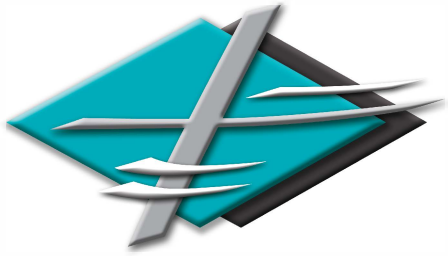
CITY OF McPHERSON, KANSAS

FINANCIAL STATEMENT

FOR THE YEAR ENDED
DECEMBER 31, 2025



LOYD GROUP, LLC

Certified Public Accountants

City of McPherson, Kansas
City of Second Class
Incorporated March 4, 1874
For the Year Ended December 31, 2025

BOARD OF CITY COMMISSIONERS

Gary L. Mehl Commissioner of Public Facilities	Thomas A. Brown Mayor	Larry E. Wiens Commissioner of Public Works

CITY OFFICIALS

Richard Miller Finance Director	Austin Regier City Administrator/Director of Housing & Neighborhood Development	Lisa Faust Assistant Finance Director
Chad Mayberry Fire Chief	Gary Price Municipal Court Judge	Mikel Golden Chief of Police
Leah Kawanguzi City Clerk	Britta Erkelenz Asst. City Administrator/HR Manager	Eric Duerksen Public Works Director
Josh Bedel General Manager, Board of Public Utilities	Wayne Burns Director of Public Land & Facilities	Ryan Rank Building Inspector
Virgil Lyon Planning & Zoning Administrator	Christopher Harrington Code Enforcement/Officer Sanitation Office	Jeffery Rife Cemetery Sexton
Brian L. Bina City Prosecutor	Ann Elliott City Attorney	David N. Harger Assistant City Attorney

CITY OF MCPHERSON, KANSAS

For the Year Ended December 31, 2025

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CITY OF MCPHERSON, KANSAS

For the Year Ended December 31, 2025

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CITY OF MCPHERSON, KANSAS

For the Year Ended December 31, 2025

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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, 2025 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, 2025, 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, 2025, 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, schedule of regulatory basis receipts and disbursements-agency funds, and the schedule of expenditures of federal awards (Schedules 1, 2, 3, and 4 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 the Schedules 1, 2, and 3 are required to be presented under the provisions of the *Kansas Municipal Audit and Accounting Guide*. All supplementary 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, 2024 (not presented herein), and have issued their report thereon dated May 13, 2025, which contained an unmodified opinion on the basic financial statement. The 2024 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/accounts-reports/local-government/municipal-services.The 2024 actual column (2024 comparative information) presented in the individual fund schedules of regulatory basis receipts and expenditures—actual and budget for the year ended December 31, 2025 (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 2024 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 2024 basic financial statement. The 2024 comparative information was subjected to the auditing procedures applied in the audit of the 2024 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 2024 basic financial statement or to the 2024 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 2024 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, 2024, on the basis of accounting described in Note 1.

Loyd Group, LLC

Loyd Group, LLC
Galva, KS
May 5, 2026

CITY OF MCPHERSON, KANSAS

SUMMARY STATEMENT OF RECEIPTS, EXPENDITURES AND UNENCUMBERED CASH
Regulatory Basis
For the Year Ended December 31, 2025

	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	$ 7,095,887	$ -	$ 13,088,675	$ 14,549,451	$ 5,635,111	$ 1,262,667	$ 6,897,778
SPECIAL PURPOSE FUNDS							
Consolidated Street and Highway Fund	4,671,195	-	5,469,412	5,403,202	4,737,405	-	4,737,405
Employee Benefits (Non-Public Safety) Contribution Fund	289,005	-	4,916,823	4,568,391	637,437	248	637,685
Employee Benefits (Public Safety) Contribution Fund	295,672	-	2,249,179	2,225,730	319,121	-	319,121
Forfeited Property Fund - Police Department	19,417	-	516	92	19,841	-	19,841
Industrial Development Fund	395,765	-	106,286	100,000	402,051	-	402,051
Library Fund	-	-	835,285	835,285	-	-	-
Library Employee Benefits Fund	-	-	188,041	188,041	-	-	-
McPherson Landfill Improvement Corporation Fund	1,946	-	3	-	1,949	-	1,949
McPherson Land Bank Fund	36,448	-	-	1,005	35,443	-	35,443
Municipal Building Fund	140,674	-	118,380	117,805	141,249	-	141,249
Municipal Court Fund	41,742	-	271,697	269,490	43,949	-	43,949
Municipal Court ADSAP Fund	24,472	-	-	24,472	-	-	-
Municipal Golf Course Fund	356,974	-	1,048,197	1,072,160	333,011	-	333,011
Special Alcohol Program Fund	127,070	-	39,788	53,250	113,608	-	113,608
Special Park and Recreation Fund	85,854	-	39,789	21,978	103,665	-	103,665
Swimming Pool Maintenance and Operation Fund	79,035	-	510,185	494,465	94,755	5	94,760
Sales Tax Revenue Fund	790,590	-	2,309,953	2,445,483	655,060	-	655,060
CID Sales Tax Fund	39,462	-	239,993	229,893	49,562	-	49,562
Tourism and Convention Promotion Fund	613,865	-	727,003	553,917	786,951	-	786,951
Health Self-Insurance Fund	1,788,794	-	3,324,081	3,432,071	1,680,804	-	1,680,804
Worker's Compensation Self-Insurance Fund	481,917	-	233,082	216,002	498,997	-	498,997
Insurance Recovery Fund	61,371	-	-	1,750	59,621	-	59,621
Fire Insurace Proceeds Fund	28,572	-	55,716	64,344	19,944	-	19,944
Federal Grant Fund	-	-	168,940	84,470	84,470	-	84,470
State and Local Grant Fund	191,811	-	327,798	233,744	285,865	-	285,865
Total Special Purpose Funds	10,561,651	-	23,180,147	22,637,040	11,104,758	253	11,105,011
BOND AND INTEREST FUND							
Bond and Interest Fund	431,418	-	2,528,352	2,588,470	371,300	-	371,300
CAPITAL PROJECTS FUNDS							
Capital Improvement Fund	5,063,631	-	3,760,817	4,021,239	4,803,209	-	4,803,209
Equipment Reserve Fund	258,236	-	1,600,257	606,082	1,252,411	857,394	2,109,805
Total Capital Projects Funds	5,321,867	-	5,361,074	4,627,321	6,055,620	857,394	6,913,014

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, 2025

	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	$ 54,013,724	$ -	$ 79,524,689	$ 75,149,077	$ 58,389,336	$ -	$ 58,389,336
Sewer Recovery Fund	616,843	-	22,300	-	639,143	-	639,143
Solid Waste Collection Fund	2,655,626	-	1,321,753	1,168,760	2,808,619	-	2,808,619
Storm Water Utility Fund	1,151,178	-	1,233,189	793,582	1,590,785	-	1,590,785
Wastewater System Maintenance and Operation Fund	2,826,192	-	2,944,832	2,448,116	3,322,908	-	3,322,908
Wastewater System Surplus Fund	766,999	-	694,310	669,275	792,034	-	792,034
Water Utility Fund	10,036,428	-	7,063,632	6,671,225	10,428,835	-	10,428,835
Total Business Funds	72,066,990	-	92,804,705	86,900,035	77,971,660	-	77,971,660
TRUST FUNDS							
Salthouse - Broadway Cemetery Trust Fund	40,117	-	1,383	-	41,500	-	41,500
Cemetery Endowment Fund	167,943	-	10,025	-	177,968	-	177,968
Total Trust Funds	208,060	-	11,408	-	219,468	-	219,468
Total	95,685,873	-	136,974,361	131,302,317	101,357,917	2,120,314	103,478,231
RELATED MUNICIPAL ENTITY							
Library Board	660,611	-	1,178,160	1,100,111	738,660	24,292	762,952
Total Reporting Entity	$ 96,346,484	$ -	$ 138,152,521	$ 132,402,428	$ 102,096,577	$ 2,144,606	$ 104,241,183

COMPOSITION OF CASH	
Cash on Hand - City Clerk	$ 800
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	101,477,188
Investments - KS Municipal Investment Pool	2,009,727
Total	103,488,835
Related Municipal Entity	762,952
Total Cash	104,251,787
Less Agency Funds per Schedule 4	(10,604)
Total Reporting Entity (Excluding Agency Funds)	$ 104,241,183

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, 2025

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Municipal Financial Reporting Entity

The City of McPherson, Kansas (the City) is a municipal corporation governed by an elected three-member commission. The financial statement presents the City of McPherson (a municipal financial reporting entity) and its related municipal entities. The Board of Public Utilities of McPherson, Kansas (the BPU) consists of the municipal electric and water utilities that provide services to approximately 9,000 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 the public hearing is adjusted to no sooner than August 20th and no later than September 20th, but at least ten days after all statutory notification and publication requirements have been met. Municipal budgets requiring a hearing to exceed the revenue neutral rate should be adopted on or before October 1st but may not be adopted prior to the revenue neutral rate hearing. The municipality did hold a revenue neutral rate hearing for this 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 2025.

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

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

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

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

2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Compliance with Kansas Statutes

No statute violations were noted during 2025.

3. DEPOSITS AND INVESTMENTS

As of December 31, 2025, 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	$ 2,009,727	$ 2,009,727	$ -	$ -	$ -	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, 2025, 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, 2025.

At December 31, 2025, the City's and Library's carrying amount of deposits was $33,412,635 and the bank balance was $33,159,295. 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 $31,428,787 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, 2025, the City had invested $2,009,727 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, 2025 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	$ 155,000	$ -	$ 155,000	$ -	$ 4,650
Series 138 of 2017	2.00% to 3.00%	7/26/17	2,660,000	8/1/37	485,000	-	100,000	385,000	14,550
Series 139 of 2018	3.00% to 4.00%	11/1/18	9,595,000	8/1/30	5,385,000	-	820,000	4,565,000	180,712
Series 140 of 2019	2.50% to 4.00%	8/15/19	2,670,000	8/1/39	1,945,000	-	105,000	1,840,000	50,132
Series 141 of 2020	1.50% to 3.00%	8/19/20	8,925,000	8/1/40	4,200,000	-	710,000	3,490,000	108,800
Series B 2024	4.00%	10/1/24	3,000,000	6/1/25	3,000,000	-	3,000,000	-	-
Series A 2024	4.00%	10/1/24	1,200,000	8/1/28	1,200,000	-	280,000	920,000	48,000
Series 142 of 2025	4.00% to 5.00%	4/29/25	3,255,000	8/1/35	-	3,255,000	-	3,255,000	-
Total General Obligation Bonds					16,370,000	3,255,000	5,170,000	14,455,000	406,844
Revenue Bonds:									
Series 2021 & Rev Refinance	2.25% to 3.00%	1/14/21	31,555,000	10/1/51	27,250,000	-	1,475,000	25,775,000	676,952
Kansas Revolving Fund Loans:									
2015 Wastewater Improvement	2.13%	3/25/15	4,863,464	3/1/36	2,624,793	-	194,153	2,430,640	54,879
Capital Lease:									
Golf Carts	6.99%	12/27/24	211,952	1/1/29	211,952	-	48,339	163,613	203
Equipment	6.99%	12/27/24	85,752	1/1/29	85,752	-	19,430	66,322	246
Total Capital Leases					297,704	-	67,769	229,935	449
Total Contractual Indebtedness					$ 46,542,497	$ 3,255,000	$ 6,906,922	$ 42,890,575	$ 1,139,124

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 2024 Annual Audit Report was posted to EMMA on May 13, 2025.

