

**THE CITY OF MCPHERSON, KANSAS**

**FINANCIAL STATEMENT**

**FOR THE YEAR ENDED DECEMBER 31, 2011**

**City of McPherson, Kansas  
City of Second Class  
Incorporated March 4, 1874  
For the Year Ended December 31, 2011**

**BOARD OF CITY COMMISSIONERS**

Robert D. Moore  
Commissioner of  
Finance and Revenue

Thomas A. Brown  
Mayor

Michael B. Alkire  
Commissioner of  
Streets and Public Utilities

**CITY OFFICIALS**

Jeffrey A. Houston  
City Attorney

Nick Gregory  
City Administrator

William Mills  
Municipal Court Judge

Mark R. Moffitt, CPA  
City Treasurer/Finance Director

Jeffrey Deal  
Fire Chief

Robert McClarty  
Chief of Police

Tim S. Maier  
General Manager, Board  
of Public Utilities

Paul F. Katzer  
Park Superintendent

Doug Whitacre  
Public Works Director

Thomas R. Stinemetze  
City Sanitarian

John E. Puchosic  
City Inspector

John B. Klenda  
City Prosecutor

Tamra K. Seely  
City Clerk

Randy Pauls  
Cemetery Sexton

Sherry Conyers  
Deputy City Clerk

**CITY OF MCPHERSON, KANSAS**

**For the Year Ended December 31, 2011**

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**For the Year Ended December 31, 2011**

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SWINDOLL  
JANZEN  
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LOYD, LLC

Certified Public Accountants

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## INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and City Commission  
City of McPherson, Kansas 67460

We have audited the summary statement of cash receipts, expenditures, and unencumbered cash balances of the City of McPherson, as of and for the year ended December 31, 2011. This financial statement is the responsibility of the City's management. Our responsibility is to express an opinion on the financial statement based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America, and the *Kansas Municipal Audit Guide*. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statement. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As described more fully in Note 1, the City of McPherson has prepared this financial statement using accounting practices prescribed by the State of Kansas to demonstrate compliance with the cash basis and budget laws of the State of Kansas, which practices differ from accounting principles generally accepted in the United States of America. The effects on the financial statement of the variances between these statutory accounting practices and accounting principles generally accepted in the United States of America, although not reasonably determinable, as presumed to be material.

In our opinion, because of the effects of the matter discussed in the preceding paragraph, the financial statement referred to above does not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the City of McPherson as of December 31, 2011, or the respective changes in financial position and changes in cash flows, where applicable, for the year then ended.

In our opinion, the financial statement referred to above presents fairly, in all material respects, the aggregate cash and unencumbered cash balance of the City of McPherson as of December 31, 2011, and the aggregate cash receipts and expenditures for the year then ended, on the basis of accounting described in Note 1.

Our audit was conducted for the purpose of forming an opinion on the 2011 financial statement as a whole. The summary of expenditures-actual and budget, individual fund schedules of cash receipts and expenditures-actual and budget, and schedules of cash receipts and expenditures-actual-component unit (Schedules 1, 2, and 3 as listed in the table of contents) are presented for purposes of additional analysis and are not a required part of the 2011 financial statement. Such information is the responsibility of management and the 2011 supplementary information was derived from and relates directly to the underlying accounting and other records used to prepare the 2011 financial statement. The 2011 information has been subjected to the auditing procedures applied in the audit of the 2011 financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the 2011 financial statement or to the 2011 financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the 2011 financial statement as a whole.

The 2010 Actual column presented in the individual fund schedules of cash receipts and expenditures-actual and budget, and schedules of cash receipts and expenditures-actual-component unit (Schedules 2 and 3 as listed in the table of contents) are also presented for comparative analysis and are not a required part of the 2010 financial statement upon which we rendered an unqualified opinion dated June 30, 2011. The 2010 financial statement and our accompany report are not presented herein, but are available in electronic form from the web site of the Kansas Department of Administration, Office of Management Analysis and Standards at the following link <http://da.ks.gov/ar/muniserv/>. Such 2010 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 2010 financial statement. The 2010 comparative information was subjected to the auditing procedures applied in the audit of the 2010 financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the 2010 financial statement or to the 2010 financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the 2010 comparative information is fairly stated in all material respects in relation to the 2010 financial statement as a whole.

Swindoll, Janzen, Hawk & Loyd, LLC

Certified Public Accountants

July 13, 2012

CITY OF MCPHERSON, KANSAS

SUMMARY OF CASH RECEIPTS, EXPENDITURES AND UNENCUMBERED CASH  
For the Year Ended December 31, 2011

Funds	Beginning Unencumbered Cash Balance	Prior Year Canceled Encumbrances	Cash Receipts	Expenditures	Ending Unencumbered Cash Balance	Add Encumbrances and Accounts Payable	Ending Cash Balance
<b>GENERAL OPERATING FUND:</b>							
General Operating Fund	\$ 3,234,406	\$ -	\$ 8,609,193	\$ 7,897,840	\$ 3,945,759	\$ 619,992	\$ 4,565,751
<b>SPECIAL REVENUE FUNDS:</b>							
Animal Shelter Fund	200,069	-	72,956	149,693	123,332	6,739	130,071
Consolidated Street and Highway Fund	799,731	-	2,489,077	2,134,780	1,154,028	48,843	1,202,871
Employee Benefits Contribution Fund	984,291	-	3,838,757	3,766,795	1,056,253	182,651	1,238,904
Forfeited Property Fund - Police Department	6,833	-	4,659	1,273	10,219	-	10,219
Industrial Development Fund	416,221	-	70,612	51,000	435,833	-	435,833
Library Fund	-	-	609,488	609,488	-	-	-
Library Employee Benefits Fund	-	-	113,069	113,069	-	-	-
McPherson Landfill Improvement Corporation	2,515	4	-	40	2,479	-	2,479
McPherson Public Building Commission	197,900	-	73,953	63,171	208,682	9,639	218,321
Municipal Court Fund	31,449	-	272,707	278,696	25,460	-	25,460
Municipal Court ADSAP Fund	17,126	-	7,570	4,860	19,836	-	19,836
Municipal Golf Course Fund	79,005	-	495,455	487,209	87,251	12,692	99,943
Operation Warmth Fund	2,859	-	2,953	2,837	2,975	-	2,975
Special Alcohol Program Fund	88,391	-	29,226	18,479	99,138	1,729	100,867
Special Park and Recreation Fund	61,897	-	29,226	31,148	59,975	-	59,975
Swimming Pool Maintenance and Operation Fund	368,562	-	323,665	361,853	330,374	3,074	333,448
Sales Tax Revenue Fund	337,335	-	1,396,651	1,733,986	-	-	-
Tourism and Convention Promotion Fund	173,324	-	274,490	239,926	207,888	25,924	233,812
Total Special Revenue Funds	3,767,508	-	10,104,518	10,048,303	3,823,723	291,291	4,115,014
<b>DEBT SERVICE FUND:</b>							
Bond and Interest Fund	1,239,283	-	3,414,329	3,529,307	1,124,305	-	1,124,305
<b>CAPITAL PROJECTS FUNDS:</b>							
Capital Improvement Fund	1,630,890	-	2,288,779	901,888	3,017,781	39,676	3,057,457
Equipment Reserve Fund	975,936	-	694,919	408,556	1,262,299	171,261	1,433,560
Total Capital Projects Funds	2,606,826	-	2,983,698	1,310,444	4,280,080	210,937	4,491,017
<b>PERMANENT FUND:</b>							
Salthouse - Broadway Cemetery Trust Fund	58,357	-	771	3,500	55,628	-	55,628

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

CITY OF MCPHERSON, KANSAS

**SUMMARY OF CASH RECEIPTS, EXPENDITURES AND UNENCUMBERED CASH**  
For the Year Ended December 31, 2011

Funds	Beginning Unencumbered Cash Balance	Prior Year Canceled Encumbrances	Cash Receipts	Expenditures	Ending Unencumbered Cash Balance	Add Encumbrances and Accounts Payable	Ending Cash Balance
<b>ENTERPRISE FUNDS:</b>							
Electric Utility Fund	\$ 18,992,982	\$ -	\$ 53,491,980	\$ 57,188,417	\$ 15,296,545	\$ 3,233,327	\$ 18,529,872
Sewer Recovery Fund	293,858	-	9,213	-	303,071	-	303,071
Solid Waste Collection Fund	948,209	-	808,168	728,528	1,027,849	57,507	1,085,355
Wastewater System Maintenance and Operation Fund	2,716,656	-	1,630,301	1,213,943	3,133,014	140,266	3,273,281
Wastewater System Surplus Fund	1,316,187	-	646,765	761,929	1,201,023	-	1,201,023
Water Utility Fund	8,442,567	-	4,105,944	4,328,815	8,219,696	920,596	9,140,292
Total Enterprise Funds	32,710,459	-	60,692,371	64,221,632	29,181,198	4,351,696	33,532,894
<b>INTERNAL SERVICE FUNDS:</b>							
Health Self-Insurance Fund	1,091,203	-	1,832,411	1,852,562	1,071,052	-	1,071,052
Worker's Compensation Self-Insurance Fund	816,480	-	227,342	193,378	850,444	-	850,444
Total Internal Service Funds	1,907,683	-	2,059,753	2,045,940	1,921,496	-	1,921,496
<b>PRIVATE PURPOSE TRUST FUNDS:</b>							
Cemetery Endowment Fund	261,923	-	9,041	-	270,964	-	270,964
Museum Building and Endowment Fund	224,522	-	1,403	-	225,925	-	225,925
Total Private Purpose Trust Funds	486,445	-	10,444	-	496,889	-	496,889
Total Primary Government	46,010,967	-	87,875,077	89,056,966	44,829,078	5,473,916	50,302,994
<b>DISCRETELY PRESENTED COMPONENT UNIT:</b>							
Library Board	426,743	-	856,624	833,815	449,552	37,589	487,141
Total Reporting Entity	\$ 46,437,710	\$ -	\$ 88,731,701	\$ 89,890,781	\$ 45,278,630	\$ 5,511,505	\$ 50,790,135

Cash on hand - City Clerk	\$ 450
Cash on hand - Board of Public Utilities	600
Cash on hand - Municipal Court	100
Cash on hand - Municipal Golf Course	420
Cash in bank	33,699,758
Investments - KS Municipal Invest. Pool	13,510,728
Investments - U.S. Treasuries	3,090,938
Total Primary Government	50,302,994
Cash on hand - Component Unit	200
Cash in bank - Component Unit	283,489
Investments - Component Unit	203,452
Total Component Unit	487,141
Total Reporting Entity	\$ 50,790,135

# CITY OF MCPHERSON, KANSAS

## NOTES TO FINANCIAL STATEMENT

For the Year Ended December 31, 2011

### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### ***(a) Reporting Entity***

The City of McPherson, Kansas (the City) is a municipal corporation governed by an elected three-member commission. The financial statement present the City of McPherson (the primary government) and its component units. The component units are included in the City's reporting entity because of the significance of their operational or financial relationships with the City. The Board of Public Utilities of McPherson, Kansas (the BPU) consists of the municipal electric and water utilities that provide services to approximately 8,500 electric and 5,700 water customers. The BPU's operational control and administration is under a three-member appointed Board of Directors. However, the BPU is owned by and is a part of the primary government 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.

**Discretely Presented Component Unit.** The component unit section includes the financial data of the discretely presented component unit. This component unit is reported separately to emphasize that it is legally separate from the City. The governing body of this component unit is appointed by the City.

Library Board. The City of McPherson 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.

**Blended Component Units.** A component unit should be reported as part of the primary government when its governing body is substantively the same as the governing body of the primary government or the component unit provides services entirely, or almost entirely, to the primary government or otherwise exclusively, or almost exclusively, benefits the primary government even though it does not provide services directly to it.

McPherson Public Building Commission. The McPherson Public Building Commission manages the City's office building. The McPherson Public Building Commission can sue and be sued, and can buy, sell or lease real property. Bond issuances must be approved by the City. Complete financial statements for the McPherson Public Building Commission may be obtained from the administrative offices of the entity at 400 E. Kansas, McPherson, Kansas, 67460. The McPherson Public Building Commission is presented as a special revenue fund. The McPherson Public Building Commission was disbanded effective September 1, 2011.

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. The McPherson Landfill Improvement Corporation is presented as a special revenue fund.

#### ***(b) Basis of Presentation – Fund Accounting***

The accounts of the City of McPherson, Kansas are organized on the basis of funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by a separate set of self-balancing accounts that comprises its assets, liabilities, fund balance, revenues and expenditures/expenses. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds are maintained consistent with legal and managerial requirements.

# 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)

## ***(b) Basis of Presentation – Fund Accounting (Cont.)***

The funds are grouped as described below:

### ***Governmental Fund Types***

These are the funds through which most governmental functions typically are financed. The generic funds included in this fund type are as follows:

- **General Operating Fund** – This fund is established to account for resources devoted to financing the general services the City performs for its citizens. General tax revenues and other sources of revenue used to finance the fundamental operations of the City are included in this fund. This fund is charged with all costs of operating the government for which a separate fund has not been established.
- **Special Revenue Funds** – These funds are established to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.
- **Debt Service Fund** – This fund is established for the purpose of accumulating resources for the payment of interest and principal on long-term general obligation debt other than those payable from Enterprise Funds.
- **Capital Project Funds** – These funds account for financial resources to be used for the acquisition of fixed assets or construction of major capital projects which are not financed by Proprietary or Fiduciary fund types.
- **Permanent Fund** – This fund is used to report resources that are legally restricted to the extent that only earnings, and not principal, may be used for purposes that support the City's programs, that is, for the benefit of the City or its citizens.

### ***Proprietary Fund Types***

These funds account for operations that are self-supporting through user charges. The generic funds included in this fund type are Enterprise Funds and Internal Service Funds.

- **Enterprise Funds** – These funds are established to account for operations that are financed and operated in a manner similar to private business enterprises, where the intent is that the costs of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges.
- **Internal Service Funds** – These funds are established to account for the financing of goods or services provided by one department or other departments of the City on a mostly cost-reimbursement basis.

