,310	-	587,881	-	587,881
Solid Waste Collection Fund	2,333,582	-	1,250,954	1,102,130	2,482,406	-	2,482,406
Storm Water Utility Fund	1,183,864	-	1,093,087	716,732	1,560,219	-	1,560,219
Wastewater System Maintenance and Operation Fund	4,708,238	-	2,444,590	3,249,922	3,902,906	25,493	3,928,399
Wastewater System Surplus Fund	734,809	-	684,160	673,325	745,644	-	745,644
Water Utility Fund	31,456,142	-	10,955,831	23,046,540	19,365,433	1,166,126	20,531,559
Total Business Funds	81,323,228	-	97,330,796	101,087,775	77,566,249	6,649,257	84,215,506
TRUST FUNDS							
Salthouse - Broadway Cemetery Trust Fund	38,847	-	255	-	39,102	-	39,102
Cemetery Endowment Fund	147,568	-	11,813	-	159,381	-	159,381
Total Trust Funds	186,415	-	12,068	-	198,483	-	198,483
Total	104,108,576	189,589	140,198,889	143,771,644	100,725,410	9,521,097	110,246,507
RELATED MUNICIPAL ENTITY							
Library Board	600,279	-	1,106,171	1,145,128	561,322	45,206	606,528
Total Reporting Entity	$ 104,708,855	$ 189,589	$ 141,305,060	$ 144,916,772	$ 101,286,732	$ 9,566,303	$ 110,853,035

COMPOSITION OF CASH	
Cash on Hand - City Clerk	$ 650
Cash on Hand - Board of Public Utilities	600
Cash on Hand - Municipal Court	100
Cash on Hand - Municipal Golf Course	420
Cash in Bank and Certificates of Deposit	106,045,802
Investments - KS Municipal Investment Pool	4,198,935
Total	110,246,507
Related Municipal Entity	606,528
Total Reporting Entity	$ 110,853,035

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, 2023

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 8,900 electric and 6,000 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.

If the municipality is holding a revenue neutral rate hearing, the budget timeline for adoption of the final budget has been adjusted to on or before September 20th. The municipality did hold a revenue neutral rate hearing for the year.

The statutes allow for the governing body to increase the originally adopted budget for previously unbudgeted increases in regulatory receipts other than ad valorem property taxes. To do this, a notice of public hearing to amend the budget must be published in the local newspaper. At least ten days after publication, the hearing may be held and the governing body may amend the budget at that time. There were budget amendments for the year 2023.

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

Per K.S.A 12-1,118, Capital improvement funds are considered a non-budgeted fund. However, the City has chosen to show a budget for full transparency purposes. The overage shown is not considered a legal budget violation under the Kansas Statutes.

3. DEPOSITS AND INVESTMENTS

As of December 31, 2023, the City had the following investments:

		Investment Maturities (in Years)				
Investment Type	Fair Value	Less than 1	1-5	6-10	More than 10	Rating
Kansas Municipal Investment Pool	$ 4,198,935	$ 4,198,935	$ -	$ -	$ -	S&P AAAF/SLT

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

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

Concentration of credit risk. State statutes place no limit on the amount the City may invest in any one issuer as long as the investments are adequately secured under K.S.A. 9-1402 and 9-1405. The City's allocation of investments as of December 31, 2023, is as follows:

Investments	Percentage of Investments
Kansas Municipal Investment Pool	100%

Custodial credit risk – deposits. Custodial credit risk is the risk that in the event of a bank failure, the City's deposits may not be returned to it. State statutes require the City's deposits in financial institutions to be entirely covered by federal depository insurance or by collateral held under a joint custody receipt issued by a bank within the State of Kansas, the Federal Reserve Bank of Kansas City, or the Federal Home Loan Bank of Topeka. All deposits were legally secured by December 31, 2023.

At December 31, 2023, the City's and Library's carrying amount of deposits was $31,732,396 and the bank balance was $31,107,044. The bank balance was held by three banks resulting in a concentration of credit risk. Of the bank balance, $1,250,000 was covered by federal depository insurance and $29,927,735 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, 2023, the City had invested $4,198,935 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, 2023 were as follows:

Issue	Interest Issue	Date of Issue	Amount of Issue	Original Date of Final Maturity	Balance Beginning of Year	Additions	Reductions of Principal	Balance End of Year	Interest Paid
General Obligation Bonds:									
Series 137 of 2015	2.00% to 3.00%	7/22/15	3,750,000	7/1/25	$ 450,000	$ -	$ 150,000	$ 300,000	$ 13,500
Series 138 of 2017	2.00% to 3.00%	7/26/17	2,660,000	8/1/37	800,000	-	205,000	595,000	24,000
Series 139 of 2018	3.00% to 4.00%	11/1/18	9,595,000	8/1/30	6,930,000	-	760,000	6,170,000	242,513
Series 140 of 2019	2.50% to 4.00%	8/15/19	2,670,000	8/1/39	2,145,000	-	100,000	2,045,000	58,132
Series 141 of 2020	1.50% to 3.00%	8/19/20	8,925,000	8/1/40	6,270,000	-	1,380,000	4,890,000	170,900
Total General Obligation Bonds					16,595,000	-	2,595,000	14,000,000	509,045
Revenue Bonds:									
Series 2021 & Rev Refinance	2.25% to 3.00%	1/14/21	31,555,000	10/1/51	30,060,000	-	1,385,000	28,675,000	761,252
Kansas Revolving Fund Loans:									
2015 Wastewater Improvement	2.13%	3/25/15	4,863,464	3/1/36	3,000,974	-	186,098	2,814,876	62,935
Capital Lease:									
Golf Carts	3.25%	3/2/20	166,427	3/2/24	67,595	-	33,251	34,344	2,227
Total Contractual Indebtedness					$ 49,723,569	$ -	$ 4,199,349	$ 45,524,220	$ 1,335,459

Continuing Disclosure Requirements

The City of McPherson as Issuer and Dissemination Agent, posted the prior year Annual Audit Report to EMMA (Electronic Municipal Market Access) on a timely basis (a requirement of no later than 210 days after the year-end) as reflected in the continuing disclosure instruction of the City's bond documents. The 2023 Annual Audit Report was posted to EMMA on July 25, 2023.

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:

	2024	2025	2026	2027	2028	2029-2033	2034-2038	2039-2043	2044-2048	2049-2052	Total
Principal:											
General Obligation Bonds:											
Series 137 of 2015	$ 145,000	$ 155,000	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 300,000
Series 138 of 2017	110,000	100,000	80,000	60,000	45,000	120,000	80,000	-	-	-	595,000
Series 139 of 2018	785,000	820,000	855,000	890,000	915,000	1,905,000	-	-	-	-	6,170,000
Series 140 of 2019	100,000	105,000	110,000	115,000	120,000	630,000	710,000	155,000	-	-	2,045,000
Series 141 of 2020	690,000	710,000	735,000	760,000	775,000	1,000,000	150,000	70,000	-	-	4,890,000
Total General Obligation Bonds	1,830,000	1,890,000	1,780,000	1,825,000	1,855,000	3,655,000	940,000	225,000	-	-	14,000,000
Revenue Bonds:											
Series 2021 (Water)	1,425,000	1,475,000	1,515,000	705,000	730,000	4,015,000	4,525,000	5,005,000	5,590,000	3,690,000	28,675,000
Kansas Revolving Fund Loans:											
2015 Wastewater Improvement	190,083	194,154	198,311	202,557	206,894	1,102,855	720,022	-	-	-	2,814,876
Capital Leases:											
Golf Carts Lease	34,344	-	-	-	-	-	-	-	-	-	34,344
Total Principal	3,479,427	3,559,154	3,493,311	2,732,557	2,791,894	8,772,855	6,185,022	5,230,000	5,590,000	3,690,000	45,524,220
Interest:											
General Obligation Bonds:											
Series 137 of 2015	9,000	4,650	-	-	-	-	-	-	-	-	13,650
Series 138 of 2017	17,850	14,550	11,550	9,150	7,350	21,150	6,000	-	-	-	87,600
Series 139 of 2018	212,113	180,713	147,912	113,713	87,013	90,925	-	-	-	-	832,389
Series 140 of 2019	54,131	50,131	45,931	41,531	36,931	147,628	72,981	3,875	-	-	453,139
Series 141 of 2020	129,500	108,800	87,500	65,450	42,650	56,800	16,000	2,100	-	-	508,800
									-	-	
Total General Obligation Bonds	422,594	358,844	292,893	229,844	173,944	316,503	94,981	5,975	-	-	1,895,578
Revenue Bonds:											
Series 2021 (Water)	719,703	676,953	632,703	587,253	562,578	2,436,187	1,929,113	1,450,463	862,638	182,280	10,039,867
Kansas Revolving Fund Loans:											
2015 Wastewater Improvement	58,950	54,880	50,722	46,476	42,138	142,308	27,076	-	-	-	422,550
Capital Leases:											
Golf Carts Lease	1,135	-	-	-	-	-	-	-	-	-	1,135
Total Interest	1,202,382	1,090,677	976,318	863,573	778,660	2,894,998	2,051,170	1,456,438	862,638	182,280	12,359,130
Total Principal and Interest	$ 4,681,809	$ 4,649,831	$ 4,469,629	$ 3,596,130	$ 3,570,554	$ 11,667,853	$ 8,236,192	$ 6,686,438	$ 6,452,638	$ 3,872,280	$ 57,883,350

5. PENSION COSTS AND EMPLOYEE BENEFITS

(a) Defined Benefit Pension Plan

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

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

State law provides that the employer contribution rates for KPERS 1 and KPERS 2 and KPERS 3 and KP&F be determined based on the results of each annual actuarial valuation. Kansas law sets a limitation on annual increases in the employer contribution rates. The actuarially determined employer contribution rate (not including the 1% contribution rate for the Death and Disability Program) and the statutory contribution rate was 8.43% for KPERS and 22.86% for KP&F for the fiscal year ended December 31, 2023. Contributions to the pension plan from the City and BPU were $896,956 for KPERS and $763,621 for KP&F (Library was $40,342) for the year ended December 31, 2023.

Net Pension Liability. At December 31, 2023, the City and BPU's proportionate share of the collective net pension liability reported by KPERS was $10,071,580 and $7,730,190 for KP&F (Library was $447,001). The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2022, which was rolled forward to June 30, 2023. The City and BPU's proportion of the net pension liability was based on the ratio of the City and BPU's contributions to KPERS, relative to the total employer and non-employer contributions of the Local subgroup within KPERS. Since the KMAAG regulatory basis of accounting does not recognize long-term debt, this liability is not reported in this financial statement.

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

(b) Death and Disability Other Post Employment Benefits

K.S.A. 74-4927, disabled members in Kansas Public Employees Retirement System (KPERS) receive long-term disability benefits and life insurance benefits. The plan is administered through a trust held by KPERS that is funded to pay annual benefit payments. The employer contribution rate is set at 1% for the year ended December 31, 2023.