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:

	2026	2027	2028	2029	2030	2031-2035	2036-2040	2041-2045	2046-2050	2051-2052	Total
Principal:											
General Obligation Bonds:											
Series 138 of 2017	$ 80,000	$ 60,000	$ 45,000	$ 50,000	$ 15,000	$ 95,000	$ 40,000	$ -	$ -	$ -	$ 385,000
Series 139 of 2018	855,000	890,000	915,000	940,000	965,000	-	-	-	-	-	4,565,000
Series 140 of 2019	110,000	115,000	120,000	120,000	125,000	660,000	590,000	-	-	-	1,840,000
Series 141 of 2020	735,000	760,000	775,000	465,000	135,000	460,000	160,000	-	-	-	3,490,000
Series A 2024	295,000	305,000	320,000	-	-	-	-	-	-	-	920,000
Series 142 of 2025	225,000	275,000	290,000	305,000	320,000	1,840,000	-	-	-	-	3,255,000
Total General Obligation Bonds	2,300,000	2,405,000	2,465,000	1,880,000	1,560,000	3,055,000	790,000	-	-	-	14,455,000
Revenue Bonds:											
Series 2021 (Water)	1,515,000	705,000	730,000	755,000	780,000	4,235,000	4,710,000	5,225,000	5,860,000	1,260,000	25,775,000
Kansas Revolving Fund Loans:											
2015 Wastewater Improvement	198,311	202,557	206,894	211,325	215,850	1,150,593	245,110	-	-	-	2,430,640
Capital Leases:											
Golf Cart Lease	36,731	39,383	42,226	45,274	-	-	-	-	-	-	163,614
Equipment Lease	14,889	15,964	17,116	18,352	-	-	-	-	-	-	66,321
Total Capital Leases	51,620	55,347	59,342	63,626	-	-	-	-	-	-	229,935
Total Principal	4,064,931	3,367,904	3,461,236	2,909,951	2,555,850	8,440,593	5,745,110	5,225,000	5,860,000	1,260,000	42,890,575
Interest:											
General Obligation Bonds:											
Series 138 of 2017	11,550	9,150	7,350	6,000	4,500	14,850	1,800	-	-	-	55,200
Series 139 of 2018	147,912	113,713	87,013	59,563	31,363	-	-	-	-	-	439,564
Series 140 of 2019	45,931	41,531	36,931	34,531	32,131	102,325	37,500	-	-	-	330,880
Series 141 of 2020	87,500	65,450	42,650	19,400	12,425	33,175	9,900	-	-	-	270,500
Series A 2024	18,400	18,400	25,000	12,800	-	-	-	-	-	-	74,600
Series 142 of 2025	189,840	139,950	126,200	111,700	96,450	237,750	-	-	-	-	901,890
									-	-	
Total General Obligation Bonds	501,133	388,194	325,144	243,994	176,869	388,100	49,200	-	-	-	2,072,634
Revenue Bonds:											
Series 2021 (Water)	632,703	587,253	562,578	537,028	510,602	2,213,763	1,746,313	1,230,063	592,043	30,870	8,643,212
Kansas Revolving Fund Loans:											
2015 Wastewater Improvement	50,722	46,476	42,138	37,708	33,183	94,571	3,922	-	-	-	308,720
Capital Leases:											
Golf Cart Lease	11,810	9,159	6,316	3,268	-	-	-	-	-	-	30,553
Equipment Lease	4,787	3,713	2,560	1,325	-	-	-	-	-	-	12,385
Total Capital Leases	16,597	12,872	8,876	4,593	-	-	-	-	-	-	42,938
Total Interest	1,201,155	1,034,795	938,736	823,323	720,654	2,696,434	1,799,435	1,230,063	592,043	30,870	11,067,504
Total Principal and Interest	$ 5,266,086	$ 4,402,699	$ 4,399,972	$ 3,733,274	$ 3,276,504	$ 11,137,027	$ 7,544,545	$ 6,455,063	$ 6,452,043	$ 1,290,870	$ 53,958,079

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 9.71% for KPERS and 24.67% for KP&F for the fiscal year ended December 31, 2025. Contributions to the pension plan from the City and BPU were $1,124,201 for KPERS and $1,001,511 for KP&F (Library was $45,651) for the year ended December 31, 2025.

Net Pension Liability. At December 31, 2025, the City and BPU's proportionate share of the collective net pension liability reported by KPERS was $9,577,032 and $7,794,301 for KP&F (Library was $386,419). The net pension liability was measured as of June 30, 2025, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2024, which was rolled forward to June 30, 2025. 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, 2025.

(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 $221,188. Management believes claims incurred, but not reported, are insignificant at December 31, 2025. Starting December 31, 2007, the City chose to not self-insure for workers' compensation. Changes in health insurance claims liability for 2025 and 2024 were as follows:

	2025	2024
Beginning Balance	$ 100,000	$ 100,000
Additions	2,798,051	2,855,072
Payments	(2,798,051)	(2,855,072)
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 2024 to 2025 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 2025. There are no pending matters as of December 31, 2025.

9. 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.

9. CAPITAL LEASE – RECREATION COMPLEX (CONT.)

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
2026	$ 55,800	$ 40,000	$ 15,800
2027	59,200	45,000	14,200
2028	57,400	45,000	12,400
2029	55,600	45,000	10,600
2030-2033	232,613	210,000	22,613
	$ 460,613	$ 385,000	$ 75,613

10. 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, 2025, 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, 2025.

11. INTERFUND TRANSFERS

Operating transfers were as follows:

From	To	Regulatory Authority	Amount
Operating transfers (City):			
General Operating Fund	Consolidated Street and Highway Fund	K.S.A. 12-1,119	$ 700,000
General Operating Fund	Swimming Pool Maint. And Operation Fund	Ord. 2708	350,000
General Operating Fund	Capital Improvement Fund	K.S.A. 12-1,117	222,500
General Operating Fund	Municipal Golf Course Fund	Ord. 2999	150,000
General Operating Fund	Bond and Interest Fund	Ord. 3042	115,000
General Operating Fund	Municipal Building Fund	Ord. 2887	100,000
General Operating Fund	Equipment Reserve Fund	K.S.A. 12-1,117	1,101,257
Sales Tax Revenue Fund	Capital Improvement Fund	K.S.A. 12-1,117	672,133
Sales Tax Revenue Fund	Consolidated Street and Highway Fund	K.S.A. 12-1,117	1,773,350
Consolidated Street and Highway Fund	Bond and Interest Fund	Ord. 3179	360,257
Consolidated Street and Highway Fund	Capital Improvement Fund	K.S.A. 12-1,118	1,523,282
Consolidated Street and Highway Fund	Equipment Reserve Fund	K.S.A. 12-1,118	244,000
Electric Utility Fund	General Operating Fund	K.S.A. 12-825d	2,182,563
Solid Waste Collection Fund	General Operating Fund	K.S.A. 12-2104	50,000
Wastewater System Surplus Fund	Bond and Interest Fund	K.S.A. 12-631o	669,275
Water Utility Fund	General Operating Fund	K.S.A. 12-825d	49,648
Wastewater System Maintenance and Operation Fund	General Operating Fund	K.S.A. 12-630a	80,000
Wastewater System Maintenance and Operation Fund	Bond and Interest Fund	K.S.A. 12-630a	54,326
Storm Water Utility Fund	Capital Improvement Fund	K.S.A. 12-631o	138,394
Storm Water Utility Fund	Bond and Interest Fund	K.S.A. 12-631o	624,288
Total Operating transfers (City)			11,160,273
Operating transfers (Library):			
Library Fund	Library Board	K.S.A. 12-1220	835,285
Library Employee Benefits Fund	Library Board	K.S.A. 12-16,102	188,041
Total Operating transfers (Library)			1,023,326
Total Operating transfers (municipal financial reporting entity)			$ 12,183,599

12. 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.

12. OTHER RELATIONSHIPS (CONT.)

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.

13. 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
Erosion Control - Golf Course	$ 3,470,203	$ 3,470,203
North Fire Station	4,246,693	4,195,461
Lakeside Bank restoration	804,897	804,897
Deerfield Estates paving	1,450,851	1,450,851
Deerfield Estates South	578,567	578,567
Elm St. Drainage/Euclid Storm	1,868,874	1,896,731
Total	$ 12,420,085	$ 12,396,710

14. SUBSEQUENT EVENTS

2022 TA Grant Northview Sidewalk Phase 2 (Main to Veranda Circle) - 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 start in 2024, however obtaining the required easement from three properties was forced into binding arbitration which delayed the letting until January of 2025. Construction Notice to Proceed was given on July 24, 2025. The budgets remain the same in 2025. Work will extend a couple months into 2026.

CCLIP W Kansas Ave - On July 28, 2025 KDOT sent approval letter for pavement replacement with curb and gutter from US-81 Bypass ending at the west leg of Maple Street intersection. The project will be completed in two phases with the first phase construction anticipated to start in 2027 and the second phase construction starting in 2028. The City will be required to contribute a minimum of 10% plus anything over $1,500,000. An Engineering agreement with Alfred Benesch was approved on December 23, 2025, in the amount of $512,400. The combined construction cost is estimated at $6,595,474. The KDOT CCLIP Program will contribute $3,000,000 and the KDOT Detour Program will contribute $1,500,000 towards the project for work associated with detours onto US-56 for bridge work south of town. The remainder would be the City share at $2,095,474.

Avenue A 10' Sidewalk - On March 4, 2025 Commission approved a City/State Agreement for a 10' sidewalk that will extend from Clubhouse Drive to Centennial Drive. The project is estimated to cost $849,914 to include Preliminary Engineering, Construction, and Construction Engineering of which the City is responsible for 20% of this cost plus 100% of any Right of Way costs, Utility adjustments, and Non-Participating costs. This project is referred to as Phase 3 and will finish completing the sidewalk from the east side of the City to Wall Park along Avenue A. Design started on July 29, 2025 and bid letting is scheduled for September 17, 2026.

