Morris County, Kansas

Independent Auditors' Report and Regulatory Basis Financial Statement

For the Year Ended December 31, 2025

MORRIS COUNTY, KANSAS

Regulatory Basis Financial Statement
December 31, 2025

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Independent Auditors' Report

Board of Commissioners
Morris County, Kansas
Council Grove, Ks. 66846

Adverse and Unmodified Opinions
We have audited the accompanying fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances of Morris County, Kansas, a municipal financial reporting entity, as of and for the year ended December 31, 2025 and the related notes to the financial statement.

Adverse Opinion on the U.S. Generally Accepted Accounting Principles
In our opinion, because of the significance of the matter discussed in the Basis for Adverse Opinion and Unmodified Opinions section of our report, 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 Morris County, Kansas, as of December 31, 2025, or the changes in its financial position or cash flows for the year then ended.

Unmodified Opinion on Regulatory Basis of Accounting
In our opinion, the financial statement referred to above presents fairly, in all material respects, the aggregate cash and unencumbered cash balance of Morris County, Kansas, as of December 31, 2025, and the aggregate receipts and expenditures for the year then ended in accordance with the financial reporting provisions of the *Kansas Municipal Audit and Accounting Guide* described in Note 1.

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

Matter Giving Rise to Adverse Opinion on U.S. Generally Accepted Accounting Principles As discussed in Note 1 of the financial statement, the financial statement is prepared by Morris County, Kansas on the basis of the financial reporting provisions of the *Kansas Municipal Audit and Accounting Guide*, which is a basis of accounting other than accounting principles generally accepted in the United States of America. The effects on the financial statement of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

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

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

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

In performing an audit in accordance with GAAS, we:

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

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

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances (basic financial statement) as a whole. The summary of regulatory basis expenditures-actual and budget, individual fund schedules of regulatory basis receipts and expenditures-actual and budget, schedule of regulatory basis receipts and disbursements-agency funds, and schedule of regulatory basis receipts and expenditures-actual-related municipal entity (Schedules 1, 2, 3, and 4 as listed in the table of contents) are presented for analysis and are not a required part of the basic financial statement, but are required to be presented under the provisions of the *Kansas Municipal Audit and Accounting Guide*. In addition, Schedule 5 – Reconciled 2024 Tax Roll is presented for analysis and is not a required part of the basic financial statement or the Kansas Municipal Audit and Accounting Guide. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statement. The information has been subjected to the auditing procedures applied in the audit of the basic financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statement or to the basic financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated in all material respects, in relation to the basic financial statement as a whole, on the basis of accounting described in Note 1.

We also previously audited, in accordance with auditing standards generally accepted in the United States of America, the basic financial statement of Morris County, Kansas as of and for the year ended December 31, 2024 (not presented herein), and have issued our report dated July 8, 2025, which contained an unmodified opinion on the basic financial statement. The 2024 basic financial statement and our report are not presented herein, but are available in electronic form from the website of the Kansas Department of Administration at the following link https://admin.ks.gov/offices/chief-financial-officer/municipal-services/municipal-audits. The 2024 actual column (2024 comparative information) presented in the individual fund schedules of regulatory basis receipts and expenditures-actual and budget for the year ended December 31, 2025 (Schedule 2 as listed in the table of contents) is presented for analysis and is not a required part of the basic financial statement. Such 2024 comparative information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 2024 basic financial statement. The 2024 comparative information has been subjected to the auditing procedures applied in the audit of the 2024 basic financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the 2024 basic financial statement or to the 2024 basic financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the 2024 comparative information is fairly stated in all material respects, in relation to the basic financial statement as a whole for the year ended December 31, 2024, on the basis of accounting described in Note 1.

Cindy Jensen CPA

Cindy Jensen, CPA
July 23, 2026

MORRIS COUNTY, KANSAS

Summary Statement of Receipts, Expenditures, and Unencumbered Cash
Regulatory Basis
For the Year Ended December 31, 2025

	Beginning Unencumbered Cash Balance	Prior Year Cancelled Encumbrances	Receipts	Expenditures	Ending Unencumbered Cash Balance	Add Outstanding Encumbrances & Accounts Payable	Ending Cash Balance
General Fund	$ 676,006	$ 0	$ 3,795,744	$ 3,583,781	$ 887,969	$ 108,490	$ 996,459
Special Purpose Funds							
Road and Bridge	455,120	0	3,648,092	3,580,714	522,498	97,858	620,356
Special Bridge	1,766,773	0	9,827	212,314	1,564,286	13,525	1,577,811
Reappraisal	49,396	0	192,716	173,647	68,465	5,818	74,283
County Health	9,305	0	171,778	178,877	2,206	0	2,206
Noxious Weed	86,151	0	195,188	190,948	90,391	1,716	92,107
Ambulance	7,231	0	292,760	294,099	5,892	905	6,797
Mental Health	6,330	0	67,534	73,500	364	0	364
Hospital Maintenance	12,776	0	176,159	188,806	129	0	129
Employee Benefits	588,398	0	1,389,153	1,667,537	310,014	14,660	324,674
Morris County 911	326,625	0	74,458	132,054	269,029	1,526	270,555
Capital Improvement Reserve	528,178	12,150	450,000	371,986	618,342	12,047	630,389
Equipment Reserve	1,546,950	0	745,795	936,931	1,355,814	0	1,355,814
ER-County Tech Fund	23,035	0	18,294	13,599	27,730	0	27,730
Diversion	13,192	0	6,600	9,285	10,507	0	10,507
Registered Offender	2,840	0	1,640	0	4,480	0	4,480
Register of Deeds Tech Fund	50,280	0	8,377	2,231	56,426	0	56,426
Treasurer Tech Fund	3,261	0	1,905	4,372	794	0	794
Clerk Tech Fund	1,258	0	1,935	0	3,193	0	3,193
ARPA Fund	1,709	0	0	1,709	0	0	0
Bond & Interest Fund							
Bond and Interest	34,751	0	255,716	255,200	35,267	0	35,267
Business Fund							
Solid Waste Disposal	104,121	0	453,795	418,357	139,559	23,919	163,478
Capital Projects Fund							
Bridge Projects	7,545	0	0	0	7,545	0	7,545
Trust Funds							
Law Library	25,779	0	4,255	25	30,009	0	30,009
Prosecuting Attorney	4,020	0	692	98	4,614	0	4,614
County Atty Worthless Cks	713	0	0	0	713	0	713
Treasurer's Special Auto	34,254	0	54,824	44,031	45,047	187	45,234
Oil & Gas Trust Fund	22,729	0	0	0	22,729	0	22,729
Bond Supervision Fee	14,191	0	1,000	0	15,191	0	15,191
Juvenile Diversion Fee	3,248	0	20	0	3,268	0	3,268
Special Law Enforcement Funds	21,346	0	2,108	6,266	17,188	0	17,188
Self-Funded Health	111,694	0	605,957	639,334	78,317	0	78,317
Related Municipal Entity							
Morris Co Public Building Comn	432	0	277,764	277,934	262	0	262
Total Reporting Entity (Excluding Agency Funds Schedule 3)	$ 6,539,637	$ 12,150	$ 12,904,086	$ 13,257,635	$ 6,198,238	$ 280,651	$ 6,478,889