### ***Fiduciary Fund Type***

This fund type accounts for assets held by the City as a trustee or agent for others and therefore cannot be used to support the City's own programs.

- **Private Purpose Trust Funds** – These funds are used to report all trust arrangements under which principal and income benefit individuals, private organizations, or other governments.

# 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)

## ***(c) Basis of Accounting***

The statutory basis of accounting, as used in the preparation of this financial statement, is designed to demonstrate compliance with the cash basis and budget laws of the State of Kansas. Cash receipts are recognized when the cash balance of a fund is increased. Expenditures include disbursements, accounts payable, and encumbrances with disbursements being adjusted for prior year's accounts payable and encumbrances. Encumbrances are commitments related to unperformed (executory) contracts for goods and services, and are usually evidenced by a purchase order or written contract. For an interfund transaction, a cash receipt is recorded in the fund receiving cash, and an expenditure is charged to the fund from which the transfer is made.

The City has adopted Charter Ordinance No. 20 waiving the requirement to use accounting principles generally accepted in the United States of America. This Charter Ordinance allows the City to revert to the statutory basis of accounting.

## ***(d) Departure from Accounting Principles Generally Accepted in the United States of America***

The basis of accounting described above results in a financial statement presentation which shows cash receipts, expenditures, cash and unencumbered cash balances, and expenditures compared to budget. Balance sheets that would have shown noncash assets such as receivables, inventories, and prepaid expense, liabilities such as deferred revenue and matured principal and interest payable, and reservations of the fund balance are not presented. Under accounting principles generally accepted in the United States of America, encumbrances are only recognized as a reservation of fund balance; encumbrances outstanding at year-end do not constitute expenditures or liabilities. Consequently, the expenditures as reported do not present the cost of goods and services received during the fiscal year in accordance with accounting principles generally accepted in the United States of America. Capital assets that account for the land, buildings, and equipment owned by the municipality are not presented in the financial statement. Also, long-term debt such as general obligation bonds, revenue bonds, capital leases, temporary notes, and compensated absences are not presented in the financial statement.

## ***(e) Budgetary Information***

Kansas statutes require that an annual operating budget be legally adopted for the General Operating Fund, Special Revenue Funds (unless specifically exempted by statute), Debt Service Funds and Enterprise 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 year on or before August 1<sup>st</sup>.
2. Publication in the local newspaper on or before August 5<sup>th</sup> of the proposed budget and notice of public hearing on the budget.
3. Public hearing on or before August 15<sup>th</sup>, but at least ten days after publication of notice of hearing.
4. Adoption of the final budget on or before August 25<sup>th</sup>.

The statutes allow for the governing body to increase the originally adopted budget for previously unbudgeted increases in revenue other than ad valorem property taxes. To do this, a notice of public hearing to amend the budget must be published in the local newspaper. At least ten days after publication the hearing may be held and the governing body may amend the budget at that time. There was no such budget amendment during 2011.

Kansas 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 budgeted fund showing actual receipts and expenditures compared to legally budgeted receipts and expenditures.

# 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)

## (e) Budgetary Information (Cont.)

All legal annual operating budgets are prepared using the modified accrual basis of accounting, modified further by the encumbrance method of accounting. Revenues are recognized when cash is received. 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. All unencumbered appropriations (legal budget expenditure authority) lapse at year-end.

A legal operating budget is not required for the Capital Improvement Fund, Equipment Reserve Fund, Permanent, Internal Service and Private Purpose Trust Funds and the following Special Revenue and Enterprise Funds: Community Development Fund, Forfeited Property Fund – Police Department, McPherson Landfill Improvement Corporation, Municipal Court Fund, Municipal Court ADSAP Fund, Insurance Proceeds Fund, Operation Warmth Fund, Electric Utility Fund and the Water Utility Fund.

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.

## (f) Special Assessments

Projects financed in part by special assessments are financed through general obligation bonds of the City and are retired from the Bond and Interest Fund. Special assessments paid prior to the issuance of bonds are recorded as revenue in the appropriate project. Special assessments received after the issuance of bonds are recorded as revenue in the Bond and Interest Fund.

# 2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

## Compliance with Kansas Statutes

No statute violations noted in 2011.

# 3. DEPOSITS AND INVESTMENTS

## Deposits and Investments

As of December 31, 2011, the City had the following investments:

Investment Type	Fair Value	Investments Maturities (in Years)				Rating
		Less than 1	1-5	6-10	More than 10	
Kansas Municipal Investment Pool	\$ 13,510,728	\$ 13,510,728	\$ -	\$ -	\$ -	S&P AAAF/SLT
U.S. Treasury Securities	3,095,445	3,095,445	-	-	-	Not Required
<b>Total Fair Value of Primary Government</b>	<b>16,606,173</b>	<b>16,606,173</b>	<b>-</b>	<b>-</b>	<b>-</b>	
Certificates of Deposit	21,000	8,000	13,000	-	-	N/A
Money Market	6,248	6,248	-	-	-	N/A
FNMA Obligations	20,002	-	-	10,008	9,994	S&P AAA
Global Stock Funds	17,386	17,386	-	-	-	S&P AAA
Stock Funds	119,530	119,530	-	-	-	S&P AAA
Bond - Corporate	43,020	-	10,518	32,502	-	S&P AAA
<b>Component Unit - Library</b>	<b>227,186</b>	<b>151,164</b>	<b>23,518</b>	<b>42,510</b>	<b>9,994</b>	
<b>Total Fair Value</b>	<b>\$ 16,833,359</b>	<b>\$ 16,757,337</b>	<b>\$ 23,518</b>	<b>\$ 42,510</b>	<b>\$ 9,994</b>	

### 3. DEPOSITS AND INVESTMENTS (CONT.)

#### *Deposits and Investments (Cont.)*

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

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

*Concentration of credit risk.* State statutes place no limit on the amount the City may invest in any one issuer as long as the investments are adequately secured under K.S.A. 9-1402 and 9-1405. The City's allocation of investments as of December 31, 2011, is as follows:

<u>Investments</u>	<u>Percentage of Investments</u>
Kansas Municipal Investment Pool	81%
U.S. Treasury Securities	19%
<hr/>	
Total Percentage of Primary Government	100%
<hr/>	
Certificates of Deposit	9%
Money Market	3%
FNMA Obligations	9%
Global Stock Funds	7%
Bond - Corporate	19%
Stock Funds	53%
<hr/>	
Total Percentage of Component Unit - Library	100%
<hr/>	

*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 coverage is 50%. All deposits were legally secured by December 31, 2011.

At December 31, 2011, the City's carrying amount of deposit was \$33,983,247 and the bank balance was \$34,228,992. The bank balance was held by ten banks resulting in a concentration of credit risk. Of the bank balance, \$4,500,000 was covered by federal depository insurance and \$29,728,992 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, 2011, the City had invested \$13,510,728 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, 2011 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	Net Change	Balance End of Year	Interest Paid
<b>General Obligation Bonds:</b>										
Series 125 of 2001	2.6% to 5.00%	9-1-01	\$ 5,300,000	8-1-16	\$ 235,000	\$ -	\$ 235,000	\$ (235,000)	\$ -	\$ 9,187
Series 126 of 2002	3.35% to 5.50%	7-1-02	970,000	8-1-17	410,000	-	410,000	(410,000)	-	15,491
Series 128 of 2003	1.15% to 4.250%	12-1-03	1,805,000	8-1-18	1,345,000	-	1,345,000	(1,345,000)	-	51,490
Series 129 of 2004	1.6% to 5.00%	9-29-04	3,350,000	8-1-18	2,755,000	-	260,000	(260,000)	2,495,000	104,563
Series 130 of 2005	2.875% to 5.00%	7-1-05	4,975,000	8-1-25	4,335,000	-	335,000	(335,000)	4,000,000	182,063
Series 131 of 2006	4% to 5.00%	7-15-06	1,470,000	8-1-26	1,290,000	-	80,000	(80,000)	1,210,000	54,825
Series 132 of 2007	4.15% to 5.50%	8-1-07	1,040,000	8-1-27	895,000	-	60,000	(60,000)	835,000	40,713
Series 133 of 2009	2.55% to 4.50%	7-30-09	1,045,000	8-1-29	1,000,000	-	45,000	(45,000)	955,000	36,000
Series 134 of 2011	2.00% to 3.50%	6/15/2011	2,965,000	8-1-23	-	2,965,000	220,000	2,745,000	2,745,000	8,523
<b>Total General Obligation Bonds</b>					<u>12,265,000</u>	<u>2,965,000</u>	<u>2,990,000</u>	<u>(25,000)</u>	<u>12,240,000</u>	<u>502,855</u>
<b>Revenue Bonds:</b>										
Series 2004	4.80% 1.15% to 4.50%	4-15-04	16,705,000	9-1-24	13,725,000	-	13,725,000	(13,725,000)	-	588,236
Series 2007	3.35% to 4.36%	11-15-07	14,000,000	10-1-27	12,445,000	-	530,000	(530,000)	11,915,000	498,613
Series 2011	3.00% to 4.00%	10-13-11	5,445,000	9-1-20	-	5,445,000	-	5,445,000	5,445,000	-
<b>Total Revenue Bonds</b>					<u>26,170,000</u>	<u>5,445,000</u>	<u>14,255,000</u>	<u>(8,810,000)</u>	<u>17,360,000</u>	<u>1,086,849</u>
<b>Temporary Notes:</b>										
Series 2007-A	4.05%	6-1-07	4,640,000	6-1-11	240,000	-	240,000	(240,000)	-	1,620
Series 2011-A	1.00%	6-1-11	375,000	12-1-12	-	375,000	-	375,000	375,000	1,875
<b>Total Temporary Notes</b>					<u>240,000</u>	<u>375,000</u>	<u>240,000</u>	<u>135,000</u>	<u>375,000</u>	<u>3,495</u>
<b>Kansas Revolving Fund Loans:</b>										
1994 Sewer Fund Improvement	3.26%	5-31-94	1,067,645	9-1-15	332,822	-	62,014	(62,014)	270,808	11,143
1999 Wastewater Improvement	2.78%	4-19-99	1,127,000	9-1-20	647,597	-	56,352	(56,352)	591,245	19,199
2007 Wastewater Improvement	2.50%	10-8-07	11,346,393	3-1-29	10,545,959	-	475,590	(475,590)	10,070,369	286,339
<b>Total Kansas Revolving Fund Loans</b>					<u>11,526,378</u>	<u>-</u>	<u>593,956</u>	<u>(593,956)</u>	<u>10,932,422</u>	<u>316,681</u>
<b>Capital Lease:</b>										
Aerial Platform Truck	4.95%	9-11-09	866,722	1-28-20	866,772	-	94,121	(94,121)	772,651	14,341
<b>Total Contractual Indebtedness</b>					<u>51,068,150</u>	<u>8,785,000</u>	<u>18,173,078</u>	<u>(9,388,077)</u>	<u>41,680,072</u>	<u>1,924,220</u>
Compensated Absences	N/A	N/A	N/A	N/A	672,825	53,564	-	53,564	726,189	-
Landfill Closure and Post Closure Care	N/A	N/A	N/A	N/A	450,000	-	-	-	450,000	-
<b>Total Long-Term Debt</b>					<u>\$ 52,190,775</u>	<u>\$ 8,838,564</u>	<u>\$18,173,079</u>	<u>\$ (9,334,513)</u>	<u>\$ 42,856,261</u>	<u>\$ 1,924,220</u>

### Continuing Disclosure Requirements

The City of McPherson as Issuer and Dissemination Agent, provided the prior year Annual Audit Report to EMMA (Electronic Municipal Market Access) on a timely basis.

