McPHERSON COUNTY, KANSAS

FINANCIAL STATEMENTS

WITH

INDEPENDENT AUDITOR'S REPORT

YEAR ENDED DECEMBER 31, 2021

GBN, P.A.
Certified Public Accountants

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GBN, P.A.

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INDEPENDENT AUDITOR'S REPORT

Board of County Commissioners
McPherson County, Kansas

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of McPherson County, Kansas (the County), as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund and the aggregate remaining fund information of the County, as of December 31, 2021, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS), the *Kansas Municipal Audit and Accounting Guide* and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the County, 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 audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation

and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the 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 Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are 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 and Kansas Municipal Audit and Accounting Guide 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 statements.

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 statements, 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 statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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 statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the 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 we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that budgetary comparison, pension, and other postemployment benefit information be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

The County has omitted a management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the financial statements. Such missing information, although not a part of the financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the financial statements in an appropriate operational, economic or historical context. Our opinion on the financial statements is not affected by this missing information.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The combining and individual fund financial statements and schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. 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 statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements and schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

GBN, P.A.

Wichita, Kansas
February 10, 2024

BASIC FINANCIAL STATEMENTS

GOVERNMENT-WIDE FINANCIAL STATEMENTS

McPHERSON COUNTY, KANSAS

STATEMENT OF NET POSITION

December 31, 2021

	Primary Government Governmental Activities	Component Unit
ASSETS		
Cash and investments	$ 20,027,052	$ 321,154
Receivables:		
Property taxes	14,939,211	–
Special assessment taxes	2,047,095	–
Sales taxes	491,630	–
Trade accounts, net	83,948	–
Accrued interest	1,649	–
Due from other governmental units	543,010	–
Inventories, at cost	302,313	–
Capital assets:		
Land	1,880,269	–
Buildings	7,663,150	–
Improvements other than buildings	4,900,977	–
Infrastructure	90,811,995	–
Machinery and equipment	22,661,202	162,452
Intangibles	614,107	–
Construction work in progress	–	–
Less accumulated depreciation	(75,432,957)	(140,516)
Total assets	91,534,651	343,090
DEFERRED OUTFLOWS OF RESOURCES		
Deferred outflows related to costs on bond refunding	145,323	–
Deferred outflows related to OPEB	28,901	–
Deferred outflows of resources related to pensions	1,738,095	11,108
Total deferred outflows of resources	1,912,319	11,108
LIABILITIES AND DEFERRED INFLOWS OF RESOURCES		
Liabilities:		
Accounts payable	293,692	9,713
Accrued payroll payable	224,315	–
Accrued interest payable	32,625	–
Unearned Revenue	2,771,975	–
Noncurrent liabilities:		
Due within one year	906,764	12,545
Due in more than one year	8,972,730	59,350
Total liabilities	13,202,101	81,608
Deferred inflows of resources:		
Deferred inflows of resources related to property taxes receivable	14,939,211	–
Deferred inflows of resources related to OPEB	130,586	–
Deferred inflows of resources related to pensions	1,961,178	14,566
Total deferred inflows of resources	17,030,975	14,566
NET POSITION		
Investment in capital assets, net	50,458,695	21,936
Restricted for:		
General government	139,645	–
Public works operations	302,313	–
Employee benefits	401,604	–
Technology improvements	208,232	–
Public safety – equipment	399,923	–
Health programs	2,322,978	–
Environmental protection – landfill	75,022	–
Culture and recreation	8,197	–
Debt service	8,911	–
Unrestricted	8,888,374	236,088
Total net position	$ 63,213,894	$ 258,024

The accompanying notes are an integral part of the financial statements.

McPHERSON COUNTY, KANSAS

STATEMENT OF ACTIVITIES

Year ended December 31, 2021

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position: Primary Government: Governmental Activities	Net (Expense) Revenue and Changes in Net Position: Component Unit
Governmental Activities:						
General government	$ 3,757,926	$ 1,496,935	$ 24,639	$ –	$ (2,236,352)	$ –
Public safety	9,098,950	607,348	1,256,689	–	(7,234,913)	–
Highways and streets	7,210,533	170,073	1,056,366	177,993	(5,806,101)	–
Health and sanitation	2,462,289	123,369	1,274,178	–	(1,064,742)	–
Culture and recreation	571,171	21,617	13,862	–	(535,692)	–
Environmental protection	2,290,432	2,096,946	–	–	(193,486)	–
Interest on long-term debt	254,270	–	318,000	–	63,730	–
Total Governmental Activities	$ 25,645,571	$ 4,516,288	$ 3,943,734	$ 177,993	(17,007,556)	–
Component Unit:						
McPherson County Extension Council	$ 293,123	$ –	$ 61,792	$ –	–	(231,331)
General Revenues:						
Property taxes levied for:						
General purposes					16,261,343	–
Sales taxes					2,730,648	–
Payment from McPherson County					–	281,100
Grants and entitlements not restricted to specific programs					24,596	–
Investment earnings					12,130	–
Gain on sale of capital asset					57	–
Total general revenues					19,028,774	281,100
Change in net position					2,021,218	49,769
Net position at beginning of year					61,192,676	208,255
Net position at end of year					$ 63,213,894	$ 258,024

The accompanying notes are an integral part of the financial statements.

FUND FINANCIAL STATEMENTS

McPHERSON COUNTY, KANSAS

BALANCE SHEET – GOVERNMENTAL FUNDS

December 31, 2021

	General	Public Works	Employee Benefits	Special Landfill	ARPA	Other Governmental Funds	Total Governmental Funds
ASSETS							
Cash and short-term investments	$ 3,431,299	$ 1,665,518	$ 447,119	$ 10,000	$ 2,771,975	$ 10,376,949	$ 18,702,860
Receivables:							
Trade accounts	–	677	–	–	–	83,271	83,948
Property taxes	6,908,318	5,042,217	2,523,279	2,047,095	–	465,397	16,986,306
Sales tax	491,630	–	–	–	–	–	491,630
Due from other governments	516,295	15,383	–	–	–	11,332	543,010
Accrued interest receivable	1,649	–	–	–	–	–	1,649
Inventories, at cost	–	302,313	–	–	–	–	302,313
Total assets	$ 11,349,191	$ 7,026,108	$ 2,970,398	$ 2,057,095	$ 2,771,975	$ 10,936,949	$ 37,111,716
LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES							
Liabilities:							
Salaries and wages payable	$ 100,884	$ 44,112	$ 45,155	$ –	$ –	$ 34,164	$ 224,315
Unearned revenue	–	–	–	–	2,771,975	–	2,771,975
Accounts payable	44,770	78,134	360	–	–	13,218	136,482
Total liabilities	145,654	122,246	45,515	–	2,771,975	47,382	3,132,772
Deferred inflows of resources:							
Property taxes receivable	6,908,318	5,042,217	2,523,279	2,047,095	–	465,397	16,986,306
Fund balances:							
Nonspendable:							
Inventories	–	302,313	–	–	–	–	302,313
Restricted:							
Employee benefits	–	–	401,604	–	–	–	401,604
Technology	–	–	–	–	–	208,232	208,232
Public safety – 911 equipment	–	–	–	–	–	208,541	208,541
Public safety services	–	–	–	–	–	191,382	191,382
Health and welfare	–	–	–	–	–	275,883	275,883
Environmental protection – landfill development and operations	–	–	–	10,000	–	–	10,000
	–	–	–	–	–	65,022	65,022
Culture and recreation	–	–	–	–	–	8,197	8,197
Debt service	–	–	–	–	–	8,911	8,911
Other purposes	–	–	–	–	–	139,645	139,645
Committed:							
Self insurance claims	1,049,749	–	–	–	–	–	1,049,749
Highway improvements	–	688,480	–	–	–	4,612,971	5,301,451
Capital improvements	–	–	–	–	–	3,275,405	3,275,405
Environmental protection – remediation and equipment	–	–	–	–	–	1,429,981	– 1,429,981
Assigned:							
General government	2,149,997	–	–	–	–	–	2,149,997
Public works	1,095,473	870,852	–	–	–	–	1,966,325
Unassigned	–	–	–	–	–	–	–
Total fund balances	4,295,219	1,861,645	401,604	10,000	–	10,424,170	16,992,638
Total liabilities and fund balances	$ 11,349,191	$ 7,026,108	$ 2,970,398	$ 2,057,095	$ 2,771,975	$ 10,936,949	$ 37,111,716

The accompanying notes are an integral part of the financial statements.

McPHERSON COUNTY, KANSAS

RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES
TO NET POSITION OF GOVERNMENTAL ACTIVITIES

December 31, 2021

Total Governmental Fund Balances			$ 16,992,638
Amounts reported for governmental activities in the statement of net position are different because:			
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds (capital assets net of accumulated depreciation):			
Cost	$ 128,531,700		
Accumulated depreciation	(75,432,957)		
			53,098,743
Other assets not available to pay for current period expenditures and therefore are not reported in the governmental funds:			
Special assessments receivable			2,047,095
Deferred outflows related to bond refunding costs			145,323
Internal Service Funds are used by management to charge the costs of health insurance benefits to individual funds. Certain assets and liabilities of the internal service fund are included in governmental activities in the Statement of Net Position			1,166,982
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds:			
Accrued interest payable on general obligation bonds		32,625	
Compensated absences payable		807,505	
Other postemployment benefits other than pensions		926,950	
Net pension liability for Kansas Public Employee's Retirement System Plan including deferred outflows of resources and deferred inflows of resources related to pensions		5,425,421	
Net OPEB liability for Kansas Public Employee's Disability Plan including deferred outflows of resources and deferred inflows of resources related to OPEB		259,015	
General obligation bonds payable		2,610,000	
Capital lease payable		–	
Unamortized premium on general obligation bonds payable		175,371	
			(10,236,887)
Net Position of Governmental Activities			$ 63,213,894

The accompanying notes are an integral part of the financial statements.