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

MORRIS COUNTY, KANSAS

Summary Statement of Receipts, Expenditures, and Unencumbered Cash
Regulatory Basis
For the Year Ended December 31, 2025

Composition of Cash Balance:		
Cash & Credit Card Deposits in Transit	$	46,880
Checking accounts		
Farmers & Drovers - Treasurer		184,103
Farmers & Drovers - Law Library		30,009
Farmers & Drovers - County Attorney		129
Farmers & Drovers - Sheriff		2,571
Emprise		10,545
Citizens State Bank		80,632
Farmers & Drovers - Money Market Account		7,249,765
The Citizens State Bank - Money Market Account		1,037,890
SBKC Money Market-PBC		262
State of Kansas Pooled Money Investment Portfolio		4,414,818
Certificates of Deposit		
Farmers & Drovers		100,000
Emprise		1,290,989
Farmers State Bank		500,000
The Citizens State Bank		1,000,000
Bank of the Flint Hills		1,000,000
Total Cash Balance		16,948,593
Less: Agency Funds per Schedule 3		(10,469,704)
Total Reporting Entity	$	6,478,889

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

Note 1 – Summary of Significant Accounting Policies

Financial Reporting Entity

Morris County, Kansas is a municipal corporation governed by an elected three-member commission. Morris County provides the following services as authorized by Kansas statutes: assessment, collection and distribution of property taxes for itself and other governmental entities within the County, public safety, highway and roads, health and social services, culture, recreation, public improvements, planning and zoning, and general administrative services.

The regulatory basis financial statement presents Morris County and its related municipal entity, the Morris County Public Building Commission. The related municipal entity is included in the county's reporting entity because it was established to benefit the county and/or its constituents. Other related municipal entities including the Morris County Fair Association, Fire Districts, and Morris County Hospital and Health Department, are not presented.

Regulatory Basis Fund Types

The accounts of the County are organized and operated on the basis of funds, which are used to record the County's financial transactions. A fund is defined as an independent fiscal and accounting entity with a self-balancing set of accounts. Cash and other financial resources are recorded together with all related expenditures. A fund is used to segregate specific activities and for the purpose of attaining certain objectives in accordance with special regulations, restrictions, or limitations including State Statutes and County Ordinances. The following types of funds comprise the financial activities of the County.

General Fund – the chief operating fund of the County. It is used to account for all resources except those required to be accounted for in another fund.

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

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

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

Business Funds – Funds that are financed in whole or in part by fees charged to users of the goods or services. Funds are operated in a manner similar to private business enterprises where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods and services to the general public on a continuing basis be financed or recovered primarily through user charges; or where the governing body has decided that periodic determination of receipts, expenses, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

Trust Funds – Funds that are used to report assets held in trust for the benefit of the municipal financial reporting entity.

Agency Funds – Funds that are used to report assets held by the municipality in a purely custodial capacity (payroll clearing funds, county treasurer tax collection accounts, etc.).

Note 1 – Summary of Significant Accounting Policies (Cont.)

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

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

Use of Estimates
The preparation of the financial statement in conformity with the regulatory basis of accounting requires management to make estimates and assumptions that affect the reported amounts of cash receipts, cash disbursements, cash and unencumbered cash balances, and expenditures at the date of the financial statement. Accordingly, actual results could differ from those estimates.

Budgetary Information
Kansas statutes require that an annual budget be legally adopted for the general fund, special purpose funds (unless specifically exempted by statute), bond and interest funds, and business funds. Although directory rather than mandatory, the statutes provide for the following sequence and timetable in the adoption of the legal annual operating budget:

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

If the municipality is holding a revenue neutral rate hearing, the budget timeline for the public hearing is adjusted to no sooner than August 20th and no later than September 20th, but at least ten days after all statutory notification and publication requirements have been met. Municipal budgets requiring a hearing to exceed the revenue neutral rate should be adopted on or before October 1st but may not be adopted prior to the revenue neutral rate hearing. The municipality did not hold a revenue neutral rate hearing for this year.

The statutes allow for the governing body to increase the originally adopted budget for previously unbudgeted increases in regulatory receipts other than ad valorem property taxes. To do this, a notice of public hearing to amend the budget must be published in the local newspaper. At least ten days after publication the hearing may be held, and the governing body may amend the budget at that time. Ther budget was amended for the Noxious Weed fund increasing its' budget authority from $209,500 to $259,500.

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

All legal annual operating budgets are prepared using the regulatory basis of accounting, in which, regulatory receipts are recognized when cash is received, and expenditures include disbursements, accounts payable, and encumbrances, with disbursements being

Note 1 - Significant Accounting Policies (Cont.)

adjusted for prior year's accounts payable and encumbrances. Encumbrances are commitments by the municipality for future payments and are supported by a document evidencing the commitment, such as a purchase order or contract. Any unused budgeted expenditure authority lapses at year end.

A legal operating budget is not required for capital project funds, trust funds, and certain special purpose funds as noted in the presentation of the appropriate Schedule 2. Spending in funds which are not subject to the legal annual operating budget requirement is controlled by federal regulations, other Kansas statutes, or by use of internal spending limits established by the governing body.

Note 2 – Stewardship, Compliance, and Accountability

Compliance with Finance-Related Legal and Contractual Provisions
References made herein to the statutes are not intended as interpretations of law but are offered for consideration of the Director of Accounts and Reports and legal representatives of the municipality.

K.S.A. 9-1402 require that funds be adequately secured at all times. There was a short period of time in which all funds were not properly secured.

Management is not aware of any other items of noncompliance with Kansas statutes.

Note 3 – Deposits and Investments

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

K.S.A. 12-1675 limits the Government'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. Morris County has no investment policy that would further limit its choices. The rating of the Municipality's investments is noted below.

Concentration of Credit Risk – State statutes place no limit on the amount the Government may invest in any one issuer as long-as the investments are adequately secured under K.S.A. 9-1402 and 9-1405. The County's investments are all held by the Kansas Municipal Investment Pool.

Custodial Credit Risk – Deposits. Custodial credit risk is the risk that in the event of a bank failure, the Government's deposits may not be returned to it. State statutes require the Government's deposits in financial institutions to be entirely covered by federal depository insurance or by collateral held under a joint custody receipt issued by a bank within the State of Kansas, the Federal Reserve Bank of Kansas City, or the Federal Home Loan Bank of Topeka, except during designated "peak periods" when required coverage is 50%. Morris County designated two sixty-day "peak periods" for 2024 beginning May 1st and November 20th. All deposits were legally secured at December 31, 2025.

Note 3 – Deposits and Investments (Cont.)

At December 31, 2025, the County's carrying amount of deposits was $12,486,895 and the bank balance was $12,632,539. The bank balance was held by four banks resulting in a concentration of credit risk. Of the bank balance, $1,384,527 was covered by federal depository insurance, $9,648,012 was collateralized with securities held by the pledging financial institutions' agents in Morris County's name, and $1,600,000 was collateralized with irrevocable letters of credit.

Custodial Credit Risk – Investments. For an investment, this is the risk that, in the event of the failure of the issuer or counter party, the Government 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.