Hickory Street Reconstruction - Engineering agreement with Alfted Benesch was approved on February 21, 2023 for $124,313. This project will consists of reconstruction and widening of Hickory Street from Lincoln to Hayes and along Hayes from Hickory Street to the west for an additional 250'. Project is due to begin in spring of 2026.

14. SUBSEQUENT EVENTS (CONT.)

Police Substation - On June 4, 2024 The Commission approved the purchase of 218 E. Kansas Ave. to be used as the Police Department Substation for $194,971. On September 10, 2024 Commission approved Plan 4 to complete architectural drawings for $5,000. After the plans were approved, commission approved KC Services the contract for remodeling the substation for $281,787. Also approved that day was $12,916 for Access Control and $10,208 for camera and network equipment to Reach Solutions on February 4, 2025. During demolition it was discovered that the roof and decking needed to be replaced due to water damage. The replacement was approved on April 8, 2025 for $20,412 by Flory Roofing. KC Services upgrade the electrical into the building and completed items not in the original bid for $30,779. Auto King completed the building signage for $6,222 and Mattress Haven supplied the furniture for $33,061. The concrete on the South side of the building was replaced by Procon Construction for $43,650, with an extension put on to the East by Cheatam Construction for $43,778.

Ladder Truck Purchase - Replacement of 2009 Pierce Aerial Platform Ladder Truck: On March 3, 2026 City commission authorized Issuance, Sale and Delivery of GO Temporary notes in the amount of $1,787,000. The note was privately placed at People's Bank & Trust, McPherson, Kansas. The total cost of the Ladder Truck including a pre-payment discount of $263,014 is $2,519,968. The City will front $500,000 in order to receive the pre-payment discount. The estimated build time on the Ladder truck is 37-42 months.

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, 2025

CITY OF MCPHERSON, KANSAS

SUMMARY OF EXPENDITURES - ACTUAL AND BUDGET
Regulatory Basis
(Budgeted Funds Only)
For the Year Ended December 31, 2025

	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	$ 18,312,594	$ -	$ 18,312,594	$ 14,549,451	$ (3,763,143)
SPECIAL PURPOSE FUNDS					
Consolidated Street and Highway Fund	8,376,445	-	8,376,445	5,403,202	(2,973,243)
Employee Benefits (Non-Public Safety) Contribution Fund	1,325,356	-	1,325,356	952,091	(373,265)
Employee Benefits (Public Safety) Contribution Fund	2,628,295	-	2,628,295	2,225,730	(402,565)
Industrial Development Fund	502,237	-	502,237	100,000	(402,237)
Library Fund	856,000	-	856,000	835,285	(20,715)
Library Employee Benefits Fund	195,500	-	195,500	188,041	(7,459)
McPherson Land Bank Fund	36,448	-	36,448	1,005	(35,443)
Municipal Building Fund	215,595	-	215,595	117,805	(97,790)
Municipal Golf Course Fund	1,530,448	-	1,530,448	1,072,160	(458,288)
Special Alcohol Program Fund	155,462	-	155,462	53,250	(102,212)
Special Park and Recreation Fund	115,184	-	115,184	21,978	(93,206)
Swimming Pool Maintenance and Operation Fund	578,488	-	578,488	494,465	(84,023)
Sales Tax Revenue Fund	2,533,274	-	2,533,274	2,445,483	(87,791)
CID Sales Tax Fund	259,326	-	259,326	229,893	(29,433)
Tourism and Convention Promotion Fund	1,250,499	-	1,250,499	553,917	(696,582)
BOND AND INTEREST FUND					
Bond and Interest Fund	3,402,469	-	3,402,469	2,588,470	(813,999)
CAPITAL PROJECTS FUND					
Capital Improvement Fund	9,624,939	-	9,624,939	4,021,239	(5,603,700) *
BUSINESS FUNDS					
Sewer Recovery Fund	647,881	-	647,881	-	(647,881)
Solid Waste Collection Fund	3,873,132	-	3,873,132	1,168,760	(2,704,372)
Storm Water Utility Fund	2,137,608	-	2,137,608	793,582	(1,344,026)
Wastewater System Maintenance and Operation Fund	4,626,298	-	4,626,298	2,448,116	(2,178,182)
Wastewater System Surplus Fund	1,438,119	-	1,438,119	669,275	(768,844)

* 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.

CITY OF MCPHERSON, KANSAS

GENERAL OPERATING FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
Regulatory Basis
For the Year Ended December 31, 2025
(With Comparative Actual Totals for the Prior Year Ended December 31, 2024)

		2025		
	2024 Actual	Actual	Budget	Variance - Over (Under)
Receipts				
Taxes -				
Ad valorem property tax	$ 3,979,240	$ 3,219,382	$ 3,301,215	$ (81,833)
Delinquent tax	57,249	69,199	-	69,199
Motor vehicle tax	427,101	432,821	490,537	(57,716)
Recreational vehicle tax	7,426	7,260	7,051	209
MVL excise tax	2,800	4,019	2,467	1,552
16/20M vehicle tax	1,817	1,675	2,955	(1,280)
Commercial vehicle tax	21,550	23,574	22,181	1,393
In lieu of tax	62,335	-	55,000	(55,000)
In lieu of tax - IRB clients	21,289	17,347	-	17,347
Local sales tax	2,789,565	3,015,810	2,900,000	115,810
Total Taxes	7,370,372	6,791,087	6,781,406	9,681
Intergovernmental Revenues -				
State of Kansas - liquor tax revenue	38,915	39,789	44,492	(4,703)
McPherson County - rescue vehicle runs	5,000	5,000	5,000	-
McPherson County - HAZMAT/technical response	15,000	15,000	15,000	-
McPherson County - ambulance appropriation	441,416	448,038	450,000	(1,962)
McPherson County - RHID receipts	206,876	210,406	198,381	12,025
Total Intergovernmental Revenues	707,207	718,233	712,873	5,360
Licenses and Permits -				
Utility franchise fees	394,478	452,230	500,000	(47,770)
Beer licenses	1,510	875	1,200	(325)
Liquor licenses	7,050	3,850	4,500	(650)
Occupation licenses	13,006	14,349	15,000	(651)
Building, zoning bonds and demolition permits	49,425	108,449	105,000	3,449
Fireworks stand licenses	3,500	3,000	3,000	-
Inspections	3,112	3,035	4,000	(965)
Total Licenses and Permits	472,081	585,788	632,700	(46,912)
Charges for Services -				
Fire contracts - townships	558,407	563,837	563,837	-
Taxi coupons	8,610	9,680	6,000	3,680
Cemetery services	43,635	33,610	40,000	(6,390)
Total Charges for Services	610,652	607,127	609,837	(2,710)

CITY OF MCPHERSON, KANSAS

GENERAL OPERATING FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
Regulatory Basis
For the Year Ended December 31, 2025
(With Comparative Actual Totals for the Prior Year Ended December 31, 2024)

		2025		
	2024 Actual	Actual	Budget	Variance - Over (Under)
Receipts (cont.)				
Fines, Forfeitures and Penalties -				
Municipal court fines	$ 209,339	$ 218,681	$ 200,000	$ 18,681
Vehicle inspections	28,920	30,560	25,000	5,560
Total Fines, Forfeitures and Penalties	238,259	249,241	225,000	24,241
Use of Money and Property -				
Interest received	1,405,175	1,147,846	1,179,521	(31,675)
Cemetery endowment interest	71	-	1,000	(1,000)
Rent-building, land and equipment	20,735	22,795	17,500	5,295
Total Use of Money and Property	1,425,981	1,170,641	1,198,021	(27,380)
Miscellaneous -				
Public Transportation for Nonurbanized Areas	13,141	12,289	8,500	3,789
Reimbursed expenditures	249,203	285,267	350,000	(64,733)
Dog tag, impound, adoption fee	18,107	15,159	6,500	8,659
Animal cremations	33,705	42,168	30,000	12,168
Grant reimbursements	80,327	2,223	-	2,223
Cemetery lot sales	25,688	30,075	35,000	(4,925)
Gifts and bequests	4,236	9,926	-	9,926
Sale of effluent water	100,000	100,000	100,000	-
Community Building receipts	104,201	99,537	88,400	11,137
Miscellaneous	1,535	7,703	1,250	6,453
Total Miscellaneous	630,143	604,347	619,650	(15,303)
Transfer from Electric Utility Fund	2,157,813	2,182,563	2,100,000	82,563
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	61,300	49,648	60,000	(10,352)
Transfer from Sales Tax Revenue Fund	650,885	-	-	-
Total Transfers	2,999,998	2,362,211	2,290,000	72,211
Total Receipts	14,454,693	13,088,675	$ 13,069,487	$ 19,188

CITY OF MCPHERSON, KANSAS

GENERAL OPERATING FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
Regulatory Basis
For the Year Ended December 31, 2025
(With Comparative Actual Totals for the Prior Year Ended December 31, 2024)

		2025		
	2024 Actual	Actual	Budget	Variance - Over (Under)
Expenditures				
Administrative -				
Personal services	$ 693,942	$ 799,806	$ 837,769	$ (37,963)
Contractual services	402,933	529,246	541,824	(12,578)
Commodities	10,010	18,886	15,500	3,386
Capital outlay	-	-	2,500	(2,500)
Cereal malt beverage stamp	400	375	525	(150)
Housing programs	124,460	107,741	50,000	57,741
RHID reimbursement	206,876	210,406	201,860	8,546
Refunds	-	(485)	-	(485)
Payment in lieu of taxes	-	25	-	25
Travel expense	39,487	41,038	36,500	4,538
Miscellaneous	19,244	12,286	5,000	7,286
Contingency for storms	-	-	3,100,000	(3,100,000)
Legal fees and services	-	5,843	71,000	(65,157)
Appropriations:				
McPherson Airport Authority	64,302	64,302	64,302	-
McPherson Main Street	32,600	32,600	25,500	7,100
Not-For-Profit	12,000	10,000	10,000	-
McPherson Museum	50,000	50,000	50,000	-
McPherson Senior Center	15,000	15,000	15,000	-
Step MC	20,000	20,000	20,000	-
Childcare	200,000	200,000	200,000	-
McPherson Opera House	100,000	-	-	-
Transfer to Municipal Building Fund	90,000	100,000	100,000	-
Transfer to Capital Improvement Fund	275,000	-	-	-
Transfer to Bond and Interest Fund	-	115,000	115,000	-
Transfer to Municipal Golf Course Fund	100,000	150,000	150,000	-
Transfer to Swimming Pool Maint. and Oper. Fund	200,000	350,000	350,000	-
Total Administrative	2,656,254	2,832,069	5,962,280	(3,130,211)
Police Department -				
Personal services	2,508,627	2,747,613	2,993,208	(245,595)
Contractual services	526,573	640,430	653,414	(12,984)
Commodities	107,651	112,407	172,000	(59,593)
Capital outlay	194,141	129,210	329,500	(200,290)
Miscellaneous	52,268	53,555	-	53,555
Travel expense	25,246	46,309	156,946	(110,637)
Uniform allowance	50,447	34,620	-	34,620
Emergency response	4,000	-	-	-
Transfer to Equipment Reserve Fund	125,313	104,500	-	104,500
Transfer to Capital Improvement Fund	45,000	55,000	-	55,000
Total Police Department	3,639,266	3,923,644	4,305,068	(381,424)