McPHERSON COUNTY, KANSAS

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES – GOVERNMENTAL FUNDS

Year ended December 31, 2021

	General	Public Works	Employee Benefits	Special Landfill	ARPA	Other Governmental Funds	Total Governmental Funds
Revenues:							
Taxes	$ 10,284,307	$ 5,713,353	$ 2,509,675	$ 1,964,090	$ –	$ 723,067	$ 21,194,492
Intergovernmental	181,876	1,056,366	–	–	–	2,653,059	3,891,301
Licenses and permits	769,226	–	–	–	–	412,629	1,181,855
Charges for services	123,194	–	–	–	–	550,980	674,174
Use of money and property	51,822	–	–	–	–	–	51,822
Miscellaneous	420,837	170,073	1,698	–	–	7,002	599,610
Total revenues	11,831,262	6,939,792	2,511,373	1,964,090	–	4,346,737	27,593,254
Expenditures:							
Current:							
General government	2,539,364	–	575,828	–	–	386,226	3,501,418
Public safety	5,580,338	–	1,231,608	–	–	1,669,108	8,481,054
Highways and streets	–	6,638,398	739,086	–	–	–	7,377,484
Health and welfare	871,772	–	8,635	–	–	1,571,211	2,451,618
Culture and recreation	306,223	–	32,556	–	–	36,000	374,779
Environmental protection	34,121	–	45,904	1,954,090	–	229,939	2,264,054
Capital outlay	–	–	–	–	–	–	–
Debt Service	342,015	–	–	–	–	2,597,843	2,939,858
Total expenditures	9,673,833	6,638,398	2,633,617	1,954,090	–	6,490,327	27,390,265
Revenues over (under) expenditures	2,157,429	301,394	(122,244)	10,000	–	(2,143,590)	202,989
Other financing sources (uses):							
Transfers in	6,482	–	–	–	–	4,223,000	4,229,482
Transfers out	(4,175,000)	–	–	–	–	(54,482)	(4,229,482)
Total other financing sources (uses)	(4,168,518)	–	–	–	–	4,168,518	–
Net change in fund balances	(2,011,089)	301,394	(122,244)	10,000	–	2,024,928	202,989
Fund balances, beginning of year	6,306,308	1,560,251	523,848	–	–	8,399,242	16,789,649
Fund balances, end of year	$ 4,295,219	$ 1,861,645	$ 401,604	$ 10,000	$ –	$ 10,424,170	$ 16,992,638

The accompanying notes are an integral
part of the financial statements.

McPHERSON COUNTY, KANSAS

RECONCILIATION OF GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES

Year Ended December 31, 2021

Net Change in Fund Balances – Total Governmental Funds		$ 202,989
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. In the current period, these amounts are:		
Capital outlay	$ 3,646,882	
Depreciation	(4,625,742)	
Excess of capital outlays over depreciation expense		(978,860)
In the statement of activities, interest is accrued on outstanding debt, whereas in governmental funds, an interest expenditure is reported when due.		1,958
In the statement of activities, other postemployment benefits other than pensions are measured by the amount due during the year instead of the amount paid.		(85,969)
In the statement of activities the deferred refunding costs increases deferred outflows of resources but does not provide current resources to the governmental funds. Amortization of the deferred refunding costs is reflected in the statement of activities but is not reported as expenditures in the governmental funds:		
Amortization of deferred refunding costs		(24,192)
The issuance of long-term debt provides current financial resources in the governmental funds but represent an increase in long-term liabilities in the statement of activities for capital lease obligations		–
Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position:		
General obligation bond payment		235,000
Lease payment		2,422,909
Internal service funds are used by management to charge the cost of health insurance benefits to individual funds. The net revenue (expense) of the internal service fund is reported with governmental activities.		(96,686)
Special assessments are not considered available to liquidate liabilities of the current period. However, they are recognized as revenue in the statement of activities as soon as the special assessments are levied.		73,535
Pension contributions is an expenditure in the governmental funds but reduces the net pension liability in the statement of net position. Additionally, the effect of changes in deferred outflows and inflows of resources for pensions are only recorded in the statement of activities.		298,257
OPEB contributions is an expenditure in the governmental funds but reduces the net OPEB liability in the statement of net position. Additionally, the effect of changes in deferred outflows and inflows of resources for OPEB are only recorded in the statement of activities.		(66,012)
Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the funds:		
Compensated absences payable	8,640	
Amortization of premium on issuance of refunding bonds	29,649	
Total		38,289
Change in Net Position of Governmental Activities		$ 2,021,218

The accompanying notes are an integral part of the financial statements.

McPHERSON COUNTY, KANSAS

GENERAL FUND

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE – BUDGET AND ACTUAL – BUDGETARY BASIS
(continued on next page)

Year ended December 31, 2021

	Original Budget	Final Budget	Actual Amounts Budgetary Basis	Variance With Final Budget Positive (Negative)
Revenues and other sources:				
Taxes	$ 9,727,145	$ 10,461,558	$ 10,226,734	$ (234,824)
Intergovernmental	524,900	200,000	181,876	(18,124)
Charges for services	119,000	80,000	123,194	43,194
Licenses, fees and permits	460,000	775,000	769,226	(5,774)
Use of money and property	126,000	145,000	51,822	(93,178)
Other	21,600	480,000	420,837	(59,163)
Transfers in	6,000	6,000	6,482	482
Total revenues and other sources	10,984,645	12,147,558	11,780,171	(367,387)
Expenditures, encumbrances and other uses:				
Commissioners:				
Personal services	89,458	89,000	88,861	139
Contractual services	7,500	7,500	6,009	1,491
Commodities	650	650	64	586
Capital Outlay	–	–	–	–
Total Commissioners Department	97,608	97,150	94,934	2,216
County Counselor:				
Personal services	33,746	33,746	31,320	2,426
Contractual services	9,500	2,000	1,516	484
Total County Counselor	43,246	35,746	32,836	2,910
Administrator/Financial Manager:				
Personal services	294,270	304,500	302,868	1,632
Contractual services	9,610	4,100	4,055	45
Commodities	4,100	8,800	8,614	186
Capital Outlay	–	–	–	–

McPHERSON COUNTY, KANSAS

GENERAL FUND

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL – BUDGETARY BASIS
(continued from previous page)

Year ended December 31, 2021

	Original Budget	Final Budget	Actual Amounts Budgetary Basis	Variance With Final Budget Positive (Negative)
Total Administrator/ Financial Manager Department	$ 307,980	$ 317,400	$ 315,537	$ 1,863
Crestwood Cemetery:				
Contractual services	5,000	5,000	4,304	696
Commodities	1,000	1,000	325	675
Total Crestwood Cemetery	6,000	6,000	4,629	1,371
Data Processing:				
Personal services	133,900	136,100	135,976	124
Contractual services	138,320	124,300	124,273	27
Commodities	4,650	3,500	3,272	228
Capital outlay	55,200	55,200	54,785	415
Total Data Processing Department	332,070	319,100	318,306	794
County Clerk:				
Personal services	176,800	174,053	163,319	10,734
Contractual services	7,377	4,400	4,025	375
Commodities	750	1,250	513	737
Total County Clerk's Department	184,927	179,703	167,857	11,846
County Treasurer:				
Personal services	186,500	187,800	187,659	141
Contractual services	28,125	39,000	39,121	(121)
Commodities	2,400	2,400	2,457	(57)
Capital Outlay	–	–	–	–

McPHERSON COUNTY, KANSAS

GENERAL FUND

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE – BUDGET AND ACTUAL – BUDGETARY BASIS
(continued from previous page)

Year ended December 31, 2021

	Original Budget	Final Budget	Actual Amounts Budgetary Basis	Variance With Final Budget Positive (Negative)
Total County Treasurer's Department	$ 217,025	$ 229,200	$ 229,237	$ (37)
Register of Deeds:				
Personal services	178,800	171,000	170,650	350
Contractual services	9,460	5,000	5,156	(156)
Commodities	1,100	1,100	2,763	(1,663)
Total Register of Deeds Department	189,360	177,100	178,569	(1,469)
Planning and Zoning:				
Personal services	105,800	102,250	91,269	10,981
Contractual services	9,185	9,990	6,337	3,653
Commodities	3,200	3,440	1,865	1,575
Capital Outlay	1,300	500	–	500
Total Planning and Zoning Department	119,485	116,180	99,471	16,709
Courthouse General:				
Contractual services	415,000	350,000	337,713	12,287
Commodities	16,000	7,000	9,879	(2,879)
Capital outlay	335,000	39,000	6,459	32,541
Total Courthouse General Department	766,000	396,000	354,051	41,949

McPHERSON COUNTY, KANSAS

GENERAL FUND

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL – BUDGETARY BASIS
(continued from previous page)