### Arbitrage Calculations

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

## 4. LONG-TERM DEBT (CONT.)

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

	Year								Total
	2012	2013	2014	2015	2016	2017-2021	2022-2026	2027	
<b>Principal:</b>									
<b>General Obligation Bonds</b>									
Series 129 of 2004	325,000	350,000	370,000	345,000	350,000	755,000	-	-	2,495,000
Series 130 of 2005	295,000	345,000	355,000	415,000	440,000	1,510,000	640,000	-	4,000,000
Series 131 of 2006	90,000	95,000	95,000	100,000	105,000	620,000	105,000	-	1,210,000
Series 132 of 2007	60,000	60,000	65,000	65,000	65,000	390,000	120,000	10,000	835,000
Series 133 of 2009	45,000	45,000	50,000	50,000	50,000	285,000	290,000	140,000	955,000
Series 134 of 2011	345,000	345,000	355,000	360,000	370,000	780,000	190,000	-	2,745,000
<b>Total General Obligation Bonds</b>	<b>1,160,000</b>	<b>1,240,000</b>	<b>1,290,000</b>	<b>1,335,000</b>	<b>1,380,000</b>	<b>4,340,000</b>	<b>1,345,000</b>	<b>150,000</b>	<b>12,240,000</b>
<b>Revenue Bonds:</b>									
Series 2007	550,000	570,000	580,000	610,000	635,000	3,570,000	4,390,000	1,000,000	11,915,000
Series 2011	555,000	550,000	565,000	580,000	600,000	2,595,000	-	-	5,445,000
<b>Total Revenue Bonds</b>	<b>1,105,000</b>	<b>1,120,000</b>	<b>1,155,000</b>	<b>1,190,000</b>	<b>1,235,000</b>	<b>6,165,000</b>	<b>4,390,000</b>	<b>1,000,000</b>	<b>17,360,000</b>
<b>Temporary Notes</b>									
Series 2011-A	375,000	-	-	-	-	-	-	-	375,000
<b>Kansas Revolving Fund Loans:</b>									
1994 Sewer Fund Improvement	64,210	66,484	68,838	71,275	-	-	-	-	270,808
1999 Wastewater Improvement	58,073	59,846	61,673	63,556	65,496	282,600	-	-	591,245
2007 Wastewater Improvement	455,025	467,624	480,572	493,879	507,554	2,756,521	3,159,876	1,749,317	10,070,369
<b>Total Kansas Revolving Fund Loans</b>	<b>577,308</b>	<b>593,954</b>	<b>611,083</b>	<b>628,710</b>	<b>573,050</b>	<b>3,039,122</b>	<b>3,159,876</b>	<b>1,749,317</b>	<b>10,932,422</b>
<b>Capital Lease:</b>									
Aerial Platform Truck	70,216	73,692	77,340	81,168	85,186	385,049	-	-	772,651
<b>Total Principal</b>	<b>3,287,525</b>	<b>3,027,646</b>	<b>3,133,423</b>	<b>3,234,878</b>	<b>3,273,236</b>	<b>13,929,171</b>	<b>8,894,876</b>	<b>2,899,317</b>	<b>41,680,073</b>
<b>Interest:</b>									
<b>General Obligation Bonds:</b>									
Series 129 of 2004	91,563	81,000	68,750	55,800	42,863	45,138	-	-	385,114
Series 130 of 2005	170,337	155,588	138,338	120,588	99,838	261,850	67,050	-	1,013,588
Series 131 of 2006	51,225	47,175	43,090	39,290	35,240	95,948	14,950	-	326,918
Series 132 of 2007	37,713	34,713	31,713	29,015	26,253	84,400	12,610	470	256,885
Series 133 of 2009	35,100	34,200	33,300	32,050	30,675	125,875	65,425	12,825	369,450
Series 134 of 2011	62,300	55,400	48,500	41,400	34,200	83,375	9,925	-	335,100
<b>Total General Obligation Bonds</b>	<b>448,238</b>	<b>408,075</b>	<b>363,690</b>	<b>318,143</b>	<b>269,068</b>	<b>696,585</b>	<b>169,960</b>	<b>13,295</b>	<b>2,687,053</b>
<b>Revenue Bonds</b>									
Series 2007	480,593	461,618	441,668	420,723	398,610	1,607,970	803,820	43,500	4,658,500
Series 2011	167,520	161,675	145,175	128,225	110,825	246,750	-	-	950,170
<b>Total Revenue Bonds</b>	<b>638,113</b>	<b>623,293</b>	<b>586,843</b>	<b>548,948</b>	<b>509,435</b>	<b>1,854,720</b>	<b>803,820</b>	<b>43,500</b>	<b>5,608,670</b>
<b>Temporary Notes:</b>									
Series 2007-A	2,646	-	-	-	-	-	-	-	2,646
<b>Kansas Revolving Fund Loans:</b>									
1994 Sewer Fund Improvement	8,947	6,673	4,319	1,882	-	-	-	-	21,821
1999 Wastewater Improvement	17,478	15,705	13,878	11,995	10,055	19,604	-	-	88,716
2007 Wastewater Improvement	273,828	261,229	248,281	234,974	221,299	887,745	484,390	72,816	2,684,562
<b>Total Kansas Revolving Fund Loans</b>	<b>300,253</b>	<b>283,607</b>	<b>266,478</b>	<b>248,851</b>	<b>231,354</b>	<b>907,349</b>	<b>484,390</b>	<b>72,816</b>	<b>2,795,100</b>
<b>Capital Lease:</b>									
Aerial Platform Truck	38,246	34,771	31,123	27,294	23,277	48,800	-	-	203,511
<b>Total Interest</b>	<b>1,427,496</b>	<b>1,349,745</b>	<b>1,248,133</b>	<b>1,143,236</b>	<b>1,033,133</b>	<b>3,507,454</b>	<b>1,458,170</b>	<b>129,611</b>	<b>11,296,979</b>
<b>Total Principal and Interest</b>	<b>\$ 4,715,020</b>	<b>\$ 4,377,391</b>	<b>\$ 4,381,556</b>	<b>\$ 4,378,114</b>	<b>\$ 4,306,369</b>	<b>\$ 17,436,625</b>	<b>\$ 10,353,046</b>	<b>\$ 3,028,928</b>	<b>\$ 52,977,052</b>

## 5. PENSION COSTS AND EMPLOYEE BENEFITS

### (a) *Defined Benefit Pension Plan*

*Plan Description.* The City contributes to the Kansas Public Employees Retirement System (KPERS) and the Kansas Police and Firemen's Retirement System (KP&F). Both are cost-sharing multiple-employer defined benefit pension plans as provided by K.S.A. 74-4901, *et seq.* KPERS and KP&F provide retirement benefits, life insurance, disability income benefits, and death benefits. 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. Those reports may be obtained by writing to KPERS (611 S. Kansas Ave., Suite 100, Topeka, KS 66603-3869) or by calling 1-888-275-5737.

*Funding Policy.* K.S.A. 74-4919 establishes the KPERS member-employee contribution rate at 4% for tier 1 and 6% for tier 2 of covered salary. K.S.A. 74-4975 establishes the KP&F member-employee contribution rate at 7% of covered salary. The employer collects and remits member-employee contributions according to the provisions of section 414(h) of the Internal Revenue Code. State law provides that the employer contribution rates be determined annually based on the results of an annual actuarial valuation. KPERS and KP&F are funded on an actuarial reserve basis. State law sets a limitation on annual increases in the employer contribution rates. The KPERS employer rate established for calendar year 2011 was 7.74%. (Included in this rate is the contribution for Group Death and Disability Insurance of 1.0% from April 1, 2011 through June 30, 2011). The City employer contributions to KPERS for the years ending December 31, 2011, 2010 and 2009 were \$530,355, \$472,722 and \$433,518, respectively, equal to the required contributions for each year. The KP&F employer rate established for fiscal years beginning in 2011 was 14.57%. Employers participating in KP&F also make contributions to amortize the liability for past service costs, if any, which is determined separately for each participating employer. The City contributions to KP&F for the years ending December 31, 2011, 2010 and 2009 were \$334,886, \$299,349 and \$307,595, respectively, equal to the required contributions for each year.

The McPherson Public Library's employer contributions to KPERS for the years ending December 31, 2011, 2010 and 2009 were \$28,663, \$24,910 and \$21,039, respectively, equal to the required contributions for each year as set forth by the legislature.

### (b) *Deferred Compensation Plan*

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

### (c) *Other Employee Benefits*

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

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

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

An employee shall be paid for all accumulated unused vacation leave upon termination. The accumulated vacation at December 31, 2011 and December 31, 2010 for the City of McPherson was \$726,189 and \$672,625, respectively. This amount is reflected in the Statement of Changes in Long-Term Debt. The McPherson Public Library maintains separate records reflecting \$20,227 and \$16,634 of accumulated vacation at December 31, 2011 and December 31, 2010, respectively.

## 5. PENSION COSTS AND EMPLOYEE BENEFITS (CONT.)

### (c) Other Employee Benefits (Cont.)

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

### (d) Other Post Employment Benefits

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

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

## 6. SELF-INSURANCE PROGRAM

The City is responsible for a potential liability up to \$50,000 per individual per year for health care claims. This plan had fixed costs of \$104,494. Management believes claims incurred, but not reported, are insignificant at December 31, 2011. However, the City chose to not self-insure for workers' compensation as of December 31, 2007. Changes in claims liability for 2011 and 2010 were as follows:

	<u>2011</u>	<u>2010</u>
Beginning Balance	\$ 115,000	\$ 120,000
Additions	1,433,010	1,347,090
Payments	<u>(1,433,010)</u>	<u>(1,352,090)</u>
Ending Balance	<u>\$ 115,000</u>	<u>\$ 115,000</u>

## 7. CAPITAL PROJECTS

Capital project authorizations with approved change orders compared with cash disbursements and accounts payable from inception are as follows:

	Project Authorization	Disbursements and Accounts Payable to Date
Certainteed/Oxford Pointe Drainage Imp.	\$ 1,029,620	\$ 8,063
First Street Design Phase 1	306,175	283,398
Foxfire SSD #188	255,400	141,920
Foxfire Paving Phase III	794,260	453,858
Maxwell Street Paving	<u>193,008</u>	<u>193,008</u>
Total	<u>\$ 2,578,463</u>	<u>\$ 1,080,247</u>

## **8. LONG-TERM DEBT DEFEASANCE**

### ***Revenue Bond Debt Defeasance***

The various other 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, 2010, the City exceeded this coverage requirement by \$1,800,000 and \$900,000 for electric and water debt respectively. As of December 31, 2011, the City exceeded this coverage requirement by \$4,600,000 and \$789,000, for electric and water debt, respectively. 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, 2011 and 2010.

On September 1, 2011, the City called Series 2004 City of McPherson, Kansas, Electric Utility System Refunding Revenue Bonds year 2021 to 2024 maturities totaling \$6,185,000. The bonds were called with current funds, saving approximately \$3,208,925 in future interest payments. Electric fund debt was reduced by \$6,185,000 by this transaction. This transaction resulted in a bond call loss of \$452,130.

In October, 2011, the City issued \$5,445,000 of Electric Utility System Refunding Revenue Bonds, Series 2011 and contributed \$1,750,000, to current refund the remaining Series 2004 Electric Revenue Bonds. The proceeds were also used to pay the costs of issuance. The City has followed the provisions of Governmental Accounting Standards Board (GASB) Statement No. 23, *Accounting and Financial Reporting for Refundings of Debt Reported by Proprietary Activities*. The advance refunding resulted in a difference between the reacquisition price and the net carrying amount of the old debt of approximately \$1,183,534. The refunding decreased the City's aggregate debt service payments by approximately \$937,708 and resulted in an economic gain (difference between the present values of the old and new debt service payments) of approximately \$566,281. The refunding lowered the annual debt service requirements and thereby reduced the need for a possible rate increase in the near future.

## **9. LEASE COMMITMENTS - NON-CANCELABLE OPERATING LEASES**

In conjunction with the issuance of \$1,100,000 of Public Building Commission, McPherson, Kansas, Series 1994 revenue bonds, the City entered into a sublease agreement. The underlying lease agreement between the Public Building Commission of McPherson, Kansas and the City provides for the remodeling, expansion and furnishing of the existing municipal center for occupancy by the City and BPU. The terms of the sublease agreement provide that the BPU assume 50% of the City's obligations, payments and responsibilities under the lease agreement between the Public Building Commission and the City, including specifically the obligation to pay basic rent, additional rent and maintenance costs. On April 1, 2002, the Public Building Commission issued Series 2002 refunding revenue bonds in the amount of \$650,000 to refund Series 1994 revenue bonds. Subsequently, the sublease agreement between the Public Building Commission of McPherson, Kansas and the City was modified to reflect the new payment amounts.

This lease is not subject to cancellation by the City so long as any of the bonds remain outstanding. During the year ended December 31, 2009, these bonds were retired. Thus, the lease became cancelable on final bond payment.

For the years ended 2011 and 2010, lease expenditures were \$69,410 (\$60,000 City and \$9,410 BPU) and \$120,000 (\$60,000 City and \$60,000 BPU), respectively. The McPherson Public Building Commission was disbanded effective September 1, 2011.

## 10. CAPITAL LEASE – RECREATION COMPLEX

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

The City has subleased the Project (which includes the site and the recreation complex improvements) to the Commission under a sublease which has an initial term of 10 years and an initial renewal term of 5 years. Rentals payable by the Commission under the sublease equal the "basic rental payments" and the "additional rental payments" payable by the City under the Lease Purchase Agreement. When the Certificates of Participation have all been retired, and the Site Lease and Lease Purchase Agreement have terminated, the Commission has the option to extend the term of its sublease from the City for successive extended renewal terms of not to exceed 10 years each until December 18, 2096. The Commission's rentals during the extended terms of its sublease are limited to the payments the City makes as "additional rental payments" during the term of the Lease Purchase Agreement.

On September 15, 2001, Certificates of Participation Series 1996 were refunded. These certificates and the lease-purchase agreement between CitiCapital Commercial Corporation and the Commission for lighting improvements to Wall Park Athletic Fields were refinanced with Certificates of Participation Series 2001, in the amount of \$1,065,000. Also, on September 15, 2001, the City and the Commission entered into Supplemental Sublease No. 1, which amended the basic rental payments to the new maturity amounts.

The City's payments under the Lease Purchase Agreement, which are intended to be paid solely from payments made by the Commission under its sublease, will be an amount equal to the sum of the scheduled "amended basic rental payments" and the unscheduled "additional rental payments." The amended basic rental payments are payable semi-annually on June 1 and December 1 of each year with the initial rental payment due June 1, 2002. The "additional rental payments" are payable within thirty (30) days after notice from the lessor. The "additional rental payments" consist of all taxes and assessments of any nature levied upon the Site or Facility, all reasonable and necessary fees and expenses incurred by the bank as lessor and trustee, and all costs and expenses which the trustee may incur in consequence of or because of any default by the City on the terms of the lease. In case of default of payments from the Commission, the City would remain liable, at a minimum, for all rental payments due under the Lease Purchase Agreement for the remainder of the calendar year. The City could, by non-appropriation as permitted under the Lease Purchase Agreement, escape liability for future basic rental payments due. The schedule of amended basic rental payments due from the Commission is as follows:

<u>Year</u>	<u>Total Basic Rental Payment</u>	<u>Principal Component</u>	<u>Interest Component</u>
2011	\$ 101,955	\$ 90,000	\$ 11,955
2012	97,680	90,000	7,680
2013	<u>73,360</u>	<u>70,000</u>	<u>3,360</u>
	<u>\$ 272,995</u>	<u>\$ 250,000</u>	<u>\$ 22,995</u>

## **11. 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 July 13, 2012, 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 2010 to 2011 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 any current matters are not anticipated to have a material financial impact on the City.

## **12. 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.

## **13. CLOSURE AND POSTCLOSURE CARE COST**

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

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

## **14. FUND EQUITY**

Reserves of proprietary funds are created by increases in assets restricted for debt service and renewals and replacements. These increases result from earnings on restricted assets and other interfund transfers to restricted accounts.

## 14. FUND EQUITY (CONT.)

### *Electric and Water Utility Funds*

Various Electric Utility Fund and Water Utility Fund revenue 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 Utility Fund and 125% for the Water Utility Fund of the maximum annual debt service due on the outstanding bonds. All of the City's utility plant facilities are pledged under the terms of the ordinances. The City was in compliance with the above requirements of the revenue bond ordinances at December 31, 2011 and 2010.