CITY OF MCPHERSON, KANSAS

GENERAL OPERATING FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
Regulatory Basis
For the Year Ended December 31, 2025
(With Comparative Actual Totals for the Prior Year Ended December 31, 2024)

	2024 Actual	2025 Actual	2025 Budget	2025 Variance - Over (Under)
Expenditures (cont.)				
Engineering -				
Personal services	$ 277,972	$ 354,254	$ 334,311	$ 19,943
Contractual services	22,877	10,487	25,680	(15,193)
Commodities	16,205	18,213	9,950	8,263
Capital outlay	-	918	-	918
Travel expense	3,008	3,477	4,150	(673)
Miscellaneous	137	376	-	376
Transfer to Equipment Reserve Fund	7,200	10,800	10,800	-
				-
Total Engineering	327,399	398,525	384,891	13,634
Sanitation -				
Personal services	132,915	62,386	150,581	(88,195)
Contractual services	47,738	11,870	40,792	(28,922)
Commodities	8,204	5,084	8,659	(3,575)
Code enforcement supplies	384	-	547	(547)
Miscellaneous	235	131	-	131
Travel expense	3,684	1,197	3,218	(2,021)
Planning Commission	952	1,858	10,000	(8,142)
Transfer to Equipment Reserve Fund	4,500	4,635	4,635	-
Total Sanitation	198,612	87,161	218,432	(131,271)
Inspection -				
Personal services	67,146	68,777	75,131	(6,354)
Contractual services	1,988	1,639	9,272	(7,633)
Commodities	3,428	3,433	5,108	(1,675)
Travel expense	-	59	3,469	(3,410)
Miscellaneous	-	230	-	230
Transfer to Equipment Reserve Fund	5,506	5,671	5,671	-
Total Inspection	78,068	79,809	98,651	(18,842)

CITY OF MCPHERSON, KANSAS

GENERAL OPERATING FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
Regulatory Basis
For the Year Ended December 31, 2025
(With Comparative Actual Totals for the Prior Year Ended December 31, 2024)

	2024 Actual	2025 Actual	2025 Budget	2025 Variance - Over (Under)
Expenditures (cont.)				
Community Building -				
Personal services	$ 5,880	$ 6,613	$ 31,500	$ (24,887)
Contractual services	75,784	78,132	92,390	(14,258)
Commodities	19,191	16,161	20,500	(4,339)
Capital outlay	300	-	-	-
Travel expense	695	329	9,050	(8,721)
Miscellaneous	6,123	5,473	-	5,473
Transfer to Capital Improvement Fund	10,000	10,000	10,000	-
Transfer to Equipment Reserve Fund	10,000	11,292	11,292	-
Total Community Building	127,973	128,000	174,732	(46,732)
Legal and Judicial -				
Personal services	78,906	87,434	96,049	(8,615)
Contractual services	239,233	238,775	274,537	(35,762)
Commodities	6,141	2,730	6,000	(3,270)
Capital outlay	-	22,742	-	22,742
Miscellaneous	20	110	-	110
Travel expense	1,591	1,378	2,000	(622)
Transfer to Equipment Reserve Fund	1,500	1,500	1,500	-
Total Legal and Judicial	327,391	354,669	380,086	(25,417)
Park Department -				
Personal services	536,849	590,816	643,763	(52,947)
Contractual services	193,856	218,278	220,700	(2,422)
Commodities	125,283	145,165	91,100	54,065
Capital outlay	15,419	1,000	-	1,000
Miscellaneous	2,519	4,437	-	4,437
Travel expense	2,711	2,445	2,500	(55)
Tree care maintenance	-	3,559	-	3,559
Transfer to Capital Improvement Fund	107,500	107,500	107,500	-
Transfer to Equipment Reserve Fund	41,361	41,361	41,361	-
Total Park Department	1,025,498	1,114,561	1,106,924	7,637
Ambulance Service -				
Contractual services	1,059,905	1,031,697	1,081,737	(50,040)
Transfer to Equipment Reserve Fund	60,000	250,000	100,000	150,000
Total Ambulance Service	1,119,905	1,281,697	1,181,737	99,960

CITY OF MCPHERSON, KANSAS

GENERAL OPERATING FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET

Regulatory Basis
For the Year Ended December 31, 2025
(With Comparative Actual Totals for the Prior Year Ended December 31, 2024)

		2025		
	2024 Actual	Actual	Budget	Variance - Over (Under)
Expenditures (cont.)				
Cemetery -				
Personal services	$ 149,886	$ 155,426	$ 197,039	$ (41,613)
Contractual services	31,760	32,622	36,125	(3,503)
Commodities	10,641	11,376	16,710	(5,334)
Capital outlay	14,950	675	25,000	(24,325)
Miscellaneous	1,692	592	-	592
Travel expense	65	446	500	(54)
Tree care maintenance	-	-	-	-
Transfer to Equipment Reserve Fund	19,621	20,000	20,000	-
Transfer to Capital Improvement Fund	25,000	25,000	25,000	-
Total Cemetery	253,615	246,137	320,374	(74,237)
Fire Department -				
Personal services	1,476,706	1,773,445	1,779,591	(6,146)
Contractual services	418,623	457,295	446,260	11,035
Commodities	71,397	101,978	153,361	(51,383)
Capital outlay	47,603	63,536	64,200	(664)
Miscellaneous	21,647	26,442	1,000	25,442
Travel expense	16,816	36,585	37,256	(671)
Uniform allowance	24,325	23,840	22,602	1,238
Transfer to Capital Improvement Fund	200,000	25,000	25,000	-
Transfer to Equipment Reserve Fund	411,498	611,498	611,498	-
Total Fire Department	2,688,615	3,119,619	3,140,768	(21,149)
Animal Control -				
Personal services	148,884	153,761	187,454	(33,693)
Contractual services	59,110	69,275	74,197	(4,922)
Commodities	25,183	14,569	22,300	(7,731)
Capital outlay	4,268	-	4,500	(4,500)
Miscellaneous	9,072	3,897	6,200	(2,303)
Travel expense	3,213	2,058	4,000	(1,942)
Transfer to Equipment Reserve Fund	21,200	40,000	40,000	-
Total Animal Control	270,930	283,560	338,651	(55,091)
Street -				
Transfer to Consolidated Street and Highway Fund	650,000	700,000	700,000	-
Total Expenditures	13,363,526	14,549,451	$ 18,312,594	$ (3,763,143)
Receipts Over (Under) Expenditures	1,091,167	(1,460,776)		
Unencumbered Cash, Beginning	6,004,720	7,095,887		
Unencumbered Cash, Ending	$ 7,095,887	$ 5,635,111		

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, 2025
(With Comparative Actual Totals for the Prior Year Ended December 31, 2024)

		2025		
	2024 Actual	Actual	Budget	Variance - Over (Under)
Receipts				
State of Kansas - gas tax	$ 377,453	$ 378,547	$ 353,400	$ 25,147
State of Kansas - connecting links	100,839	100,157	193,000	(92,843)
Reimbursed expenditures	410,946	207,405	150,000	57,405
Local sales tax	2,209,968	2,309,953	2,223,394	86,559
Transfer from Sales Tax Revenue Fund	634,759	1,773,350	1,000,000	773,350
Transfer from General Operating Fund	650,000	700,000	700,000	-
Total Receipts	4,383,965	5,469,412	$ 4,619,794	$ 849,618
Expenditures				
Personal services	457,979	470,130	$ 605,073	$ (134,943)
Contractual services	1,352,770	2,606,869	2,363,365	243,504
Commodities	214,668	187,035	323,500	(136,465)
Capital outlay	1,475	997	-	997
Travel expense	4,156	5,012	-	5,012
Miscellaneous	1,100	1,087	4,415,250	(4,414,163)
Sidewalk (ADA) improvements	7,251	4,533	15,000	(10,467)
Transfer to Capital Improvement Fund	1,218,243	1,523,282	50,000	1,473,282
Transfer to Bond and Interest Fund	358,961	360,257	360,257	-
Transfer to Equipment Reserve Fund	201,000	244,000	244,000	-
Total Expenditures	3,817,603	5,403,202	$ 8,376,445	$ (2,973,243)
Receipts Over (Under) Expenditures	566,362	66,210		
Unencumbered Cash, Beginning	4,104,833	4,671,195		
Unencumbered Cash, Ending	$ 4,671,195	$ 4,737,405		

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, 2025
(With Comparative Actual Totals for the Prior Year Ended December 31, 2024)

		2025		
	2024 Actual	Actual	Budget	Variance - Over (Under)
Receipts				
Ad valorem property tax	$ 854,648	$ 1,164,421	$ 1,191,292	$ (26,871)
Delinquent tax	10,304	16,603	-	16,603
Motor vehicle tax	79,910	91,387	105,358	(13,971)
Recreational vehicle tax	1,380	1,523	1,514	9
MVL excise tax	501	823	530	293
16/20M vehicle tax	294	391	634	(243)
Commercial vehicle tax	4,126	5,050	4,764	286
Matching funds	7,744	8,302	-	8,302
Reimbursed expenditures	6,992	5,478	10,000	(4,522)
Coronavirus Relief Funds	130,266	-	-	-
In lieu of taxes - IRB clients	4,572	6,260	-	6,260
Payroll matching - Board of Public Utilities	3,446,344	3,616,585	-	3,616,585
Total Receipts	4,547,081	4,916,823	$ 1,314,092	$ 3,602,731
Expenditures Subject to Budget				
Insurance administrator	478,622	381,324	$ 557,881	$ (176,557)
Social security-payment to Federal	202,914	211,524	251,951	(40,427)
KPERS-payment to State	265,634	272,884	416,164	(143,280)
Worker's compensation-premium	57,414	56,768	71,066	(14,298)
Unemployment compensation-payment to State	10,718	10,956	3,294	7,662
Miscellaneous	20,895	18,635	25,000	(6,365)
Total Expenditures Subject to Budget	1,036,197	952,091	$ 1,325,356	$ (373,265)
Expenditures Not Subject to Budget:				
Reimbursements	3,446,630	3,616,300		
Total Expenditures	4,482,827	4,568,391		
Receipts Over (Under) Expenditures	64,254	348,432		
Unencumbered Cash, Beginning	224,751	289,005		
Unencumbered Cash, Ending	$ 289,005	$ 637,437		