Year ended December 31, 2021

	Original Budget	Final Budget	Actual Amounts Budgetary Basis	Variance With Final Budget Positive (Negative)
Courthouse Maintenance:				
Personal services	$ 85,800	$ 70,000	$ 69,381	$ 619
Contractual services	11,590	2,000	892	1,108
Commodities	28,050	20,000	18,188	1,812
Capital outlay	20,000	–	–	–
Total Courthouse Maintenance	145,440	92,000	88,461	3,539
Election:				
Personal services	9,000	15,000	10,843	4,157
Contractual services	66,025	30,000	26,989	3,011
Commodities	3,200	1,000	168	832
Capital Outlay	–	–	–	–
Total Election Department	78,225	46,000	38,000	8,000
Appraiser:				
Personal services	401,700	340,000	335,386	4,614
Contractual services	39,905	25,000	31,066	(6,066)
Commodities	4,500	3,000	3,402	(402)
Capital outlay	3,500	7,000	3,796	3,204
Total Appraiser Department	449,605	375,000	373,650	1,350
Bank Building:				
Contractual services	80,000	75,000	71,615	3,385
Commodities	6,000	1,000	887	113
Capital outlay	50,000	41,000	401	40,599
Total Bank Building Department	136,000	117,000	72,903	44,097

McPHERSON COUNTY, KANSAS

GENERAL FUND

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL – BUDGETARY BASIS
(continued from previous page)

Year ended December 31, 2021

	Original Budget	Final Budget	Actual Amounts Budgetary Basis	Variance With Final Budget Positive (Negative)
Sheriff:				
Personal services	$ 1,300,900	$ 1,260,000	$ 1,252,082	$ 7,918
Contractual services	238,050	290,000	284,382	5,618
Commodities	140,300	140,300	125,932	14,368
Capital outlay	224,000	160,000	155,778	4,222
Total Sheriff's Department	1,903,250	1,850,300	1,818,174	32,126
Jail:				
Personal services	812,500	850,000	849,407	593
Contractual services	524,150	371,000	369,618	1,382
Commodities	51,500	50,200	41,270	8,930
Capital outlay	82,100	46,535	42,856	3,679
Total Jail Department	1,470,250	1,317,735	1,303,151	14,584
County Attorney/Victim Witness:				
Personal services	451,385	481,312	464,849	16,463
Contractual services	42,500	44,250	31,893	12,357
Commodities	19,000	19,000	13,749	5,251
Capital outlay	15,000	10,000	8,296	1,704
Total County Attorney/ Victim Witness Department	527,885	554,562	518,787	35,775
Unified Courts:				
Contractual services	200,190	199,740	189,702	10,038
Commodities	10,759	12,500	13,071	(571)
Capital outlay	11,795	20,900	19,129	1,771

McPHERSON COUNTY, KANSAS

GENERAL FUND

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL – BUDGETARY BASIS
(continued from previous page)

Year ended December 31, 2021

	Original Budget	Final Budget	Actual Amounts Budgetary Basis	Variance With Final Budget Positive (Negative)
Total Unified Courts	$ 222,744	$ 233,140	$ 221,902	$ 11,238
Emergency Management:				
Personal services	6,000	6,000	–	6,000
Contractual services	43,500	43,500	39,879	3,621
Commodities	6,300	2,000	1,826	174
Capital outlay	–	–	–	–
Total Emergency Management Department	55,800	51,500	41,705	9,795
Emergency Communications:				
Personal services	920,500	830,000	829,148	852
Contractual services	153,980	210,000	206,180	3,820
Commodities	24,000	4,000	3,334	666
Capital outlay	643,502	349,000	20,265	328,735
Debt service	–	322,000	321,751	249
Total Emergency Communications Department	1,741,982	1,715,000	1,380,678	334,322
Old Mill Park and Museum:				
Personal services	178,349	90,000	89,755	245
Contractual services	55,325	105,000	104,401	599
Commodities	17,900	17,900	16,050	1,850
Capital outlay	–	2,500	2,380	120
Total Old Mill Park and Museum Department	251,574	215,400	212,586	2,814

McPHERSON COUNTY, KANSAS

GENERAL FUND

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL – BUDGETARY BASIS
(continued from previous page)

Year ended December 31, 2021

	Original Budget	Final Budget	Actual Amounts Budgetary Basis	Variance With Final Budget Positive (Negative)
4-H Fair:				
Contractual services	$ 28,000	$ 32,000	$ 31,122	$ 878
Commodities	1,000	1,000	–	1,000
Capital outlay	5,000	1,000	515	485
Total 4-H Fair	34,000	34,000	31,637	2,363
Infant Development Program:				
Personal services	25,000	24,000	23,804	196
Contractual services	50,000	9,000	8,622	378
Commodities	–	–	–	–
Capital outlay	–	–	–	–
Total Infant Development Program	75,000	33,000	32,426	574
Other:				
Services for the Elderly	303,700	303,700	303,700	–
Mental health	224,293	222,000	221,545	455
Domestic Violence/COVAP	11,500	11,500	11,500	–
Special fair	20,000	20,000	20,000	–
Soil Conservation	34,121	34,121	34,121	–
County Extension Appropriation	281,100	301,100	281,100	20,000
Joint Airport	61,240	65,000	61,240	3,760
Economic development	110,000	110,000	99,298	10,702
Coroner fees	125,111	123,384	27,386	95,998
Humane Society	18,000	20,500	18,000	2,500
Ambulance	630,452	630,452	630,452	–
STEPMC/Circles	15,000	15,000	15,000	–

McPHERSON COUNTY, KANSAS

GENERAL FUND

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE – BUDGET AND ACTUAL – BUDGETARY BASIS
(continued from previous page)

Year ended December 31, 2021

	Original Budget	Final Budget	Actual Amounts Budgetary Basis	Variance With Final Budget Positive (Negative)
Other:				
Transfers out	$ 1,850,000	$ 4,175,000	$ 4,175,000	$ –
Total Other	3,684,517	6,031,757	5,898,342	133,415
Total expenditures, encumbrances and other uses	13,039,973	14,539,973	13,827,829	712,144
Revenues and other sources over (under) expenditures, encumbrances and other uses	(2,055,328)	(2,392,415)	(2,047,658)	344,757
Fund balance, beginning of year	2,055,328	2,392,415	4,677,539	2,285,124
Fund balance, end of year	$ –	$ –	$ 2,629,881	$ 2,629,881

The accompanying notes are an integral part of the financial statements.

McPHERSON COUNTY, KANSAS

PUBLIC WORKS FUND

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL – BUDGETARY BASIS

Year ended December 31, 2021

	Original Budget	Final Budget	Actual Amounts Budgetary Basis	Variance With Final Budget Positive (Negative)
Revenues:				
Taxes	$ 5,726,279	$ 5,726,279	$ 5,713,353	$ (12,926)
Intergovernmental	973,500	973,500	1,056,366	82,866
Charges for services	75	75	–	(75)
Miscellaneous	5,000	5,000	170,073	165,073
Use of money and property	15,770	15,770	–	(15,770)
Transfers in	1,000	1,000	–	–
Total revenues	6,721,624	6,721,624	6,939,792	219,168
Expenditures, encumbrances and other uses:				
Personal services	2,099,000	2,099,000	2,037,626	61,374
Contractual services	674,600	674,600	675,226	(626)
Commodities	3,287,225	3,287,225	2,857,576	429,649
Capital outlay	878,700	878,700	1,350,716	(472,016)
Transfers out	–	–	–	–
Total expenditures, encumbrances and other uses	6,939,525	6,939,525	6,921,144	18,381
Revenues over (under) expenditures, encumbrances and other uses	(217,901)	(217,901)	18,648	237,549
Fund balance, beginning of year	217,901	217,901	787,562	569,661
Fund balance, end of year	$ –	$ –	$ 806,210	$ 807,210

The accompanying notes are an integral part of the financial statements.

McPHERSON COUNTY, KANSAS

EMPLOYEE BENEFITS FUND

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL – BUDGETARY BASIS

Year ended December 31, 2021

	Original Budget	Final Budget	Actual Amounts Budgetary Basis	Variance With Final Budget Positive (Negative)
Revenues:				
Taxes	$ 2,514,069	$ 2,514,069	$ 2,509,674	$ (4,395)
Use of money and property	–	–	1,698	1,698
Total revenues	2,514,069	2,514,069	2,511,372	(2,697)
Expenditures:				
Personal services	2,884,300	2,884,300	2,622,617	261,683
Revenues over (under) expenditures	(370,231)	(370,231)	(111,245)	258,986
Fund balance, beginning of year	370,231	370,231	523,848	153,617
Fund balance, end of year	$ –	$ –	$ 412,603	$ 412,603

The accompanying notes are an integral part of the financial statements.

McPHERSON COUNTY, KANSAS

SPECIAL LANDFILL FUND

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL – BUDGETARY BASIS

Year ended December 31, 2021

	Original Budget	Final Budget	Actual Amounts Budgetary Basis	Variance With Final Budget Positive (Negative)
Revenues:				
Taxes	$ 2,017,000	$ 2,017,000	$ 1,964,090	$ (52,910)
Expenditures:				
Contractual services	2,021,000	2,021,000	1,954,090	66,910
Revenues over (under) expenditures	(4,000)	(4,000)	10,000	14,000
Fund balance, beginning of year	65,077	65,077	–	(65,077)
Fund balance, end of year	$ 61,077	$ 61,077	$ 10,000	$ (51,077)

The accompanying notes are an integral part of the financial statements.