As of December 31, 2025, the County had the following investment with maturities of less than one year:

Investment Type	Cost	Maturrity Less than 1	Rating
Kansas Municipal Investment Pool Overnight Pool	$4,414,818	$4,414,818	N/A

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.

Note 4 – Property Taxes

Based on budgets certified to the county clerk from municipal entities within the County and the County's own budget, the county clerk spreads the annual assessment onto the tax rolls and levies property tax on November 1 of each year. The property tax is payable in two installments. The first installment is due December 20th of the same year. The second installment is due May 10th of the subsequent year. The County collects and distributes the property taxes. In accordance with State statutes, property taxes levied during the current year are a revenue source to be used to finance the following year's operations.

Note 5 – Transfers

During 2025, the County transferred monies between funds as allowed by applicable Kansas statutes. The following schedule details transfers made.

Transferred from:	Transferred to:	Statute	Amount
General	Capital Improvement Reserve	19-120	450,000
Road & Bridge	Equipment Reserve	19-119	650,000

Note 6 – Defined Benefit Pension Plan

Plan Description – Morris County, Kansas participates in the Kansas Public Employees Retirement System (KPERS), a cost-sharing multiple-employer defined benefit pension plan as provided by K.S.A. 74-4901, et seq. Kansas law establishes and amends benefit provisions. KPERS provides retirement benefits, life insurance, disability income benefits, and death benefits. KPERS issues a publicly available financial report that includes financial statements and required supplementary information. KPERS' financial statements are included in its Comprehensive Annual Financial Report which may be found on the website at www.kpers.org or by writing to KPERS (611 S Kansas, Suite 100, Topeka, KS 66603) or by calling 1-888-275-5737.

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

State law provides that the employer contribution rate for KPERS 1, KPERS 2, and KPERS 3 to be determined based on the results of each annual actuarial valuation. Kansas law sets a limitation on annual increases in the employer contribution rates. The actuarially determined employer contribution rate (not Including the 1% contribution rate for the Death and Disability Program) and the statutory contribution rate was 9.71% for the fiscal ended December 31, 2025. Contributions to the pension plan from the Morris County were $276,702 for the year ended December 31, 2025.

Net Pension Liability - At December 31, 2025, Morris County's proportionate share of the collective net pension liability reported by KPERS was $2,254,437. The net pension liability was measured as of June 30, 2025, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2024, which was rolled forward to June 30, 2025. Morris County's proportion of the net pension liability was based on the ratio of Morris County's contributions to KPERS, relative to the total employer and non-employer contributions of the Local subgroup within KPERS. Since the KMAAG regulatory basis of accounting does not recognize long-term debt, this liability is not reported in this financial statement.

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

Note 7 – Long-Term Debt

General Obligation Bonds – Series 2020 - The County issued bonds in the amount of $3,300,000 in 2020 with an interest rate of 2%. The bonds were issued to provide funds for various County bridge projects. Semi-annual interest payments are scheduled beginning March 1, 2021. The bonds mature annually beginning on September 2021.

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Changes in long term liabilities for the County for the year ended December 31, 2025 are as follows:

	Interest Rate	Date of Issue	Amount of Issue	Date of Final Maturity	Balance Due January 1	Additions	Reductions/ Payments	Balance Due December 31	Interest Paid
General Obligation Bonds									
Series 2020	2%	6/8/2020	$3,300,000	9/1/2035	$2,510,000	$ 0	$ 205,000	$ 2,305,000	$ 50,200
Public Building Commission									
Series 2018A	3%	8/28/2018	1,175,000	9/1/2026	325,000	0	160,000	165,000	9,750
Series 2018B	4.12-4.3%	8/29/2018	2,520,000	9/1/2038	2,520,000	0	0	2,520,000	105,984
Finance lease									
EMS building	2%	5/17/2022	390,000	5/15/2026	156,000	0	156,000	0	3,120
Total Contractual Indebtedness					$5,511,000	$ 0	$ 521,000	$ 4,990,000	$ 169,054

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

Public Building Commissic	2026	2027	2028	2029	2030	2031-2035	2036-2038	Total
Principal								
Public Building Commission								
Series 2018A	$ 165,000	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 165,000
Series 2018B	0	165,000	175,000	180,000	190,000	1,060,000	750,000	2,520,000
Morris County								
Series 2020	210,000	215,000	220,000	225,000	225,000	1,210,000	0	2,305,000
Total Principal	375,000	380,000	395,000	405,000	415,000	2,270,000	750,000	4,990,000
Interest								
Public Building Commission								
Series 2018A	4,950	0	0	0	0	0	0	4,950
Series 2018B	105,984	105,984	99,186	91,976	84,560	299,422	65,360	852,472
Morris County								
Series 2020	46,100	41,900	37,600	33,200	28,700	73,900	0	261,400
Total Interest	157,034	147,884	136,786	125,176	113,260	373,322	65,360	1,118,822
Total Principal & Interest	$ 532,034	$ 527,884	$ 531,786	$ 530,176	$ 528,260	$ 2,643,322	$ 815,360	$ 6,108,822

Note 8 – Other Long-Term Obligations from Operations

Full-time employees are provided leave time with pay as follows: For the first two years of continuous employment, leave is calculated at the rate of two hours for each forty hours of paid time actually worked. At the end of the second year, an employee's leave is calculated at the rate of four hours of leave time for each forty hours of paid time actually worked. Leave time will accrue for any county recognized paid holiday. All unused leave time may be accrued to a maximum of 960 hours (120 days) at the end of each calendar year. Upon separation of service, leave time will be capped at 880 hours. Leave time of 880 hours or less is paid at the employee's hourly wage as follows: Employees with 1-5 years of service will be paid for 10% of the unused leave time. Employees with 5-10 years of service will be paid for 20% of the unused leave time. Employees with 10 or more years of service will be paid for 30% of their unused leave. All compensated absences are recognized when paid from the fund that corresponds to the employee's duties.

Other Post-Employment Benefits – Under the consolidated Omnibus Reconciliation Act (COBRA), the Government makes health care benefits available to eligible former employees and 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.

Death and Disability Other Post Employment Benefits – As provided by K.S.A. 74-4927, disabled members in the Kansas Public Employees Retirement System (KPERS) receive long-term disability benefits and life insurance benefits. The plan is administered through a trust held by KPERS that is funded to pay annual benefit payments. The employer contribution rate is set at 1% for the year ended December 31, 2025.

Note 9 – Health Department and Ambulance Service

The County transferred the operation and management of the Morris County Health Department to the Morris County Hospital in August 1993. The County will continue to levy a property tax for support of the Health Department which will be distributed to the hospital. In addition, the County transferred the operation and management of the County Ambulance Department to the Morris County Hospital on September 1, 1994. The County will continue to levy a property tax for support of the Ambulance Department which will be distributed to the hospital.

Note 10 – Morris County Fair Association

During 2000, Morris County provided $15,000 to the Morris County Fair Association to construct a new 4-H livestock building at the Morris County Fairgrounds, which is owned by the County. The Fair Association leased the new 4-H livestock building from the County at $3,000 per year for the period of five years, and $1 per year thereafter until 2099.