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, 2025
(With Comparative Actual Totals for the Prior Year Ended December 31, 2024)

		2025		
	2024 Actual	Actual	Budget	Variance - Over (Under)
Receipts				
Ad valorem property tax	$ 1,506,707	$ 2,026,296	$ 2,073,323	$ (47,027)
Delinquent tax	21,718	28,545	-	28,545
Motor vehicle tax	160,766	163,592	185,747	(22,155)
Recreational vehicle tax	2,799	2,742	2,670	72
MVL excise tax	1,064	1,514	934	580
16/20M vehicle tax	707	589	1,119	(530)
Commercial vehicle tax	8,073	8,924	8,399	525
In lieu of taxes - IRB clients	8,061	10,895	8,000	2,895
Reimbursed expenditures	7,370	6,082	5,000	1,082
Coronavirus Relief Funds	179,892	-	310,158	(310,158)
Total Receipts	1,897,157	2,249,179	$ 2,595,350	$ (346,171)
Expenditures				
Insurance administrator	583,606	667,141	$ 831,707	$ (164,566)
Social security-payment to Federal	303,094	346,960	393,040	(46,080)
KPERS-payment to State	43,553	54,069	63,432	(9,363)
Worker's compensation-premium	107,666	123,157	152,180	(29,023)
Unemployment compensation-payment to State	4,397	4,774	5,138	(364)
Kansas Policemen's and Firemen's Retirement-payment to State	800,942	1,008,403	1,156,298	(147,895)
Miscellaneous	23,631	21,226	26,500	(5,274)
Total Expenditures Subject to Budget	1,866,889	2,225,730	$ 2,628,295	$ (402,565)
Total Expenditures	1,866,889	2,225,730		
Receipts Over (Under) Expenditures	30,268	23,449		
Unencumbered Cash, Beginning	265,404	295,672		
Unencumbered Cash, Ending	$ 295,672	$ 319,121		

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, 2025
(With Comparative Actual Totals for the Prior Year Ended December 31, 2024)

	2024 Actual	2025 Actual
Receipts		
Forfeited property funds	$ 8,815	$ 516
Expenditures		
Drug enforcement	11,066	92
Receipts Over (Under) Expenditures	(2,251)	424
Unencumbered Cash, Beginning	21,668	19,417
Unencumbered Cash, Ending	$ 19,417	$ 19,841

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, 2025
(With Comparative Actual Totals for the Prior Year Ended December 31, 2024)

		2025		
	2024 Actual	Actual	Budget	Variance - Over (Under)
Receipts				
Ad valorem property tax	$ 52,293	$ 48,930	$ 50,000	$ (1,070)
Delinquent tax	752	938	-	938
Motor vehicle tax	5,551	5,675	6,448	(773)
Recreational vehicle tax	97	95	93	2
MVL excise tax	37	53	32	21
16/20M truck tax	24	22	39	(17)
Commercial vehicle tax	279	310	292	18
Appropriation - McPherson County	50,000	50,000	50,000	-
In lieu of taxes - IRB clients	280	263	-	263
Total Receipts	109,313	106,286	$ 106,904	$ (618)
Expenditures				
Contractual services	100,000	100,000	$ 100,000	$ -
Capital outlay	-	-	376,237	(376,237)
Miscellaneous	-	-	26,000	(26,000)
Total Expenditures	100,000	100,000	$ 502,237	$ (402,237)
Receipts Over (Under) Expenditures	9,313	6,286		
Unencumbered Cash, Beginning	386,452	395,765		
Unencumbered Cash, Ending	$ 395,765	$ 402,051		

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, 2025
(With Comparative Actual Totals for the Prior Year Ended December 31, 2024)

		2025		
	2024 Actual	Actual	Budget	Variance - Over (Under)
Receipts				
Ad valorem property tax	$ 746,975	$ 729,601	$ 747,419	$ (17,818)
Delinquent collections	10,776	13,854	10,000	3,854
Motor vehicle tax	79,304	81,047	92,076	(11,029)
Recreational vehicle tax	1,380	1,358	1,324	34
MVL excise tax	524	749	463	286
16/20M truck tax	347	324	555	(231)
Commercial vehicle tax	3,985	4,424	4,163	261
In lieu of taxes - IRB client	3,996	3,928	-	3,928
Total Receipts	847,287	835,285	$ 856,000	$ (20,715)
Expenditures				
Transfer to - Library Board - Operating Budget	847,287	835,285	$ 856,000	$ (20,715)
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, 2025
(With Comparative Actual Totals for the Prior Year Ended December 31, 2024)

		2025		
	2024 Actual	Actual	Budget	Variance - Over (Under)
Receipts				
Ad valorem property tax	$ 153,937	$ 166,206	$ 170,174	$ (3,968)
Delinquent tax	2,195	2,824	5,000	(2,176)
Motor vehicle tax	16,387	16,704	18,985	(2,281)
Recreational vehicle tax	285	280	273	7
MVL excise tax	109	154	95	59
16/20M vehicle tax	72	67	115	(48)
Commercial vehicle tax	822	912	858	54
In lieu of taxes - IRB clients	824	894	-	894
Total Receipts	174,631	188,041	$ 195,500	$ (7,459)
Expenditures				
Transfer to - Library Board - Employee Benefits	174,631	188,041	$ 195,500	$ (7,459)
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, 2025
(With Comparative Actual Totals for the Prior Year Ended December 31, 2024)

	2024 Actual	2025 Actual
Receipts		
Interest received	$ 4	$ 3
Expenditures		
Filing fees	80	-
Receipts Over (Under) Expenditures	(76)	3
Unencumbered Cash, Beginning	2,022	1,946
Unencumbered Cash, Ending	$ 1,946	$ 1,949

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, 2025
(With Comparative Actual Totals for the Prior Year Ended December 31, 2024)

		2025		
	2024 Actual	Actual	Budget	Variance - Over (Under)
Receipts				
Sale of land	$ -	$ -	$ -	$ -
Expenditures				
Contractual services	-	950	$ 5,000	$ (4,050)
Capital outlay	-	-	31,448	(31,448)
Miscellaneous	-	55	-	55
Transfer to Capital Improvement Fund	200,000	-	-	-
Total Expenditures	200,000	1,005	$ 36,448	$ (35,443)
Receipts Over (Under) Expenditures	(200,000)	(1,005)		
Unencumbered Cash, Beginning	236,448	36,448		
Unencumbered Cash, Ending	$ 36,448	$ 35,443		

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, 2025
(With Comparative Actual Totals for the Prior Year Ended December 31, 2024)

		2025		
	2024	Actual	Budget	Variance - Over (Under)
Receipts				
Interest received	$ -	$ -	$ 2,000	$ (2,000)
Reimbursed expenditures	22,121	18,380	20,000	(1,620)
Transfer from General Operating Fund	90,000	100,000	90,000	10,000
Total Receipts	112,121	118,380	$ 112,000	$ 6,380
Expenditures				
Contractual services	73,948	70,400	$ 107,486	$ (37,086)
Commodities	29,925	27,827	30,000	(2,173)
Miscellaneous	316	213	-	213
Cash forward	-	-	67,609	(67,609)
Capital outlay	11,082	19,365	10,500	8,865
Total Expenditures	115,271	117,805	$ 215,595	$ (97,790)
Receipts Over (Under) Expenditures	(3,150)	575		
Unencumbered Cash, Beginning	143,824	140,674		
Unencumbered Cash, Ending	$ 140,674	$ 141,249		

CITY OF MCPHERSON, KANSAS

SPECIAL PURPOSE FUND

MUNICIPAL COURT FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL
Regulatory Basis
For the Year Ended December 31, 2025
(With Comparative Actual Totals for the Prior Year Ended December 31, 2024)

	2024 Actual	2025 Actual
Receipts		
Fines	$ 121,769	$ 118,180
Court cost	70,889	72,360
DUI Community Corrections	2,510	2,137
Supreme Court fee	1,117	1,010
Police training fee	11,138	10,071
Police training assesssment	22,981	19,804
Seat belt safety	4,960	1,480
Bonds	3,778	1,851
KBI Fee	400	-
Parking violations	1,290	1,185
Fingerprint fees	7,018	6,972
Diversion fees	9,010	10,900
Reinstatement fees	4,219	5,530
Attorney fees	12,471	19,821
Miscellaneous	673	396
Total Receipts	274,223	271,697
Expenditures		
Payments to General Operating Fund	212,187	221,062
Payments to State of Kansas	42,300	39,357
Payments to McPherson County Sheriff	7,056	6,734
Bonds	11,534	5,327
Restitution	(1,577)	(2,990)
Total Expenditures	271,500	269,490
Receipts Over (Under) Expenditures	2,723	2,207
Unencumbered Cash, Beginning	39,019	41,742
Unencumbered Cash, Ending	$ 41,742	$ 43,949

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, 2025
(With Comparative Actual Totals for the Prior Year Ended December 31, 2024)

	2024 Actual	2025 Actual
Receipts		
Miscellaneous	$ -	$ -
Expenditures		
Miscellaneous	-	24,472
Receipts Over (Under) Expenditures	-	(24,472)
Unencumbered Cash, Beginning	24,472	24,472
Unencumbered Cash, Ending	$ 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, 2025
(With Comparative Actual Totals for the Prior Year Ended December 31, 2024)