(c) Deferred Compensation Plan

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

5. PENSION COSTS AND EMPLOYEE BENEFITS (CONT.)

(d) Other Employee Benefits

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

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

Maximum Years of Service	Hours Accrued Per Year	Maximum Accumulation
0 to 5 years	80 working hours	120 working hours
5 to 10 years	120 working hours	180 working hours
10 to 15 years	144 working hours	216 working hours
15 to 20 years	160 working hours	240 working hours
After 20 years	200 working hours	300 working hours

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

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

(e) Other Post Employment Benefits

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

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

6. SELF-INSURANCE PROGRAM

The City is responsible for a potential liability up to $100,000 per individual per year for health care claims. This plan had fixed costs of $137,954. Management believes claims incurred, but not reported, are insignificant at December 31, 2023. Starting December 31, 2007, the City chose to not self-insure for workers' compensation. Changes in health insurance claims liability for 2023 and 2022 were as follows:

	2023	2022
Beginning Balance	$ 100,000	$ 100,000
Additions	2,543,515	2,020,012
Payments	(2,543,515)	(2,020,012)
Ending Balance	$ 100,000	$ 100,000

7. SUMMARY DISCLOSURE OF SIGNIFICANT CONTINGENCIES

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

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

8. CLAIMS AND JUDGMENTS

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

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 2022 to 2023 and there were no settlements that exceeded insurance coverage in the past three years.

During the ordinary course of its operations the City is exposed to various claims, legal actions and complaints. It is of the opinion of the City's management and legal counsel that these matters are not anticipated to have a material impact on the City. There were no liability insurance settlements during 2023. There are pending matters as of December 31, 2023, but they are not considered material and are fully covered by City insurance limits.

9. LANDFILL CLOSURE AND POSTCLOSURE CARE COST

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

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

10. CAPITAL LEASE – RECREATION COMPLEX

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

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

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

Year	Total Basic Rental Payment	Principal Component	Interest Component
2024	59,000	40,000	19,000
2025	57,400	40,000	17,400
2026	55,800	40,000	15,800
2027	59,200	45,000	14,200
2028	57,400	45,000	12,400
2029-2033	288,213	255,000	33,213
	$ 693,463	$ 540,000	$ 153,463

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, 2023, 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, 2023.

12. INTERFUND TRANSFERS

Operating transfers were as follows:

From	To	Regulatory Authority	Amount
Operating transfers (City):			
General Operating	Consolidated Street and Highway	K.S.A. 12-1,119	$ 600,000
General Operating	Swimming Pool Maint. And Operation	Ord. 2708	195,000
General Operating	Capital Improvement	K.S.A. 12-1,117	747,500
General Operating	Municipal Golf Course	Ord. 2999	50,000
General Operating	Bond and Interest	Ord. 3042	87,500
General Operating	Municipal Building	Ord. 2887	90,000
General Operating	Equipment Reserve	K.S.A. 12-1,117	702,154
Sales Tax Revenue	Capital Improvement	K.S.A. 12-1,117	3,523,614
Sales Tax Revenue	Bond and Interest	Ord. 3069	728,913
State and Local Grant	Capital Improvement	KSA. 12-1,118	184,330
Consolidated Street and Highway	Bond and Interest	Ord. 3179	360,905
Consolidated Street and Highway	Capital Improvement	KSA. 12-1,118	300,000
Consolidated Street and Highway	Equipment Reserve	KSA. 12-1,118	154,310
Electric Utility	General Operating	K.S.A. 12-825d	1,916,077
Solid Waste Collection	General Operating	K.S.A. 12-2104	50,000
Wastewater System Surplus	Bond and Interest	K.S.A. 12-631o	673,325
Water Utility	General Operating	K.S.A. 12-825d	60,454
Wastewater System Maintenance and Operation	General Operating	K.S.A. 12-630a	80,000
Wastewater System Maintenance and Operation	Bond and Interest	K.S.A. 12-630a	54,184
Capital Improvement	Equipment Reserve	K.S.A. 12-630a	56,000
Storm Water Utility	Bond and Interest	K.S.A. 12-631o	625,582
Total Operating transfers (City)			11,239,848
Operating transfers (Library):			
Library	Library Board	K.S.A. 12-1220	800,936
Library Employee Benefits	Library Board	K.S.A. 12-16,102	165,029
Total Operating transfers (Library)			965,965
Total Operating transfers (municipal financial reporting entity)			$ 12,205,813

13. OTHER RELATIONSHIPS

McPherson Area Solid Waste Utility

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

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

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

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

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

McPherson City/County Airport

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

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

13. OTHER RELATIONSHIPS (CONT.)

In 2020 the Authority was awarded a grant through the Federal Aviation Administration (FAA) in the amount of $240,000. This grant provides for an Updated Airport Layout Planning Project - which the FAA requires every eight to 10 years. Airport Development Group of Denver, Colorado was selected to manage the project. Due to lack of progress on the project, our relationship with ADG will be terminated, and we will engage another firm to finish the ALP, which has a deadline of July 7, 2024, which is more than adequate for completion.

In 2021, the airport was granted funds in the amount of $229,537 for replacement of the failed Supplementary Wind Cone and the failing Precision Approach Path Indicator (PAPI) lights, which closed out in March of 2022 after a successful FAA test flight.

We are applying for a KDOT grant of approximately $25,000 to cover replacement of our failed Runway Lighting Regulator.

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

14. CAPITAL PROJECTS

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

	Project Authorization	Expenditures to Date
CDBG 2020	$ 325,000	$ 315,587
CDBG Block Grant 2022	636,624	636,324
Erosion Control - Golf Course	472,000	177,987
North Frontage Road Extension	565,957	539,095
Total	$ 1,999,581	$ 1,668,993

15. SUBSEQUENT EVENTS

2022 TA Grant Sidewalk Phase 2 - On July 29, 2022 The City of McPherson was awarded a TA Grant to construct a 10' sidewalk from Main to Veranda Circle along the North Side of Northview. Total Cost of this sidewalk is estimated at $1,070,439. City share of the project is estimated at $214,088 (20%). Shortly after the grant was awarded a second sidewalk was added to the scope of this project. A 5' sidewalk from Main Street to Grimes along the south side of Northview will now be constructed at a cost of $729,500, City share of this sidewalk is estimated at $145,900. Construction was expected to be start in 2024, however obtaining the required easement from three properties was forced into binding arbitration which delayed the letting until at least November 2024. Construction will most probably not be started until 2025.

Phase 3 and 4 Lakeside Bank Restoration - On April 25, 2023 Commission approved Design for Phase 3 and 4 bank restoration. Each Phase includes replacing approximately 900 lineal foot of embankment. Estimated cost for each project is $500,000. Phase 3 construction was completed in 2024. Phase 4 construction estimated to cost approximately $500,000.00. Phase 4 is expected to be constructed in 2025.

15. SUBSEQUENT EVENTS (CONT.)

2022 CDBG - The City of McPherson was awarded $500,000 in Community Development Block Grant (2022 CDBG) Funds through the Kansas Department of Commerce beginning in 2022. Of that $500,000 grant - $300,000 may be spent on Housing Rehabilitation for 12 homes and the remaining $200,000 will be in the form of matching funds widening and improvements to Walnut Street between Avenue A and Avenue D. The Walnut Street project was completed in 2023 and expenditures were reimbursed to the City. There are matching funds that City of McPherson, Landlords, and other matching services will contribute to receive the said funds. Grant Funds will need to be requested as the project is completed. The Housing rehabilitation project was anticipated to be completed with 2-years of signing a grant agreement which occurred at the end of February 2022. Commission was granted a time extension in February 2024 which extends the application time until June of 2024.

Moderate Income Housing Project (MIH) - On December 15, 2020 commission received a $100,000 Moderate Income Housing Grant through the Kansas Housing Resource Corporation. The City is partnering with a local developer to build five moderately priced homes. The homes will be located on Genesis Drive. Base price for the homes is $235,000. In March of 2023 City Commission was approved by Kansas Department of Commerce for a Grant Addendum which authorized 6 additional properties within the Genesis Drive area to be eligible to receive the MIH Grant Funds, with this approval, citizens who participate in the program will be eligible for up to $32,000 cash assistance - made up of $25,000 MIH Grant, $5,000 ARPA Funds, and $2,000 New Construction Homebuyer Assistance Program (NCHIP) Funding. The MIH Grant will allow down payment assistance up to $25,000 for qualifying individuals.

Deerfield Senior Homes. In February of 2021 WindyRidge Development and Deerfield Senior Homes, LLC. were awarded a Federal Housing Tax Credit by the Kansas Housing Resource corporation for the development of affordable senior rental housing know as Deerfield Senior Homes. Deerfield Senior Homes will be a new construction and contain a total of twenty-six (26) residential units targeted for households 55 years of age or older. In 2022 Commission authorized per Resolution support of the construction of this project. Construction began in the spring of 2023 and was completed in April of 2024. As part of this project street, storm sewer, and sanitary sewer improvements were made. No specials are be assessed due to the tax credit reducing costs making it affordable for the developer to install necessary infrastructure.

Fire Station No 2 - On September 13, 2022 commission authorized annexation of approximately 6.76 acres on the north boundary of McPherson with the intent of constructing a new fire station. On October 11, 2022 Commission approved accepting the Design-Build of 8 proposals and authorized the Selection Committee to review submittals. On February 7, 2023 Commission approved design of Fire Station No 2 as a percentage of the total construction costs. On December 26, 2023 Commission approved the Design-Build contract with Hutton Construction for an amount not to exceed $3,994,445. Construction began in January of 2024 and is expected to be completed by October 2024.