Note 11 – Risk Management

Morris County is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The County has been unable to obtain workmen's compensation, property, liability, errors, omissions, crime, and surety insurance at a cost it considered to be economically justifiable. For this reason, the County joined together with other counties in the state to participate in the KCAMP and KWORC risk pools currently operating as a common risk management and insurance program for the KCAMP and KWORC participating members. Morris County joined the Kansas County Association Multi-Line Pool (KCAMP), and the Kansas Workers Risk Cooperative for Counties (KWORC) municipal group funded pools in September 2002 under the authority of the Kansas Municipal Group-Funded Pool Act K.S.A 75-2616, et seq., as amended, the Interlocal Cooperation Act, K.S.A.12-290, et seq., as amended, and the Kansas Tort Claims Act, K.S.A. 75-6101, et seq., as amended.

Note 11 – Risk Management (Cont)

Morris County pays an annual premium to KCAMP for its property, liability, errors, omissions, crime, and surety insurance and KWORC for its workmen's compensation insurance. The agreement to participate provides that KCAMP and KWORC will be self-sustaining through member premiums and will reinsure through commercial companies for excess claim levels per insured event. Morris County may be required to make contributions in addition to the annual member contribution from time to time to keep the pools financially sound, if total claims for the pools are different than what has been anticipated by the pool's management. Morris County would only be responsible for additional contributions to the pool to cover claims, which were incurred in years in which the County was a member of the pool and expenses related thereto.

The County participates in Federal and State 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 regulation, the County may be required to reimburse the grantor government. Any disallowed claim resulting from such audit could become a liability of the County. However, in the opinion of management, any such disallowed claim would not have a material effect on the financial statements of the County at December 31, 2025.

As of September 1, 2024, the County implemented a self-funded health insurance plan that is estimated to cost the County $1,275,532 per year. The plan contains an individual stop loss provision in the amount of $25,000 per insured. The 2025-2026 annual maximum estimated cost to the County for the stop loss coverage is $608,861. The County opted to fully fund the maximum liability for the stop loss provision. The County remits the stop loss estimated amount plus the monthly administration fee to the health insurance provider on a monthly basis. In addition, it was estimated that the County's annual liability for expected claims that fall below the stop loss threshold would be $666,671. This amount is deposited on a monthly basis into a County health insurance checking account. The health insurer pulls (via an ACH weekly) from this account to cover actual claims. Funds remaining in this account will accrue interest and remain in the fund balance for future claim years.

Note 12 – Claims & Judgments

The City of Council Grove has appealed the property valuation methodology used by the County in valuing the Council Grove City Lake property for the tax years of 2014 through 2024. The Board of Tax Appeals decided the 2014, 2015, and 2016 tax appeals by upholding the county's valuation methodology, but reduced the valuation amount. In April 2019, the county refunded $527,745 including interest for those three years. The City of Council Grove appealed those cases to the Court of Appeals. The Court of Appeals affirmed BOTA's findings and upheld the county values for 2014, 2015, and 2016. All other tax years are still pending. An unfavorable decision could have a material impact on the County.

Note 13 – Public Building Commission

On August 28, 2018, the PBC issued Series 2018A bonds in the amount of $1,175,000. The proceeds were used to refund the Series 2011A bond principal in the amount of $1,175,000. Semiannual interest payments began March 1, 2019. The bonds mature annually beginning on September 1, 2019 with the last bond payment on September 1, 2026. Additionally, on August 29, 2018, the PBC issued Series 2018B bonds in the amount of $2,520,000 to finance improvements at the Morris County Hospital. Semiannual interest payments began March 1, 2019. The bonds mature annually beginning on September 1, 2027 with the last bond payment on September 1, 2038.

The County entered into a base lease with MCH and the PBC to lease land. It is the intention of all parties (Public Building Commission, Morris County, and the Morris County Hospital) that payments for the PBC bonds are to be made out of MCH revenue. If MCH revenues are insufficient to make the required payments, the County reserves the right to deduct the amount of deficiency from ad valorem property tax appropriations otherwise payable to MCH.

Note 14 – Grants

During 2022, the county was notified that it had been awarded a Kansas Department of Transportation Access Innovation and Collaboration grant in the amount of $507,465 to construct a building to house the public transportation vehicles. The total project cost is $563,850 with KDOT paying 90% and the county 10%. No funds have been expended to date.

During 2023, the county was notified that it had been awarded a Kansas Department of Transportation High-Risk Rural Roads FY2025 grant in the amount of $365,000 to assist in a signage project. As of December 31, 2025, the County had expended $71,636 in preliminary engineering and project costs.

During 2024, the County was awarded a JAG grant for $83,840 for the purchase of license plate readers for law enforcement. As of December 31, 2025, all funds had been expended.

Note 15 – Subsequent Events

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

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Regulatory-Required
Supplementary Information

MORRIS COUNTY, KANSAS

Schedule 1

Summary of Expenditures-Actual and Budget
Regulatory Basis
Budgeted Funds Only
For the Year Ended December 31, 2025

FUNDS	Certified Budget	Adjustment for Qualifying Budget Credits	Total Budget for Comparison	Expenditures Chargeable to Current Year	Variance Over (Under)
General Fund	$ 4,099,912	$ 0	$ 4,099,912	$ 3,583,781	$ (516,131)
Special Purpose Funds					
Road & Bridge	3,815,000	0	3,815,000	3,580,714	(234,286)
Special Bridge	1,798,000	0	1,798,000	212,314	(1,585,686)
Reappraisal	216,000	0	216,000	173,647	(42,353)
County Health	134,903	44,474	179,377	178,877	(500)
Noxious Weed	259,500	0	259,500	190,948	(68,552)
Ambulance	298,709	0	298,709	294,099	(4,610)
Mental Health	73,500	0	73,500	73,500	0
Hospital Maintenance	188,806	0	188,806	188,806	0
Employee Benefits	1,953,000	0	1,953,000	1,667,537	(285,463)
Consolidated 911	302,000	0	302,000	132,054	(169,946)
Bond & Interest Fund					
Bond & Interest	287,000	0	287,000	255,200	(31,800)
Business Fund					
Solid Waste Disposal	444,000	0	444,000	418,357	(25,643)

See Accompanying Auditors' Report.

MORRIS COUNTY, KANSAS

Schedule 2A

Schedule of Receipts and Expenditures-Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2025
With Comparative Actual Totals for the Prior Year Ended December 31, 2024

GENERAL FUND

	Prior Year Actual	Current Year Actual	Current Year Budget	Variance Over (Under)
Receipts				
Taxes				
Property Taxes	$ 2,294,746	$ 2,523,238	$ 2,516,473	$ 6,765
Transient Guest	19,523	22,818	19,000	3,818
Penalty & Int Rec'd and Paid Out	49,569	57,502	30,000	27,502
Total Taxes	2,363,838	2,603,558	2,565,473	38,085
Intergovernmental				
Sales Tax	571,880	603,420	600,000	3,420
Flood	2,187	1,797	0	1,797
Public transportation-KDOT	109,878	100,923	134,000	(33,077)
Lake Patrol	22,650	32,561	25,640	6,921
Total Intergovernmental	706,595	738,701	759,640	(20,939)
Licenses & fees				
Officer Fees	76,980	85,185	60,000	25,185
Public Trans fares & donations	21,432	20,813	18,000	2,813
Miscellaneous fees & reimbursement	61,517	32,418	4,000	28,418
Total Licenses & fees	159,929	138,416	82,000	56,416
Use of Money & Property				
Interest on Investments	282,599	295,674	100,000	195,674
Leased Lands	5,700	5,700	5,300	400
Copy & Fax	9,646	7,676	7,000	676
Total Use of Money & Prop	297,945	309,050	112,300	196,750
Other Reimbursements & misc	16,792	6,019	9,000	(2,981)
Total Receipts	$ 3,545,099	$ 3,795,744	$ 3,528,413	$ 267,331

See Accompanying Auditors' Report.