McPHERSON COUNTY, KANSAS

STATEMENT OF NET POSITION

INTERNAL SERVICE FUND – EMPLOYEE BENEFIT PLAN FUND

December 31, 2021

Assets:	
Current assets:	
Cash including short-term investments	$ 1,324,192
Liabilities:	
Current liabilities:	
Accounts payable	118,369
Net position – unrestricted	$ 1,205,823

The accompanying notes are an integral part of the financial statements.

McPHERSON COUNTY, KANSAS

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

INTERNAL SERVICE FUND – EMPLOYEE BENEFIT PLAN FUND

Year ended December 31, 2021

Operating revenues:	
Employee/employer contributions	$ 1,909,455
Operating expenses:	
Claims from participants	1,967,300
Change in net position	(57,845)
Net position, beginning of year	1,263,668
Net position, end of year	$ 1,205,823

The accompanying notes are an integral part of the financial statements.

McPHERSON COUNTY, KANSAS

STATEMENT OF CASH FLOWS

INTERNAL SERVICE FUND – EMPLOYEE BENEFIT PLAN FUND

Year ended December 31, 2021

Cash flow from operating activities:	
Cash received for contributions	$ 1,795,018
Cash payments for claims	(1,849,660)
Cash flows provided by operating activities - net increase in cash and cash equivalents	(54,642)
Cash and cash equivalents, beginning of year	1,378,834
Cash and cash equivalents, end of year	$ 1,324,192
Reconciliation of operating income to net cash provided for operating activities:	
Operating loss	$ (57,845)
Adjustments to reconcile operating income to net cash provided by (used for) operating activities:	
Increase in accounts payable	3,203
Net cash provided by operating activities	$ (54,642)

The accompanying notes are an integral part of the financial statements.

McPHERSON COUNTY, KANSAS

STATEMENT OF FIDUCIARY NET POSITION – FIDUCIARY FUNDS

December 31, 2021

	Custodial Funds
Assets:	
Cash including investments	$ 38,718,133
Property tax levied	26,464,537
Total assets	65,182,670
Liabilities:	
Accounts Payable	100,949
Due to taxing districts, governments and others	65,044,024
Total liabilities	65,144,973
Net position:	
Restricted for others	7,056
Total net position	$ 7,056

The accompanying notes are an integral part of the financial statements.

McPHERSON COUNTY, KANSAS

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION – FIDUCIARY FUNDS

December 31, 2021

	Custodial Funds
Additions:	
Tax collection	$ 68,901,084
Other	1,829,862
Total additions	70,730,946
Deductions:	
Tax Distributions	68,901,084
Other Distributions	1,839,230
Total deductions	70,740,314
Net change in fiduciary net position	(9,368)
Net position, beginning of year	16,424
Net position, end year	$ 7,056

The accompanying notes are an integral part of the financial statements.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

McPherson County, Kansas (County) is organized under the laws of the State of Kansas and operates under a three-member board of commissioners elected from separate districts throughout the County. The County provides services to its citizens in the areas of highways, public improvement, public safety, planning and zoning, health services, recreation facilities and general administrative services.

As required by generally accepted accounting principles, these financial statements present McPherson County, Kansas (the primary government) and its component unit. Component units are legally separate entities for which the primary government is financially accountable.

Discretely presented component unit

The McPherson County Extension Council provides instruction and practical demonstrations in agriculture, marketing, home economics, 4-H club and youth work, and community and resource development to all persons of McPherson County. The Board of County Commissioners are required by state statute to approve the annual operating budget of the McPherson County Extension Council and levy property taxes, within statutory limitations, for the financing of such budgeted appropriations. The Council's taxes are levied under the taxing authority of the County and are included as part of the County's total tax levy and represents over 70% of the McPherson County Extension Council's operating resources. In addition, the County provides the facilities used by McPherson County Extension Council. Complete financial statements for the McPherson County Extension Council may be obtained from the administrative offices of the entity at 600 West Woodside, McPherson, Kansas 67460-0308.

Related organizations

The Board of County Commissioners, by state statute, serves as the governing body of each Fire District established in McPherson County. State statutes further provide that the Board of County Commissioners may appoint a board of not less than three members to serve as the governing body of such District and such board shall have all the powers vested with the Board of County Commissioners. McPherson County has established 10 separate Fire Districts organized under the provisions of the state statutes discussed above, with all being defined as separate taxing entities. These Fire Districts provide fire protection services principally to the unincorporated areas of the County. Property taxes are assessed within the benefit districts to provide the resources for the cost of the fire protection services and such levies are established and levied by the respective Fire District

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Boards. The Fire District Boards also have the authority to issue general obligation bonds, which are secured by the full faith and credit of the Fire District.

Basis of presentation

The financial statements of the County have been prepared in conformity with generally accepted accounting principles as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

The County's basic financial statements include both government-wide, including a statement of net position and a statement of activities, and fund financial statements which provide a more detailed level of financial information.

Government-wide financial statements

The government-wide financial statements, consisting of the statement of net position and the statement of activities, display all the nonfiduciary activities of the primary government and its component units. Generally, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. In addition, the primary government is reported discretely from the legally separate component unit for which the primary government is financially accountable. The statement of net position presents the financial condition of the County and its component unit at year-end. The statement of activities presents a comparison between direct expenses and program revenues for each program or function of the County's governmental activities. Direct expenses are those that are specifically associated with a service, program or department and therefore are clearly identifiable to a particular function. Program revenues include (1) charges paid by the recipient for goods or services or privileges provided by a given function or activity and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Taxes and other items not properly included among program revenues are reported instead as general revenues. The comparison of direct expenses with program revenues identifies the extent to which a given function or segment is self-financing or draws from the general revenues of the County.

Fund financial statements

During the year, the County segregates transactions related to certain functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the County at a more detailed level. The focus of governmental fund financial statements is on major funds. Each major fund is reported in a separate column. Nonmajor funds are aggregated and presented in a single column in the fund financial statements.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Measurement focus and basis of accounting

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider are met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the County considers property tax revenues to be available in the period for which levied and other revenues if they are collected with in 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, charges for services and interest associated with the current fiscal period are considered susceptible to accrual and so have been recognized as revenues of the current period. Entitlements and shared revenues are recorded at the time of receipt or earlier if the susceptible to accrual criteria are met. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other grant requirements have been met.

Agency funds are custodial in nature and do not measure results of operations or have a measurement focus. Agency funds do, however, use the accrual basis of accounting.

The County reports the following major governmental funds:

General Fund – The General Fund is used to account for and report all financial resources not accounted for and reported in another fund. It receives a greater variety and number of taxes and other general revenues than any other fund and these resources also finance a wider range of activities than any other fund.

Public Works Fund – The Public Works Fund is used to account for and report specific revenue sources that are restricted or committed to expenditure for public works maintenance operations. Financing is provided from property taxes and motor fuel taxes distributed from the State of Kansas.

Employee Benefits Fund – The Employee Benefits Fund is used to account for and report specific revenue sources that are restricted or committed to expenditure for the County's portion of social security taxes, Medicare taxes, retirement, worker's compensation

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

insurance and unemployment insurance contributions. Financing is provided by property taxes.

Special Landfill Fund – The Special Landfill Fund is used to account for and report the specific revenue sources that are restricted or committed to expenditure for the operations of the County landfill and solid waste removal from the County. Financing is provided through special assessment tax levies to all property owners in the County.

ARPA Fund – accounts for the County's revenue and expenditures for the American Rescue Plan Act (ARPA) funds and related activities. The ARPA funds provide additional relief to address the continued impact of the COVID-19 pandemic.

The County also reports the following fund types:

Special Revenue Funds – Special revenue funds are used to account for and report specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects.

Debt Service Fund – The Debt Service Fund is used to account for and report financial resources that are restricted, committed or assigned to expenditure for principal and interest on long-term general obligation debt of governmental funds.

Internal Service Fund – The Employee Benefit Plan Fund is used to account for and report the financing of health insurance coverage on County employees, which is financed from employee withholdings and County contributions.

Fiduciary Funds – The agency funds are used to report resources held by the County in a custodial capacity for remittance of fiduciary resources to individuals, private organizations or other governments. The agency funds consist of funds maintained by the County Treasurer for tax collection accounts, tax distribution accounts, motor vehicle fees, sales tax collection accounts, fish and game licenses, park permits, and stray animals. In addition, the County maintains agency funds for resources held for the benefit of the McPherson County jail inmates, the McPherson County Sheriff's reserve and sales taxes collected by McPherson County to be remitted to the State of Kansas.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments for charges between certain County departments that involve different functions of government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned. The internal service fund activity is eliminated in the government-wide financial statements to avoid duplication of revenues and expenses.

Amounts reported as program revenues include (1) charges to customers or applicants for goods, services or privileges provided, (2) operating grants and contributions, and (3) capital grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues. In addition, general revenues include all taxes.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with the proprietary funds' principal ongoing operations. Principal operating revenues of the proprietary funds are charges to customers for sales and services. Operating expenses for Internal Service Funds include the cost of sales and services, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting these criteria are reported as nonoperating revenues and expenses.