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

CITY OF MCPHERSON, KANSAS

REGULATORY – REQUIRED

SUPPLEMENTARY INFORMATION

FOR THE YEAR ENDED DECEMBER 31, 2023

CITY OF MCPHERSON, KANSAS

SUMMARY OF EXPENDITURES - ACTUAL AND BUDGET
Regulatory Basis
(Budgeted Funds Only)
For the Year Ended December 31, 2023

	Certified Budget	Adjustment for for Qualifying Budget Credits	Total Budget for Comparison	Expenditures Chargeable to Current Year	Variance - Over (Under)
GENERAL FUND					
General Operating Fund	$ 15,937,388	$ -	$ 15,937,388	$ 12,586,459	$ (3,350,929)
SPECIAL PURPOSE FUNDS					
Consolidated Street and Highway Fund	6,838,859	-	6,838,859	3,568,687	(3,270,172)
Employee Benefits (Non-Public Safety) Contribution Fund	1,101,379	-	1,101,379	894,492	(206,887)
Employee Benefits (Public Safety) Contribution Fund	1,993,528	-	1,993,528	1,856,672	(136,856)
Industrial Development Fund	460,388	-	460,388	100,000	(360,388)
Library Fund	819,700	-	819,700	800,936	(18,764)
Library Employee Benefits Fund	171,560	-	171,560	165,029	(6,531)
McPherson Land Bank Fund	466,629	-	466,629	1,913	(464,716)
Municipal Building Fund	410,683	-	410,683	263,124	(147,559)
Municipal Golf Course Fund	1,190,000	-	1,190,000	970,365	(219,635)
Special Alcohol Program Fund	166,319	-	166,319	47,023	(119,296)
Special Park and Recreation Fund	87,181	-	87,181	42,959	(44,222)
Swimming Pool Maintenance and Operation Fund	646,227	-	646,227	547,449	(98,778)
Sales Tax Revenue Fund	4,776,095	-	4,776,095	4,252,527	(523,568)
CID Sales Tax Fund	199,232	-	199,232	188,003	(11,229)
Tourism and Convention Promotion Fund	872,582	-	872,582	539,672	(332,910)
BOND AND INTEREST FUND					
Bond and Interest Fund	3,494,718	-	3,494,718	3,112,073	(382,645)
CAPITAL PROJECTS FUND					
Capital Improvement Fund	1,922,722	-	1,922,722	3,926,282	2,003,560 *
BUSINESS FUNDS					
Sewer Recovery Fund	614,874	-	614,874	-	(614,874)
Solid Waste Collection Fund	3,483,705	-	3,483,705	1,102,130	(2,381,575)
Storm Water Utility Fund	2,527,808	-	2,527,808	716,732	(1,811,076)
Wastewater System Maintenance and Operation Fund	7,141,186	-	7,141,186	3,249,922	(3,891,264)
Wastewater System Surplus Fund	1,396,353	-	1,396,353	673,325	(723,028)

* Per K.S.A 12-1,118, Capital improvement funds are considered a non-budgeted fund. However, the City has chosen to show a budget for full transparency purposes. The overage shown is not considered a legal budget violation under the Kansas Statutes.

CITY OF MCPHERSON, KANSAS

GENERAL OPERATING FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
Regulatory Basis
For the Year Ended December 31, 2023
(With Comparative Actual Totals for the Prior Year Ended December 31, 2022)

	2022 Actual	2023 Actual	2023 Budget	2023 Variance - Over (Under)
Receipts				
Taxes -				
Ad valorem property tax	$ 3,718,809	$ 3,807,435	$ 3,860,760	$ (53,325)
Delinquent tax	176,122	46,440	-	46,440
Motor vehicle tax	359,967	409,060	418,423	(9,363)
Recreational vehicle tax	6,961	7,336	8,159	(823)
MVL excise tax	2,165	2,378	1,455	923
16/20M vehicle tax	1,049	1,478	3,284	(1,806)
Commercial vehicle tax	21,579	22,760	22,060	700
In lieu of tax	58,275	29,479	58,000	(28,521)
In lieu of tax - IRB clients	19,670	20,547	-	20,547
Local sales tax	2,546,985	2,704,135	2,100,000	604,135
Total Taxes	6,911,582	7,051,048	6,472,141	578,907
Intergovernmental Revenues -				
State of Kansas - liquor tax revenue	42,577	44,150	37,903	6,247
McPherson County - rescue vehicle runs	10,000	5,000	5,000	-
McPherson County - HAZMAT/technical response	15,000	15,000	15,000	-
McPherson County - ambulance appropriation	436,416	441,416	436,416	5,000
McPherson County - RHID receipts	179,034	190,751	180,250	10,501
Total Intergovernmental Revenues	683,027	696,317	674,569	21,748
Licenses and Permits -				
Utility franchise fees	426,950	528,790	410,000	118,790
Beer licenses	1,050	1,075	1,300	(225)
Liquor licenses	6,400	4,350	3,600	750
Occupation licenses	13,772	10,307	15,000	(4,693)
Building, zoning bonds and demolition permits	99,748	100,366	145,000	(44,634)
Fireworks stand licenses	4,000	4,000	3,000	1,000
Inspections	4,262	2,937	4,000	(1,063)
Total Licenses and Permits	556,182	651,825	581,900	69,925
Charges for Services -				
Fire contracts - townships	561,122	548,354	539,270	9,084
Taxi coupons	5,615	9,655	6,000	3,655
Cemetery services	37,210	40,420	40,000	420
Total Charges for Services	603,947	598,429	585,270	13,159

CITY OF MCPHERSON, KANSAS

GENERAL OPERATING FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
Regulatory Basis
For the Year Ended December 31, 2023
(With Comparative Actual Totals for the Prior Year Ended December 31, 2022)

		2023		
	2022 Actual	Actual	Budget	Variance - Over (Under)
Receipts (cont.)				
Fines, Forfeitures and Penalties -				
Municipal court fines	$ 198,552	$ 186,037	$ 200,000	$ (13,963)
Vehicle inspections	24,620	24,500	30,000	(5,500)
Total Fines, Forfeitures and Penalties	223,172	210,537	230,000	(19,463)
Use of Money and Property -				
Interest received	71,920	975,456	100,000	875,456
Cemetery endowment interest	790	1,912	100	1,812
Rent-building, land and equipment	18,894	21,065	16,000	5,065
Total Use of Money and Property	91,604	998,433	116,100	882,333
Miscellaneous -				
Public Transportation for Nonurbanized Areas	8,155	10,354	5,500	4,854
Reimbursed expenditures	300,848	567,017	402,800	164,217
Dog tag, impound, adoption fee	5,442	9,664	4,400	5,264
Animal cremations	32,341	39,751	28,500	11,251
Grant reimbursements	92,957	119,744	-	119,744
Cemetery lot sales	36,600	35,438	30,000	5,438
Gifts and bequests	3,248	6,956	-	6,956
Sale of effluent water	114,451	100,051	100,000	51
Community Building receipts	82,662	112,892	102,600	10,292
Miscellaneous	3,610	8,169	500	7,669
Total Miscellaneous	680,314	1,010,036	674,300	335,736
Transfer from Electric Utility Fund	1,883,070	1,916,077	1,950,000	(33,923)
Transfer from Solid Waste Collection Fund	50,000	50,000	50,000	-
Transfer from Wastewater System Maintenance and Operation Fund	80,000	80,000	80,000	-
Transfer from Water Utility Fund	60,578	60,454	60,000	454
Total Transfers	2,073,648	2,106,531	2,140,000	(33,469)
Total Receipts	11,823,476	13,323,156	$ 11,474,280	$ 1,848,876

CITY OF MCPHERSON, KANSAS

GENERAL OPERATING FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
Regulatory Basis
For the Year Ended December 31, 2023
(With Comparative Actual Totals for the Prior Year Ended December 31, 2022)

	2022 Actual	2023 Actual	2023 Budget	2023 Variance - Over (Under)
Expenditures				
Administrative -				
Personal services	$ 626,075	$ 714,410	$ 707,314	$ 7,096
Contractual services	218,532	249,603	347,515	(97,912)
Commodities	11,613	10,518	13,200	(2,682)
Capital outlay	-	1,474	-	1,474
Cereal malt beverage stamp	250	300	-	300
Housing programs	126,522	200,726	-	200,726
RHID reimbursement	179,034	190,751	-	190,751
Refunds	105	-	277,729	(277,729)
Travel expense	24,704	26,514	-	26,514
Miscellaneous	9,838	12,278	-	12,278
Contingency for storms	-	-	3,130,000	(3,130,000)
Legal fees and services	1,139	17,510	-	17,510
Appropriations:				
McPherson Airport Authority	64,302	64,302	64,302	-
McPherson Main Street	25,500	25,500	25,500	-
Not-For-Profit	7,000	17,250	10,000	7,250
McPherson Museum	685,000	60,000	50,000	10,000
McPherson Senior Center	5,000	10,000	10,000	-
Transfer to Municipal Building Fund	90,000	90,000	90,000	-
Transfer to Bond and Interest Fund	87,500	87,500	87,500	-
Transfer to Municipal Golf Course Fund	50,000	50,000	50,000	-
Transfer to Swimming Pool Maint. and Oper. Fund	180,000	195,000	195,000	-
Total Administrative	2,392,114	2,023,636	5,058,060	(3,034,424)
Police Department -				
Personal services	2,390,943	2,353,520	2,742,951	(389,431)
Contractual services	450,867	487,128	603,026	(115,898)
Commodities	153,688	118,179	174,300	(56,121)
Capital outlay	151,904	108,627	178,500	(69,873)
Miscellaneous	27,929	41,553	-	41,553
Travel expense	45,739	23,775	144,446	(120,671)
Uniform allowance	22,752	47,433	-	47,433
Transfer to Equipment Reserve Fund	97,557	143,617	105,117	38,500
Transfer to Capital Improvement Fund	35,000	345,000	45,000	300,000
Total Police Department	3,376,379	3,668,832	3,993,340	(324,508)

CITY OF MCPHERSON, KANSAS

GENERAL OPERATING FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
Regulatory Basis
For the Year Ended December 31, 2023
(With Comparative Actual Totals for the Prior Year Ended December 31, 2022)

		2023		
	2022 Actual	Actual	Budget	Variance - Over (Under)
Expenditures (cont.)				
Engineering -				
Personal services	$ 224,543	$ 255,073	$ 287,951	$ (32,878)
Contractual services	13,432	7,697	6,129	1,568
Commodities	14,608	18,140	21,870	(3,730)
Capital Outlay	9,395	-	-	-
Travel expense	800	670	4,150	(3,480)
Miscellaneous	175	374	-	374
Transfer to Equipment Reserve Fund	7,000	7,200	7,200	-
				-
Total Engineering	269,953	289,154	327,300	(38,146)
Sanitation -				
Personal services	115,719	105,148	123,219	(18,071)
Contractual services	26,060	11,899	16,268	(4,369)
Commodities	5,614	4,858	8,157	(3,299)
Code enforcement supplies	85	-	515	(515)
Travel expense	1,007	815	12,125	(11,310)
Planning Commission	4,660	5,955	-	5,955
Transfer to Equipment Reserve Fund	2,640	3,500	3,500	-
Total Sanitation	155,785	132,390	163,784	(31,394)
Inspection -				
Personal services	63,538	64,885	65,059	(174)
Contractual services	1,873	1,745	2,991	(1,246)
Commodities	4,076	3,050	10,530	(7,480)
Travel expense	107	1,650	3,520	(1,870)
Miscellaneous	75	90	-	90
Transfer to Equipment Reserve Fund	2,230	5,794	5,794	-
Total Inspection	71,899	77,214	87,894	(10,680)

CITY OF MCPHERSON, KANSAS

GENERAL OPERATING FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
Regulatory Basis
For the Year Ended December 31, 2023
(With Comparative Actual Totals for the Prior Year Ended December 31, 2022)