MORRIS COUNTY, KANSAS

Schedule 2A

Schedule of Receipts and Expenditures-Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2025
With Comparative Actual Totals for the Prior Year Ended December 31, 2024

GENERAL FUND

		Current Year		
	Prior Year Actual	Actual	Budget	Variance Over (Under)
Expenditures				
County Commission	$ 77,425	$ 76,760	$ 77,950	$ (1,190)
County Clerk	142,302	147,754	140,700	7,054
County Treasurer	211,839	213,023	217,751	(4,728)
County Attorney	204,915	189,885	198,500	(8,615)
County Register of Deeds	106,078	113,925	118,435	(4,510)
Courthouse - General Expense	556,843	647,909	584,500	63,409
District Court	52,358	60,337	52,190	8,147
Election	88,626	57,830	67,000	(9,170)
Dispatch	253,191	255,772	262,950	(7,178)
Sheriff	632,278	565,166	605,350	(40,184)
Jail	288,354	277,576	236,250	41,326
Emergency Preparedness	29,725	56,877	31,500	25,377
Juvenile Detention	30,002	23,499	32,000	(8,501)
Public Transportation	172,897	162,837	180,500	(17,663)
Sanitarian	18,671	18,888	20,250	(1,362)
Appropriations	263,132	265,743	277,423	(11,680)
Solid Waste	0	0	145,000	(145,000)
Cash Forward	0	0	451,663	(451,663)
Transfers out	450,000	450,000	400,000	50,000
Adjustments for Budget Credits	0	0	0	0
Total Expenditures	3,578,636	3,583,781	4,099,912	(516,131)
Receipts Over (Under) Expenditures	(33,537)	211,963	$ (571,499)	$ 783,462
Unencumbered Cash, January 1	709,543	676,006		
Prior Year Cancelled Encumbrances	0	0		
Unencumbered Cash, December 31	$ 676,006	$ 887,969		

See Accompanying Auditors' Report.

MORRIS COUNTY, KANSAS

Schedule 2B

Schedule of Receipts and Expenditures-Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2025
With Comparative Actual Totals for the Prior Year Ended December 31, 2024

ROAD & BRIDGE

	Prior Year Actual	Current Year Actual	Current Year Budget	Variance Over (Under)
Receipts				
Property Taxes	$ 3,050,078	$ 2,880,182	$ 2,876,431	$ 3,751
State of Kansas-Special City/County	318,324	320,556	318,032	2,524
State of Kansas-Equalization	3,479	2,202	2,500	(298)
Federal Entitlement	20,013	20,671	20,000	671
Fuel Reimbursements	87,264	71,271	80,000	(8,729)
Other reimbursements & grants	210,302	353,210	100,000	253,210
Total Receipts	3,689,460	3,648,092	3,396,963	251,129
Expenditures				
Personal Services	823,368	836,471	925,000	(88,529)
Commodities	1,880,550	1,797,272	1,900,000	(102,728)
Contractual Services	340,151	238,130	250,000	(11,870)
Capital Outlay	69,546	58,841	100,000	(41,159)
Transfers Out	500,000	650,000	400,000	250,000
Cash Forward	0	0	240,000	(240,000)
Adjustment for Budget Credits	0	0	0	0
Total Expenditures	3,613,615	3,580,714	3,815,000	(234,286)
Receipts Over (Under) Expenditures	75,845	67,378	$ (418,037)	$ 485,415
Unencumbered Cash, January 1	379,275	455,120		
Unencumbered Cash, December 31	$ 455,120	$ 522,498		

See Accompanying Auditors' Report.

MORRIS COUNTY, KANSAS

Schedule 2C

Schedule of Receipts and Expenditures-Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2025
With Comparative Actual Totals for the Prior Year Ended December 31, 2024

SPECIAL BRIDGE

		Current Year		
	Prior Year Actual	Actual	Budget	Variance Over (Under)
Receipts				
Property Taxes	$ 1,583	$ 376	$ 0	$ 376
Sale of Materials & Reimbursements	0	9,451	0	9,451
Transfer in	1,137,451	0	0	0
Total Receipts	1,139,034	9,827	0	9,827
Expenditures				
Bridge expense	233,774	212,314	1,798,000	(1,585,686)
Other	0	0	0	0
Adjustment for Budget Credits	0	0	0	0
Total Expenditures	233,774	212,314	1,798,000	(1,585,686)
Receipts Over (Under) Expenditures	905,260	(202,487)	$(1,798,000)	$ 1,595,513
Unencumbered Cash, January 1	861,513	1,766,773		
Unencumbered Cash, December 31	$ 1,766,773	$ 1,564,286		

See Accompanying Auditors' Report.

MORRIS COUNTY, KANSAS

Schedule 2D

Schedule of Receipts and Expenditures-Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2025
With Comparative Actual Totals for the Prior Year Ended December 31, 2024

REAPPRAISAL

		Current Year		
	Prior Year Actual	Actual	Budget	Variance Over (Under)
Receipts				
Property Taxes	$ 193,441	$ 190,162	$ 189,760	$ 402
Copies, Maps, Printouts	4,539	2,554	0	2,554
Total Receipts	197,980	192,716	189,760	2,956
Expenditures				
Personal Services	156,771	148,680	170,000	(21,320)
Commodities	4,601	4,235	8,000	(3,765)
Contractual Services	32,033	20,732	30,000	(9,268)
Capital Outlay	480	0	8,000	(8,000)
Cash Forward	0	0	0	0
Adjustment for Budget Credits	0	0	0	0
Total Expenditures	193,885	173,647	216,000	(42,353)
Receipts Over (Under) Expenditures	4,095	19,069	$ (26,240)	$ 45,309
Unencumbered Cash, January 1	45,301	49,396		
Prior year cancelled encumbrance	0	0		
Unencumbered Cash, December 31	$ 49,396	$ 68,465		

See Accompanying Auditors' Report.

MORRIS COUNTY, KANSAS

Schedule 2E

Schedule of Receipts and Expenditures-Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2025
With Comparative Actual Totals for the Prior Year Ended December 31, 2024

COUNTY HEALTH

	Prior Year Actual	Current Year Actual	Current Year Budget	Variance Over (Under)
Receipts				
Property Taxes	$ 142,529	$ 126,741	$ 126,505	$ 236
Flow thru receipts	122,536	45,037	0	45,037
Other receipts	0	0	0	0
Total Receipts	265,065	171,778	126,505	45,273
Expenditures				
Appropriation to Morris Co Hospital	132,656	134,403	134,403	0
Paid to MCH-flow thru funds	129,126	44,474	0	44,474
Cash Forward	0	0	500	(500)
Adjustments for budget credits	0	0	44,474	(44,474)
Total Expenditures	261,782	178,877	179,377	(500)
Receipts Over (Under) Expenditures	3,283	(7,099)	$ (52,872)	$ 45,773
Unencumbered Cash, January 1	6,022	9,305		
Unencumbered Cash, December 31	$ 9,305	$ 2,206		

See Accompanying Auditors' Report.