## 15. INTERFUND TRANSFERS

A summary of operating transfers by individual fund is as follows:

From	To	Statutory Authority	Amount
Operating transfers (primary government):			
General Operating	Animal Shelter	Ord. 2870	\$ 50,000
General Operating	Consolidated Street and Highway	K.S.A. 12-1,119	775,000
General Operating	Swimming Pool Maintenance and Operation	Ord. 2708	160,000
General Operating	Equipment Reserve	K.S.A. 12-1,117	323,450
General Operating	McPherson Public Building Commission	Ord. 2887	60,000
Animal Shelter	Equipment Reserve	K.S.A. 12-1,117	2,700
Municipal Golf Course	Equipment Reserve	K.S.A. 12-1,117	27,000
Consolidated Street and Highway	Equipment Reserve	K.S.A. 12-1,117	149,665
Consolidated Street and Highway	Capital Improvement	K.S.A. 12-1,118	400,000
Sales Tax Revenue	General Operating	K.S.A. 12-189	672,705
Municipal Court	Municipal Court ADSAP	K.S.A. 8-1008	7,570
Electric Utility	General Operating	K.S.A. 12-825d	1,522,000
Solid Waste Collection	General Operating	K.S.A. 12-2104	50,000
Water Utility	General Operating	K.S.A. 12-825d	80,300
Wastewater System Maintenance and Operation		K.S.A. 12-630a	60,000
Wastewater System Maintenance and Operation	Bond and Interest	K.S.A. 12-630a	181,790
Total Operating transfers (primary government)			<u>4,522,180</u>
Operating transfers (component units):			
Library	Library Board	K.S.A. 12-1220	609,488
Library Employee Benefits	Library Board	K.S.A. 12-16,102	113,069
Total Operating transfers (component units)			<u>722,557</u>
Total Operating transfers (reporting entity)			<u>\$ 5,244,737</u>

## 16. JOINTLY GOVERNED ORGANIZATION

### ***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.

Condensed financial information of the McPherson Area Solid Waste Utility as of and for the year ended December 31, 2011 is as follows:

Total Assets	\$ 11,742,076
Total Liabilities	4,910,070
Total Net Assets	6,832,006
Total Revenues	4,932,442
Total Expenses	4,860,143
Change in Net Assets	72,299

Complete financial statements for the McPherson Area Solid Waste Utility may be obtained from the administrative offices of the entity at 1431 17<sup>th</sup> Ave, McPherson, KS 67460.

## 17. JOINT VENTURE

### ***McPherson City/County Airport***

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

## **17. JOINT VENTURE (CONT.)**

### ***McPherson City/County Airport (Cont.)***

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.

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.

## **18. SUBSEQUENT EVENTS**

On February 27, 2012 the Commission approved a lease purchase agreement for 30 2012 EZ Go electric golf carts for a term of 36 months, in the amount of \$102,079.

The Commission approved an ordinance on April 9, 2012, to levy special assessments and provide bond financing for the Foxfire Addition. The project is for street paving improvements including the design of Phase III street and storm sewer improvements. The amount to be bonded is \$256,702 for paving improvements and \$83,284 for sanitary sewer. On June 18, 2012, the Commission approved long term financing of the Foxfire Paving and Sanitary Sewer District #188 Projects with Resolution No. 12-14 authorizing the offering for sale of general obligation bonds, series 135 of 2012 in the amount of \$340,000. The bonds will be used to pay off the temporary notes, series 2011-A of \$375,000.

In May of 2012, the Commission approved the refunding of the remaining 2007 Series Water Revenue Bonds in the amount not to exceed \$13,000,000 and a present value savings of not less than \$600,000.

Management has evaluated the effects of the financial statement of subsequent events occurring through July 13, 2012 which is the date at which the financial statement was available to be issued.

**CITY OF MCPHERSON, KANSAS**  
**SUPPLEMENTARY INFORMATION**  
**FOR THE YEAR ENDED DECEMBER 31, 2011**

## CITY OF MCPHERSON, KANSAS

**SUMMARY OF EXPENDITURES - ACTUAL AND BUDGET**

(Budgeted Funds Only)

For the Year Ended December 31, 2011

Funds	Certified Budget	Adjustment for Qualifying Budget Credits	Total Budget for Comparison	Expenditures Chargeable to Current Year	Variance Favorable (Unfavorable)
<b>GENERAL OPERATING FUND:</b>					
General Operating Fund	\$ 10,470,218	\$ -	\$ 10,470,218	\$ 7,897,840	\$ 2,572,378
<b>SPECIAL REVENUE FUNDS:</b>					
Animal Shelter Fund	236,267	-	236,267	149,693	86,574
Consolidated Street and Highway Fund	2,591,870	-	2,591,870	2,134,780	457,090
Employee Benefits Contribution Fund	2,157,410	-	2,157,410	1,748,197	409,213
Industrial Development Fund	404,116	-	404,116	51,000	353,116
Library Fund	624,781	-	624,781	609,488	15,293
Library Employee Benefits Fund	115,545	-	115,545	113,069	2,476
McPherson Public Building Commission	225,207	-	225,207	63,171	162,036
Municipal Golf Course Fund	504,200	-	504,200	487,209	16,991
Special Alcohol Program Fund	100,522	-	100,522	18,479	82,043
Special Park and Recreation Fund	72,861	-	72,861	31,148	41,713
Swimming Pool Maintenance and Operation Fund	586,185	-	586,185	361,853	224,332
Sales Tax Revenue Fund	1,848,098	-	1,848,098	1,733,986	114,112
Tourism and Convention Promotion Fund	399,247	-	399,247	239,926	159,321
Total Special Revenue Funds	9,866,309	-	9,866,309	7,741,999	2,124,310
<b>DEBT SERVICE FUND:</b>					
Bond and Interest Fund	2,634,751	-	2,634,751	1,548,282	1,086,469
<b>ENTERPRISE FUNDS:</b>					
Sewer Recovery Fund	342,032	-	342,032	-	342,032
Solid Waste Collection Fund	1,685,710	-	1,685,710	728,528	957,182
Wastewater System Maintenance and Operation Fund	3,885,267	-	3,885,267	1,213,943	2,671,324
Wastewater System Surplus Fund	1,968,240	-	1,968,240	761,929	1,206,311
Total Enterprise Funds	7,881,249	-	7,881,249	2,704,400	5,176,849
Total Primary Government	\$ 30,852,527	\$ -	\$ 30,852,527	\$ 19,892,521	\$ 10,960,006

**CITY OF MCPHERSON, KANSAS**

**GENERAL OPERATING FUND**

**SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET**

**For the Year Ended December 31, 2011**

**(With Comparative Actual Totals for the Prior Year Ended December 31, 2010)**

	2010 Actual	2011		Variance Favorable (Unfavorable)
		Actual	Budget	
<b>Cash Receipts:</b>				
<b>Taxes -</b>				
Ad valorem property tax	\$ 2,052,535	\$ 2,203,208	\$ 2,256,030	\$ (52,822)
Back tax collections	29,634	24,792	-	24,792
Motor vehicle tax	287,839	256,939	255,759	1,180
Recreational vehicle tax	5,175	4,360	3,979	381
MVL excise tax	598	521	574	(53)
Heavy truck tax	2,733	2,339	2,319	20
In lieu of tax	50,967	55,339	51,750	3,589
Local retail sales tax	1,813,885	1,924,974	1,700,000	224,974
<b>Total Taxes</b>	<b>4,243,366</b>	<b>4,472,472</b>	<b>4,270,411</b>	<b>202,061</b>
<b>Intergovernmental Revenues -</b>				
State of Kansas - liquor tax revenue	30,218	29,226	28,821	405
McPherson County - rescue vehicle runs	5,000	5,000	5,000	-
McPherson County - ambulance appropriation	366,725	367,370	365,383	1,987
<b>Total Intergovernmental Revenues</b>	<b>401,943</b>	<b>401,596</b>	<b>399,204</b>	<b>2,392</b>
<b>Licenses and Permits -</b>				
Utility franchise taxes	453,103	438,421	475,000	(36,579)
Beer licenses	1,150	1,515	900	615
Liquor licenses	5,055	4,950	2,750	2,200
Occupation licenses	8,158	7,910	6,000	1,910
Building, zoning bonds and demolition permits	16,254	19,186	25,000	(5,814)
Dance licenses	60	-	60	(60)
Fireworks stand licenses	3,100	3,000	2,100	900
Inspections	6,549	7,027	9,000	(1,973)
<b>Total Licenses and Permits</b>	<b>493,429</b>	<b>482,009</b>	<b>520,810</b>	<b>(38,801)</b>

CITY OF MCPHERSON, KANSAS

GENERAL OPERATING FUND

SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET

For the Year Ended December 31, 2011

(With Comparative Actual Totals for the Prior Year Ended December 31, 2010)

	2011		Variance Favorable (Unfavorable)	
	2010 Actual	Actual		Budget
Cash Receipts (cont.):				
Charges for Services -				
Fire contracts - townships	\$ 210,958	\$ 200,823	\$ 200,823	\$ -
Taxi coupons	17,296	15,136	18,560	(3,424)
Cemetery services	42,645	33,500	25,000	8,500
Total Charges for Services	270,899	249,459	244,383	5,076
Fines, Forfeitures and Penalties -				
Municipal court fines	255,736	219,856	195,000	24,856
Vehicle inspections	15,330	15,985	18,000	(2,015)
Total Fines, Forfeitures and Penalties	271,066	235,841	213,000	22,841
Use of Money and Property -				
Interest received	55,362	26,671	65,000	(38,329)
Cemetery endowment interest	3,862	2,723	4,000	(1,277)
Rent-building, land and equipment	16,703	20,397	10,000	10,397
Total Use of Money and Property	75,927	49,791	79,000	(29,209)
Miscellaneous -				
Para transit receipts	99,917	14,695	190,000	(175,305)
Reimbursed expenditures	223,508	258,819	101,955	156,864
Cemetery lot sales	25,576	27,124	21,000	6,124
Gifts-Bequests	-	25,000	-	25,000
Insurance recoveries	-	4,207	-	4,207
Miscellaneous	4,275	3,175	10,000	(6,825)
Total Miscellaneous	353,276	333,020	322,955	10,065

**CITY OF MCPHERSON, KANSAS**

**GENERAL OPERATING FUND**

**SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET**

**For the Year Ended December 31, 2011**

**(With Comparative Actual Totals for the Prior Year Ended December 31, 2010)**

	<u>2011</u>			<b>Variance Favorable (Unfavorable)</b>
	<u>2010 Actual</u>	<u>Actual</u>	<u>Budget</u>	
<b>Cash Receipts (cont.):</b>				
Transfers In -				
Electric Utility Fund	\$ 1,445,000	\$ 1,522,000	\$ 1,420,000	\$ 102,000
Sales tax	-	672,705	-	672,705
Solid Waste Collection Fund	50,000	50,000	50,000	-
Wastewater System Maintenance and Operation Fund	50,000	60,000	60,000	-
Water Utility Fund	72,500	80,300	64,500	15,800
<b>Total Transfers In</b>	<u>1,617,500</u>	<u>2,385,005</u>	<u>1,594,500</u>	<u>790,505</u>
<b>Total Cash Receipts</b>	<u>7,727,406</u>	<u>8,609,193</u>	<u>\$ 7,644,263</u>	<u>\$ 964,930</u>
<b>Expenditures:</b>				
Administrative -				
Personal services	329,307	338,015	\$ 336,062	\$ (1,953)
Contractual services	203,598	143,451	357,600	214,149
Commodities	17,232	13,160	15,500	2,340
Capital outlay	7,975	-	4,000	4,000
Cereal malt beverage stamp	375	275	500	225
Refunds	15	164	600	436
Travel expense	5,008	10,180	7,000	(3,180)
Contingency for storms	-	-	2,806,000	2,806,000
Miscellaneous	1,789	1,225	3,000	1,775
Appropriations:				
McPherson Airport Authority	61,240	61,240	61,240	-
McPherson Main Street	27,500	25,500	25,500	-
McPherson County Emergency Management	420	133,470	3,500	(129,970)
McPherson Housing Collation	-	5,000	5,000	-
McPherson Museum	52,250	42,250	42,250	-
McPherson Recreation Commission - Bond and Interest	100,982	101,954	101,955	1
McPherson Senior Center	5,000	5,000	5,000	-
Transfers out -				
Animal Shelter Fund	50,000	50,000	50,000	-
Municipal Building	60,000	60,000	120,000	60,000
Municipal Golf Course	25,000	-	-	-
Swimming Pool Maintenance and Operation Fund	170,000	160,000	160,000	-
<b>Total Administrative</b>	<u>1,117,691</u>	<u>1,150,884</u>	<u>4,104,707</u>	<u>2,953,823</u>

CITY OF MCPHERSON, KANSAS

GENERAL OPERATING FUND

SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET

For the Year Ended December 31, 2011

(With Comparative Actual Totals for the Prior Year Ended December 31, 2010)