	2022 Actual	2023 Actual	2023 Budget	2023 Variance - Over (Under)
Expenditures (cont.)				
Community Building -				
Personal services	$ 4,500	$ 5,726	$ 24,000	$ (18,274)
Contractual services	79,048	94,035	91,241	2,794
Commodities	12,968	18,732	20,000	(1,268)
Capital outlay	-	5,517	5,346	171
Travel expense	377	370	18,400	(18,030)
Miscellaneous	3,828	8,774	-	8,774
Transfer to Capital Improvement Fund	-	10,000	10,000	-
Transfer to Equipment Reserve Fund	5,486	10,972	10,972	-
Total Community Building	106,207	154,126	179,959	(25,833)
Legal and Judicial -				
Personal services	76,110	75,732	85,372	(9,640)
Contractual services	229,772	220,195	239,123	(18,928)
Commodities	3,364	4,996	9,500	(4,504)
Miscellaneous	84	62	-	62
Emergency response	53	-	-	-
Travel expense	1,011	848	975	(127)
Total Legal and Judicial	310,394	301,833	334,970	(33,137)
Park Department -				
Personal services	423,630	451,655	491,347	(39,692)
Contractual services	196,216	189,960	179,850	10,110
Commodities	78,924	95,275	84,500	10,775
Capital outlay	3,148	5,512	-	5,512
Miscellaneous	1,936	844	-	844
Travel expense	3,214	2,507	3,200	(693)
Tree care maintenance	580	1,155	-	1,155
Transfer to Capital Improvement Fund	107,500	107,500	107,500	-
Transfer to Equipment Reserve Fund	44,452	44,452	44,452	-
Total Park Department	859,600	898,860	910,849	(11,989)
Ambulance Service -				
Contractual services	925,616	985,692	1,011,960	(26,268)
Transfer to Equipment Reserve Fund	60,000	60,000	60,000	-
Total Ambulance Service	985,616	1,045,692	1,071,960	(26,268)

CITY OF MCPHERSON, KANSAS

GENERAL OPERATING FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET

Regulatory Basis
For the Year Ended December 31, 2023
(With Comparative Actual Totals for the Prior Year Ended December 31, 2022)

		2023		
	2022 Actual	Actual	Budget	Variance - Over (Under)
Expenditures (cont.)				
Cemetery -				
Personal services	$ 157,695	$ 126,698	$ 197,575	$ (70,877)
Contractual services	28,657	28,123	38,047	(9,924)
Commodities	13,295	9,172	19,475	(10,303)
Capital outlay	22,484	14,200	15,000	(800)
Miscellaneous	302	260	-	260
Travel expense	157	21	1,250	(1,229)
Tree care maintenance	1,340	-	-	-
Transfer to Equipment Reserve Fund	26,090	23,739	23,739	-
Transfer to Capital Improvement Fund	10,000	10,000	10,000	-
Total Cemetery	260,020	212,213	305,086	(92,873)
Fire Department -				
Personal services	1,273,277	1,533,932	1,503,368	30,564
Contractual services	406,602	442,825	381,015	61,810
Commodities	96,048	72,178	110,321	(38,143)
Capital outlay	168,394	98,364	99,344	(980)
Miscellaneous	19,069	59,525	-	59,525
Travel expense	22,731	40,239	97,565	(57,326)
Uniform allowance	15,781	15,833	-	15,833
Emergency response	1,011	-	-	-
Transfer to Capital Improvement Fund	-	275,000	-	275,000
Transfer to Equipment Reserve Fund	378,330	389,680	389,680	-
Total Fire Department	2,381,243	2,927,576	2,581,293	346,283
Animal Control -				
Personal services	105,683	145,583	162,385	(16,802)
Contractual services	49,327	60,491	61,108	(617)
Commodities	8,908	18,810	18,900	(90)
Capital outlay	4,519	7,162	51,000	(43,838)
Miscellaneous	6,152	8,320	-	8,320
Travel expense	1,764	1,367	16,300	(14,933)
Transfer to Equipment Reserve Fund	13,905	13,200	13,200	-
Total Animal Control	190,258	254,933	322,893	(67,960)
Street -				
Transfer to Consolidated Street and Highway Fund	550,000	600,000	600,000	-
Total Expenditures	11,909,468	12,586,459	$ 15,937,388	$ (3,350,929)
Receipts Over (Under) Expenditures	(85,992)	736,697		
Unencumbered Cash, Beginning	5,354,015	5,268,023		
Unencumbered Cash, Ending	$ 5,268,023	$ 6,004,720		

CITY OF MCPHERSON, KANSAS

SPECIAL PURPOSE FUND

CONSOLIDATED STREET AND HIGHWAY FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET

Regulatory Basis
For the Year Ended December 31, 2023
(With Comparative Actual Totals for the Prior Year Ended December 31, 2022)

		2023		
	2022 Actual	Actual	Budget	Variance - Over (Under)
Receipts				
State of Kansas - gas tax	$ 364,769	$ 376,008	$ 363,140	$ 12,868
State of Kansas - connecting links	78,890	193,745	75,000	118,745
Reimbursed expenditures	223,519	396,025	526,263	(130,238)
Local sales tax	2,041,024	2,158,635	1,700,000	458,635
Miscellaneous	1,266	4,356	-	4,356
Transfer from General Operating Fund	550,000	600,000	600,000	-
Total Receipts	3,259,468	3,728,769	$ 3,264,403	$ 464,366
Expenditures				
Personal services	398,232	482,439	$ 501,757	$ (19,318)
Contractual services	1,429,242	2,019,620	2,752,153	(732,533)
Commodities	182,770	240,641	384,950	(144,309)
Capital outlay	33,368	7,096	-	7,096
Travel expense	2,208	2,531	-	2,531
Miscellaneous	1,230	356	7,750	(7,394)
Sidewalk (ADA) improvements	4,408	789	15,000	(14,211)
Cash forward	-	-	2,612,034	(2,612,034)
Transfer to Capital Improvement Fund	50,000	300,000	50,000	250,000
Transfer to Bond and Interest Fund	358,745	360,905	360,905	-
Transfer to Equipment Reserve Fund	137,000	154,310	154,310	-
Total Expenditures	2,597,203	3,568,687	$ 6,838,859	$ (3,270,172)
Receipts Over (Under) Expenditures	662,265	160,082		
Unencumbered Cash, Beginning	3,282,486	3,944,751		
Unencumbered Cash, Ending	$ 3,944,751	$ 4,104,833		

CITY OF MCPHERSON, KANSAS

SPECIAL PURPOSE FUND

EMPLOYEE BENEFITS (NON-PUBLIC SAFETY) CONTRIBUTION FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET

Regulatory Basis
For the Year Ended December 31, 2023
(With Comparative Actual Totals for the Prior Year Ended December 31, 2022)

		2023		
	2022 Actual	Actual	Budget	Variance - Over (Under)
Receipts				
Ad valorem property tax	$ 596,854	$ 731,045	$ 741,260	$ (10,215)
Delinquent tax	32,051	8,452	-	8,452
Motor vehicle tax	56,903	63,528	67,154	(3,626)
Recreational vehicle tax	1,137	1,129	1,309	(180)
MVL excise tax	448	375	188	187
16/20M vehicle tax	362	212	528	(316)
Commercial vehicle tax	2,812	3,642	3,541	101
Matching funds	7,087	7,451	-	7,451
Reimbursed expenditures	10,472	3,850	15,000	(11,150)
Coronavirus Relief Funds	17,751	26,627	35,000	(8,373)
In lieu of taxes - IRB clients	3,157	3,945	-	3,945
Payroll matching - Board of Public Utilities	3,173,403	3,332,311	-	3,332,311
Total Receipts	3,902,437	4,182,567	$ 863,980	$ 3,318,587
Expenditures Subject to Budget				
Insurance administrator	313,789	367,499	$ 548,609	$ (181,110)
Social security-payment to Federal	169,923	186,178	208,026	(21,848)
KPERS-payment to State	200,020	239,559	256,429	(16,870)
Worker's compensation-premium	88,312	74,852	54,315	20,537
Unemployment compensation-payment to State	9,381	10,082	14,000	(3,918)
Miscellaneous	22,048	16,322	20,000	(3,678)
Total Expenditures Subject to Budget	803,473	894,492	$ 1,101,379	$ (206,887)
Expenditures Not Subject to Budget:				
Reimbursements	3,173,403	3,332,311		
Total Expenditures	3,976,876	4,226,803		
Receipts Over (Under) Expenditures	(74,439)	(44,236)		
Unencumbered Cash, Beginning	343,426	268,987		
Unencumbered Cash, Ending	$ 268,987	$ 224,751		

CITY OF MCPHERSON, KANSAS

SPECIAL PURPOSE FUND

EMPLOYEE BENEFITS (PUBLIC SAFETY) CONTRIBUTION FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET

Regulatory Basis
For the Year Ended December 31, 2023
(With Comparative Actual Totals for the Prior Year Ended December 31, 2022)

		2023		
	2022 Actual	Actual	Budget	Variance - Over (Under)
Receipts				
Ad valorem property tax	$ 1,440,049	$ 1,425,564	$ 1,445,515	$ (19,951)
Delinquent tax	77,520	17,641	-	17,641
Motor vehicle tax	149,116	158,002	162,017	(4,015)
Recreational vehicle tax	2,926	2,832	3,159	(327)
MVL excise tax	1,017	976	555	421
16/20M vehicle tax	658	512	1,273	(761)
Commercial vehicle tax	8,256	8,811	8,542	269
In lieu of taxes - IRB clients	7,617	7,693	-	7,693
Reimbursed expenditures	5,524	4,267	-	4,267
Coronavirus Relief Funds	47,014	62,685	44,000	18,685
Total Receipts	1,739,697	1,688,983	$ 1,665,061	$ 23,922
Expenditures				
Insurance administrator	499,269	531,495	$ 796,132	$ (264,637)
Social security-payment to Federal	280,819	298,517	322,062	(23,545)
KPERS-payment to State	40,004	44,157	40,004	4,153
Worker's compensation-premium	154,749	155,592	814,180	(658,588)
Unemployment compensation-payment to State	3,847	4,051	4,150	(99)
Kansas Policemen's and Firemen's Retirement-payment to State	730,241	810,741	-	810,741
Miscellaneous	15,087	12,119	17,000	(4,881)
Total Expenditures Subject to Budget	1,724,016	1,856,672	$ 1,993,528	$ (136,856)
Receipts Over (Under) Expenditures	15,681	(167,689)		
Unencumbered Cash, Beginning	417,412	433,093		
Unencumbered Cash, Ending	$ 433,093	$ 265,404		

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, 2023
(With Comparative Actual Totals for the Prior Year Ended December 31, 2022)

	2022 Actual	2023 Actual
Receipts		
Forfeited property funds	$ 4,859	$ 7,795
Expenditures		
Drug enforcement	5,358	5,032
Receipts Over (Under) Expenditures	(499)	2,763
Unencumbered Cash, Beginning	19,404	18,905
Unencumbered Cash, Ending	$ 18,905	$ 21,668

CITY OF MCPHERSON, KANSAS

SPECIAL PURPOSE FUND

INDUSTRIAL DEVELOPMENT FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
Regulatory Basis
For the Year Ended December 31, 2023
(With Comparative Actual Totals for the Prior Year Ended December 31, 2022)