MORRIS COUNTY, KANSAS

Schedule 2F

Schedule of Receipts and Expenditures-Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2025
With Comparative Actual Totals for the Prior Year Ended December 31, 2024

NOXIOUS WEED

	Prior Year Actual	Current Year Actual	Current Year Budget	Variance Over (Under)
Receipts				
Property Taxes	$ 76,997	$ 55,793	$ 55,792	$ 1
Sales/reim	88,516	139,395	137,643	1,752
Total Receipts	165,513	195,188	193,435	1,753
Expenditures				
Personal Services	48,957	47,372	55,000	(7,628)
Commodities	110,781	133,082	175,000	(41,918)
Contractual Services	9,396	10,494	10,000	494
Capital Outlay	1,037	0	3,000	(3,000)
Cash Forward	0	0	16,500	(16,500)
Transfers Out	35,000	0	0	0
Adjustment for Budget Credits	0	0	0	0
Total Expenditures	205,171	190,948	259,500	(68,552)
Receipts Over (Under) Expenditures	(39,658)	4,240	$ (66,065)	$ 70,305
Unencumbered Cash, January 1	125,809	86,151		
Unencumbered Cash, December 31	$ 86,151	$ 90,391		

See Accompanying Auditors' Report.

MORRIS COUNTY, KANSAS

Schedule 2G

Schedule of Receipts and Expenditures-Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2025
With Comparative Actual Totals for the Prior Year Ended December 31, 2024

AMBULANCE

		Current Year		
	Prior Year Actual	Actual	Budget	Variance Over (Under)
Receipts				
Property Taxes	$ 261,763	$ 292,760	$ 294,923	$ (2,163)
Other	0	0	0	0
Total Receipts	261,763	292,760	294,923	(2,163)
Expenditures				
Appropriation to Morris Co Hospital	243,556	283,209	283,209	0
Other	10,642	10,890	10,500	390
Cash Forward	0	0	5,000	(5,000)
Total Expenditures	254,198	294,099	298,709	(4,610)
Receipts Over (Under) Expenditures	7,565	(1,339)	$ (3,786)	$ 2,447
Unencumbered Cash, January 1	(334)	7,231		
Unencumbered Cash, December 31	$ 7,231	$ 5,892		

See Accompanying Auditors' Report.

MORRIS COUNTY, KANSAS

Schedule 2H

Schedule of Receipts and Expenditures-Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2025
With Comparative Actual Totals for the Prior Year Ended December 31, 2024

MENTAL HEALTH

		Current Year		
	Prior Year Actual	Actual	Budget	Variance Over (Under)
Receipts				
Property Taxes	$ 76,847	$ 67,534	$ 67,290	$ 244
Other	0	0	0	0
Total Receipts	76,847	67,534	67,290	244
Expenditures				
Mental Health	64,000	66,000	66,000	0
Hetlinger	7,500	7,500	7,500	0
Cash Forward	0	0	0	0
Total Expenditures	71,500	73,500	73,500	0
Receipts Over (Under) Expenditures	5,347	(5,966)	$ (6,210)	$ 244
Unencumbered Cash, January 1	983	6,330		
Unencumbered Cash, December 31	$ 6,330	$ 364		

See Accompanying Auditors' Report.

MORRIS COUNTY, KANSAS

Schedule 2I

Schedule of Receipts and Expenditures-Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2025
With Comparative Actual Totals for the Prior Year Ended December 31, 2024

HOSPITAL MAINTENANCE FUND

		Current Year		
	Prior Year Actual	Actual	Budget	Variance Over (Under)
Receipts				
Property Taxes	$ 195,532	$ 176,159	$ 175,916	$ 243
Other	0	0	0	0
Total Receipts	195,532	176,159	175,916	243
Expenditures				
Appropriation to Morris Co Hospital	185,112	188,806	188,806	0
Cash Forward	0	0	0	0
Total Expenditures	185,112	188,806	188,806	0
Receipts Over (Under) Expenditures	10,420	(12,647)	$ (12,890)	$ 243
Unencumbered Cash, January 1	2,356	12,776		
Unencumbered Cash, December 31	$ 12,776	$ 129		

See Accompanying Auditors' Report.

MORRIS COUNTY, KANSAS

Schedule 2J

Schedule of Receipts and Expenditures-Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2025
With Comparative Actual Totals for the Prior Year Ended December 31, 2024

EMPLOYEE BENEFITS

		Current Year		
	Prior Year Actual	Actual	Budget	Variance Over (Under)
Receipts				
Property Taxes	$ 1,479,782	$ 1,376,250	$ 1,367,537	$ 8,713
Other	5,529	12,903	0	12,903
Total Receipts	1,485,311	1,389,153	1,367,537	21,616
Expenditures				
KPERS	287,591	287,343	300,000	(12,657)
Social Security & Medicare	214,768	212,932	245,000	(32,068)
Unemployment	2,857	2,796	3,000	(204)
Worker's Compensation	30,098	36,426	35,000	1,426
Health Insurance	970,138	1,112,608	1,155,000	(42,392)
Other	6,250	15,432	215,000	(199,568)
Cash Forward	0	0	0	0
Total Expenditures	1,511,702	1,667,537	1,953,000	(285,463)
Receipts Over (Under) Expenditures	(26,391)	(278,384)	$ (585,463)	$ 307,079
Unencumbered Cash, January 1	614,789	588,398		
Unencumbered Cash, December 31	$ 588,398	$ 310,014		

See Accompanying Auditors' Report.

MORRIS COUNTY, KANSAS

Schedule 2K

Schedule of Receipts and Expenditures-Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2025
With Comparative Actual Totals for the Prior Year Ended December 31, 2024

MORRIS COUNTY 911

	Prior Year Actual	Current Year Actual	Current Year Budget	Variance Over (Under)
Receipts				
Telephone tax & interest	$ 70,721	$ 70,018	$ 60,000	$ 10,018
Other	0	4,440	0	4,440
Total Receipts	70,721	74,458	60,000	14,458
Expenditures				
911 Expense	97,556	132,054	302,000	(169,946)
Other	0	0	0	0
Total Expenditures	97,556	132,054	302,000	(169,946)
Receipts Over (Under) Expenditures	(26,835)	(57,596)	$ (242,000)	$ 184,404
Unencumbered Cash, January 1	353,460	326,625		
Unencumbered Cash, December 31	$ 326,625	$ 269,029		

See Accompanying Auditors' Report.

MORRIS COUNTY, KANSAS

Schedule 2L

Schedule of Receipts and Expenditures
Regulatory Basis
For the Year Ended December 31, 2025
With Comparative Actual Totals for the Prior Year Ended December 31, 2024

CAPITAL IMPROVEMENT RESERVE

	Prior Year Actual	Current Year Actual
Receipts		
Transfers In	$ 328,000	$ 450,000
Other reimbursements	0	0
Total Receipts	328,000	450,000
Expenditures		
Capital Improvements	522,262	371,986
Other	0	0
Total Expenditures	522,262	371,986
Receipts Over (Under) Expenditures	(194,262)	78,014
Unencumbered Cash, January 1	722,440	528,178
Prior Year Cancelled Encumbrance	0	12,150
Unencumbered Cash, December 31	$ 528,178	$ 618,342

See Accompanying Auditors' Report.