	2010 Actual	2011		Variance Favorable (Unfavorable)
		Actual	Budget	
Expenditures (cont.):				
Police Department -				
Personal services	\$ 1,601,186	\$ 1,646,505	\$ 1,653,316	\$ 6,811
Contractual services	275,941	287,244	318,550	31,306
Commodities	164,367	97,947	95,500	(2,447)
Capital outlay	33,224	105,435	43,500	(61,935)
Miscellaneous	7,679	7,515	19,800	12,285
Travel expense	7,043	6,925	9,000	2,075
Uniform allowance	5,649	26,765	14,000	(12,765)
Transfer out - Equipment Reserve Fund	9,934	15,675	15,675	-
Total Police Department	<u>2,105,023</u>	<u>2,194,011</u>	<u>2,169,341</u>	<u>(24,670)</u>
Engineering -				
Personal services	188,562	197,774	218,794	21,020
Contractual services	7,771	5,332	7,800	2,468
Commodities	11,611	11,109	7,950	(3,159)
Capital outlay	-	2,431	4,571	2,140
Travel expense	2,273	1,574	3,850	2,276
Miscellaneous	70	299	70	(229)
Transfer out - Equipment Reserve Fund	3,840	6,165	6,165	-
Total Engineering	<u>214,127</u>	<u>224,684</u>	<u>249,200</u>	<u>24,516</u>
Sanitation -				
Personal services	99,359	102,610	99,010	(3,600)
Contractual services	11,343	9,409	13,950	4,541
Commodities	4,722	2,892	4,900	2,008
Capital outlay	236	253	100	(153)
Miscellaneous	93	266	90	(176)
Travel expense	154	743	400	(343)
Planning Commission	7,713	5,638	8,450	2,812
Transfer out - Equipment Reserve Fund	800	1,200	1,200	-
Total Sanitation	<u>124,420</u>	<u>123,011</u>	<u>128,100</u>	<u>5,089</u>

CITY OF MCPHERSON, KANSAS

GENERAL OPERATING FUND

SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET

For the Year Ended December 31, 2011

(With Comparative Actual Totals for the Prior Year Ended December 31, 2010)

	2010 Actual	2011		Variance Favorable (Unfavorable)
		Actual	Budget	
Expenditures (cont.):				
Inspection -				
Personal services	\$ 53,532	\$ 56,210	\$ 53,227	\$ (2,983)
Contractual services	1,412	1,340	2,100	760
Commodities	1,747	1,144	1,910	766
Travel expense	356	335	323	(12)
Miscellaneous	114	25	320	295
Transfer out - Equipment Reserve Fund	603	1,290	1,290	-
Total Inspection	<u>57,764</u>	<u>60,344</u>	<u>59,170</u>	<u>(1,174)</u>
Community Building -				
Personal services	6,603	7,641	7,090	(551)
Contractual services	24,730	27,016	33,120	6,104
Commodities	221	198	850	652
Miscellaneous	70	260	40	(220)
Total Community Building	<u>31,624</u>	<u>35,115</u>	<u>41,100</u>	<u>5,985</u>
Legal and Judicial -				
Personal services	67,243	61,469	71,357	9,888
Contractual services	172,457	187,338	188,850	1,512
Commodities	2,024	2,949	3,500	551
Capital outlay	1,095	-	-	-
Miscellaneous	420	143	-	(143)
Travel expense	378	732	750	18
Total Legal and Judicial	<u>243,617</u>	<u>252,631</u>	<u>264,457</u>	<u>11,826</u>
Park Department -				
Personal services	275,365	304,417	299,552	(4,865)
Contractual services	119,175	138,397	129,300	(9,097)
Commodities	83,501	90,121	93,800	3,679
Capital outlay	-	1,455	-	(1,455)
Miscellaneous	1,582	944	1,000	56
Travel expense	1,977	408	500	92
Tree care maintenance	2,406	1,175	1,000	(175)
Transfer out - Equipment Reserve Fund	35,523	52,050	52,050	-
Total Park Department	<u>519,529</u>	<u>588,967</u>	<u>577,202</u>	<u>(11,765)</u>

**CITY OF MCPHERSON, KANSAS**

**GENERAL OPERATING FUND**

**SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET**

**For the Year Ended December 31, 2011**

**(With Comparative Actual Totals for the Prior Year Ended December 31, 2010)**

	2010 Actual	2011		Variance Favorable (Unfavorable)
		Actual	Budget	
Expenditures (cont.):				
Ambulance Service -				
Contractual services	\$ 789,009	\$ 791,476	\$ 817,996	\$ 26,520
Transfer out - Equipment Reserve Fund	45,000	50,000	50,000	-
Total Ambulance Service	<u>834,009</u>	<u>841,476</u>	<u>867,996</u>	<u>26,520</u>
Cemetery -				
Personal services	140,223	145,368	149,433	4,065
Contractual services	33,642	42,765	34,600	(8,165)
Commodities	27,072	29,456	19,800	(9,656)
Capital outlay	6,482	-	13,000	13,000
Miscellaneous	105	550	300	(250)
Travel expense	1,228	763	500	(263)
Tree care maintenance	764	3,478	5,000	1,522
Transfer out - Equipment Reserve Fund	10,684	15,840	15,840	-
Total Cemetery	<u>220,200</u>	<u>238,220</u>	<u>238,473</u>	<u>253</u>
Fire Department -				
Personal services	994,804	951,949	970,059	18,110
Contractual services	133,495	139,140	148,775	9,635
Commodities	29,263	55,303	51,900	(3,403)
Capital outlay	-	64,047	20,608	(43,439)
Miscellaneous	7,761	11,175	10,600	(575)
Travel expense	3,746	4,222	6,000	1,778
Uniform allowance	6,016	6,431	6,300	(131)
Transfer out - Equipment Reserve Fund	71,646	181,230	181,230	-
Total Fire Department	<u>1,246,731</u>	<u>1,413,497</u>	<u>1,395,472</u>	<u>(18,025)</u>
Street Department -				
Transfer out - Consolidated Street and Highway Fund	602,032	775,000	375,000	(400,000)
Total Expenditures	<u>7,316,767</u>	<u>7,897,840</u>	<u>\$ 10,470,218</u>	<u>\$ 2,572,378</u>
Receipts over (under) Expenditures	410,639	711,353		
Unencumbered Cash, Beginning of Year	<u>2,823,767</u>	<u>3,234,406</u>		
Unencumbered Cash, End of Year	<u>\$ 3,234,406</u>	<u>\$ 3,945,759</u>		

## CITY OF MCPHERSON, KANSAS

SPECIAL REVENUE FUNDANIMAL SHELTER FUNDSCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET

For the Year Ended December 31, 2011

(With Comparative Actual Totals for the Prior Year Ended December 31, 2010)

	2010 Actual	2011		Variance Favorable (Unfavorable)
		Actual	Budget	
<b>Cash Receipts:</b>				
Dog tags, impounds, adoption fees	\$ 11,427	\$ 11,652	\$ 12,500	\$ (848)
Animal cremations	8,470	11,255	7,500	3,755
Interest received	184	49	200	(151)
Reimbursed expenditures	25	-	-	-
Transfer in - General Operating Fund	50,000	50,000	50,000	-
<b>Total Cash Receipts</b>	<u>70,106</u>	<u>72,956</u>	<u>\$ 70,200</u>	<u>\$ 2,756</u>
<b>Expenditures:</b>				
Personal services	82,581	90,947	\$ 90,826	\$ (121)
Contractual services	24,261	37,515	34,700	(2,815)
Commodities	10,761	10,003	15,250	5,247
Capital outlay	-	2,474	5,000	2,526
Refunds	3,165	4,340	6,000	1,660
Travel expense	915	1,001	1,000	(1)
Future improvements	-	-	78,591	78,591
Miscellaneous	1,068	713	2,200	1,487
Transfer out - Equipment Reserve Fund	1,857	2,700	2,700	-
<b>Total Expenditures</b>	<u>124,608</u>	<u>149,693</u>	<u>\$ 236,267</u>	<u>\$ 86,574</u>
Receipts over (under) Expenditures	(54,502)	(76,737)		
Unencumbered Cash, Beginning of Year	<u>254,571</u>	<u>200,069</u>		
Unencumbered Cash, End of Year	<u>\$ 200,069</u>	<u>\$ 123,332</u>		

CITY OF MCPHERSON, KANSAS

SPECIAL REVENUE FUND

COMMUNITY DEVELOPMENT FUND

SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL

For the Year Ended December 31, 2011

(With Comparative Actual Totals for the Prior Year Ended December 31, 2010)

	<u>2010</u>	<u>2011</u>
Cash Receipts:		
Interest received	\$ 246	\$ -
Principal received	17,507	-
	<hr/>	<hr/>
Total Cash Receipts	17,753	-
	<hr/>	<hr/>
Expenditures:		
Payment to Kansas Department of Commerce and Housing	17,753	-
	<hr/>	<hr/>
Receipts over (under) Expenditures	-	-
Unencumbered Cash, Beginning of Year	<hr/>	<hr/>
	-	-
Unencumbered Cash, End of Year	<u>\$ -</u>	<u>\$ -</u>

## CITY OF MCPHERSON, KANSAS

SPECIAL REVENUE FUNDCONSOLIDATED STREET AND HIGHWAY FUNDSCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET

For the Year Ended December 31, 2011

(With Comparative Actual Totals for the Prior Year Ended December 31, 2010)

	2010 Actual	2011		Variance Favorable (Unfavorable)
		Actual	Budget	
<b>Cash Receipts:</b>				
State of Kansas - gas tax	\$ 358,783	\$ 345,482	\$ 369,240	\$ (23,758)
State of Kansas - connecting links	47,427	47,334	42,000	5,334
Reimbursed expenditures	63,004	176,376	-	176,376
City retail sales tax	-	1,144,885	1,200,000	(55,115)
Transfer in - General Operating Fund	602,032	775,000	375,000	400,000
<b>Total Cash Receipts</b>	<b>1,071,246</b>	<b>2,489,077</b>	<b>\$ 1,986,240</b>	<b>\$ 502,837</b>
<b>Expenditures:</b>				
Personal services	370,084	338,568	\$ 433,774	\$ 95,206
Contractual services	757,690	999,884	1,167,225	167,341
Commodities	177,244	236,669	225,300	(11,369)
Capital outlay	2,500	7,105	1,100	(6,005)
Travel expense	422	1,427	2,500	1,073
Miscellaneous	1,759	1,462	1,750	288
Infrastructure improvements	-	-	610,556	610,556
Transfers out -				
Capital Improvement Fund	-	400,000	-	(400,000)
Equipment Reserve Fund	59,221	149,665	149,665	-
<b>Total Expenditures</b>	<b>1,368,920</b>	<b>2,134,780</b>	<b>\$ 2,591,870</b>	<b>\$ 457,090</b>
Receipts over (under) Expenditures	(297,674)	354,297		
Unencumbered Cash, Beginning of Year	1,097,405	799,731		
Unencumbered Cash, End of Year	\$ 799,731	\$ 1,154,028		

## CITY OF MCPHERSON, KANSAS

SPECIAL REVENUE FUNDEMPLOYEE BENEFITS CONTRIBUTION FUNDSCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET

For the Year Ended December 31, 2011

(With Comparative Actual Totals for the Prior Year Ended December 31, 2010)

	2010 Actual	2011		Variance Favorable (Unfavorable)
		Actual	Budget	
<b>Cash Receipts:</b>				
Ad valorem property tax	\$ 1,537,481	\$ 1,518,809	\$ 1,554,470	\$ (35,661)
Back tax collections	18,034	16,466	-	16,466
Motor vehicle tax	170,468	183,080	191,575	(8,495)
Recreational vehicle tax	3,064	3,122	2,980	142
MVL excise tax	355	348	430	(82)
Heavy truck tax	1,627	1,400	1,736	(336)
Matching funds	4,810	4,968	-	4,968
Reimbursed expenditures	93,119	91,966	-	91,966
Payroll matching - Board of Public Utilities	2,015,428	2,018,598	-	2,018,598
<b>Total Cash Receipts</b>	<b>3,844,386</b>	<b>3,838,757</b>	<b>\$ 1,751,191</b>	<b>\$ 2,087,566</b>
<b>Expenditures Subject to Budget:</b>				
Insurance administrator	702,684	753,749	\$ 1,082,390	\$ 328,641
Social Security - payment to Federal	345,737	354,685	375,612	20,927
KPERS - payment to State	143,937	171,500	176,484	4,984
Workers' Compensation - premium	118,447	115,004	132,400	17,396
Unemployment Compensation - payment to State	9,696	9,576	7,366	(2,210)
Kansas Policemen's and Firemen's Retirement - payment to State	300,621	343,683	383,158	39,475
<b>Total Expenditures Subject to Budget</b>	<b>1,621,122</b>	<b>1,748,197</b>	<b>\$ 2,157,410</b>	<b>\$ 409,213</b>
<b>Expenditures Not Subject to Budget:</b>				
Reimbursements	2,015,428	2,018,598		
<b>Total Expenditures</b>	<b>3,636,550</b>	<b>3,766,795</b>		
Receipts over (under) Expenditures	207,836	71,962		
Unencumbered Cash, Beginning of Year	776,455	984,291		
Unencumbered Cash, End of Year	\$ 984,291	\$ 1,056,253		

**CITY OF MCPHERSON, KANSAS**

**SPECIAL REVENUE FUND**

**FORFEITED PROPERTY FUND - POLICE DEPARTMENT**

**SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL**

**For the Year Ended December 31, 2011**

**(With Comparative Actual Totals for the Prior Year Ended December 31, 2010)**

	<u>2010</u>	<u>2011</u>
Cash Receipts:		
Forfeited property funds	\$ 7,400	\$ 4,659
Expenditures:		
Drug enforcement	<u>1,358</u>	<u>1,273</u>
Receipts over (under) Expenditures	6,042	3,386
Unencumbered Cash, Beginning of Year	<u>791</u>	<u>6,833</u>
Unencumbered Cash, End of Year	<u>\$ 6,833</u>	<u>\$ 10,219</u>