		2023		
	2022 Actual	Actual	Budget	Variance - Over (Under)
Receipts				
Ad valorem property tax	$ 49,172	$ 49,325	$ 50,000	$ (675)
Delinquent tax	2,614	616	-	616
Motor vehicle tax	5,149	5,431	5,531	(100)
Recreational vehicle tax	101	98	108	(10)
MVL excise tax	34	34	20	14
16/20M truck tax	20	18	44	(26)
Commercial vehicle tax	293	301	292	9
Appropriation - McPherson County	50,000	50,000	50,000	-
In lieu of taxes - IRB clients	260	266	-	266
Total Receipts	107,643	106,089	$ 105,995	$ 94
Expenditures				
Contractual services	100,000	100,000	$ 100,000	$ -
Industrial prospect development	-	-	334,388	(334,388)
Miscellaneous	-	-	26,000	(26,000)
Total Expenditures	100,000	100,000	$ 460,388	$ (360,388)
Receipts Over (Under) Expenditures	7,643	6,089		
Unencumbered Cash, Beginning	372,720	380,363		
Unencumbered Cash, Ending	$ 380,363	$ 386,452		

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, 2023
(With Comparative Actual Totals for the Prior Year Ended December 31, 2022)

		2023		
	2022 Actual	Actual	Budget	Variance - Over (Under)
Receipts				
Ad valorem property tax	$ 708,240	$ 703,614	$ 713,356	$ (9,742)
Delinquent collections	36,875	8,925	20,000	(11,075)
Motor vehicle tax	72,975	71,569	79,681	(8,112)
Recreational vehicle tax	1,423	1,402	1,554	(152)
MVL excise tax	472	7,041	282	6,759
16/20M truck tax	274	252	626	(374)
Commercial vehicle tax	4,187	4,336	4,201	135
In lieu of taxes - IRB client	3,747	3,797	-	3,797
Total Receipts	828,193	800,936	$ 819,700	$ (18,764)
Expenditures				
Transfer to - Library Board - Operating Budget	828,193	800,936	$ 819,700	$ (18,764)
Receipts Over (Under) Expenditures	-	-		
Unencumbered Cash, Beginning	-	-		
Unencumbered Cash, Ending	$ -	$ -		

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, 2023
(With Comparative Actual Totals for the Prior Year Ended December 31, 2022)

		2023		
	2022 Actual	Actual	Budget	Variance - Over (Under)
Receipts				
Ad valorem property tax	$ 148,027	$ 145,075	$ 147,025	$ (1,950)
Delinquent tax	6,555	1,817	6,500	(4,683)
Motor vehicle tax	13,106	16,013	16,649	(636)
Recreational vehicle tax	254	286	325	(39)
MVL excise tax	81	97	52	45
16/20M vehicle tax	42	53	131	(78)
Commercial vehicle tax	774	905	878	27
In lieu of taxes - IRB clients	782	783	-	783
Total Receipts	169,621	165,029	$ 171,560	$ (6,531)
Expenditures				
Transfer to - Library Board - Employee Benefits	169,621	165,029	$ 171,560	$ (6,531)
Receipts Over (Under) Expenditures	-	-		
Unencumbered Cash, Beginning	-	-		
Unencumbered Cash, Ending	$ -	$ -		

CITY OF MCPHERSON, KANSAS

SPECIAL PURPOSE FUND

MCPHERSON LANDFILL IMPROVEMENT CORPORATION

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL
Regulatory Basis
For the Year Ended December 31, 2023
(With Comparative Actual Totals for the Prior Year Ended December 31, 2022)

	2022 Actual	2023 Actual
Receipts		
Interest received	$ 1	$ 3
Expenditures		
Filing fees	40	40
Receipts Over (Under) Expenditures	(39)	(37)
Unencumbered Cash, Beginning	2,098	2,059
Unencumbered Cash, Ending	$ 2,059	$ 2,022

CITY OF MCPHERSON, KANSAS

SPECIAL PURPOSE FUND

MCPHERSON LAND BANK FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
Regulatory Basis
For the Year Ended December 31, 2023
(With Comparative Actual Totals for the Prior Year Ended December 31, 2022)

		2023		
	2022 Actual	Actual	Budget	Variance - Over (Under)
Receipts				
Sale of land	$ -	$ -	$ -	$ -
Expenditures				
Contractual services	1,200	1,913	$ 24,500	$ (22,587)
Capital outlay	240,068	-	442,129	(442,129)
Total Expenditures	241,268	1,913	$ 466,629	$ (464,716)
Receipts Over (Under) Expenditures	(241,268)	(1,913)		
Unencumbered Cash, Beginning	479,629	238,361		
Unencumbered Cash, Ending	$ 238,361	$ 236,448		

CITY OF MCPHERSON, KANSAS

SPECIAL PURPOSE FUND

MUNICIPAL BUILDING FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
Regulatory Basis
For the Year Ended December 31, 2023
(With Comparative Actual Totals for the Prior Year Ended December 31, 2022)

		2023		
	2022	Actual	Budget	Variance - Over (Under)
Receipts				
Interest received	$ 22,427	$ -	$ 250	$ (250)
Reimbursed expenditures	20,093	20,514	24,000	(3,486)
Transfer from General Operating Fund	90,000	90,000	90,000	-
Total Receipts	132,520	110,514	$ 114,250	$ (3,736)
Expenditures				
Contractual services	74,446	228,044	$ 270,348	$ (42,304)
Commodities	27,297	28,564	28,000	564
Miscellaneous	-	130	97,335	(97,205)
Capital outlay	11,498	6,386	15,000	(8,614)
Total Expenditures	113,241	263,124	$ 410,683	$ (147,559)
Receipts Over (Under) Expenditures	19,279	(152,610)		
Unencumbered Cash, Beginning	277,155	296,434		
Unencumbered Cash, Ending	$ 296,434	$ 143,824		

CITY OF MCPHERSON, KANSAS

SPECIAL PURPOSE FUND

MUNICIPAL COURT FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL
Regulatory Basis
For the Year Ended December 31, 2023
(With Comparative Actual Totals for the Prior Year Ended December 31, 2022)

	2022 Actual	2023 Actual
Receipts		
Fines	$ 156,527	$ 130,681
Court cost	44,720	41,202
DUI Community Corrections	1,000	1,618
Supreme Court fee	1,005	940
Police training fee	10,037	9,295
Police training assesssment	20,132	17,834
Seat belt safety	6,055	6,380
Bonds	904	-
KBI Fee	323	-
Parking violations	646	497
Fingerprint fees	8,933	7,429
Diversion fees	6,900	7,400
Reinstatement fees	4,500	4,883
Attorney fees	10,483	13,369
Miscellaneous	952	695
Total Receipts	273,117	242,223
Expenditures		
Payments to General Operating Fund	200,112	187,797
Payments to State of Kansas	43,413	39,527
Payments to McPherson County Sheriff	8,779	7,688
Bonds	12,933	12,538
Restitution	(2,056)	(2,410)
Total Expenditures	263,181	245,140
Receipts Over (Under) Expenditures	9,936	(2,917)
Unencumbered Cash, Beginning	32,000	41,936
Unencumbered Cash, Ending	$ 41,936	$ 39,019

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, 2023
(With Comparative Actual Totals for the Prior Year Ended December 31, 2022)

	2022 Actual	2023 Actual
Receipts		
Miscellaneous	$ -	$ -
Expenditures	-	-
Receipts Over (Under) Expenditures	-	-
Unencumbered Cash, Beginning	24,472	24,472
Unencumbered Cash, Ending	$ 24,472	$ 24,472

CITY OF MCPHERSON, KANSAS

SPECIAL PURPOSE FUND

MUNICIPAL GOLF COURSE FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET

Regulatory Basis
For the Year Ended December 31, 2023
(With Comparative Actual Totals for the Prior Year Ended December 31, 2022)

		2023		
	2022 Actual	Actual	Budget	Variance - Over (Under)
Receipts				
Membership fees	$ 154,285	$ 174,015	$ 180,000	$ (5,985)
Ten play cards and golf team fees	13,780	18,260	18,000	260
Cart storage rental fees	52,849	57,605	60,000	(2,395)
Cart rental	105,989	125,031	130,000	(4,969)
Trail fees	4,965	4,832	5,500	(668)
Driving range revenue	24,117	27,426	30,000	(2,574)
Weekend green fees	98,302	109,161	115,000	(5,839)
Weekday green fees	100,093	149,076	155,000	(5,924)
Concessions	34,647	45,692	28,500	17,192
Beer sales	64,179	66,070	68,000	(1,930)
Gift cards	2,922	5,761	6,000	(239)
Pro shop sales	112,217	151,145	155,000	(3,855)
Reimbursed expenditures	5,627	4,814	110,000	(105,186)
Interest Income	-	6,008	5,500	508
Golf lessons	11,493	12,959	15,500	(2,541)
Miscellaneous	529	110,497	7,050	103,447
Transfer from General Operating Fund	50,000	50,000	50,000	-
Total Receipts	835,994	1,118,352	$ 1,139,050	$ (20,698)
Expenditures				
Personal services	324,458	360,726	$ 350,000	$ 10,726
Contractual services	95,532	128,458	145,000	(16,542)
Commodities	233,377	268,095	367,500	(99,405)
Capital outlay	61,758	151,875	295,000	(143,125)
Sales tax	28,583	34,039	20,000	14,039
Travel expense	980	1,635	1,000	635
Credit card fees	14,267	17,739	8,500	9,239
Gift certificates redeemed	3,056	4,094	3,000	1,094
Miscellaneous	1,424	903	-	903
Refunds	-	2,801	-	2,801
Transfer to Equipment Reserve Fund	25,000	-	-	-
Total Expenditures	788,435	970,365	$ 1,190,000	$ (219,635)
Receipts Over (Under) Expenditures	47,559	147,987		
Unencumbered Cash, Beginning	154,261	201,820		
Unencumbered Cash, Ending	$ 201,820	$ 349,807		

CITY OF MCPHERSON, KANSAS

SPECIAL PURPOSE FUND

OPERATION WARMTH FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL
Regulatory Basis
For the Year Ended December 31, 2023
(With Comparative Actual Totals for the Prior Year Ended December 31, 2022)

	2022 Actual	2023 Actual
Receipts		
Donations	$ 7,004	$ 2,903
Expenditures		
Contractual services	7,965	3,874
Receipts Over (Under) Expenditures	(961)	(971)
Unencumbered Cash, Beginning	1,932	971
Unencumbered Cash, Ending	$ 971	$ -

CITY OF MCPHERSON, KANSAS

SPECIAL PURPOSE FUND

SPECIAL ALCOHOL PROGRAM FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
Regulatory Basis
For the Year Ended December 31, 2023
(With Comparative Actual Totals for the Prior Year Ended December 31, 2022)