MORRIS COUNTY, KANSAS

Schedule 2M

Schedule of Receipts and Expenditures
Regulatory Basis
For the Year Ended December 31, 2025
With Comparative Actual Totals for the Prior Year Ended December 31, 2024

EQUIPMENT RESERVE

	Prior Year Actual	Current Year Actual
Receipts		
Transfers In	$ 657,000	$ 650,000
Other reimbursements/equipment sold	502,938	95,795
Total Receipts	1,159,938	745,795
Expenditures		
Equipment	827,955	936,931
Other	0	0
Total Expenditures	827,955	936,931
Receipts Over (Under) Expenditures	331,983	(191,136)
Unencumbered Cash, January 1	1,174,632	1,546,950
Prior Year Cancelled Encumbrance	40,335	0
Unencumbered Cash, December 31	$ 1,546,950	$ 1,355,814

See Accompanying Auditors' Report.

MORRIS COUNTY, KANSAS

Schedule 2N

Schedule of Receipts and Expenditures
Regulatory Basis
For the Year Ended December 31, 2025
With Comparative Actual Totals for the Prior Year Ended December 31, 2024

EQUIPMENT RESERVE-COUNTY TECH

	Prior Year Actual	Current Year Actual
Receipts		
Transfers In	$ 0	$ 0
Other receipts	17,419	18,294
Total Receipts	17,419	18,294
Expenditures		
Technology expenditures	10,514	13,599
Other expenditures	0	0
Total Expenditures	10,514	13,599
Receipts Over (Under) Expenditures	6,905	4,695
Unencumbered Cash, January 1	16,130	23,035
Unencumbered Cash, December 31	$ 23,035	$ 27,730

See Accompanying Auditors' Report.

MORRIS COUNTY, KANSAS

Schedule 2O

Schedule of Receipts and Expenditures
Regulatory Basis
For the Year Ended December 31, 2025
With Comparative Actual Totals for the Prior Year Ended December 31, 2024

DIVERSION

	Prior Year Actual	Current Year Actual
Receipts		
Fees	$ 15,049	$ 6,600
Other receipts	0	0
Total Receipts	15,049	6,600
Expenditures		
Diversion expenditures	10,291	9,285
Other	0	0
Total Expenditures	10,291	9,285
Receipts Over (Under) Expenditures	4,758	(2,685)
Unencumbered Cash, January 1	8,434	13,192
Unencumbered Cash, December 31	$ 13,192	$ 10,507

See Accompanying Auditors' Report.

MORRIS COUNTY, KANSAS

Schedule 2P

Schedule of Receipts and Expenditures
Regulatory Basis
For the Year Ended December 31, 2025
(With Comparative Actual Totals for the Prior Year Ended December 31, 2024

REGISTERED OFFENDER

	Prior Year Actual	Current Year Actual
Receipts		
Fees	$ 1,660	$ 1,640
Other receipts	0	0
Total Receipts	1,660	1,640
Expenditures		
Law enforcement & criminal prosecution	0	0
Other	0	0
Total Expenditures	0	0
Receipts Over (Under) Expenditures	1,660	1,640
Unencumbered Cash, January 1	1,180	2,840
Unencumbered Cash, December 31	$ 2,840	$ 4,480

See Accompanying Auditors' Report.

MORRIS COUNTY, KANSAS

Schedule 2Q

Schedule of Receipts and Expenditures
Regulatory Basis
For the Year Ended December 31, 2025
With Comparative Actual Totals for the Prior Year Ended December 31, 2024

REGISTER OF DEEDS TECHNOLOGY

	Prior Year Actual	Current Year Actual
Receipts		
Fees	$ 8,234	$ 8,377
Other receipts	0	0
Total Receipts	8,234	8,377
Expenditures		
Technology equipment	8,148	2,231
Other	0	0
Total Expenditures	8,148	2,231
Receipts Over (Under) Expenditures	86	6,146
Unencumbered Cash, January 1	50,194	50,280
Unencumbered Cash, December 31	$ 50,280	$ 56,426

MORRIS COUNTY, KANSAS

Schedule 2R

Schedule of Receipts and Expenditures
Regulatory Basis
For the Year Ended December 31, 2025
With Comparative Actual Totals for the Prior Year Ended December 31, 2024

TREASURER TECHNOLOGY

	Prior Year Actual	Current Year Actual
Receipts		
Fees	$ 1,926	$ 1,905
Other receipts	0	0
Total Receipts	1,926	1,905
Expenditures		
Technology equipment	5,760	4,372
Other	0	0
Total Expenditures	5,760	4,372
Receipts Over (Under) Expenditures	(3,834)	(2,467)
Unencumbered Cash, January 1	7,095	3,261
Unencumbered Cash, December 31	$ 3,261	$ 794

See Accompanying Auditors' Report.

MORRIS COUNTY, KANSAS

Schedule 2S

Schedule of Receipts and Expenditures
Regulatory Basis
For the Year Ended December 31, 2025
With Comparative Actual Totals for the Prior Year Ended December 31, 2024

CLERK TECHNOLOGY

	Prior Year Actual	Current Year Actual
Receipts		
Fees	$ 1,897	$ 1,935
Other receipts	0	0
Total Receipts	1,897	1,935
Expenditures		
Technology equipment	2,786	0
Other	0	0
Total Expenditures	2,786	0
Receipts Over (Under) Expenditures	(889)	1,935
Unencumbered Cash, January 1	2,147	1,258
Unencumbered Cash, December 31	$ 1,258	$ 3,193

See Accompanying Auditors' Report.

MORRIS COUNTY, KANSAS

Schedule 2T

Schedule of Receipts and Expenditures
Regulatory Basis
For the Year Ended December 31, 2025
With Comparative Actual Totals for the Prior Year Ended December 31, 2024

FEDERAL GRANT PROGRAMS

	Prior Year Actual	ARPA Actual
Receipts		
Grant proceeds	$ 0	$ 0
Other receipts	0	0
Total Receipts	0	0
Expenditures		
Program expenditures	26,186	1,709
Other	0	0
Total Expenditures	26,186	1,709
Receipts Over (Under) Expenditures	(26,186)	(1,709)
Unencumbered Cash, January 1	27,895	1,709
Unencumbered Cash, December 31	$ 1,709	$ 0

See Accompanying Auditors' Report.

MORRIS COUNTY, KANSAS

Schedule 2U

Schedule of Receipts and Expenditures-Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2025
With Comparative Actual Totals for the Prior Year Ended December 31, 2024

BOND & INTEREST

		Current Year		
	Prior Year Actual	Actual	Budget	Variance Over (Under)
Receipts				
Property Taxes	$ 262,183	$ 255,716	$ 254,769	$ 947
Other	0	0	0	0
Total Receipts	262,183	255,716	254,769	947
Expenditures				
Principal & Interest	259,300	255,200	257,000	(1,800)
Cash Forward	0	0	30,000	(30,000)
Total Expenditures	259,300	255,200	287,000	(31,800)
Receipts Over (Under) Expenditures	2,883	516	$ (32,231)	$ 32,747
Unencumbered Cash, January 1	31,868	34,751		
Unencumbered Cash, December 31	$ 34,751	$ 35,267		

See Accompanying Auditors' Report.