**CITY OF MCPHERSON, KANSAS**

**SPECIAL REVENUE FUND**

**INDUSTRIAL DEVELOPMENT FUND**

**SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET**

**For the Year Ended December 31, 2011**

**(With Comparative Actual Totals for the Prior Year Ended December 31, 2010)**

	2010 Actual	2011		Variance Favorable (Unfavorable)
		Actual	Budget	
<b>Cash Receipts:</b>				
Ad valorem property tax	\$ 29,339	\$ 29,357	\$ 30,000	\$ (643)
Back tax collections	464	379	-	379
Motor vehicle tax	4,020	3,528	3,650	(122)
Recreational vehicle tax	71	60	57	3
MVL excise tax	10	7	8	(1)
Heavy truck tax	62	26	33	(7)
Appropriation - McPherson County	29,734	29,755	22,500	7,255
Refund of funds appropriated to McPherson Industrial Development Corporation	30,000	7,500	-	7,500
<b>Total Cash Receipts</b>	<b>93,700</b>	<b>70,612</b>	<b>\$ 56,248</b>	<b>\$ 14,364</b>
<b>Expenditures:</b>				
Contractual services	51,000	51,000	\$ 51,350	\$ 350
Travel expense	-	-	8,000	8,000
Industrial prospect development	5,000	-	20,000	20,000
Land purchases	-	-	317,266	317,266
Appropriation - Industrial Employee Marketing	-	-	7,500	7,500
<b>Total Expenditures</b>	<b>56,000</b>	<b>51,000</b>	<b>\$ 404,116</b>	<b>\$ 353,116</b>
Receipts over (under) Expenditures	37,700	19,612		
Unencumbered Cash, Beginning of Year	378,521	416,221		
Unencumbered Cash, End of Year	\$ 416,221	\$ 435,833		

**CITY OF MCPHERSON, KANSAS**

**SPECIAL REVENUE FUND**

**INSURANCE PROCEEDS FUND**

**SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL**

**For the Year Ended December 31, 2011**

**(With Comparative Actual Totals for the Prior Year Ended December 31, 2010)**

	<u>2010</u>	<u>2011</u>
Cash Receipts:		
Insurance escrow	\$ 7,957	\$ -
Expenditures:		
Reimburse escrow/interest	<u>7,957</u>	<u>-</u>
Receipts over (under) Expenditures	-	-
Unencumbered Cash, Beginning of Year	<u>-</u>	<u>-</u>
Unencumbered Cash, End of Year	<u>\$ -</u>	<u>\$ -</u>

## CITY OF MCPHERSON, KANSAS

SPECIAL REVENUE FUNDLIBRARY FUNDSCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET

For the Year Ended December 31, 2011

(With Comparative Actual Totals for the Prior Year Ended December 31, 2010)

	2010 Actual	2011		Variance Favorable (Unfavorable)
		Actual	Budget	
Cash Receipts:				
Ad valorem property tax	\$ 580,146	\$ 532,969	\$ 545,545	\$ (12,576)
Back tax collections	6,684	6,067	5,000	1,067
Motor vehicle tax	62,529	68,644	72,293	(3,649)
Recreational vehicle tax	1,123	1,171	1,125	46
MVL excise tax	131	130	163	(33)
Heavy truck tax	610	507	655	(148)
Total Cash Receipts	<u>651,223</u>	<u>609,488</u>	<u>\$ 624,781</u>	<u>\$ (15,293)</u>
Expenditures:				
Transfer out - Library Board - Operating Budget	<u>651,223</u>	<u>609,488</u>	<u>\$ 624,781</u>	<u>\$ 15,293</u>
Receipts over (under) Expenditures	-	-		
Unencumbered Cash, Beginning of Year	-	-		
Unencumbered Cash, End of Year	<u>\$ -</u>	<u>\$ -</u>		

## CITY OF MCPHERSON, KANSAS

SPECIAL REVENUE FUNDLIBRARY EMPLOYEE BENEFITS FUNDSCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET

For the Year Ended December 31, 2011

(With Comparative Actual Totals for the Prior Year Ended December 31, 2010)

	2010 Actual	2011		Variance Favorable (Unfavorable)
		Actual	Budget	
Cash Receipts:				
Ad valorem property tax	\$ 78,070	\$ 102,204	\$ 104,561	\$ (2,357)
Back tax collections	1,018	958	1,000	(42)
Motor vehicle tax	10,288	9,639	9,723	(84)
Recreational vehicle tax	185	164	151	13
MVL excise tax	21	19	22	(3)
Heavy truck tax	97	85	88	(3)
Total Cash Receipts	<u>89,679</u>	<u>113,069</u>	<u>\$ 115,545</u>	<u>\$ (2,476)</u>
Expenditures:				
Transfer out - Library Board - Employee Benefits	<u>89,679</u>	<u>113,069</u>	<u>\$ 115,545</u>	<u>\$ 2,476</u>
Receipts over (under) Expenditures	-	-		
Unencumbered Cash, Beginning of Year	-	-		
Unencumbered Cash, End of Year	<u>\$ -</u>	<u>\$ -</u>		

CITY OF MCPHERSON, KANSAS

SPECIAL REVENUE FUND

MCPHERSON LANDFILL IMPROVEMENT CORPORATION

SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL

For the Year Ended December 31, 2011

(With Comparative Actual Totals for the Prior Year Ended December 31, 2010)

	<u>2010</u>	<u>2011</u>
Cash Receipts:		
Interest received	\$ 6	\$ 4
Expenditures:		
Filing fees	<u>40</u>	<u>40</u>
Receipts over (under) Expenditures	(34)	(36)
Unencumbered Cash, Beginning of Year	<u>2,549</u>	<u>2,515</u>
Unencumbered Cash, End of Year	<u>\$ 2,515</u>	<u>\$ 2,479</u>

## CITY OF MCPHERSON, KANSAS

SPECIAL REVENUE FUNDMCPHERSON PUBLIC BUILDING COMMISSIONSCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET

For the Year Ended December 31, 2011

(With Comparative Actual Totals for the Prior Year Ended December 31, 2010)

	2010 Actual	2011		Variance Favorable (Unfavorable)
		Actual	Budget	
Cash Receipts:				
Rent	\$ 60,000	\$ 9,410	\$ -	\$ 9,410
Interest received	131	52	50	2
Reimbursed expenditures	112	4,491	-	4,491
Transfer in - General Operating Fund	60,000	60,000	120,000	(60,000)
Total Cash Receipts	<u>120,243</u>	<u>73,953</u>	<u>\$ 120,050</u>	<u>\$ (46,097)</u>
Expenditures:				
Contractual services	57,760	57,965	\$ 143,208	\$ 85,243
Commodities	2,248	4,910	3,100	(1,810)
Capital outlay	-	-	53,000	53,000
Maintenance reserve	-	-	24,699	24,699
Board meetings	492	260	1,000	740
Miscellaneous	-	36	200	164
Total Expenditures	<u>60,500</u>	<u>63,171</u>	<u>\$ 225,207</u>	<u>\$ 162,036</u>
Receipts over (under) Expenditures	59,743	10,782		
Unencumbered Cash, Beginning of Year	<u>138,157</u>	<u>197,900</u>		
Unencumbered Cash, End of Year	<u>\$ 197,900</u>	<u>\$ 208,682</u>		

## CITY OF MCPHERSON, KANSAS

SPECIAL REVENUE FUNDMUNICIPAL COURT FUNDSCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL

For the Year Ended December 31, 2011

(With Comparative Actual Totals for the Prior Year Ended December 31, 2010)

	<u>2010</u>	<u>2011</u>
Cash Receipts:		
Fines	\$ 185,303	\$ 158,754
Court cost	35,897	31,070
Supreme Court fee	849	717
Police training assessment	20,594	17,804
Drug/alcohol assessment fees	9,608	7,569
Bonds	18,826	15,306
Parking violations	885	1,170
Fingerprint fees	11,483	10,647
Diversion fees	6,328	5,172
Reinstatement fees	4,797	4,413
Attorney fees	22,742	18,416
Miscellaneous	494	1,669
	<u>317,806</u>	<u>272,707</u>
Total Cash Receipts		
Expenditures:		
Payments to General Operating Fund	255,757	220,437
Payments to State of Kansas	25,910	23,206
Payments to Kansas Bureau of Investigation	400	800
Payments to McPherson County Sheriff	11,781	10,574
Bonds	6,326	9,705
Restitution	7,121	6,404
Miscellaneous	1,428	-
Transfer out - Municipal Court ADSAP Fund	9,608	7,570
	<u>318,331</u>	<u>278,696</u>
Total Expenditures		
Receipts over (under) Expenditures	(525)	(5,989)
Unencumbered Cash, Beginning of Year	<u>31,974</u>	<u>31,449</u>
Unencumbered Cash, End of Year	<u>\$ 31,449</u>	<u>\$ 25,460</u>

**CITY OF MCPHERSON, KANSAS**

**SPECIAL REVENUE FUND**

**MUNICIPAL COURT ADSAP FUND**

**SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL**

**For the Year Ended December 31, 2011**

**(With Comparative Actual Totals for the Prior Year Ended December 31, 2010)**

	<u>2010</u>	<u>2011</u>
Cash Receipts:		
Transfer in - Municipal Court Fund	\$ 9,608	\$ 7,570
Expenditures:		
Assessments	<u>7,155</u>	<u>4,860</u>
Receipts over (under) Expenditures	2,453	2,710
Unencumbered Cash, Beginning of Year	<u>14,673</u>	<u>17,126</u>
Unencumbered Cash, End of Year	<u>\$ 17,126</u>	<u>\$ 19,836</u>

**CITY OF MCPHERSON, KANSAS**

**SPECIAL REVENUE FUND**

**MUNICIPAL GOLF COURSE FUND**

**SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET**

**For the Year Ended December 31, 2011**

**(With Comparative Actual Totals for the Prior Year Ended December 31, 2010)**

	<u>2011</u>			<b>Variance Favorable (Unfavorable)</b>
	<b>2010 Actual</b>	<b>Actual</b>	<b>Budget</b>	
<b>Cash Receipts:</b>				
Membership fees	\$ 127,669	\$ 114,605	\$ 132,000	\$ (17,395)
Ten play cards and golf team fees	14,812	15,900	7,200	8,700
Cart storage rental fees	45,423	48,480	45,000	3,480
Cart rental	65,221	60,571	62,000	(1,429)
Trail fees	5,486	5,290	5,000	290
Driving range revenue	15,752	14,128	12,000	2,128
Insurance recoveries	3,061	-	-	-
Weekend green fees	76,825	70,310	72,500	(2,190)
Weekday green fees	88,906	81,360	85,000	(3,640)
Concession	29,203	25,609	36,000	(10,391)
Beer sales	17,045	18,221	10,000	8,221
Gift cards	2,597	3,928	3,000	928
Pro shop sales	4,429	32,895	500	32,395
Grinding services	528	455	-	455
Reimbursed expenses	657	3,063	-	3,063
Miscellaneous	248	640	5,000	(4,360)
Transfer in - General Operating Fund	25,000	-	-	-
<b>Total Cash Receipts</b>	<b><u>522,862</u></b>	<b><u>495,455</u></b>	<b><u>\$ 475,200</u></b>	<b><u>\$ 20,255</u></b>
<b>Expenditures:</b>				
Personal services	199,696	227,128	\$ 208,360	\$ (18,768)
Contractual services	81,692	81,831	100,900	19,069
Commodities	108,908	120,864	81,500	(39,364)
Capital outlay	7,267	9,196	30,000	20,804
Refunds	2,406	100	-	(100)
Sales tax	7,569	10,660	6,000	(4,660)
Travel expense	2,017	2,550	2,000	(550)
Credit card fees	4,590	5,192	6,000	808
Miscellaneous	2,712	2,688	500	(2,188)
Erosion control	-	-	41,940	41,940
Transfer out - Equipment Reserve Fund	27,000	27,000	27,000	-
<b>Total Expenditures</b>	<b><u>443,857</u></b>	<b><u>487,209</u></b>	<b><u>\$ 504,200</u></b>	<b><u>\$ 16,991</u></b>
Receipts over (under) Expenditures	79,005	8,246		
Unencumbered Cash, Beginning of Year	-	79,005		
Unencumbered Cash, End of Year	<b><u>\$ 79,005</u></b>	<b><u>\$ 87,251</u></b>		

**CITY OF MCPHERSON, KANSAS**

**SPECIAL REVENUE FUND**

**OPERATION WARMTH FUND**

**SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL**

**For the Year Ended December 31, 2011**

**(With Comparative Actual Totals for the Prior Year Ended December 31, 2010)**

	<u>2010</u>	<u>2011</u>
Cash Receipts:		
Donations	\$ 3,748	\$ 2,953
Expenditures:		
Contractual services	<u>4,848</u>	<u>2,837</u>
Receipts over (under) Expenditures	(1,100)	116
Unencumbered Cash, Beginning of Year	<u>3,959</u>	<u>2,859</u>
Unencumbered Cash, End of Year	<u>\$ 2,859</u>	<u>\$ 2,975</u>

**CITY OF MCPHERSON, KANSAS**

**SPECIAL REVENUE FUND**

**SPECIAL ALCOHOL PROGRAM FUND**

**SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET**

**For the Year Ended December 31, 2011**

**(With Comparative Actual Totals for the Prior Year Ended December 31, 2010)**

	<b>2010 Actual</b>	<b>2011</b>		<b>Variance Favorable (Unfavorable)</b>
		<b>Actual</b>	<b>Budget</b>	
Cash Receipts:				
Liquor tax	\$ 30,218	\$ 29,226	\$ 28,821	\$ 405
Expenditures:				
Personal services	1,903	4,436	\$ 6,400	\$ 1,964
Contractual services	11,976	9,832	20,000	10,168
Commodities	3,674	4,211	-	(4,211)
Capital outlay	-	-	64,122	64,122
Travel expense	-	-	1,000	1,000
Drug enforcement	-	-	9,000	9,000
Total Expenditures	<u>17,553</u>	<u>18,479</u>	<u>\$ 100,522</u>	<u>\$ 82,043</u>
Receipts over (under) Expenditures	12,665	10,747		
Unencumbered Cash, Beginning of Year	<u>75,726</u>	<u>88,391</u>		
Unencumbered Cash, End of Year	<u>\$ 88,391</u>	<u>\$ 99,138</u>		