		2023		
	2022	Actual	Budget	Variance Over (Under)
Receipts				
Reimbursed expenses	$ 471	$ -	$ -	$ -
Local alcoholic liquor tax	42,577	44,150	37,903	6,247
Total Receipts	43,048	44,150	$ 37,903	$ 6,247
Expenditures				
Personal services	2,950	5,487	$ 5,000	$ 487
Contractual services	34,984	39,868	35,000	4,868
Commodities	4,145	458	5,000	(4,542)
Capital outlay	-	-	120,319	(120,319)
Travel expense	290	1,210	1,000	210
Total Expenditures	42,369	47,023	$ 166,319	$ (119,296)
Receipts Over (Under) Expenditures	679	(2,873)		
Unencumbered Cash, Beginning	145,364	146,043		
Unencumbered Cash, Ending	$ 146,043	$ 143,170		

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, 2023
(With Comparative Actual Totals for the Prior Year Ended December 31, 2022)

		2023		
	2022 Actual	Actual	Budget	Variance - Over (Under)
Receipts				
Local alcoholic liquor tax	$ 42,577	$ 44,150	$ 35,000	$ 9,150
Expenditures				
Contractual services	2,355	2,848	$ 10,000	$ (7,152)
Capital outlay	74,669	40,111	40,000	111
Cash forward	-	-	37,181	(37,181)
Total Expenditures	77,024	42,959	$ 87,181	$ (44,222)
Receipts Over (Under) Expenditures	(34,447)	1,191		
Unencumbered Cash, Beginning	107,220	72,773		
Unencumbered Cash, Ending	$ 72,773	$ 73,964		

CITY OF MCPHERSON, KANSAS

SPECIAL PURPOSE FUND

SWIMMING POOL MAINTENANCE AND OPERATION FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
Regulatory Basis
For the Year Ended December 31, 2023
(With Comparative Actual Totals for the Prior Year Ended December 31, 2022)

		2023		
	2022 Actual	Actual	Budget	Variance - Over (Under)
Receipts				
Swimming pool	$ 99,063	$ 127,252	$ 195,000	$ (67,748)
Concessions	26,879	42,276	128,000	(85,724)
Reimbursed expenditures	2,233	144	800	(656)
Interest income	-	10,001	-	10,001
Miscellaneous	3,925	687	-	687
Transfer from General Operating Fund	180,000	195,000	35,000	160,000
Total Receipts	312,100	375,360	$ 358,800	$ 16,560
Expenditures				
Contractual services	250,629	425,357	$ 308,066	$ 117,291
Commodities	86,068	111,683	331,561	(219,878)
Capital outlay	4,266	551	-	551
Credit card fees	1,591	2,551	1,500	1,051
Miscellaneous	700	1,956	700	1,256
Refunds	2,310	344	100	244
Sales tax	2,235	3,477	2,800	677
Travel expense	1,735	1,530	1,500	30
Total Expenditures	349,534	547,449	$ 646,227	$ (98,778)
Receipts Over (Under) Expenditures	(37,434)	(172,089)		
Unencumbered Cash, Beginning	289,128	251,694		
Unencumbered Cash, Ending	$ 251,694	$ 79,605		

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, 2023
(With Comparative Actual Totals for the Prior Year Ended December 31, 2022)

		2023		
	2022	Actual	Budget	Variance - Over (Under)
Receipts				
Local sales tax	$ 2,041,024	$ 2,158,636	$ 1,950,000	$ 208,636
Interest income	11,093	-	-	-
Total Receipts	2,052,117	2,158,636	$ 1,950,000	$ 208,636
Expenditures				
Transfer to:				
Capital Improv Fund-Northview Sidewalk	428,708	3,523,614	$ -	$ 3,523,614
Contingency for future B&I Payment	-	-	4,047,183	(4,047,183)
Bond and Interest Fund	1,033,676	728,913	728,912	1
Total Expenditures	1,462,384	4,252,527	$ 4,776,095	$ (523,568)
Receipts Over (Under) Expenditures	589,733	(2,093,891)		
Unencumbered Cash, Beginning	1,675,008	2,264,741		
Unencumbered Cash, Ending	$ 2,264,741	$ 170,850		

CITY OF MCPHERSON, KANSAS

SPECIAL PURPOSE FUND

CID SALES TAX FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
Regulatory Basis
For the Year Ended December 31, 2023
(With Comparative Actual Totals for the Prior Year Ended December 31, 2022)

		2023		
	2022	Actual	Budget	Variance - Over (Under)
Receipts				
CID sales tax	$ 168,278	$ 197,897	$ 180,000	$ 17,897
Expenditures				
Developer reimbursement	177,908	188,003	$ 199,232	$ (11,229)
Receipts Over (Under) Expenditures	(9,630)	9,894		
Unencumbered Cash, Beginning	28,862	19,232		
Unencumbered Cash, Ending	$ 19,232	$ 29,126		

CITY OF MCPHERSON, KANSAS

SPECIAL PURPOSE FUND

TOURISM AND CONVENTION PROMOTION FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
Regulatory Basis
For the Year Ended December 31, 2023
(With Comparative Actual Totals for the Prior Year Ended December 31, 2022)

		2023		
	2022 Actual	Actual	Budget	Variance - Over (Under)
Receipts				
State of Kansas - guest tax	$ 545,686	$ 568,157	$ 420,000	$ 148,157
Reimbursed expenditures	12,251	13,679	12,200	1,479
Trolley revenue	4,010	6,995	3,000	3,995
Gifts	1	-	-	-
Miscellaneous	84,177	575	1,000	(425)
Total Receipts	646,125	589,406	$ 436,200	$ 153,206
Expenditures				
Personal services	165,519	186,048	$ 252,972	$ (66,924)
Contractual services	109,390	112,561	25,106	87,455
Commodities	18,953	19,488	45,780	(26,292)
Refunds	-	-	100	(100)
Appropriation - guest tax	77,955	81,165	60,000	21,165
Travel expense	4,171	5,460	6,000	(540)
Reserve	-	-	457,374	(457,374)
Marketing grant	24,600	134,950	25,000	109,950
Miscellaneous	84,856	-	250	(250)
Total Expenditures	485,444	539,672	$ 872,582	$ (332,910)
Receipts Over (Under) Expenditures	160,681	49,734		
Unencumbered Cash, Beginning	363,796	524,477		
Unencumbered Cash, Ending	$ 524,477	$ 574,211		

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, 2023
(With Comparative Actual Totals for the Prior Year Ended December 31, 2022)

	2022 Actual	2023 Actual
Receipts		
Interest received	$ 13,880	$ 32,610
Prescription drug rebates	-	142,971
Reimbursement from various funds	2,272,134	2,634,780
Reimbursement	1,850	20,305
Total Receipts	2,287,864	2,830,666
Expenditures		
Cost of insurance	318,536	396,002
Claims paid	2,020,011	2,543,515
Administrative fees	127,442	137,954
Employee assistance	2,383	3,556
Reimbursements	3,385	1,547
Total Expenditures	2,471,757	3,082,574
Receipts Over (Under) Expenditures	(183,893)	(251,908)
Unencumbered Cash, Beginning	2,330,137	2,146,244
Unencumbered Cash, Ending	$ 2,146,244	$ 1,894,336

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, 2023
(With Comparative Actual Totals for the Prior Year Ended December 31, 2022)

	2022 Actual	2023 Actual
Receipts		
Interest received	$ 1,874	$ 1,411
Reimbursement from various funds	295,472	313,759
Total Receipts	297,346	315,170
Expenditures		
Cost of insurance	185,108	223,930
Payout to BPU	-	298,113
Miscellaneous	436	448
Total Expenditures	185,544	522,491
Receipts Over (Under) Expenditures	111,802	(207,321)
Unencumbered Cash, Beginning	690,300	802,102
Unencumbered Cash, Ending	$ 802,102	$ 594,781

CITY OF MCPHERSON, KANSAS

SPECIAL PURPOSE FUND

INSURANCE RECOVERY FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL
Regulatory Basis
For the Year Ended December 31, 2023
(With Comparative Actual Totals for the Prior Year Ended December 31, 2022)

	2022 Actual	2023 Actual
Receipts		
Reimbursed expenditures	$ 1,334,732	$ 11,576
Expenditures		
Contractual services	1,213,791	59,425
Insurance recovery	745,343	-
Total Expenditures	1,959,134	59,425
Receipts Over (Under) Expenditures	(624,402)	(47,849)
Unencumbered Cash, Beginning	716,779	92,377
Unencumbered Cash, Ending	$ 92,377	$ 44,528

CITY OF MCPHERSON, KANSAS

SPECIAL PURPOSE FUND

FEDERAL GRANT FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL
Regulatory Basis
For the Year Ended December 31, 2023
(With Comparative Actual Totals for the Prior Year Ended December 31, 2022)

	2022	2023
Receipts		
Federal appropriations	$ 996,614	$ -
Expenditures	555,566	411,504
Receipts Over (Under) Expenditures	441,048	(411,504)
Unencumbered Cash, Beginning	996,614	1,437,662
Unencumbered Cash, Ending	$ 1,437,662	$ 1,026,158

CITY OF MCPHERSON, KANSAS

SPECIAL PURPOSE FUND

STATE AND LOCAL GRANT FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL
Regulatory Basis
For the Year Ended December 31, 2023
(With Comparative Actual Totals for the Prior Year Ended December 31, 2022)

	2022	2023
Receipts		
Federal appropriations	$ 248,198	$ 270,652
Expenditures		
Capital outlay	20,000	29,144
Appropriation to Airport	-	50,000
Transfer to Capital Improvement Fund	-	184,330
Total Expenditures	20,000	263,474
Receipts Over (Under) Expenditures	228,198	7,178
Unencumbered Cash, Beginning	-	228,198
Unencumbered Cash, Ending	$ 228,198	$ 235,376

CITY OF MCPHERSON, KANSAS

BOND AND INTEREST FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
Regulatory Basis
For the Year Ended December 31, 2023
(With Comparative Actual Totals for the Prior Year Ended December 31, 2022)

		2023		
	2022 Actual	Actual	Budget	Variance - Over (Under)
Receipts				
Ad valorem property tax	$ 66,179	$ 59,217	$ 60,000	$ (783)
Delinquent tax	16,655	1,641	-	1,641
Motor vehicle tax	31,598	11,039	7,442	3,597
Recreational vehicle tax	630	216	145	71
MVL excise tax	244	101	106	(5)
16/20M vehicle tax	188	24	59	(35)
Commercial vehicle tax	1,591	423	392	31
Special assessments	394,867	367,130	386,220	(19,090)
Recreation commission reimbursement	56,250	60,200	60,200	-
Transfer from Consolidated Street and Highway Fund	358,745	360,905	360,905	-
Transfer from Sales Tax Revenue Fund	1,033,676	728,913	728,913	-
Transfer from General Operating Fund (CHS Refinery)	87,500	87,500	87,500	-
Transfer from Storm Water Utility Fund	622,613	625,582	625,582	-
Transfer from Wastewater System Surplus	669,525	673,325	673,325	-
Transfer from Wastewater M&O	53,313	54,184	54,184	-
In lieu of taxes - IRB clients	350	320	-	320
Total Receipts	3,393,924	3,030,720	$ 3,044,973	$ (14,253)
Expenditures				
Bond principal	2,855,000	2,595,000	$ 2,605,000	$ (10,000)
Interest coupons	597,608	509,044	509,044	-
Commission and postage	1,502	8,029	-	8,029
Reserve for Bond Premium	-	-	180,674	(180,674)
Special assessments delinquencies	-	-	200,000	(200,000)
Total Expenditures	3,454,110	3,112,073	$ 3,494,718	$ (382,645)
Receipts Over (Under) Expenditures	(60,186)	(81,353)		
Unencumbered Cash, Beginning	596,323	536,137		
Unencumbered Cash, Ending	$ 536,137	$ 454,784		