Property taxes are not susceptible to accrual. Sales taxes collected and held by the State at year-end on behalf of the County are recognized as revenue. Recognized state shared taxes represent payments received during the current fiscal period. State statutes specify distribution dates for such shared taxes and consequently, for revenue recognition purposes, amounts collected and held by the State on behalf of the County at year-end are not due and receivable until the ensuing year.

Expenditure driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other grant requirements have been met. Unrestricted aid is reported as revenue in the fiscal year the entitlement is received.

Licenses, fees, fines, forfeitures, charges for services and other revenue are generally not susceptible to accrual and are recorded when received in cash.

Use of money and property represents earnings from investment of idle funds, rents and sales of unused County property. Accruals for significant amounts of interest earned are recorded as a receivable and interest income at year-end. The remaining use of money and property revenues is generally not susceptible to accrual and is recorded when received in cash.

Budgetary principles

The County is required by state statute to legally adopt annual operating budgets for the general fund, special revenue funds (unless exempted by specific statute) and debt service. Specific special revenue funds exempted from legally adopted budgetary requirements include the Oil & Gas Depletion Trust, Prosecutor Training and Assistance, Law Enforcement Trust and Motor Vehicle Department funds. 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 of the proposed budget and notice of public hearing on the budget on or before August 5th.

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.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

If the municipality is holding a revenue neutral rate hearing, the budget timeline for adoption of the final budget has been adjusted to on or before September 20th. The county 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 revenue other than ad valorem property taxes. This process requires a notice of public hearing to amend the budget to 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. The Budget was amended for the following funds: General Fund, Special Parks and Recreation Fund.

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. The County Administrator/Financial Manager has the authority to revise the line item budgets within a fund or a department within a fund, however total departmental amendments or individual fund amendments must be approved by the County Commission. The expenditure data presented in the schedules for budgetary comparison represent the original line item budgets approved by the County Commission.

All legal annual operating budgets are prepared using the modified accrual basis of accounting, modified further by the encumbrance method of accounting. For budgetary purposes, encumbrances of the budgeted governmental fund types, representing purchase orders, contracts and other commitments, are reported as a charge to the current year budget. All unencumbered appropriations lapse at the end of the year, except for capital project fund appropriations, which are carried forward until such time as the project is completed or terminated. Encumbered appropriations are not reappropriated in the ensuing year's budget but are carried forward until liquidated or canceled. Accordingly, the actual data presented in the budgetary comparison statements differ from the data presented in the financial statements prepared in accordance with generally accepted accounting principles (GAAP).

Controls over spending in funds that are not subject to legal budgets are maintained by other statutes or by the use of internal spending limits established by management.

The following reconciliation is presented to provide a correlation between the "GAAP" basis of reporting and the budgetary basis of reporting:

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

	Major Governmental Funds					
	General Fund	Public Works Fund	Employee Benefits Fund	Special Landfill Fund	ARPA Fund	Other Nonmajor Governmental Funds
GAAP fund balance at December 31, 2021	$4,295,219	$ 1,861,645	$ 401,604	$ 10,000	$ –	$ 10,424,170
Adjustments:						
Reserved for encumbrances (budgeted funds)	(123,960)	(753,121)	–	–	–	–
Reserved for inventories	–	(302,314)	–	–	–	–
Reserved for self-insurance claims	(1,049,749)	–	–	–	–	–
Accrued sales tax revenues	(491,629)	–	–	–	–	–
Unreserved fund balance not subject to the Kansas budget law	–	–	–	–	–	(9,520,030)
Budgetary fund balance at December 31, 2021	$ 2,629,881	$ 806,210	$ 523,848	$ 10,000	$ –	$ 904,141

Cash including short-term investments

Cash balances in all funds are considered in determining the amount to be invested. All investment earnings are credited to the General Fund in accordance with the adopted budget.

Investments are carried at fair value. Deposits are reported at their cost, which approximates fair value. For purposes of the statement of cash flows, the County considers all highly liquid investments with an original maturity of three months or less to be cash equivalents.

Property taxes receivable

In accordance with governing state statutes, property taxes levied during the current year are a revenue source to be used to finance the budget of the ensuing year. Taxes are assessed on a calendar year basis and are levied and become a lien on the property on November 1 of each year. The County Treasurer is the tax collection agent for all taxing entities within the County.

Property owners have the option of paying one-half or the full amount of the taxes levied on or before December 20th during the year levied with the balance to be paid on or before May 10th of the ensuing year. Consequently, for revenue recognition purposes, the taxes levied during the current year are not due and receivable until the ensuing year. At December 31 such taxes are a lien on the property and are recorded as taxes receivable, net of anticipated delinquencies, with a corresponding amount recorded as deferred revenue on the balance sheets of the appropriate funds. It is not practicable to apportion delinquent taxes held by the County Treasurer at the end of the year and further, the amounts thereof are not material in relationship to the financial statements taken as a whole.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Sales tax receivable

The County has a 1.5% local sales tax with ½ of the 1% sales tax allocated to the cities within the County. The additional .5% was approved by the citizenry in November 2015 to support the three hospitals located in the County with ¾'s of the additional sales tax being allocated to the hospital located in the City of McPherson and the remaining ¼ split equally between the hospitals located in the City of Lindsborg and the City of Moundridge. The sales tax is collected by the State and remitted to the County monthly. The accrued sales tax receivable represents the sales tax collected by the merchants and held by the State at year-end.

Special assessment taxes receivable

Special assessment taxes are levied to every property owner in the County each year and become a lien on the property when assessed on November 1. The amount of levy is determined by the County Commission each year prior to June 1. At December 31, the special assessment taxes levied are a lien on the property and are recorded as special assessments receivable in the Special Landfill Fund and are accrued in the Statement of Net Position. Since they are not considered available spendable resources for the funds statement, the special assessments receivable are reported as deferred inflows of resources in the funds statement.

Inventories and prepaid items

Inventories are valued at cost as determined by the first-in, first-out method. The purchase method is used to account for these inventories. Under the purchase method, inventories are recorded as expenditures when purchased however, material amounts of inventories are reported as assets of the respective fund. Reported inventories in governmental funds are equally offset by a fund balance reserve, which indicates they are unavailable for appropriation even though they are a component of reported assets. Inventories in the Public Works Fund represent, sand, salt and asphalt products and other expendable supplies held for consumption.

Prepaid expenses, which benefit future periods, are recorded as expenditures during the year of purchase in the governmental fund financial statements.

Capital Assets

Capital assets used in governmental fund type operations are accounted for on the government-wide financial statements, rather than in the governmental fund financial statements. The County has capitalized infrastructure assets consisting of bridges, curbs and gutters and drainage systems purchased or constructed since January 1902. Highways and roads purchased or constructed since January 1951 have been capitalized.

All capital assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated capital assets are valued at acquisition value on the date donated. The County capitalizes capital assets with a value of $1,000 or more.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Effective January 1, 2009, the County has elected to retroactively report its intangible assets, right-of-way easements, to include all purchases subsequent to December 31, 1990. Intangible assets with indefinite useful lives, such as right-of-way easements, are not amortized under the provisions of Governmental Accounting Standards Board Statement No. 51.

Capital assets are depreciated using the straight-line method over the following useful lives:

Asset Type	Estimated Useful Life
Buildings	10 to 50 years
Improvements other than buildings	5 to 15 years
Machinery and equipment	3 to 10 years
Infrastructure – roads and roadbeds	5 to 40 years
Infrastructure – bridges	35 to 70 years

Compensated absences

During 2003, the County implemented a paid time off (PTO) policy to replace the former vacation, sick and bereavement leave policies. PTO hours are earned based on years of service with the County and range from 130 hours per year for employees with less than one year of service to 234 hours per year for employees with fifteen or more years of service. The maximum PTO that may be accumulated as of an employee's anniversary date is 520 hours. At termination of employment, an employee shall be reimbursed for all accumulated PTO time, up to 520 hours, at an amount equal to 100% of the employee's hourly wage at the time of termination.

Accrued liabilities and long-term debt

All payables, accrued liabilities and long-term obligations are reported in the government-wide financial statements. In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current resources, are reported as obligations of the funds. However, claims and judgments, compensated absences, general obligation bonds and capital lease obligations that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are due for payment during the current year.

Pension plan

Substantially all full-time employees are members of the State of Kansas Public Employees' Retirement System, which is a cost-sharing multi-employer statewide pension plan. The County's policy is to fund all pension costs determined annually by the system's actuary.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Risk management

The 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 carries commercial insurance for all risks of loss. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three years. During 1993, the County established the Insurance Reserve Fund to cover deductibles and other liabilities related to its risk of loss for these types of risks.