**CITY OF MCPHERSON, KANSAS**

**SPECIAL REVENUE FUND**

**SPECIAL PARK AND RECREATION FUND**

**SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET**

**For the Year Ended December 31, 2011**

**(With Comparative Actual Totals for the Prior Year Ended December 31, 2010)**

	<b>2010 Actual</b>	<b>2011</b>		<b>Variance Favorable (Unfavorable)</b>
		<b>Actual</b>	<b>Budget</b>	
Cash Receipts:				
Liquor tax	\$ 30,218	\$ 29,226	\$ 28,821	\$ 405
Expenditures:				
Contractual services	13,187	31,148	\$ -	\$ (31,148)
Capital outlay	-	-	72,861	72,861
Total Expenditures	<u>13,187</u>	<u>31,148</u>	<u>\$ 72,861</u>	<u>\$ 41,713</u>
Receipts over (under) Expenditures	17,031	(1,922)		
Unencumbered Cash, Beginning of Year	<u>44,866</u>	<u>61,897</u>		
Unencumbered Cash, End of Year	<u>\$ 61,897</u>	<u>\$ 59,975</u>		

## CITY OF MCPHERSON, KANSAS

SPECIAL REVENUE FUNDSWIMMING POOL MAINTENANCE AND OPERATION FUNDSCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET

For the Year Ended December 31, 2011

(With Comparative Actual Totals for the Prior Year Ended December 31, 2010)

	2010 Actual	2011		Variance Favorable (Unfavorable)
		Actual	Budget	
Cash Receipts:				
Swimming pool	\$ 128,932	\$ 124,812	\$ 125,000	\$ (188)
Concession	40,985	37,210	50,000	(12,790)
Reimbursed expenditures	15,020	1,643	-	1,643
Miscellaneous	834	-	-	-
Transfer in - General Operating Fund	170,000	160,000	160,000	-
Total Cash Receipts	<u>355,771</u>	<u>323,665</u>	<u>\$ 335,000</u>	<u>\$ (11,335)</u>
Expenditures:				
Contractual services	314,895	308,942	\$ 343,550	\$ 34,608
Commodities	45,531	48,786	121,700	72,914
Miscellaneous	834	834	1,200	366
Refunds	1,870	177	1,000	823
Sales tax	2,786	2,714	3,500	786
Travel expense	928	400	2,500	2,100
Pool maintenance	-	-	112,735	112,735
Total Expenditures	<u>366,844</u>	<u>361,853</u>	<u>\$ 586,185</u>	<u>\$ 224,332</u>
Receipts over (under) Expenditures	(11,073)	(38,188)		
Unencumbered Cash, Beginning of Year	<u>379,635</u>	<u>368,562</u>		
Unencumbered Cash, End of Year	<u>\$ 368,562</u>	<u>\$ 330,374</u>		

**CITY OF MCPHERSON, KANSAS**

**SPECIAL REVENUE FUND**

**SALES TAX REVENUE FUND**

**SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET**

**For the Year Ended December 31, 2011**

**(With Comparative Actual Totals for the Prior Year Ended December 31, 2010)**

	<b>2010 Actual</b>	<b>2011</b>		<b>Variance Favorable (Unfavorable)</b>
		<b>Actual</b>	<b>Budget</b>	
<b>Cash Receipts:</b>				
Local retail sales tax	\$ 1,345,878	\$ 1,396,600	\$ 1,400,000	\$ (3,400)
Interest received	359	51	1,000	(949)
<b>Total Cash Receipts</b>	<u>1,346,237</u>	<u>1,396,651</u>	<u>\$ 1,401,000</u>	<u>\$ (4,349)</u>
<b>Expenditures:</b>				
Note principal	1,315,000	240,000	\$ 295,000	\$ 55,000
Interest coupons	49,815	1,620	5,974	4,354
Miscellaneous	-	-	54,758	54,758
McPherson Opera House	-	819,661	819,661	-
Transfer out - General Operating Fund	-	672,705	672,705	-
<b>Total Expenditures</b>	<u>1,364,815</u>	<u>1,733,986</u>	<u>\$ 1,848,098</u>	<u>\$ 114,112</u>
Receipts over (under) Expenditures	(18,578)	(337,335)		
Unencumbered Cash, Beginning of Year	<u>355,913</u>	<u>337,335</u>		
Unencumbered Cash, End of Year	<u>\$ 337,335</u>	<u>\$ -</u>		

**CITY OF MCPHERSON, KANSAS**

**SPECIAL REVENUE FUND**

**TOURISM AND CONVENTION PROMOTION FUND**

**SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET**

**For the Year Ended December 31, 2011**

**(With Comparative Actual Totals for the Prior Year Ended December 31, 2010)**

	2010 Actual	2011		Variance Favorable (Unfavorable)
		Actual	Budget	
<b>Cash Receipts:</b>				
State of Kansas - guest tax	\$ 232,942	\$ 259,016	\$ 220,000	\$ 39,016
Insurance recoveries	1,244	-	-	-
Reimbursed expenditures	12,538	1,468	9,000	(7,532)
Trolley revenue	6,013	5,994	6,000	(6)
Grants	-	7,450	-	7,450
Miscellaneous	12	562	-	562
<b>Total Cash Receipts</b>	<b>252,749</b>	<b>274,490</b>	<b>\$ 235,000</b>	<b>\$ 39,490</b>
<b>Expenditures:</b>				
Personal services	50,173	62,830	\$ 55,279	\$ (7,551)
Contractual services	31,147	64,682	31,805	(32,877)
Commodities	97,592	76,768	91,950	15,182
Capital outlay	1,115	2,457	35,000	32,543
Refunds	-	35	200	165
Travel expense	10,059	9,501	10,000	499
Capital outlay - trolley replacement	-	-	144,313	144,313
Grant expenditures	18,133	22,961	30,000	7,039
Miscellaneous	417	692	700	8
<b>Total Expenditures</b>	<b>208,636</b>	<b>239,926</b>	<b>\$ 399,247</b>	<b>\$ 159,321</b>
Receipts over (under) Expenditures	44,113	34,564		
Unencumbered Cash, Beginning of Year	129,211	173,324		
Unencumbered Cash, End of Year	\$ 173,324	\$ 207,888		

CITY OF MCPHERSON, KANSAS

DEBT SERVICE FUND

BOND AND INTEREST FUND

SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET

For the Year Ended December 31, 2011

(With Comparative Actual Totals for the Prior Year Ended December 31, 2010)

	<u>2011</u>			<b>Variance Favorable (Unfavorable)</b>
	<b>2010 Actual</b>	<b>Actual</b>	<b>Budget</b>	
<b>Cash Receipts:</b>				
Ad valorem property tax	\$ 778,372	\$ 685,413	\$ 701,180	\$ (15,767)
Back tax collections	8,331	7,829	-	7,829
Motor vehicle tax	67,823	88,260	96,987	(8,727)
Recreational vehicle tax	1,213	1,513	1,509	4
MVL excise tax	148	157	218	(61)
Heavy truck tax	762	509	879	(370)
Special assessments	528,289	464,490	450,000	14,490
Bond proceeds	-	1,981,025	-	1,981,025
Accrued interest	-	3,343	-	3,343
Transfers in -				
Capital Improvement Fund	11,987	-	-	-
Solid Waste Collection Fund	26,905	-	-	-
Wastewater System Maintenance and Operation Fund	180,482	181,790	181,790	-
Library Board - Operating Budget	41,622	-	-	-
<b>Total Cash Receipts</b>	<b><u>1,645,934</u></b>	<b><u>3,414,329</u></b>	<b><u>\$ 1,432,563</u></b>	<b><u>\$ 1,981,766</u></b>
<b>Expenditures:</b>				
Bond principal	1,025,000	1,070,000	\$ 1,060,000	\$ (10,000)
Interest coupons	533,273	467,772	497,535	29,763
Commission and postage	914	10,510	300	(10,210)
Reserve	-	-	1,076,916	1,076,916
<b>Total Expenditures Subject to Budget</b>	<b><u>1,559,187</u></b>	<b><u>1,548,282</u></b>	<b><u>\$ 2,634,751</u></b>	<b><u>\$ 1,086,469</u></b>
<b>Expenditures Not Subject to Budget:</b>				
Bond proceeds	-	1,981,025		
<b>Total Expenditures</b>	<b><u>1,559,187</u></b>	<b><u>3,529,307</u></b>		
Receipts over (under) Expenditures	86,747	(114,978)		
Unencumbered Cash, Beginning of Year	<u>1,152,536</u>	<u>1,239,283</u>		
Unencumbered Cash, End of Year	<u>\$ 1,239,283</u>	<u>\$ 1,124,305</u>		

## CITY OF MCPHERSON, KANSAS

CAPITAL PROJECTS FUNDCAPITAL IMPROVEMENT FUNDSCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL

For the Year Ended December 31, 2011

(With Comparative Actual Totals for the Prior Year Ended December 31, 2010)

	<u>2010</u>	<u>2011</u>
Cash Receipts:		
Ad valorem property tax	\$ 102,083	\$ 48,772
Back tax collections	1,252	968
Motor vehicle tax	12,098	12,275
Recreational vehicle tax	217	209
MVL excise tax	26	24
Heavy truck tax	123	96
Bond proceeds	-	1,034,051
Temporary note proceeds	-	375,000
Interest received	1,224	572
Appropriation - Federal and State	-	44
Developer's share	-	416,768
Transfers in -		
Consolidated Street and Highway Fund	-	400,000
Wastewater Systems Maintenance and Operation	390,723	-
	<u>507,746</u>	<u>2,288,779</u>
Total Cash Receipts		
Expenditures:		
Capital Projects -		
Ash Street Reconstruction	394,369	-
Maxwell Street Reconstruction	-	193,008
Foxfire SSD #188	-	144,275
Foxfire Paving Phase III	-	462,057
Certainttd/Oxford Point Drainage Improvements	-	26,773
First Street Design	117,092	75,775
Pump Station #8	42,634	-
	<u>554,095</u>	<u>901,888</u>
Total Capital Projects		
Transfer out - Bond and Interest Fund	11,987	-
	<u>566,082</u>	<u>901,888</u>
Total Expenditures		
Receipts over (under) Expenditures	(58,336)	1,386,891
Unencumbered Cash, Beginning of Year	1,689,226	1,630,890
Unencumbered Cash, End of Year	<u>\$ 1,630,890</u>	<u>\$ 3,017,781</u>

## CITY OF MCPHERSON, KANSAS

CAPITAL PROJECTS FUNDEQUIPMENT RESERVE FUNDSCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET

For the Year Ended December 31, 2011

(With Comparative Actual Totals for the Prior Year Ended December 31, 2010)

	<u>2010</u>	<u>2011</u>
Cash Receipts:		
Interest received	\$ 858	\$ 248
Reimbursed expenditures	4,500	191,856
Transfers in -		
General Operating Fund	178,029	323,450
Municipal Golf Course Fund	27,000	27,000
Animal Shelter Fund	1,857	2,700
Consolidated Street and Highway Fund	<u>59,221</u>	<u>149,665</u>
Total Cash Receipts	<u>271,465</u>	<u>694,919</u>
Expenditures:		
Contracted services	338	-
Capital outlay	310,778	300,094
Aerial platform truck lease	<u>42,905</u>	<u>108,462</u>
Total Expenditures	<u>354,021</u>	<u>408,556</u>
Receipts over (under) Expenditures	(82,556)	286,363
Unencumbered Cash, Beginning of Year	<u>1,058,492</u>	<u>975,936</u>
Unencumbered Cash, End of Year	<u>\$ 975,936</u>	<u>\$ 1,262,299</u>

CITY OF MCPHERSON, KANSAS

PERMANENT FUND

SALTHOUSE-BROADWAY CEMETERY TRUST FUND

SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL

For the Year Ended December 31, 2011

(With Comparative Actual Totals for the Prior Year Ended December 31, 2010)

	<u>2010</u>	<u>2011</u>
Cash Receipts:		
Interest received	\$ 1,082	\$ 771
Expenditures:		
Contractual services	3,361	3,434
Commodities	<u>139</u>	<u>66</u>
Total Expenditures	<u>3,500</u>	<u>3,500</u>
Receipts over (under) Expenditures	(2,418)	(2,729)
Unencumbered Cash, Beginning of Year	<u>60,775</u>	<u>58,357</u>
Unencumbered Cash, End of Year	<u>\$ 58,357</u>	<u>\$ 55,628</u>

## CITY OF MCPHERSON, KANSAS

ENTERPRISE FUNDELECTRIC UTILITY FUNDSCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL

For the Year Ended December 31, 2011

(With Comparative Actual Totals for the Prior Year Ended December 31, 2010)

	<u>2010</u>	<u>2011</u>
Cash Receipts:		
User fees	\$ 35,355,276	\$ 43,349,248
Sales to interconnection	3,483,701	3,457,085
Bond proceeds	-	5,445,000
Interest received	162,009	111,029
Street lighting	176,808	195,163
Merchandising, jobbing and contract work	274,052	113,669
Refuse collection and sewer service fees	66,169	65,141
Penalties and late charge interest	49,886	54,604
Sales tax	474,683	609,708
Meter deposits	66,400	61,073
Proceeds from sale of equipment	4,800	23,095
Farm income	9,310	7,165
Total Cash Receipts	<u>40,123,094</u>	<u>53,491,980</u>
Expenditures:		
Purchased power	26,472,214	32,205,317
Fuel	447,920	438,228
Distribution and transmission	3,246,817	3,822,856
Production	2,981,164	2,294,854
Capital outlay	2,577,779	73,930
Debt service	1,535,836	14,209,380
Administrative and general	1,789,860	1,906,854
Merchandising	93,559	37,430
Farm expenses	11,289	9,980
Meter deposits	48,989	57,880
Sales tax	474,683	609,708
Transfer out - General Operating Fund - In lieu of taxes	<u>1,445,000</u>	<u>1,522,000</u>
Total Expenditures	<u>41,125,110</u>	<u>57,188,417</u>
Receipts over (under) Expenditures	<u>(1,002,016)</u>	<u>(3,696,437)</u>
Unencumbered Cash, Beginning of Year	<u>19,994,998</u>	<u>18,992,982</u>
Unencumbered Cash, End of Year	<u>\$ 18,992,982</u>	<u>\$ 15,296,545</u>