		2025		
	2024 Actual	Actual	Budget	Variance - Over (Under)
Receipts				
Membership fees	$ 178,804	$ 179,825	$ 170,000	$ 9,825
Ten play cards and golf team fees	17,000	10,233	15,725	(5,492)
Cart storage rental fees	53,279	47,660	57,000	(9,340)
Cart rental	134,756	129,741	150,000	(20,259)
Trail fees	5,805	4,227	5,000	(773)
Driving range revenue	25,494	22,123	22,800	(677)
Weekend green fees	105,087	110,040	112,500	(2,460)
Weekday green fees	159,537	148,068	153,570	(5,502)
Concessions	48,118	40,593	47,000	(6,407)
Beer sales	63,142	54,085	68,000	(13,915)
Gift cards	3,927	4,581	5,800	(1,219)
Pro shop sales	144,268	120,847	155,701	(34,854)
Reimbursed expenditures	8,895	2,785	1,500	1,285
Interest Income	40,852	15,000	5,000	10,000
Golf lessons	13,146	5,259	15,000	(9,741)
Miscellaneous	1,715	3,130	500	2,630
Transfer from General Operating Fund	100,000	150,000	150,000	-
Total Receipts	1,103,825	1,048,197	$ 1,135,096	$ (86,899)
Expenditures				
Personal services	419,232	408,554	$ 418,804	$ (10,250)
Contractual services	102,088	122,461	117,800	4,661
Commodities	248,696	222,974	362,344	(139,370)
Capital outlay	221,283	144,502	425,000	(280,498)
Sales tax	33,722	30,698	35,000	(4,302)
Travel expense	1,698	1,245	1,000	245
Credit card fees	18,189	16,731	17,500	(769)
Gift certificates redeemed	3,970	1,852	3,000	(1,148)
Miscellaneous	6,049	1,772	-	1,772
Refunds	815	770	-	770
Improvements	40,916	120,601	150,000	(29,399)
Total Expenditures	1,096,658	1,072,160	$ 1,530,448	$ (458,288)
Receipts Over (Under) Expenditures	7,167	(23,963)		
Unencumbered Cash, Beginning	349,807	356,974		
Unencumbered Cash, Ending	$ 356,974	$ 333,011		

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, 2025
(With Comparative Actual Totals for the Prior Year Ended December 31, 2024)

		2025		
	2024	Actual	Budget	Variance Over (Under)
Receipts				
Reimbursed expenses	$ 236	$ -	$ -	$ -
Local alcoholic liquor tax	38,916	39,788	44,492	(4,704)
Total Receipts	39,152	39,788	$ 44,492	$ (4,704)
Expenditures				
Personal services	4,947	4,603	$ 5,000	$ (397)
Contractual services	50,000	43,615	50,000	(6,385)
Commodities	86	3,700	5,000	(1,300)
Capital outlay	-	-	94,462	(94,462)
Travel expense	219	1,332	1,000	332
Total Expenditures	55,252	53,250	$ 155,462	$ (102,212)
Receipts Over (Under) Expenditures	(16,100)	(13,462)		
Unencumbered Cash, Beginning	143,170	127,070		
Unencumbered Cash, Ending	$ 127,070	$ 113,608		

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, 2025
(With Comparative Actual Totals for the Prior Year Ended December 31, 2024)

		2025		
	2024 Actual	Actual	Budget	Variance - Over (Under)
Receipts				
Local alcoholic liquor tax	$ 38,915	$ 39,789	$ 43,720	$ (3,931)
Expenditures				
Contractual services	-	-	$ 3,000	$ (3,000)
Capital outlay	27,025	21,978	25,000	(3,022)
Cash reserve	-	-	87,184	(87,184)
Total Expenditures	27,025	21,978	$ 115,184	$ (93,206)
Receipts Over (Under) Expenditures	11,890	17,811		
Unencumbered Cash, Beginning	73,964	85,854		
Unencumbered Cash, Ending	$ 85,854	$ 103,665		

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, 2025
(With Comparative Actual Totals for the Prior Year Ended December 31, 2024)

		2025		
	2024 Actual	Actual	Budget	Variance - Over (Under)
Receipts				
Swimming pool	$ 119,067	$ 84,898	$ 140,000	$ (55,102)
Concessions	40,626	22,395	45,000	(22,605)
Reimbursed expenditures	1,000	214	3,000	(2,786)
Interest income	1,091	1,590	-	1,590
Miscellaneous	32,349	1,088	10,000	(8,912)
Appropriation from MRC	50,000	50,000	-	50,000
Transfer from General Operating Fund	200,000	350,000	350,000	-
Total Receipts	444,133	510,185	$ 548,000	$ (37,815)
Expenditures				
Contractual services	333,739	411,372	$ 396,376	$ 14,996
Commodities	101,011	68,378	175,312	(106,934)
Capital outlay	1,043	2,911	-	2,911
Credit card fees	2,702	2,051	1,500	551
Miscellaneous	2,030	2,850	700	2,150
Refunds	105	3,291	100	3,191
Sales tax	3,102	1,570	3,000	(1,430)
Travel expense	971	2,042	1,500	542
Total Expenditures	444,703	494,465	$ 578,488	$ (84,023)
Receipts Over (Under) Expenditures	(570)	15,720		
Unencumbered Cash, Beginning	79,605	79,035		
Unencumbered Cash, Ending	$ 79,035	$ 94,755		

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, 2025
(With Comparative Actual Totals for the Prior Year Ended December 31, 2024)

		2025		
	2024	Actual	Budget	Variance - Over (Under)
Receipts				
Local sales tax	$ 2,209,968	$ 2,309,953	$ 1,742,685	$ 567,268
Expenditures				
Transfer to:				
General Operating Fund	650,885	-	$ -	$ -
Consolidated Street and Highway Fund	634,759	1,773,350	1,861,142	(87,792)
Capital Improvement Fund-Public Lands	226,700	548,253	548,253	-
Capital Improvement Fund-Law Enforcement	77,884	123,880	123,879	1
Total Expenditures	1,590,228	2,445,483	$ 2,533,274	$ (87,791)
Receipts Over (Under) Expenditures	619,740	(135,530)		
Unencumbered Cash, Beginning	170,850	790,590		
Unencumbered Cash, Ending	$ 790,590	$ 655,060		

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, 2025
(With Comparative Actual Totals for the Prior Year Ended December 31, 2024)

		2025		
	2024	Actual	Budget	Variance - Over (Under)
Receipts				
CID sales tax	$ 225,578	$ 239,993	$ 230,000	$ 9,993
Expenditures				
Developer reimbursement	215,242	229,893	$ 222,874	$ 7,019
Cash forward	-	-	36,452	(36,452)
Total Expenditures	215,242	229,893	$ 259,326	$ (29,433)
Receipts Over (Under) Expenditures	10,336	10,100		
Unencumbered Cash, Beginning	29,126	39,462		
Unencumbered Cash, Ending	$ 39,462	$ 49,562		

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, 2025
(With Comparative Actual Totals for the Prior Year Ended December 31, 2024)

		2025		
	2024 Actual	Actual	Budget	Variance - Over (Under)
Receipts				
State of Kansas - guest tax	$ 538,392	$ 712,589	$ 644,000	$ 68,589
Reimbursed expenditures	8,540	8,548	9,460	(912)
Trolley revenue	4,395	5,085	3,000	2,085
Miscellaneous	-	781	1,000	(219)
Total Receipts	551,327	727,003	$ 657,460	$ 69,543
Expenditures				
Personal services	195,468	213,140	$ 220,155	$ (7,015)
Contractual services	115,954	117,530	127,034	(9,504)
Commodities	15,257	21,691	26,050	(4,359)
Capital outlay	-	-	35,000	(35,000)
Appropriation - guest tax	106,262	164,496	-	164,496
Travel expense	4,930	5,622	-	5,622
Reserve	46,277	-	688,910	(688,910)
Marketing grant	27,350	31,249	-	31,249
Miscellaneous	175	189	153,350	(153,161)
Total Expenditures	511,673	553,917	$ 1,250,499	$ (696,582)
Receipts Over (Under) Expenditures	39,654	173,086		
Unencumbered Cash, Beginning	574,211	613,865		
Unencumbered Cash, Ending	$ 613,865	$ 786,951		

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, 2025
(With Comparative Actual Totals for the Prior Year Ended December 31, 2024)

	2024 Actual	2025 Actual
Receipts		
Interest received	$ 41,576	$ 67,996
Prescription drug rebates	207,258	207,468
Reimbursement from various funds	3,034,727	3,042,236
Reimbursement	7,976	6,381
Total Receipts	3,291,537	3,324,081
Expenditures		
Cost of insurance	395,810	407,067
Claims paid	2,855,072	2,798,051
Administrative fees	138,322	221,188
Employee assistance	2,339	3,898
Reimbursements	5,536	1,867
Total Expenditures	3,397,079	3,432,071
Receipts Over (Under) Expenditures	(105,542)	(107,990)
Unencumbered Cash, Beginning	1,894,336	1,788,794
Unencumbered Cash, Ending	$ 1,788,794	$ 1,680,804

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, 2025
(With Comparative Actual Totals for the Prior Year Ended December 31, 2024)

	2024 Actual	2025 Actual
Receipts		
Interest received	$ 5,591	$ 16,584
Reimbursement from various funds	294,577	216,498
Total Receipts	300,168	233,082
Expenditures		
Cost of insurance	412,687	215,197
Miscellaneous	345	805
Total Expenditures	413,032	216,002
Receipts Over (Under) Expenditures	(112,864)	17,080
Unencumbered Cash, Beginning	594,781	481,917
Unencumbered Cash, Ending	$ 481,917	$ 498,997

CITY OF MCPHERSON, KANSAS

SPECIAL PURPOSE FUND

INSURANCE RECOVERY FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL
Regulatory Basis
For the Year Ended December 31, 2025
(With Comparative Actual Totals for the Prior Year Ended December 31, 2024)

	2024 Actual	2025 Actual
Receipts		
Reimbursed expenditures	$ 69,387	$ -
Expenditures		
Contractual services	-	1,750
Transfer to Capital Improvement Fund	52,544	-
Total Expenditures	52,544	1,750
Receipts Over (Under) Expenditures	16,843	(1,750)
Unencumbered Cash, Beginning	44,528	61,371
Unencumbered Cash, Ending	$ 61,371	$ 59,621

CITY OF MCPHERSON, KANSAS

SPECIAL PURPOSE FUND

FIRE INSURANCE PROCEEDS FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL
Regulatory Basis
For the Year Ended December 31, 2025
(With Comparative Actual Totals for the Prior Year Ended December 31, 2024)

	2024 Actual	2025 Actual
Receipts		
Insurance escrow	$ 28,458	$ 55,238
Interest	114	478
Total Receipts	28,572	55,716
Expenditures		
Insurance recovery	-	64,344
Receipts Over (Under) Expenditures	28,572	(8,628)
Unencumbered Cash, Beginning	-	28,572
Unencumbered Cash, Ending	$ 28,572	$ 19,944

CITY OF MCPHERSON, KANSAS

SPECIAL PURPOSE FUND

FEDERAL GRANT FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL
Regulatory Basis
For the Year Ended December 31, 2025
(With Comparative Actual Totals for the Prior Year Ended December 31, 2024)