In December 1993, the County established a self-insurance health insurance program (Employee Benefits Plan Fund, an internal service fund) for employees for which it retains risk of loss with certain limitations. The County's retained risk is limited through stop loss insurance coverage carried with a commercial insurance carrier. This policy provides for complete insurance coverage after the County has incurred $100,000 of claims for any individual, in any one plan year, and also limits the County's paid claims to 100% of expected claims computed on a cumulative basis by month for any plan year. All County funds incurring payroll expenditures participate in the program and make payments to the Employee Benefits Plan Fund (which includes employee and employer contributions) based on actuarial estimates of the amounts needed to pay prior and current year claims. The claims liability of $118,369 at December 31, 2021 is based on the requirements of Governmental Accounting Standards Board Statement No. 10 which requires that a liability or claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. Changes in the Fund's claims liability amount for 2020 and 2021 were as follows:

	Beginning of Year Liability	Current Year Claims and Changes in Estimates	Claim Payments	Balance at Year end
2020	66,754	1,910,359	1,861,947	115,166
2021	115,166	1,852,863	1,849,660	118,369

The County reports all other risk management activities in its General Fund. These liabilities would include payments to cover deductibles and other claims not covered through commercial insurance policies for property and liability losses. At December 31, 2021 there were no outstanding liabilities for these types of risks. Changes in the reported liability amount for 2020 and 2021 were as follows:

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

	Beginning of Year Liability	Current Year Claims and Changes in Estimates	Claim Payments	Balance at Year end
2020	$ –	$ –	$ –	$ –
2021	–	–	–	–

At December 31, 2021, General Fund cash and short-term investments of $1,049,749 were held for purposes of funding the County's current accrued liabilities and future claims liabilities. As a result, $1,049,749 of the General Fund balance is committed for payment of future claims liabilities.

Under Kansas budgetary principles, the County accounts for its self-insurance reserve activities in a separate fund, which is not subject to annual budgetary appropriation. However, the financial statements prepared in accordance with generally accepted accounting principles include the County's self-insurance reserve activities in the General Fund.

Deferred Inflows of Resources/Deferred Outflows of Resources

A deferred outflow of resources is the consumption of net position that is applicable to a future reporting period. A deferred inflow of resources is defined as an acquisition of net position applicable to a future reporting period. The County has identified changes in the OPEB and pension liability proportion and differences between expected and actual experience as financial balances that meet the definition of a deferred outflow of resources. In addition, the deferred charges related to the general obligation refunding bond transaction is also identified as a deferred outflow of resources. The County had identified property taxes receivable and pension related items of differences between expected and actual experience, differences between projected and actual investment earnings, change in assumptions and change in pension and OPEB liability proportion as financial balances that meet the definition of deferred inflows of resources.

Equity Classifications

In the government-wide financial statements, equity is reflected as net position and classified into three components:

- Invested in capital assets, net – consisting of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, leases, or other borrowings that are attributable to the acquisitions, construction or improvements of those assets.

- Restricted net position – consisting of net position with constraints placed on their use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

enabling legislation. When an expense is incurred for purposes for which both restricted and unrestricted net position are available, the County's policy is to apply restricted net position first.

- Unrestricted net position – all other net assets that do not meet the definition of "restricted" or "invested in capital assets, net".

As prescribed by Governmental Accounting Standards Board Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, governmental fund balance classifications are based primarily on the extent to which the County is bound to honor constraints on the specific purposes for which amounts in the funds can be expended. In the governmental funds financial statements, equity is classified into potentially five components:

- Nonspendable – Assets that cannot be spent because they are either (1) not in spendable form; or (2) legally or contractually required to be maintained in tact.

- Restricted – Assets with externally imposed constraints such as those mandated by creditors, grantors, and contributors, or laws and regulations. Such constraint is binding unless modified or rescinded by the applicable external body, laws, or regulations.

- Committed – Assets with a purpose formally imposed by resolution by the Board of County Commissioners, binding unless modified or rescinded by the Board of County Commissioners.

- Assigned – Comprised of amounts intended to be used by the County for specific purposes that are neither restricted nor committed. Intent is expressed by (1) the County Commission or (2) a body or official to whom the County Commission has delegated the authority to assign amounts to be used for specific purposes as prescribed by the County's policies. The County Administrator/Financial Manager has been delegated authority to assign amounts for specific purposes within the County's established policies.

- Unassigned – All amounts not included in the other fund balance classifications. The General Fund shall by the only fund to report positive unassigned fund balance. All other governmental funds may report negative unassigned fund balance.

In circumstances when expenditure is made for a purpose for which amounts are available in multiple fund balance classifications, fund balance is depleted in the order of restricted, committed, assigned and unassigned.

The County has no formal fund balance policy to maintain a minimum unrestricted fund balance fund for any County funds.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

2. DEPOSITS AND INVESTMENTS

Deposits and investments

At December 31, 2021 the County had the following investments:

Investment Type	Carrying Amount/ Fair Value	Cost	Weighted Average Months to Maturity	Rating
Kansas Municipal Investment Pool – Overnight	$ 50,377,058	$ 50,377,058	.03	S&P AAAf/S1+

Kansas Statutes Annotated (K.S.A.) 9-1401 establishes the depositories that may be used by governmental entities in Kansas. 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 Federal Depository Insurance Corporation coverage. The County has no other policies that would further limit interest rate risk.

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

Concentration of credit risk

State statutes place no limit on the amount the County 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 allocation of investments as of December 31, 2021, is as follows:

Investment	Percentage of Investments
Kansas Municipal Investment Pool	100%

2. DEPOSITS AND INVESTMENTS (continued)

The Kansas State Treasurer, under the oversight of the Pooled Money Investment Board, manages the Municipal Investment Pool. The Pooled Money Investment Board is comprised of five members, four being appointed by the Governor of the State of Kansas, subject to confirmation by the State Senate, and the fifth member is the State Treasurer. Investments by the State Treasurer of pooled moneys are limited to those investments defined by State statute and each participant's fair value of their position in the pool is the same as their value of the pool shares. The investments with the Kansas Municipal Investment Pool are not subject to pledged security statutes.

Custodial credit risk – deposits

Custodial credit risk for deposits is the risk that in the event of bank failure, the County's deposits may not be returned to the County. State statutes require the County'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, Kansas.

At year-end, the carrying amount of the County's deposits was $8,365,042 with the bank balances of such accounts being $8,600,801. Of the bank balances, $1,772,378 was covered by federal depository insurance and $6,828,423 was covered by collateral held by the County's custodial banks in joint custody in the name of the County and its banks. The fair value of the pledged securities held by the County's custodial banks was $13,063,929 at December 31, 2021.

At year-end the carrying amount of the County's discretely presented component unit deposits were $321,154 with the bank balance of such accounts being $322,617. Of the bank balance, $250,000 was covered by federal depository insurance resulting in $72,617 being unsecured.

Custodial credit risk – investments

For an investment, this is the risk that, in the event of failure of the issuer or counterparty, the County will not be able to recover the value of its investments or collateral securities that are in possession of an outside party. State statutes require investments to be adequately secured.

At December 31, 2021, the County had invested $50,377,058 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 moneys 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.

2. DEPOSITS AND INVESTMENTS (continued)

A reconciliation of cash and investments as reported in the financial statements at December 31, 2021 is as follows:

Cash on hand	$ 3,085
Carrying amount of deposits – primary government	8,365,042
Carrying amount of deposits – component unit	321,154
Carrying amount of investments – primary government	50,377,058
Total	$ 59,066,339
Amounts per statement of net position:	
Cash and investments – primary government	$ 20,027,052
Cash and investments – component unit	321,154
Cash and investments held in fiduciary funds	38,718,133
Total	$ 59,066,339

3. CAPITAL ASSETS

A summary of changes in capital assets of the County for the year ended December 31, 2021 is as follows:

	Balance January 1, 2021	Additions	Deletions	Balance December 31, 2021
Governmental Activities:				
Capital assets not being depreciated:				
Land	$ 1,885,269	$ –	$ 5,000	$ 1,880,269
Intangibles	614,107	–	–	614,107
Construction work in progress	7,780,755	–	7,780,755	–
Total assets not being depreciated	10,280,131	–	7,785,755	2,494,376

3. CAPITAL ASSETS (continued)

	Balance January 1, 2021	Additions	Deletions	Balance December 31, 2021
Capital assets being depreciated:				
Buildings	$ 7,779,888	$ –	$ 116,738	$ 7,663,150
Improvements other than buildings	5,192,057	–	291,080	4,900,977
Infrastructure	90,018,690	3,351,829	2,558,824	90,811,995
Machinery and equipment	15,304,986	8,165,615	809,399	22,661,202
Total capital assets being depreciated	118,295,621	11,517,444	3,659,303	126,037,324
Less accumulated depreciation for:				
Buildings	5,343,317	193,209	88,330	5,448,196
Improvements other than buildings	3,483,589	155,959	248,896	3,390,652
Infrastructure	53,278,610	2,596,313	2,557,721	53,677,202
Machinery and equipment	12,392,633	1,320,261	795,987	12,916,907
Total accumulated depreciation	74,498,149	4,265,742	3,690,934	75,432,957
Total capital assets being depreciated, net	43,797,472	7,251,702	(31,631)	50,604,367
Governmental activities capital assets, net	$ 54,077,603	$ 7,251,702	$ 7,754,124	$ 53,098,743

Depreciation expense was charged to function/programs of the primary government as follows:

General government	$ 291,221
Public safety	823,038
Highways and streets, including infrastructure	3,444,357
Health and sanitation	32,425
Culture and recreation	7,310
Environmental protection	27,391
Total depreciation expense – governmental activities	$ 4,625,742

4. LONG-TERM DEBT

The following is a summary of changes in long-term debt of the County for the year ended December 31, 2021:

	Outstanding January 1, 2021	Additions	Deletions	Outstanding December 31, 2021	Due Within One Year
Governmental Activities:					
General obligation bonds	$ 2,845,000	$ –	$ 235,000	$ 2,610,000	$ 235,000
Premium on general obligation bonds	205,022	–	29,649	175,371	27,133
Enhanced 911 System lease	2,422,909	–	2,422,909	–	–
Net pension liability	7,517,401	–	2,315,063	5,202,338	–
Compensated absences	816,143	642,856	651,494	807,505	644,631
Governmental Activities:					
Other postemployment Benefits-Disability	177,368	6,087	3,505	174,786	–
Other postemployment Benefits-Health Insurance	840,981	–	68,513	909,494	–
	$ 14,824,824	$ 648,943	$ 5,726,136	$9,879,494	$ 906,764

General obligation bonds

General obligation bonds are serial bonds to be retired through calendar year 2033. At December 31, 2021 the bonds consist of the following:

	Interest rates	Bonds outstanding
General Obligation Refunding Bonds, Series 2016	2.00 – 3.00%	$ 2,610,000

Remaining debt service requirements for general obligation bonds will be paid from the debt service fund with future property tax revenues and special assessment taxes. Annual debt service requirements to maturity for general obligation bonds are as follows:

Year	Principal	Interest	Total
2022	$ 235,000	$ 78,300	$ 313,300
2023	245,000	71,250	316,250
2024	190,000	63,900	253,900
2025	200,000	58,200	258,200
2026	200,000	52,200	252,200
2027	210,000	46,200	256,200
2028	215,000	39,900	254,900
2029	210,000	33,450	243,450
2030	215,000	27,150	242,150
2031	220,000	20,700	240,700
2032	230,000	14,100	244,100
2033	240,000	7,200	247,200
	$ 2,610,000	$ 512,550	$ 3,122,550

4. LONG-TERM DEBT (continued)

During 2013, the County issued $7,050,000 of General Obligation Refunding and Improvement Bonds, Series 2013 bearing interest from 2.00% to 4.00% to provide permanent financing for the solid waste landfill project ($5,155,000) and to advance refund the County's outstanding General Obligation Refunding Bonds, Series 2004 bonds maturing in 2014 and thereafter ($1,895,000). The Series 2013 bonds, maturing on August 1, 2021 and thereafter, may be called for redemption and payment prior to their stated maturity on August 1, 2020, and thereafter as a whole or in part, at any time, at a redemption price equal to the principal amount thereof plus accrued interest thereon to the date established for such redemption.

During 2016, the County issued $2,900,000 of General Obligation Refunding Bonds, Series 2016 bearing interest from 2.00% to 3.00% to advance refund the County's outstanding General Obligation Refunding and Improvement Bonds, Series 2013 maturing in 2021 and thereafter ($2,735,000). The Series 2016 Bonds, maturing on August 1, 2028, and thereafter, may be called for redemption and payment prior to their stated maturity on August 1, 2028, and thereafter as a whole or in part, at any time, at a redemption price equal to the principal amount thereof plus accrued interest thereon to the date established for such redemption.

Applicable State statutes limit the outstanding bonded indebtedness of the County to 3% of the assessed value of all tangible taxable property within the County. At December 31, 2021, the County's legal debt margin was $16,092,389.

Lease purchase agreement

In 2019 the County entered into a lease purchase agreement for financing an enhanced 911 System. The lease was fully retired in March 2021.

Net pension liability

The net pension liability is principally liquidated from the County's Employee Benefits Fund.

Compensated absences

Compensated absences are to be paid from various funds in the same proportion that those funds pay payroll costs. The County's projected liability for compensated absences at December 31, 2021 is $807,505, of which 58% is assignable to the General Fund, 26% to the Public Works Fund and 16% to other nonmajor funds.

Other postemployment benefits

The other postemployment benefit obligation is principally liquidated from the Employee Benefits Fund.

4. LONG-TERM DEBT (continued)

Conduit debt

The County has issued limited obligation bonds for the purpose of financing capital activities of unrelated third parties. Although conduit debt obligations bear the name of the County, they are payable solely from resources provided by leases or loans with the third parties on whose behalf they were issued. The bonds do not constitute an indebtedness or pledge of the faith or credit of McPherson County, and accordingly, are not included as liabilities in the accompanying financial statements. The following is a summary of conduit debt transactions for the year ended December 31, 2021:

	Outstanding January 1, 2021	Additions	Deletions	Outstanding December 31, 2021
McPherson County, Kansas Taxable Industrial Revenue Bonds, Series 2011 – Mid-Kansas Cooperative Association	$ 5,000,000	$ –	$ –	$ 5,000,000
McPherson County, Kansas Taxable Industrial Revenue Bonds, Series 2014 – Producer AG, LLC	22,000,000	–	–	22,000,000
McPherson County, Kansas Taxable Industrial Revenue Bonds, Series 2015 A – Prairieland Partners	4,633,678	–	630,540	4,003,138
McPherson County, Kansas Taxable Industrial Revenue Bonds, Series 2015 B – Prairieland Partners	3,000,000	–	–	3,000,000
McPherson County, Kansas Taxable Industrial Revenue Bonds, Series 2016 – Producer AG, LLC	14,000,000	–	–	14,000,000
	$ 48,633,678	$ –	$ 630,540	$ 48,003,138

5. INTERFUND TRANSFERS

Interfund transfers reflect the flow of resources from one fund to another fund, generally from the fund in which the resources are received or reside to the fund in which the resources will be expended. A summary of 2021 interfund transfers by individual fund is as follows:

5. INTERFUND TRANSFERS (continued)

	Transfers In	Transfers Out
General	$ 6,482	$ 4,175,000
Total transfers for major funds	6,482	4,175,000
Nonmajor Governmental Funds:		
Motor Vehicle Department	–	6,482
Capital Improvement Reserve	2,000,000	–
Capital Equipment Reserve	1,350,000	–
E911 Capital Reserve	825,000	–
Noxious Weeds Capital Reserve	48,000	–
Noxious Weeds	–	48,000
Total transfers for nonmajor governmental funds	4,223,000	54,482
Total transfers	$ 4,229,482	$ 4,229,482

The transfers from the Motor Vehicle Department Fund to General Funds are non-routine transfers to nonmajor governmental funds to increase reserves for anticipated future improvements and equipment replacement costs to be incurred in the respective reserve funds

6. PENSION PLAN

Plan description

The County participates in the Kansas Public Employees Retirement System, a cost sharing multiple employer defined benefit pension plan. The Pension Plan is administered by the Kansas Public Employees Retirement System (KPERS), a body corporate and an instrumentality of the State of Kansas. KPERS provides benefit provisions to the following statewide pension groups under one plan, as provided by K.S.A. 74-4901 *et. seq.*:

- Public employees, which includes:
  - State/School employees
  - Local employees
- Police and Firemen
- Judges

Substantially all public employees in Kansas are covered by the Pension Plan. The State of Kansas and Kansas schools are required to participate, while participation by local political subdivisions is optional, but irrevocable once elected.

6. PENSION PLAN (continued)

Those employees participating in the Pension Plan for the County are included in the local employees group.

KPERS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to KPERS, 611 S. Kansas Avenue, Suite 100, Topeka, Kansas 66603-3803, by calling 1-888-275-5737 or via KPERS website at www.kpers.org

Benefits provided

Benefits are established by statute and may only be changed by the Legislature. KPERS provides retirement benefits, life insurance, disability income benefits and death benefits. Members (except Police and Firemen) with ten or more years of credited service may retire as early as age 55 (Police and Firemen may be age 50 with 20 years of credited service), with an actuarially reduced monthly benefit. Normal retirement is at age 65, age 62 with tens years of credited service, or whenever a member's combined age and years of credited service equal 85 "points" (Police and Firemen normal retirement ages are age 60 with 15 years of credited service, age 55 with 20 years, age 50 with 25 years, or any age with 36 years of service).

Monthly retirement benefits are based on a statutory formula that includes final average salary and years of service. When ending employment, members may withdraw their contributions from their individual accounts, including interest. Members who withdraw their accumulated contributions lose all rights and privileges of membership. For all pension coverage groups, the accumulated contributions and interest are deposited into and disbursed from the membership accumulated reserve fund as established by K.S.A. 74-4922.

Members choose one of seven payment options for their monthly retirement benefits. At retirement a member may receive a lump-sum payment of up to 50% of the actuarial present value of the member's lifetime benefit. His or her monthly retirement benefit is then permanently reduced based on the amount of the lump sum. Benefit increases, including ad hoc post-retirement benefit increases, must be passed into law by the Kansas legislature. Benefit increases are under the authority of the Legislature and the Governor of the State of Kansas.

The 2012 Legislature made changes affecting new hires, current members and employers. A new KPERS 3 cash balance retirement plan for new hires starting January 1, 2015, was created. Normal retirement age for KPERS 3 is 65 with five years of service or 60 with 30 years of service. Early retirement is available at age 55 with ten years of service, with a reduced benefit. Monthly benefit options are an annuity benefit based on the account balance at retirement.

For all pension coverage groups, the retirement benefits are disbursed from the retirement benefit payment reserve fund as established by K.S.A. 74-4922.

6. PENSION PLAN (continued)

Contributions

Member contributions are established by state law, and are paid by the employee according to the provisions of Section 414(h) of the Internal Revenue Code. State law provides that the employer contribution rates are determined based on the results of an annual actuarial valuation for each of the three state wide pension groups. The contributions and assets of all groups are deposited in the Kansas Public Employees Retirement Fund established by K.S.A. 74-4921. All of the retirement systems are funded on an actuarial reserve basis.