MORRIS COUNTY, KANSAS

Schedule 2V

Schedule of Receipts and Expenditures-Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2025
With Comparative Actual Totals for the Prior Year Ended December 31, 2024

SOLID WASTE DISPOSAL

		Current Year		
	Prior Year Actual	Actual	Budget	Variance Over (Under)
Receipts				
User fees	$ 413,139	$ 420,460	$ 380,000	$ 40,460
Sale of scrap & reim	60,856	33,335	42,000	(8,665)
Total Receipts	473,995	453,795	422,000	31,795
Expenditures				
Transfer Station				
Personal Service	57,769	80,446	65,000	15,446
Commodities	4,484	5,890	5,000	890
Contractual	202,521	187,157	155,000	32,157
Capital Outlay	15,550	14,901	15,000	(99)
Recycling Center				
Personal Service	110,209	105,552	140,000	(34,448)
Commodities	9,064	6,463	10,000	(3,537)
Contractual	12,070	17,948	14,000	3,948
Capital Outlay	1,480	0	10,000	(10,000)
Cash Forward	0	0	30,000	(30,000)
Total Expenditures	413,147	418,357	444,000	(25,643)
Receipts Over (Under) Expenditures	60,848	35,438	$ (22,000)	$ 57,438
Unencumbered Cash, January 1	43,273	104,121		
Unencumbered Cash, December 31	$ 104,121	$ 139,559		

See Accompanying Auditors' Report.

MORRIS COUNTY, KANSAS

Schedule 2W

Schedule of Receipts and Expenditures
Regulatory Basis
For the Year Ended December 31, 2025
With Comparative Actual Totals for the Prior Year Ended December 31, 2024

BRIDGE PROJECTS FUND

	Prior Year Actual	Current Year Actual
Receipts		
KDOT reimbursement	$ 0	$ 0
Interest income	7,545	0
Total Receipts	7,545	0
Expenditures		
Bridge projects	0	0
Transfer to Special Bridge	1,137,451	0
Total Expenditures	1,137,451	0
Receipts Over (Under) Expenditures	(1,129,906)	0
Unencumbered Cash, January 1	1,137,451	7,545
Unencumbered Cash, December 31	$ 7,545	$ 7,545

See Accompanying Auditors' Report.

MORRIS COUNTY, KANSAS

Schedule 2X

Schedule of Receipts and Expenditures
Regulatory Basis
For the Year Ended December 31, 2025

TRUST FUNDS

	Law Library	Prosecuting Attorney	County Atty Worthless Checks	Treasurer's Special Auto	Oil & Gas Trust Fund	Bond Supervision Fee	Juvenile Diversion Fee	Special Law-Forfeiture Seizure/Asset Fingerprint	Self Funded Health
Receipts									
Fees	$ 4,255	$ 692	$ 0	$ 54,824	$ 0	$ 1,000	$ 20	$ 2,108	$ 0
Other	0	0	0	0	0	0	0	0	605,957
Total Receipts	4,255	692	0	54,824	0	1,000	20	2,108	605,957
Expenditures									
Program Expenditures	25	98	0	44,031	0	0	0	6,266	639,334
Transfer to General	0	0	0	0	0	0	0	0	0
Total Expenditures	25	98	0	44,031	0	0	0	6,266	639,334
Receipts Over (Under) Expenditu	4,230	594	0	10,793	0	1,000	20	(4,158)	(33,377)
Unencumbered Cash, January 1	25,779	4,020	713	34,254	22,729	14,191	3,248	21,346	111,694
Unencumbered Cash, December	$ 30,009	$ 4,614	$ 713	$ 45,047	$ 22,729	$15,191	$ 3,268	$ 17,188	$ 78,317

See Accompanying Auditors' Report.

MORRIS COUNTY, KANSAS

Schedule 3

Schedule of Receipts and Disbursements
Regulatory Basis
For the Year Ended December 31, 2025

AGENCY FUNDS

Fund	Cash Balance Jan 1	Cash Receipts	Cash Disbursements	Cash Balance Dec 31
Alcohol & Drug Program	$ 11,126	$ 9,249	$ 11,249	$ 9,126
District Court	0	1,744	1,744	0
Anti-Drug Program	459	4,389	3,871	977
Court Trustee Fees	5,996	0	0	5,996
Sales Tax Collections	0	319,420	319,420	0
Drivers Licenses	0	18,645	18,645	0
Payroll Withholding-misc ins	242	15	0	257
Fish & Game Licenses	0	1,500	1,500	0
State Motor Vehicle Fees	0	543,130	543,130	0
Fees & Permits	0	2,124	2,124	0
Stray Animal Sale	3,081	0	0	3,081
Sheriff Sale	1,193	6,503	6,303	1,393
Tax Collections	9,961,905	16,421,857	15,954,452	10,429,310
State Buildings	0	152,823	152,823	0
Schools	4,373	5,107,196	5,107,974	3,595
Cities	0	1,589,726	1,589,726	0
Townships	0	45,958	45,958	0
Cemeteries	53	88,873	88,691	235
Special Districts	10,742	638,865	633,873	15,734
Total	$ 9,999,170	$ 24,952,017	$ 24,481,483	$ 10,469,704

See Accompanying Auditors' Report.

MORRIS COUNTY, KANSAS

Schedule 4

Schedule of Receipts and Expenditures
Regulatory Basis
For the Year Ended December 31, 2025

RELATED MUNICIPAL ENTITY
MORRIS COUNTY PUBLIC BUILDING COMMISSION

	2018A P&I Account	2018B P&I Account	Total
Receipts			
Morris County Hospital	$ 169,965	$ 107,424	$ 277,389
Transfer in	0	0	0
Other receipts	210	165	375
Total Receipts	170,175	107,589	277,764
Expenditures			
Bond, interest & fees	170,300	107,634	277,934
Transfer out	0	0	0
Project expenditures	0	0	0
Total Expenditures	170,300	107,634	277,934
Receipts Over (Under) Expenditures	(125)	(45)	(170)
Unencumbered Cash, January 1	323	109	432
Unencumbered Cash, December 31	$ 198	$ 64	$ 262

See Accompanying Auditors' Report.

MORRIS COUNTY, KANSAS

Schedule 5

Reconciled 2024 Tax Roll
For the Year Ended December 31, 2025

Original Tax Roll Abstract		
Ad Valorem	$	10,865,317
Specials		357,836
16/20M		112,238
Personal Property		562,510
Oil		104,996
State Assessed		2,919,720
Subsequent Adjustments		
Added Tax		2,834
Abated Tax		(23,353)
	$	14,902,098
Tax Roll Collections		
2024 Collections	$	9,640,686
2025 Collections		5,046,805
Uncollected Tax		
Real Estate Redemptions		203,037
Personal Property Tax Warrants		11,570
Uncollected Current		0
	$	14,902,098

See Accompanying Auditors' Report.