	2024	2025
Receipts		
Federal appropriations	$ -	$ 168,940
Expenditures		
Grant expenditures	366,158	84,470
Transfer to Capital Improvement Fund	660,000	-
Total Expenditures	1,026,158	84,470
Receipts Over (Under) Expenditures	(1,026,158)	84,470
Unencumbered Cash, Beginning	1,026,158	-
Unencumbered Cash, Ending	$ -	$ 84,470

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, 2025
(With Comparative Actual Totals for the Prior Year Ended December 31, 2024)

	2024	2025
Receipts		
Federal appropriations	$ 311,572	$ 327,798
Expenditures		
Capital outlay	213,495	233,744
Appropriation to Airport	141,642	-
Total Expenditures	355,137	233,744
Receipts Over (Under) Expenditures	(43,565)	94,054
Unencumbered Cash, Beginning	235,376	191,811
Unencumbered Cash, Ending	$ 191,811	$ 285,865

CITY OF MCPHERSON, KANSAS

BOND AND INTEREST FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
Regulatory Basis
For the Year Ended December 31, 2025
(With Comparative Actual Totals for the Prior Year Ended December 31, 2024)

		2025		
	2024 Actual	Actual	Budget	Variance - Over (Under)
Receipts				
Ad valorem property tax	$ 62,808	$ 268,568	$ 274,096	$ (5,528)
Delinquent tax	1,451	3,892	-	3,892
Motor vehicle tax	6,792	6,816	7,740	(924)
Recreational vehicle tax	119	114	117	(3)
MVL excise tax	46	63	39	24
16/20M vehicle tax	34	78	47	31
Commercial vehicle tax	336	372	350	22
Special assessments	405,508	366,462	304,205	62,257
Recreation commission reimbursement	59,000	57,400	57,400	-
Transfer from Consolidated Street and Highway Fund	358,961	360,257	360,257	-
Transfer from General Operating Fund (NCRA)	-	115,000	115,000	-
Transfer from Storm Water Utility Fund	627,729	624,288	624,288	-
Transfer from Wastewater System Surplus Fund	671,525	669,275	669,725	(450)
Transfer from Public Land Irrigation	-	-	395,000	(395,000)
Transfer from Wastewater M&O Fund	48,582	54,326	54,290	36
In lieu of taxes - IRB clients	336	1,441	-	1,441
Total Receipts	2,243,227	2,528,352	$ 2,862,554	$ (334,202)
Expenditures				
Bond principal	1,830,000	2,170,000	$ 2,285,000	$ (115,000)
Interest coupons	422,593	406,844	364,469	42,375
Temp. note 2024A	-	-	328,000	(328,000)
Reserve for bond premium	-	-	425,000	(425,000)
Commission and postage	14,000	11,626	-	11,626
Total Expenditures	2,266,593	2,588,470	$ 3,402,469	$ (813,999)
Receipts Over (Under) Expenditures	(23,366)	(60,118)		
Unencumbered Cash, Beginning	454,784	431,418		
Unencumbered Cash, Ending	$ 431,418	$ 371,300		

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, 2025
(With Comparative Actual Totals for the Prior Year Ended December 31, 2024)

		2025		
	2024 Actual	Actual	Budget	Variance - Over (Under)
Receipts				
Ad valorem property tax	$ 198,098	$ 195,348	$ 200,000	$ (4,652)
Delinquent tax	1,124	2,358	-	2,358
Motor vehicle tax	5,566	19,006	24,420	(5,414)
Recreational vehicle tax	97	302	351	(49)
MVL excise tax	37	136	123	13
16/20M truck tax	24	23	147	(124)
In lieu of taxes - IRB clients	1,060	1,051	-	1,051
Commercial vehicle tax	280	1,152	1,104	48
Note proceeds	4,200,000	-	-	-
Bond proceeds	-	330,605	3,450,000	(3,119,395)
Interest received	68,272	11,575	-	11,575
Developer's share	2,033,045	174,726	-	174,726
Miscellaneous	749	3,045	-	3,045
Federal/State appropriation	1,005,940	265,181	5,000	260,181
Appropriation from General Fund	-	200,000	200,000	-
Transfer from Sales Tax Revenue Fund	304,584	672,133	280,177	391,956
Transfer from General Operating Fund - Park	107,500	107,500	107,500	-
Transfer from General Operating Fund - Administrative	275,000	-	-	-
Transfer from General Operating Fund - Cemetery	25,000	25,000	25,000	-
Transfer from General Operating Fund - Community Building	10,000	10,000	10,000	-
Transfer from General Operating Fund - Police	45,000	55,000	105,000	(50,000)
Transfer from General Operating Fund - North Fire Station	200,000	25,000	-	25,000
Transfer from McPherson Land Bank Fund	200,000	-	-	-
Transfer from Insurance Recovery Fund	52,544	-	-	-
Transfer from Federal Grant Funds	660,000	-	-	-
Transfer from Storm Water Utility Fund	807,750	138,394	-	138,394
Transfer from Consolidated Street and Highway Fund	1,218,243	1,523,282	50,000	1,473,282
Total Receipts	11,419,913	3,760,817	$ 4,458,822	$ (698,005)
Expenditures				
Capital Projects -				
1928 Fire truck restoration	1,595	10,516	$ -	$ 10,516
North fire station	3,769,600	480,264	-	480,264
Challenger Park pickle ball	214,336	43,931	-	43,931
Lakeside bank restoration	807,697	-	-	-
SSD #174A & SSD #185-2	14,370	-	-	-
The Veranda paving and storm sewer	66,621	46,942	-	46,942
Veranda West SSD #190A	61,648	(35,990)	-	(35,990)

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, 2025
(With Comparative Actual Totals for the Prior Year Ended December 31, 2024)

		2025		
	2024 Actual	Actual	Budget	Variance - Over (Under)
Expenditures (Cont.)				
Capital Projects (Cont.) -				
Euclid-Elm Street storm sewer	$ 998,388	$ 1,058,493	$ -	$ 1,058,493
Hickory Street drainage	8,957	34,926	-	34,926
Autumnwood Dr paving	73,139	-	-	-
Police Dept. CIP Projects	80,555	-	40,000	(40,000)
LEC/Police substation	-	539,685	50,000	489,685
CDBG 2022 housing	66,001	177,653	-	177,653
TA Grant Nview SW - phase 2	44,275	313,762	300,000	13,762
TCGC projects	2,798,545	605,491	3,200,000	(2,594,509)
Deerfield Estates South street	1,126,896	431,621	-	431,621
Deerfield Estates South SSD	614,329	560	-	560
Hulse Street drainage	201,474	-	-	-
Northview multi use trail	4,000	-	-	-
Ave A TA-sidewalk phase 2	-	-	200,000	(200,000)
CID Champlin street	-	12,400	-	12,400
Public Lands Capital Improvement Projects	92,443	114,532	100,000	14,532
Lift station #4	-	94,641	-	94,641
Hartup/Elizab street drainage	-	32,159	-	32,159
WWTP Road - Ave A to WWTP	-	16,038	-	16,038
Department 26	-	43,615	-	43,615
Reserve for future projects	-	-	5,734,939	(5,734,939)
Total Expenditures	11,044,869	4,021,239	$ 9,624,939	$ (5,603,700)
Receipts Over (Under) Expenditures	375,044	(260,422)		
Unencumbered Cash, Beginning	4,688,587	5,063,631		
Unencumbered Cash, Ending	$ 5,063,631	$ 4,803,209		

CITY OF MCPHERSON, KANSAS

CAPITAL PROJECTS FUND

EQUIPMENT RESERVE FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL
Regulatory Basis
For the Year Ended December 31, 2025
(With Comparative Actual Totals for the Prior Year Ended December 31, 2024)

	2024 Actual	2025 Actual
Receipts		
Interest received	$ 456	$ -
Reimbursed expenditures	13,200	255,000
Transfer from General Operating Fund	707,699	1,101,257
Transfer from Consolidated Street and Highway Fund	201,000	244,000
Total Receipts	922,355	1,600,257
Expenditures		
Capital outlay	2,697,074	606,082
Receipts Over (Under) Expenditures	(1,774,719)	994,175
Unencumbered Cash, Beginning	1,665,909	258,236
Prior Year Cancelled Encumbrances	367,046	-
Unencumbered Cash, Ending	$ 258,236	$ 1,252,411

CITY OF MCPHERSON, KANSAS

BUSINESS FUND

ELECTRIC UTILITY FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL
Regulatory Basis
For the Year Ended December 31, 2025
(With Comparative Actual Totals for the Prior Year Ended December 31, 2024)

	2024 Actual	2025 Actual
Receipts		
User fees	$ 65,354,522	$ 66,726,034
Sales to interconnection	9,458,374	6,737,073
Interest received	2,662,809	2,909,465
Street lighting	469,551	420,320
Merchandising, jobbing and contract work	434,184	369,840
Refuse collection and sewer service fees	86,885	84,185
Penalties and late charge interest	64,702	71,735
Sales tax	1,866,386	1,940,230
Meter deposits	199,998	162,580
Proceeds from sale of equipment	-	61,951
Farm income	28,683	41,276
Total Receipts	80,626,094	79,524,689
Expenditures		
Purchased power	51,578,090	51,616,287
Fuel	5,192,659	3,384,914
Distribution and transmission	5,242,209	4,975,806
Production	3,067,018	3,787,391
Capital Outlay	2,665,583	4,075,981
Administrative and general	2,375,185	2,904,630
Merchandising	189,997	68,889
Farm expenses	12,788	12,763
Meter deposits	132,893	170,409
Sales tax	1,743,745	1,808,350
Loss from sale of equipment	1,176,150	-
Transfer to - General Operation Fund - In lieu of taxes	2,157,813	2,343,657
Total Expenditures	75,534,130	75,149,077
Receipts Over (Under) Expenditures	5,091,964	4,375,612
Unencumbered Cash, Beginning	48,921,760	54,013,724
Unencumbered Cash, Ending	$ 54,013,724	$ 58,389,336

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, 2025
(With Comparative Actual Totals for the Prior Year Ended December 31, 2024)

		2025		
	2024 Actual	Actual	Budget	Variance - Over (Under)
Receipts				
Sewer recovery fee	$ 28,962	$ 22,300	$ 30,000	$ (7,700)
Expenditures				
Capital outlay	-	-	$ 647,881	$ (647,881)
Receipts Over (Under) Expenditures	28,962	22,300		
Unencumbered Cash, Beginning	587,881	616,843		
Unencumbered Cash, Ending	$ 616,843	$ 639,143		

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, 2025
(With Comparative Actual Totals for the Prior Year Ended December 31, 2024)