CITY OF MCPHERSON, KANSAS

CAPITAL PROJECTS FUND

CAPITAL IMPROVEMENT FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
Regulatory Basis
For the Year Ended December 31, 2023
(With Comparative Actual Totals for the Prior Year Ended December 31, 2022)

		2023		
	2022 Actual	Actual	Budget	Variance - Over (Under)
Receipts				
Ad valorem property tax	$ 49,299	$ 49,457	$ 50,100	$ (643)
Delinquent tax	2,625	628	-	628
Motor vehicle tax	5,160	5,445	5,542	(97)
Recreational vehicle tax	101	94	108	(14)
MVL excise tax	34	40	20	20
16/20M truck tax	20	14	44	(30)
In lieu of taxes - IRB clients	261	267	-	267
Commercial vehicle tax	294	302	292	10
Interest received	8,620	73,009	-	73,009
Developer's share	320,339	1,260,308	-	1,260,308
Miscellaneous	-	2,634	100	2,534
Federal/State appropriation	351,538	331,105	-	331,105
Community Development Block Grant	-	-	500,000	(500,000)
Transfer from Sales Tax Revenue Fund	428,708	3,523,614	240,656	3,282,958
Transfer from General Fund	152,500	747,500	142,500	605,000
Transfer from State and Local Grant Fund	-	184,330	-	184,330
Transfer from Consolidated Street Fund	50,000	300,000	-	300,000
Total Receipts	1,369,499	6,478,747	$ 939,362	$ 5,539,385
Expenditures				
Capital Projects -				
1928 Fire truck restoration	19,246	3,683	$ -	$ 3,683
North fire station	35	208,616	-	208,616
Barnstormers West Field paving and storm sewer impr.	-	53	-	53
Wall Park bank restoration	428,708	-	-	-
Community building renovation	92,800	-	-	-
Challenger Park pickle ball	-	255,782	-	255,782
Lakeside bank restoration	39,991	881,740	-	881,740
SSD #082 sewer extension	38,723	-	-	-
SSD #174A & SSD #185-2	-	143,700	-	143,700
The Veranda paving and storm sewer	-	331,838	-	331,838
Veranda West SSD #190A	-	94,004	-	94,004
North Frontage Road extension	504,264	34,831	-	34,831
Euclid-Elm Street storm sewer	-	127,205	-	127,205
Hickory Street drainage	-	36,780	-	36,780
Autumnwood Dr paving	-	433,811	-	433,811
Police Dept. CIP Projects	524	25,445	45,000	(19,555)

CITY OF MCPHERSON, KANSAS

CAPITAL PROJECTS FUND

CAPITAL IMPROVEMENT FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
Regulatory Basis
For the Year Ended December 31, 2023
(With Comparative Actual Totals for the Prior Year Ended December 31, 2022)

		2023		
	2022 Actual	Actual	Budget	Variance - Over (Under)
Expenditures (Cont.)				
Capital Projects (Cont.) -				
CDBG grant of 2020	$ 3,000	$ 98,077	$ -	$ 98,077
CDBG 2022 housing	8,750	71,414	172,000	(100,586)
CDBG 2022 Walnut Street	74,836	686,502	397,985	288,517
TA Grant Nview SW - Phase 2	5,998	198,778	-	198,778
Hulse Street drainage	-	9,200	-	9,200
Northview multi use trail	333	-	-	-
Public Lands Capital Improvement Projects	31,000	222,836	19,000	203,836
Public Lands Capital Improvement Projects Transfer to Equipment Reserve Fund	-	56,000	-	56,000
Erosion Control	9,100	5,987	-	5,987
Cash forward	-	-	1,288,737	(1,288,737)
Total Expenditures	1,257,308	3,926,282	$ 1,922,722	$ 2,003,560
Receipts Over (Under) Expenditures	112,191	2,552,465		
Unencumbered Cash, Beginning	2,023,931	2,136,122		
Unencumbered Cash, Ending	$ 2,136,122	$ 4,688,587		

Per K.S.A 12-1,118, Capital improvement funds are considered a non-budgeted fund. However, the City has chosen to show a budget for full transparency purposes. The overage shown is not considered a legal budget violation under the Kansas Statutes.

CITY OF MCPHERSON, KANSAS

CAPITAL PROJECTS FUND

EQUIPMENT RESERVE FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL
Regulatory Basis
For the Year Ended December 31, 2023
(With Comparative Actual Totals for the Prior Year Ended December 31, 2022)

	2022 Actual	2023 Actual
Receipts		
Interest received	$ 17,751	$ 15,187
Insurance recoveries	69,648	-
Reimbursed expenditures	119,801	103,925
Transfer from General Operating Fund	637,690	702,154
Transfer from Capital Improvements Fund	3,000	56,000
Transfer from Consolidated Street and Highway Fund	137,000	154,310
Transfer from Municipal Golf Course Fund	25,000	-
Total Receipts	1,009,890	1,031,576
Expenditures		
Capital outlay	2,238,889	894,339
Receipts Over (Under) Expenditures	(1,228,999)	137,237
Unencumbered Cash, Beginning	2,049,955	820,956
Prior Year Cancelled Encumbrances	-	189,589
Unencumbered Cash, Ending	$ 820,956	$ 1,147,782

CITY OF MCPHERSON, KANSAS

BUSINESS FUND

ELECTRIC UTILITY FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL
Regulatory Basis
For the Year Ended December 31, 2023
(With Comparative Actual Totals for the Prior Year Ended December 31, 2022)

	2022 Actual	2023 Actual
Receipts		
User fees	$ 64,232,313	$ 66,916,643
Sales to interconnection	14,334,431	9,153,749
Interest received	448,347	1,985,854
Street lighting	387,157	335,989
Merchandising, jobbing and contract work	791,297	857,619
Refuse collection and sewer service fees	86,458	86,501
Penalties and late charge interest	81,172	79,187
Sales tax	1,180,853	1,257,229
Meter deposits	277,760	178,997
Proceeds from sale of equipment	-	29,400
Farm income	9,780	9,696
Total Receipts	81,829,568	80,890,864
Expenditures		
Purchased power	52,190,215	47,220,301
Fuel	10,259,667	5,766,460
Distribution and transmission	4,236,432	6,891,398
Production	2,874,261	3,028,524
Capital Outlay	4,214,318	2,551,093
Administrative and general	2,518,915	3,010,798
Merchandising	145,612	534,072
Farm expenses	8,385	6,032
Meter deposits	239,913	135,804
Sales tax	1,156,547	1,238,567
Transfer to - General Operation Fund - In lieu of taxes	1,883,070	1,916,077
Total Expenditures	79,727,335	72,299,126
Receipts Over (Under) Expenditures	2,102,233	8,591,738
Unencumbered Cash, Beginning	38,227,789	40,330,022
Unencumbered Cash, Ending	$ 40,330,022	$ 48,921,760

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, 2023
(With Comparative Actual Totals for the Prior Year Ended December 31, 2022)

		2023		
	2022 Actual	Actual	Budget	Variance - Over (Under)
Receipts				
Sewer recovery fee	$ 21,697	$ 11,310	$ 30,000	$ (18,690)
Expenditures	-	-	$ 614,874	$ (614,874)
Receipts Over (Under) Expenditures	21,697	11,310		
Unencumbered Cash, Beginning	554,874	576,571		
Unencumbered Cash, Ending	$ 576,571	$ 587,881		

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, 2023
(With Comparative Actual Totals for the Prior Year Ended December 31, 2022)

		2023		
	2022 Actual	Actual	Budget	Variance - Over (Under)
Receipts				
User fees	$ 1,125,388	$ 1,142,679	$ 1,025,589	$ 117,090
Landfill closure fees	120,644	108,275	140,979	(32,704)
Total Receipts	1,246,032	1,250,954	$ 1,166,568	$ 84,386
Expenditures				
Contractual services	1,022,332	1,051,709	$ 1,008,700	$ 43,009
Landfill mitigation	506	418	2,475,005	(2,474,587)
Miscellaneous	2	3	-	3
Transfer to General Operation Fund	50,000	50,000	-	50,000
Total Expenditures	1,072,840	1,102,130	$ 3,483,705	$ (2,381,575)
Receipts Over (Under) Expenditures	173,192	148,824		
Unencumbered Cash, Beginning	2,160,390	2,333,582		
Unencumbered Cash, Ending	$ 2,333,582	$ 2,482,406		

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, 2023
(With Comparative Actual Totals for the Prior Year Ended December 31, 2022)

		2023		
	2022 Actual	Actual	Budget	Variance - Over (Under)
Receipts				
Storm water utility fees	$ 981,577	$ 1,091,874	$ 1,000,800	$ 91,074
Reimbursed expenditures	-	1,213	-	1,213
Total Receipts	981,577	1,093,087	$ 1,000,800	$ 92,287
Expenditures				
Contractual services	429,926	78,122	$ 178,709	$ (100,587)
Commodities	2,690	13,028	-	13,028
Capital outlay	11,440	-	1,723,516	(1,723,516)
Transfer to Bond and Interest Fund	622,613	625,582	625,583	(1)
Total Expenditures	1,066,669	716,732	$ 2,527,808	$ (1,811,076)
Receipts Over (Under) Expenditures	(85,092)	376,355		
Unencumbered Cash, Beginning	1,268,956	1,183,864		
Unencumbered Cash, Ending	$ 1,183,864	$ 1,560,219		

CITY OF MCPHERSON, KANSAS

BUSINESS FUND

WASTEWATER SYSTEM MAINTENANCE AND OPERATION FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
Regulatory Basis
For the Year Ended December 31, 2023
(With Comparative Actual Totals for the Prior Year Ended December 31, 2022)