**CITY OF MCPHERSON, KANSAS**

**ENTERPRISE FUND**

**SEWER RECOVERY FUND**

**SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET**

**For the Year Ended December 31, 2011**

**(With Comparative Actual Totals for the Prior Year Ended December 31, 2010)**

	<u>2010 Actual</u>	<u>2011</u>		<u>Variance Favorable (Unfavorable)</u>
		<u>Actual</u>	<u>Budget</u>	
Cash Receipts:				
Sewer recovery fee	\$ 11,825	\$ 9,213	\$ <u>30,000</u>	\$ <u>(20,787)</u>
Expenditures:				
Capital outlay	<u>-</u>	<u>-</u>	\$ <u>342,032</u>	\$ <u>342,032</u>
Receipts over (under) Expenditures	11,825	9,213		
Unencumbered Cash, Beginning of Year	<u>282,033</u>	<u>293,858</u>		
Unencumbered Cash, End of Year	<u>\$ 293,858</u>	<u>\$ 303,071</u>		

## CITY OF MCPHERSON, KANSAS

ENTERPRISE FUNDSOLID WASTE COLLECTION FUNDSCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET

For the Year Ended December 31, 2011

(With Comparative Actual Totals for the Prior Year Ended December 31, 2010)

	2010 Actual	2011		Variance Favorable (Unfavorable)
		Actual	Budget	
Cash Receipts:				
Refuse collections	\$ 697,633	\$ 734,695	\$ 700,000	\$ 34,695
Landfill closure fee	75,248	73,443	90,000	(16,557)
Waste tags	20	30	-	30
Total Cash Receipts	<u>772,901</u>	<u>808,168</u>	<u>\$ 790,000</u>	<u>\$ 18,168</u>
Expenditures:				
Contractual services	644,747	678,525	\$ 712,750	\$ 34,225
Landfill mitigation	-	-	921,360	921,360
Miscellaneous	3	3	1,600	1,597
Transfers out -				
General Operating Fund	50,000	50,000	50,000	-
Bond and Interest Fund	26,905	-	-	-
Total Expenditures	<u>721,655</u>	<u>728,528</u>	<u>\$ 1,685,710</u>	<u>\$ 957,182</u>
Receipts over (under) Expenditures	51,246	79,640		
Unencumbered Cash, Beginning of Year	<u>896,963</u>	<u>948,209</u>		
Unencumbered Cash, End of Year	<u>\$ 948,209</u>	<u>\$ 1,027,849</u>		

## CITY OF MCPHERSON, KANSAS

ENTERPRISE FUNDWASTEWATER SYSTEM MAINTENANCE AND OPERATION FUNDSCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET

For the Year Ended December 31, 2011

(With Comparative Actual Totals for the Prior Year Ended December 31, 2010)

	2010 Actual	2011		Variance Favorable (Unfavorable)
		Actual	Budget	
Cash Receipts:				
Sewer service charges	\$ 1,568,868	\$ 1,558,516	\$ 1,522,500	\$ 36,016
Sale of grain, equipment and supplies	36,917	52,582	25,000	27,582
Rent	500	500	500	-
Reimbursements	2,491	551	-	551
Reimbursements - KDHE Revolving Loan	880,917	17,500	-	17,500
Miscellaneous	3,911	652	3,500	(2,848)
Total Cash Receipts	<u>2,493,604</u>	<u>1,630,301</u>	<u>\$ 1,551,500</u>	<u>\$ 78,801</u>
Expenditures:				
Personal services	235,845	260,042	\$ 257,386	\$ (2,656)
Contractual services	555,411	473,820	958,170	484,350
Commodities	80,298	79,176	104,460	25,284
Capital outlay	98,049	3,886	2,162,353	2,158,467
Reimbursements	898,418	-	-	-
Travel expense	1,009	4,870	8,000	3,130
Miscellaneous	1,652	1,651	4,400	2,749
Appropriations:				
KDHE, RLF Main Street	73,157	73,157	73,157	-
KDHE, UV Project	75,551	75,551	75,551	-
Transfers out -				
Capital Improvement Fund	390,723	-	-	-
General Operating Fund	50,000	60,000	60,000	-
Bond and Interest Fund	180,482	181,790	181,790	-
Total Expenditures	<u>2,640,595</u>	<u>1,213,943</u>	<u>\$ 3,885,267</u>	<u>\$ 2,671,324</u>
Receipts over (under) Expenditures	(146,991)	416,358		
Unencumbered Cash, Beginning of Year	<u>2,863,647</u>	<u>2,716,656</u>		
Unencumbered Cash, End of Year	<u>\$ 2,716,656</u>	<u>\$ 3,133,014</u>		

**CITY OF MCPHERSON, KANSAS**

**ENTERPRISE FUND**

**WASTEWATER SYSTEM SURPLUS FUND**

**SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET**

**For the Year Ended December 31, 2011**

**(With Comparative Actual Totals for the Prior Year Ended December 31, 2010)**

		<u>2011</u>		
	<u>2010</u>	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>
	<u>Actual</u>			<u>Favorable</u>
				<u>(Unfavorable)</u>
Cash Receipts:				
Interest received	\$ 9,155	\$ 7,750	\$ 5,000	\$ 2,750
Sewer service fee	<u>603,233</u>	<u>639,015</u>	<u>639,046</u>	<u>(31)</u>
Total Cash Receipts	<u>612,388</u>	<u>646,765</u>	<u>\$ 644,046</u>	<u>\$ 2,719</u>
Expenditures:				
Appropriation:				
KDHE, WWT plant improvement	795,006	761,929	\$ 795,006	\$ 33,077
Contingency for future loan payments	<u>-</u>	<u>-</u>	<u>1,173,234</u>	<u>1,173,234</u>
Total Expenditures	<u>795,006</u>	<u>761,929</u>	<u>\$ 1,968,240</u>	<u>\$ 1,206,311</u>
Receipts over (under) Expenditures	(182,618)	(115,164)		
Unencumbered Cash, Beginning of Year	<u>1,498,805</u>	<u>1,316,187</u>		
Unencumbered Cash, End of Year	<u>\$ 1,316,187</u>	<u>\$ 1,201,023</u>		

## CITY OF MCPHERSON, KANSAS

ENTERPRISE FUNDWATER UTILITY FUNDSCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL

For the Year Ended December 31, 2011

(With Comparative Actual Totals for the Prior Year Ended December 31, 2010)

	<u>2010</u>	<u>2011</u>
Cash Receipts:		
Sale of water	\$ 3,439,719	\$ 3,732,808
Interest received	76,588	67,154
Farm income	57,504	64,624
Merchandising, jobbing and contract work	45,580	69,109
Refuse collection and sewer service fees	7,357	14,752
Water protection fees	44,919	49,624
Water meter advances	-	15,413
Sales tax	98,053	92,460
	<u>3,769,720</u>	<u>4,105,944</u>
Total Cash Receipts		
Expenditures:		
Production	399,435	541,454
Distribution and transmission	783,050	855,884
Administrative and general	207,751	414,784
Capital outlay	1,005,034	1,251,094
Farm expenses	4,937	5,350
Merchandising	9,030	9,638
Debt service	1,030,994	1,028,612
Water protection fees	43,364	49,239
Sales tax	98,053	92,460
Water meter advances	10,126	-
Transfer out - General Operating Fund - In lieu of taxes	72,500	80,300
	<u>3,664,274</u>	<u>4,328,815</u>
Total Expenditures		
Receipts over (under) Expenditures	105,446	(222,871)
Unencumbered Cash, Beginning of Year	<u>8,337,121</u>	<u>8,442,567</u>
Unencumbered Cash, End of Year	<u>\$ 8,442,567</u>	<u>\$ 8,219,696</u>

## CITY OF MCPHERSON, KANSAS

INTERNAL SERVICE FUNDHEALTH SELF-INSURANCE FUNDSCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL

For the Year Ended December 31, 2011

(With Comparative Actual Totals for the Prior Year Ended December 31, 2010)

	<u>2010</u>	<u>2011</u>
Cash Receipts:		
Interest received	\$ 11,222	\$ 10,084
Miscellaneous	113	323
Transfers in - various funds	1,755,460	1,815,613
Reimbursements	<u>3,744</u>	<u>6,391</u>
Total Cash Receipts	<u>1,770,539</u>	<u>1,832,411</u>
Expenditures:		
Cost of insurance	285,267	295,474
Claims paid	1,352,090	1,433,010
Administrative fees	69,619	104,494
Reimbursements	<u>2,679</u>	<u>19,584</u>
Total Expenditures	<u>1,709,655</u>	<u>1,852,562</u>
Receipts over (under) Expenditures	60,884	(20,151)
Unencumbered Cash, Beginning of Year	<u>1,030,319</u>	<u>1,091,203</u>
Unencumbered Cash, End of Year	<u>\$ 1,091,203</u>	<u>\$ 1,071,052</u>

**CITY OF MCPHERSON, KANSAS**

**INTERNAL SERVICE FUND**

**WORKER'S COMPENSATION SELF-INSURANCE FUND**

**SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL**

**For the Year Ended December 31, 2011**

**(With Comparative Actual Totals for the Prior Year Ended December 31, 2010)**

	<u>2010</u>	<u>2011</u>
Cash Receipts:		
Interest received	\$ 9,752	\$ 8,330
Transfer in - various funds	<u>222,408</u>	<u>219,012</u>
Total Cash Receipts	<u>232,160</u>	<u>227,342</u>
Expenditures:		
Cost of insurance	179,134	177,882
Claims paid	42,210	15,043
Miscellaneous	<u>560</u>	<u>453</u>
Total Expenditures	<u>221,904</u>	<u>193,378</u>
Receipts over (under) Expenditures	10,256	33,964
Unencumbered Cash, Beginning of Year	<u>806,224</u>	<u>816,480</u>
Unencumbered Cash, End of Year	<u>\$ 816,480</u>	<u>\$ 850,444</u>

**CITY OF MCPHERSON, KANSAS**

**PRIVATE PURPOSE TRUST FUND**

**CEMETERY ENDOWMENT FUND**

**SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL**

**For the Year Ended December 31, 2011**

**(With Comparative Actual Totals for the Prior Year Ended December 31, 2010)**

	<u>2010</u>	<u>2011</u>
Cash Receipts:		
Sale of lots and spaces	\$ 8,559	\$ 9,041
Expenditures	<u>-</u>	<u>-</u>
Receipts over (under) Expenditures	8,559	9,041
Unencumbered Cash, Beginning of Year	<u>253,364</u>	<u>261,923</u>
Unencumbered Cash, End of Year	<u>\$ 261,923</u>	<u>\$ 270,964</u>

**CITY OF MCPHERSON, KANSAS**

**PRIVATE PURPOSE TRUST FUND**

**MUSEUM BUILDING AND ENDOWMENT FUND**

**SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL**

**For the Year Ended December 31, 2011**

**(With Comparative Actual Totals for the Prior Year Ended December 31, 2010)**

	<u>2010</u>	<u>2011</u>
Cash Receipts:		
Interest received	\$ 3,021	\$ 1,403
Expenditures	<u>          -</u>	<u>          -</u>
Receipts over (under) Expenditures	3,021	1,403
Unencumbered Cash, Beginning of Year	<u>221,501</u>	<u>224,522</u>
Unencumbered Cash, End of Year	<u>\$ 224,522</u>	<u>\$ 225,925</u>

## CITY OF MCPHERSON, KANSAS

DISCRETELY PRESENTED COMPONENT UNITLIBRARY BOARDSCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL

For the Year Ended December 31, 2011

(With Comparative Actual Totals for the Prior Year Ended December 31, 2010)

	Capital Improve- ment	Endow- ment	General	Operating Budget	Employee Benefits	Totals	
						2011	2010
<b>Cash Receipts:</b>							
Interest received	\$ 320	\$ 1,656	\$ 52	\$ 531	\$ -	\$ 2,559	\$ 2,927
Fines and fees	-	-	13,653	-	-	13,653	14,745
Gifts	9,449	2,172	8,936	-	-	20,557	4,883
Sales	-	-	906	-	-	906	455
State of Kansas	-	-	-	6,547	-	6,547	7,524
Net return on investment - trust	-	2,930	-	-	-	2,930	(1,965)
South Central Kansas Library System	-	-	-	29,016	-	29,016	27,168
Reimbursements	-	-	3,209	-	-	3,209	3,950
Miscellaneous	-	-	390	-	-	390	155
Transfers in -							
Endowment	-	-	-	9,300	-	9,300	8,292
General	-	-	-	15,000	-	15,000	15,000
Operating Budget	30,000	-	-	-	-	30,000	40,000
Library Fund	-	-	-	609,488	113,069	722,557	740,902
<b>Total Cash Receipts</b>	<b>39,769</b>	<b>6,758</b>	<b>27,146</b>	<b>669,882</b>	<b>113,069</b>	<b>856,624</b>	<b>864,036</b>
<b>Expenditures:</b>							
Personal services	-	-	-	396,160	-	396,160	377,310
Contractual services	7,338	-	4,053	123,686	106,790	241,867	229,057
Commodities	23,449	-	84	108,192	-	131,725	124,711
Capital outlay	-	-	-	327	-	327	1,026
Reimbursements	-	-	-	1,886	-	1,886	2,960
Miscellaneous and refunds	-	-	588	3,569	-	4,157	2,430
Grant disbursements/gift expense	-	-	1,862	-	-	1,862	924
Trust/other fees	-	1,531	-	-	-	1,531	1,314
Transfers out -							
Capital Improvement	-	-	-	30,000	-	30,000	40,000
Operating Budget	-	9,300	15,000	-	-	24,300	23,292
Bond and Interest Fund	-	-	-	-	-	-	41,622
<b>Total Expenditures</b>	<b>30,787</b>	<b>10,831</b>	<b>21,587</b>	<b>663,820</b>	<b>106,790</b>	<b>833,815</b>	<b>844,646</b>
Receipts over (under) Expenditures	8,982	(4,073)	5,559	6,062	6,279	22,809	19,390
Unencumbered Cash, Beginning of Year	104,009	207,525	13,615	83,003	18,591	426,743	407,353
Unencumbered Cash, End of Year	\$ 112,991	\$ 203,452	\$ 19,174	\$ 89,065	\$ 24,870	\$ 449,552	\$ 426,743