		2025		
	2024 Actual	Actual	Budget	Variance - Over (Under)
Receipts				
User fees	$ 1,188,133	$ 1,188,974	$ 1,130,000	$ 58,974
Landfill closure fees	113,022	132,779	141,085	(8,306)
Total Receipts	1,301,155	1,321,753	$ 1,271,085	$ 50,668
Expenditures				
Contractual services	1,077,321	1,118,077	$ 1,070,944	$ 47,133
Landfill mitigation	611	680	500	180
Miscellaneous	3	3	-	3
Cash forward	-	-	2,751,688	(2,751,688)
Transfer to General Operating Fund	50,000	50,000	50,000	-
Total Expenditures	1,127,935	1,168,760	$ 3,873,132	$ (2,704,372)
Receipts Over (Under) Expenditures	173,220	152,993		
Unencumbered Cash, Beginning	2,482,406	2,655,626		
Unencumbered Cash, Ending	$ 2,655,626	$ 2,808,619		

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, 2025
(With Comparative Actual Totals for the Prior Year Ended December 31, 2024)

		2025		
	2024 Actual	Actual	Budget	Variance - Over (Under)
Receipts				
Storm water utility fees	$ 1,120,731	$ 1,233,189	$ 1,226,000	$ 7,189
Expenditures				
Contractual services	80,529	30,900	$ 411,845	$ (380,945)
Commodities	254	-	-	-
Capital outlay	13,510	-	1,101,475	(1,101,475)
Transfer to Bond and Interest Fund	627,729	624,288	624,288	-
Transfer to Capital Improvement Fund	807,750	138,394	-	138,394
Total Expenditures	1,529,772	793,582	$ 2,137,608	$ (1,344,026)
Receipts Over (Under) Expenditures	(409,041)	439,607		
Unencumbered Cash, Beginning	1,560,219	1,151,178		
Unencumbered Cash, Ending	$ 1,151,178	$ 1,590,785		

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, 2025
(With Comparative Actual Totals for the Prior Year Ended December 31, 2024)

		2025		
	2024 Actual	Actual	Budget	Variance - Over (Under)
Receipts				
User fees	$ 2,723,250	$ 2,753,790	$ 2,582,215	$ 171,575
Sale of grain, equipment and supplies	30,259	45,560	58,000	(12,440)
Sale of real estate	249,910	126,483	-	126,483
Grease operating permit fees	8,566	8,356	8,000	356
Interest on investments	22,913	-	15,000	(15,000)
ROW permit fees	8,395	730	4,000	(3,270)
Reimbursed expenditures	11,108	9,913	25,000	(15,087)
Miscellaneous	5,628	-	1,000	(1,000)
Total Receipts	3,060,029	2,944,832	$ 2,693,215	$ 251,617
Expenditures				
Personal services	365,628	430,143	$ 473,583	$ (43,440)
Contractual services	2,646,942	1,426,167	1,093,153	333,014
Commodities	107,224	145,756	150,600	(4,844)
Capital outlay	106,615	30,744	150,000	(119,256)
Travel expense	7,064	5,157	-	5,157
Miscellaneous	7,528	4,182	3,000	1,182
Maintenance building and equipment	-	22,608	400,000	(377,392)
Cash forward	-	-	1,972,603	(1,972,603)
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	48,582	54,326	54,326	-
Total Expenditures	3,618,616	2,448,116	$ 4,626,298	$ (2,178,182)
Receipts Over (Under) Expenditures	(558,587)	496,716		
Unencumbered Cash, Beginning	3,384,779	2,826,192		
Unencumbered Cash, Ending	$ 2,826,192	$ 3,322,908		

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, 2025
(With Comparative Actual Totals for the Prior Year Ended December 31, 2024)

		2025		
	2024 Actual	Actual	Budget	Variance - Over (Under)
Receipts				
Interest received	$ 20,880	$ 22,310	$ 10,000	$ 12,310
User fee	672,000	672,000	672,000	-
Total Receipts	692,880	694,310	$ 682,000	$ 12,310
Expenditures				
Contingency for future loan payments	-	-	$ 768,844	$ (768,844)
Transfer to Bond & Interest Fund	671,525	669,275	669,275	-
Total Expenditures	671,525	669,275	$ 1,438,119	$ (768,844)
Receipts Over (Under) Expenditures	21,355	25,035		
Unencumbered Cash, Beginning	745,644	766,999		
Unencumbered Cash, Ending	$ 766,999	$ 792,034		

CITY OF MCPHERSON, KANSAS

BUSINESS FUND

WATER UTILITY FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL

Regulatory Basis

For the Year Ended December 31, 2025

(With Comparative Actual Totals for the Prior Year Ended December 31, 2024)

	2024 Actual	2025 Actual
Receipts		
User fees	$ 6,710,021	$ 6,115,890
Interest received	605,109	388,982
Farm income	244,345	218,772
Merchandising, jobbing and contract work	180,102	148,223
Refuse collection and sewer service fees	15,338	15,371
Water protection fees	42,087	44,243
SWF loan forgiveness	169,654	-
Sales tax	134,162	132,151
Total Receipts	8,100,818	7,063,632
Expenditures		
Production	711,182	770,482
Distribution and transmission	1,540,310	1,285,185
Administrative and general	599,119	492,352
Capital outlay	11,911,234	1,501,255
Farm expenses	119,898	91,298
Merchandising	18,279	65,941
Debt service	2,299,479	2,244,963
Water protection fee	34,521	47,939
Sales tax	134,501	122,162
Transfer to General Operating Fund	61,300	49,648
Total Expenditures	17,429,823	6,671,225
Receipts Over (Under) Expenditures	(9,329,005)	392,407
Unencumbered Cash, Beginning	19,365,433	10,036,428
Unencumbered Cash, Ending	$ 10,036,428	$ 10,428,835

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, 2025
(With Comparative Actual Totals for the Prior Year Ended December 31, 2024)

	2024	2025
Receipts		
Interest received	$ 1,015	$ 1,383
Expenditures		
Utilities	-	-
Receipts Over (Under) Expenditures	1,015	1,383
Unencumbered Cash, Beginning	39,102	40,117
Unencumbered Cash, Ending	$ 40,117	$ 41,500

CITY OF MCPHERSON, KANSAS

TRUST FUND

CEMETERY ENDOWMENT FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL
Regulatory Basis
For the Year Ended December 31, 2025
(With Comparative Actual Totals for the Prior Year Ended December 31, 2024)

	2024	2025
Receipts		
Sale of lots and spaces	$ 8,562	$ 10,025
Expenditures		
Reserve	-	-
Receipts Over (Under) Expenditures	8,562	10,025
Unencumbered Cash, Beginning	159,381	167,943
Unencumbered Cash, Ending	$ 167,943	$ 177,968

CITY OF MCPHERSON, KANSAS

RELATED MUNICIPAL ENTITY

LIBRARY BOARD

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL
Regulatory Basis
For the Year Ended December 31, 2025
(With Comparative Actual Totals for the Prior Year Ended December 31, 2024)

	Capital Improvement	General	Operating Budget	Employee Benefits	Totals 2025	Totals 2024
Receipts:						
Interest received	$ 2,147	$ 251	$ 853	$ -	$ 3,251	$ 3,012
Fines and fees	-	6,275	-	-	6,275	4,602
Gifts	-	2,785	-	-	2,785	6,469
Paid titles	-	2,525	-	-	2,525	3,834
Sales	-	2,004	-	-	2,004	2,251
State of Kansas	-	-	5,827	-	5,827	3,890
South Central Kansas Library System	-	-	42,131	-	42,131	37,302
Grants	-	-	17,364	-	17,364	40,305
Reimbursements	-	-	2	-	2	1,000
MCCF	-	-	22,670	-	22,670	23,170
Transfers in -						
General Operating Fund	50,000	-	-	-	50,000	50,000
Library Fund	-	-	835,285	188,041	1,023,326	1,021,918
Total Receipts	52,147	13,840	924,132	188,041	1,178,160	1,197,753
Expenditures:						
Personal services	-	-	509,074	-	509,074	516,355
Contractual services	-	-	192,450	168,062	360,512	344,893
Commodities	-	8,039	102,634	-	110,673	93,822
Reimbursements	-	-	4,773	-	4,773	5,751
Miscellaneous and refunds	-	-	2,826	-	2,826	2,171
Other	-	1,204	13,157	-	14,361	40,472
Transfers out -						
Capital Improvement Fund	-	-	50,000	-	50,000	50,000
MCCF loan	-	-	47,892	-	47,892	45,000
Total Expenditures	-	9,243	922,806	168,062	1,100,111	1,098,464
Receipts over (under) Expenditures	52,147	4,597	1,326	19,979	78,049	99,289
Unencumbered Cash, Beginning of Year	300,995	55,100	205,401	99,116	660,612	561,322
Unencumbered Cash, End of Year	$ 353,142	$ 59,697	$ 206,727	$ 119,095	$ 738,661	$ 660,611

CITY OF MCPHERSON, KANSAS

AGENCY FUNDS

SCHEDULE OF RECEIPTS AND DISBURSEMENTS
Regulatory Basis
For the Year Ended December 31, 2025

Fund	Beginning Cash Balance	Receipts	Disbursements	Ending Cash Balance
Flex spending account	$ 3,426	$ 70,610	$ 63,432	$ 10,604

CITY OF MCPHERSON, KANSAS

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended December 31, 2025

Pass-Through Grantor/ Federal Grantor Program Title	Federal Assistance Listing Number	Pass Through Entity Identifying Number	Total Federal Expenditures
U.S. Department of Housing and Urban Development			
Passed through Kansas Department of Commerce -			
Community Development Block Grant	14.228	22-HR-7	$ 181,976
TOTAL U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT			181,976
U.S. Department of Transportation			
Passed through Kansas Department of Transportation -			
Click-It	20.600		7,496
Public Transportation for Nonurbanized Areas	20.513	USC 49-5310	12,289
TOTAL U.S. DEPARTMENT OF TRANSPORTATION			19,785
U.S. Department of Justice			
Passed through Department of Justice -			
ASAP Congressional Grant	10.664		184,470
TOTAL U.S. DEPARTMENT OF JUSTICE			184,470
TOTAL SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS			$ 386,231

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, 2025. The information in the Schedule is presented in accordance with the requirements of Title 2 *U.S. Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the City, it is not intended to and does not present the financial position, changes in net position, or cash flows of the City. The Schedule is presented using a regulatory basis of accounting prescribed by the Kansas Municipal Audit and Accounting Guide (as described in Note 1 to the financial statement), which is the same basis of accounting as the financial statement accompanying this schedule.

Note 2 - Summary of Significant Accounting Policies

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

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

Note 3 - Funds Expended

Funds where Federal expenditures were receipted and expended:

General Fund	$ 19,785
Capital Improvement Fund	181,976
Equipment Reserve Fund	100,000
Federal Grant Fund	84,470
	$ 386,231