		2023		
	2022 Actual	Actual	Budget	Variance - Over (Under)
Receipts				
User fees	$ 2,171,733	$ 2,282,463	$ 2,477,883	$ (195,420)
Sale of grain, equipment and supplies	57,966	77,763	50,000	27,763
Grease operating permit fees	8,281	6,460	8,000	(1,540)
Interest on investments	12,336	32,055	-	32,055
ROW permit fees	2,190	8,760	4,000	4,760
Reimbursed expenditures	39,892	30,224	25,000	5,224
Miscellaneous	905	6,865	1,000	5,865
Total Receipts	2,293,303	2,444,590	$ 2,565,883	$ (121,293)
Expenditures				
Personal services	332,657	365,563	$ 411,840	$ (46,277)
Contractual services	961,459	1,131,969	1,250,110	(118,141)
Commodities	103,500	136,752	158,100	(21,348)
Capital outlay	240,969	798,765	1,030,000	(231,235)
Travel expense	764	515	-	515
Miscellaneous	3,192	3,589	255,033	(251,444)
Maintenance building and equipment	-	429,552	400,000	29,552
Wastewater Surplus	-	-	3,501,919	(3,501,919)
Appropriations:				
KDHE, RLF Main Street	249,033	249,033	-	249,033
Transfer to General Operating Fund	80,000	80,000	80,000	-
Transfer to Bond & Interest Fund	53,313	54,184	54,184	-
Transfer to Equipment Reserve Fund	3,000	-	-	-
Total Expenditures	2,027,887	3,249,922	$ 7,141,186	$ (3,891,264)
Receipts Over (Under) Expenditures	265,416	(805,332)		
Unencumbered Cash, Beginning	4,442,822	4,708,238		
Unencumbered Cash, Ending	$ 4,708,238	$ 3,902,906		

CITY OF MCPHERSON, KANSAS

BUSINESS FUND

WASTEWATER SYSTEM SURPLUS FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
Regulatory Basis
For the Year Ended December 31, 2023
(With Comparative Actual Totals for the Prior Year Ended December 31, 2022)

		2023		
	2022 Actual	Actual	Budget	Variance - Over (Under)
Receipts				
Interest received	$ 11,456	$ 12,160	$ 500	$ 11,660
User fee	672,000	672,000	672,000	-
Total Receipts	683,456	684,160	$ 672,500	$ 11,660
Expenditures				
Contingency for future loan payments	-	-	$ 723,028	$ (723,028)
Transfer to Bond & Interest	669,525	673,325	673,325	-
Total Expenditures	669,525	673,325	$ 1,396,353	$ (723,028)
Receipts Over (Under) Expenditures	13,931	10,835		
Unencumbered Cash, Beginning	720,878	734,809		
Unencumbered Cash, Ending	$ 734,809	$ 745,644		

CITY OF MCPHERSON, KANSAS

BUSINESS FUND

WATER UTILITY FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL

Regulatory Basis

For the Year Ended December 31, 2023

(With Comparative Actual Totals for the Prior Year Ended December 31, 2022)

	2022 Actual	2023 Actual
Receipts		
User fees	5,961,390	6,307,082
Interest received	258,027	1,084,316
Farm income	264,755	344,900
Merchandising, jobbing and contract work	63,621	132,964
Refuse collection and sewer service fees	15,258	15,267
Water protection fees	34,486	23,156
Debt service proceeds	-	91,933
SWF loan forgiveness	-	2,830,346
Loss on disposal of assets	4,000	-
Sales tax	85,797	125,867
Total Receipts	6,687,334	10,955,831
Expenditures		
Production	735,992	659,505
Distribution and transmission	1,181,043	1,348,574
Administrative and general	414,175	531,718
Capital outlay	5,226,833	17,916,273
Farm expenses	128,880	158,063
Merchandising	12,303	14,438
Debt service	1,580,295	2,208,244
Water protection fee	40,581	23,878
Sales tax	84,870	125,393
Transfer to General Fund	60,578	60,454
Total Expenditures	9,465,550	23,046,540
Receipts Over (Under) Expenditures	(2,778,216)	(12,090,709)
Unencumbered Cash, Beginning	34,234,358	31,456,142
Unencumbered Cash, Ending	$ 31,456,142	$ 19,365,433

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, 2023
(With Comparative Actual Totals for the Prior Year Ended December 31, 2022)

	2022	2023
Receipts		
Interest received	$ 123	$ 255
Expenditures	-	-
Receipts Over (Under) Expenditures	123	255
Unencumbered Cash, Beginning	38,724	38,847
Unencumbered Cash, Ending	$ 38,847	$ 39,102

CITY OF MCPHERSON, KANSAS

TRUST FUND

CEMETERY ENDOWMENT FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL
Regulatory Basis
For the Year Ended December 31, 2023
(With Comparative Actual Totals for the Prior Year Ended December 31, 2022)

	2022	2023
Receipts		
Sale of lots and spaces	$ 12,199	$ 11,813
Expenditures	-	-
Receipts Over (Under) Expenditures	12,199	11,813
Unencumbered Cash, Beginning	135,369	147,568
Unencumbered Cash, Ending	$ 147,568	$ 159,381

CITY OF MCPHERSON, KANSAS

RELATED MUNICIPAL ENTITY

LIBRARY BOARD

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL
Regulatory Basis
For the Year Ended December 31, 2023
(With Comparative Actual Totals for the Prior Year Ended December 31, 2022)

	Capital Improvement	General	Operating Budget	Employee Benefits	Totals 2023	Totals 2022
Receipts:						
Interest received	$ 934	$ 183	$ 822	$ -	$ 1,939	$ 1,293
Fines and fees	-	4,373	-	-	4,373	3,054
Gifts	-	4,889	-	-	4,889	430,517
Paid titles	-	2,424	-	-	2,424	2,334
Sales	-	4,330	-	-	4,330	3,666
State of Kansas	-	-	3,931	-	3,931	3,727
South Central Kansas Library System	-	-	35,529	-	35,529	43,256
Grants	-	-	5,555	-	5,555	13,362
Reimbursements	-	-	29	-	29	63
Miscellaneous	-	-	-	-	-	8,450
MCCF	-	-	22,207	-	22,207	20,510
Transfers in -						
General	55,000	-	-	-	55,000	40,000
Library Fund	-	-	800,936	165,029	965,965	997,814
Total Receipts	55,934	16,199	869,009	165,029	1,106,171	1,568,046
Expenditures:						
Personal services	-	-	492,707	-	492,707	480,600
Contractual services	-	-	156,383	158,558	314,941	344,105
Commodities	-	-	96,307	-	96,307	115,996
Reimbursements	-	-	5,614	-	5,614	5,543
Miscellaneous and refunds	-	199	2,420	-	2,619	6,935
Other	-	24,440	5,692	-	30,132	39,080
Transfers out -						
Capital Improvement	102,808	-	55,000	-	157,808	670,378
MCCF loan	-	-	45,000	-	45,000	-
Total Expenditures	102,808	24,639	859,123	158,558	1,145,128	1,662,637
Receipts over (under) Expenditures	(46,874)	(8,440)	9,886	6,471	(38,957)	(94,591)
Unencumbered Cash, Beginning of Year	296,214	57,060	145,504	101,501	600,279	694,870
Unencumbered Cash, End of Year	$ 249,340	$ 48,620	$ 155,390	$ 107,972	$ 561,322	$ 600,279

LOYD GROUP, LLC

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

Honorable Mayor and City Commission
City of McPherson, Kansas 67460

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, and the Kansas Municipal Audit and Accounting Guide, the financial statement of City of McPherson, Kansas, (City) as of and for the year ended December 31, 2023, and the related notes to the financial statement which collectively comprise the City's basic financial statement, and have issued our report thereon dated June 7, 2024.

Report on Internal Control Over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

Purpose of this Report

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

Loyd Group, LLC

Loyd Group, LLC
Galva, KS
June 7, 2024

LOYD GROUP, LLC

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

Honorable Mayor and City Commission
City of McPherson, Kansas 67460

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited City of McPherson's (the City) compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs for the year ended December 31, 2023. The City's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the City, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2023.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the *Kansas Municipal Audit and Accounting Guide;* the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the City's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the City's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the City's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material

noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the City's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the City's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the City's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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

Loyd Group, LLC

Loyd Group, LLC
Galva, KS
June 7, 2024

CITY OF MCPHERSON, KANSAS

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended December 31, 2023

Pass-Through Grantor/ Federal Grantor Program Title	Federal Assistance Listing Number	Pass Through Entity Identifying Number	Total Federal Expenditures
U.S. Department of Agriculture			
Passed through Kansas Forest Service -			
Cooperative Fire Protection Program	10.664		$ 18,460
TOTAL U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT			18,460
U.S. Department of Housing and Urban Development			
Passed through Kansas Department of Commerce -			
Community Development Block Grant	14.228	22-HR-7	264,213
TOTAL U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT			264,213
U.S. Department of Transportation			
Passed through Kansas Department of Transportation			
Click-It	20.600		5,818
Public Transportation for Nonurbanized Areas	20.513	USC 49-5310	10,354
TOTAL U.S. DEPARTMENT OF TRANSPORTATION			16,172
U.S. Department of Homeland Security			
Passed through Kansas Department of Adj Gen			
Disaster Grants - FEMA	97.036	DR 4449, CIP-0026	184,330
TOTAL U.S. DEPARTMENT OF HOMELAND SECURITY			184,330
U.S. Department of the Treasury			
Passed through State of Kansas -			
COVID-19 Coronavirus State and Local Fiscal Recovery Funds	21.027		406,503
TOTAL U.S. DEPARTMENT OF THE TREASURY			406,503
U.S. Environmental Protection Agency.			
Passed through State of Kansas -			
Drinking Water State Revolving Fund	66.468		2,922,279
TOTAL U.S. DEPARTMENT OF THE TREASURY			2,922,279
TOTAL SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS			$ 3,811,957

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Note 1 - Basis of Presentation

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal grant activity of the City of McPherson, Kansas (the City), under programs of the federal government for the year ended December 31, 2023. The information in the Schedule is presented in accordance with the requirements of Title 2 *U.S. Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the City, it is not intended to and does not present the financial position, changes in net position, or cash flows of the City. The Schedule is presented using a regulatory basis of accounting prescribed by the Kansas Municipal Audit and Accounting Guide (as described in Note 1 to the financial statement), which is the same basis of accounting as the financial statement accompanying this schedule.

CITY OF MCPHERSON, KANSAS

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended December 31, 2023

Note 2 - Summary of Significant Accounting Policies

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

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

Note 3 - Funds Expended

Funds where Federal expenditures were receipted and expended:

General Fund	$	34,632
Capital Improvement Fund		264,213
Water Fund		2,922,279
Various funds - ARPA		406,503
State and Local Grant Fund		184,330
	$	3,811,957

CITY OF MCPHERSON, KANSAS

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2023

Section 1 – Summary of Auditor's Results

Financial Statements

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

Federal Awards

1. Internal control over major programs:	
a. Material weaknesses identified?	No
b. Significant deficiencies identified?	None Reported
2. Type of auditor's report issued on compliance for major programs:	Unmodified
3. Any audit findings disclosed that are required to be reported in accordance with 2 CFR Section 200.516(a)?	No
4. Identification of major programs:	

Name of Federal Program or Cluster	Federal Assistance Listing Number
Drinking Water State Revolving Fund	66.468

5. Dollar threshold used to distinguish between Type A and Type B programs:	$750,000
6. Auditee qualified as a low-risk auditee?	No

Section 2 – Findings – Financial Statement Audit

There were no reportable findings.

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

U.S. DEPARTMENT OF EDUCATION

Drinking Water State Revolving Fund – Federal Asst Listing Number 66.468

There were no reportable findings.