For fiscal years beginning in 1995, Kansas legislation established statutory limits on increases in contribution rates for KPERS employers, which includes the state and school employers. Annual increases in the employer contribution rates related to subsequent benefit enhancements are not subject to these limitations. The statutory cap increase over the prior year contribution rate is 1.2% of total payroll.

The actuarially determined employer contribution rates and the statutory contribution rates are as follows:

	Actuarial Employer Rate	Statutory Employer Capped Rate
State employees	9.49%	14.23%
School employees	15.59	14.23
State/School employees (combined rate) (1)	14.23	14.23
Local government employees	8.87	8.87
Police and Firemen	22.80	22.80
Judges	17.26	17.26

(1) The State/School subgroups are combined into one group for purposes of determining a contribution rate.

Rates shown for KPERS State, School and Judges represent the rates for the fiscal year ending June 30. KPERS Local and KP&F rates are reported for the calendar year.

Member contribution rates as a percentage of eligible compensation in fiscal year 2021 are 6.00% for Public Employees, 7.15% for Police and Firemen, and 6.00% or 2.00% for Judges.

Employer and nonemployer allocations

Although KPERS administers one cost sharing multiple employer defined benefit pension plan, separate (sub) actuarial valuations are prepared to determine the actuarial determined contribution rate by group. Following this method, the measurement of the collective net pension liability, deferred outflows of resources, deferred inflows of resources and pension expense are determined separately for each of the following groups of the plan:

6. PENSION PLAN (continued)

- State/School
- Local
- Police and Firemen
- Judges

To facilitate the separate (sub) actuarial valuations, KPERS maintains separate accounts to identify additions, deductions and fiduciary net position applicable to each group. The allocation percentages for each group at June 30, 2021, are based on the ratio of each employer's contributions to total employer and nonemployer contributions of the group for the fiscal year ended June 30, 2021. The contributions used exclude contributions made for prior service, excess benefits and irregular payments. At June 30, 2021, the County's proportion was 0.433544%, which was a decrease of 0.000072% from its proportion measured at June 30, 2020.

Pension liabilities, pension expense, and deferred outflows of resources and deferred inflows of resources related to pensions

At December 31, 2021, the County reported a liability of $5,202,338 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

For the year ended December 31, 2021, the County recognized pension expense of $746,021. At December 31, 2021 the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
County contributions subsequent to the measurement date	$ 405,344	$ –
Differences between expected and actual experience	205,348	47,105
Net difference between projected and actual earnings on pension plan investments	–	1,847,336
Changes in assumptions	1,024,086	–
Changes in proportion	103,317	66,737
Total	$ 1,738,095	$ 1,961,178

The County reported $ 405,344 as deferred outflows of resources related to pensions resulting from the County's contributions subsequent to the measurement date, which will be recognized as a reduction of the net pension liability in the year ended December 31, 2021. Other amounts reported as deferred outflows or (deferred inflows) of resources and related to pensions will be recognized in pension expense as follows:

6. PENSION PLAN (continued)

Year ending June 30,	Amount
2022	$ (74,851)
2023	(72,076)
2024	(89,121)
2025	(428,741)
2026	36,362
Thereafter	–

Actuarial assumptions

The total pension liability was determined by an actuarial valuation as of December 31, 2020, which was rolled forward to June 30, 2021, using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Cost Method	Entry age normal
Inflation	2.75 percent
Salary Increases	3.50 to 12.00 percent, including price inflation
Investment Rate of Return	7.25 percent compounded annually, net of investment expense, including price inflation

Mortality rates were based on the RP-2014 Mortality Tables, with age setbacks and age set forwards as well as other adjustments based on different membership groups. Future mortality improvements are anticipated using Scale MP-2016. Different adjustments apply to pre-retirement versus post-retirement versus post-disability mortality tables.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class as of the most recent experience study, dated January 7, 2020, as provided by KPERS' investment consultant, are summarized in the following table:

6. PENSION PLAN (continued)

Asset Class	Long-Term Target Allocation	Long-Term Expected Real Rate of Return
U.S. equities	23.50%	5.20%
Non-U.S. equities	23.50	6.40
Private Equity	8.00	9.50
Private Real estate	11.00	4.45
Yield driven	8.00	4.70
Real return	11.00	3.25
Fixed income	11.00	1.55
Short-Term Investments	4.00	0.25
Total	100.00%	

Discount rate

The discount rate used to measure the total pension liability at the measurement date of June 30, 2021 was 7.25 percent. The discount rate used to measure the pension liability at the prior measurement date of June 30, 2020 was 7.50 percent. The actuarial assumptions used in the calculation of the total pension liability were based on the results of the most recent actuarial experience study which covered the three-year period of January 1, 2016 through December 31, 2018 and was dated January 7, 2020.

The projection of cash flows used to determine the discount rate was based on member and employer contributions. In KPERS, the State/School and Local groups do not necessarily contribute the full actuarial determined rate. Based on legislation first passed in 1993 and subsequent legislation, the employer contribution rates certified by the Board may not increase by more than the statuary cap. The statutory cap for Fiscal Year 2021 was 1.2 percent.

In recent years, the Legislature has made several changes to statutory rates that deviate from the scheduled contribution increases set under the caps established in 2012 for the State/School group. Under 2015 SB 4, the previously certified State/School statutory rate for Fiscal Year 2015 of 11.27 percent was reduced to 8.65 percent for the last half of the fiscal year as part of the Governor's allotment. That same session, SB 228 recertified statutory rates for the State/School group to 10.91 percent for Fiscal Year 2016 and 10.81 percent for Fiscal Year 2017 in anticipation of the issuance of $1 billion in pension obligation bonds. Legislation in 2016 session (SB161) provided for the delay of up to $100 million in State and School contributions to the Pension Plan. Legislation passed by the 2017 Legislature removed the repayment provisions included in SB 161.

In addition, 2017 Senate Sub for Sub HB 2052 delayed $64.1 million in Fiscal Year 2017 State/School contributions, to be repaid over 20 years in level dollar installments. The first

6. PENSION PLAN (continued)

payment of $6.4 million was paid in full at the beginning of Fiscal Year 2019, and appropriations for Fiscal Year 2019 were made at the statutory contribution rate of 12.01 percent for the State/School group. Additional legislation in the 2017 Session (Senate Sub for HB 2002) provided for a reduction of $194 million from the previously certified contribution rate of 13.21 percent in the State/School contributions for Fiscal Year 2019. Like the Fiscal Year 2017 reduction, it is to be paid back over a 20-year period, beginning in Fiscal Year 2020. Therefore, both reductions will be accounted for as long-term receivables by the Pension Plan. The 2019 Legislature passed House Sub for Sen Bill 109, which directed on-behalf payments of $56 million and $82 million be made to the System. The $56 million payment was received by the System on June 30, 2018, and recorded as Fiscal Year 2018 contributions. The $82 million was received July 1, 2019, and was recorded as Fiscal Year 2019 contributions. The 2019 Legislative session passed Senate Bill 9 which authorized a transfer of $115 million to KPERS, received in March 2020. House Sub for Senate Bill 25 from the 2019 Legislative session authorized additional funding for the KPERS School group in Fiscal Year 2020 of $51 million.

Based on employer contribution history as described above, it is a reasonable estimate that the State/School group's contribution rate may not be certified at the statutory rate. It has been assumed that contribution rates will be made within the same range as have been seen in the past few years, between 11 to 12 percent. Using this assumption actuarial modeling indicates that employer contribution rates for the State/School group are sufficient to avoid a depletion date.

The Local, Kansas Police and Firemen, and Judges groups are contributing at the full actuarial contribution rate.

Sensitivity of the net pension liability to changes in the discount rate

The following table presents the net pension liability of the Pension Plan as of June 30, 2021 calculated using the discount rate of 7.25%, as well as what the Pension Plan's net pension liability would be if it were calculated using a discount rate that is 1 percentage-point lower (6.25%) or 1 percentage-point higher (8.25%) than the current rate:

	June 30, 2021		
	1.00% Decrease (6.25%)	Current Discount Rate (7.25%)	1.00% Increase (8.25%)
Net pension liability	$8,557,341	$5,202,338	$2,388,743

7. OPERATING LEASES

On July 1, 1999, the County purchased an office building located adjacent to the County Courthouse. Certain individuals and organizations rent space in the building on a month-to-month lease arrangement. Total lease rentals from the facility during 2021 were $10,625.

8. JOINT VENTURES

McPherson Area Solid Waste Utility

Effective July 17, 1991, the County entered into an interlocal agreement, authorized by State statutes, with the eight cities located within McPherson County to form the McPherson Area Solid Waste Utility (the Utility). 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 countywide 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 all Members. The Utility is managed by a Board of Directors consisting of 3 Directors. The Directors are selected by the governing bodies of the Members, except that one Director is selected by the small cities within the County. Representation on the Board of Directors is as follows: City of McPherson – 1 Director; McPherson County – 1 Director; and Small Cities – 1 Director.

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 placed in escrow 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 its Board of Directors takes such action. In addition, no Member shall be permitted to withdraw for twenty years or such sooner time unless provision has been 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. As discussed in Note 4, the County has provided the 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 audited financial information of the McPherson Area Solid Waste Utility as of and for the year ended December 31, 2021 is as follows:

8. JOINT VENTURES (continued)

Total assets and deferred outflows of resources	$ 17,950,243
Total liabilities and deferred inflows of resources	7,358,631
Total net position	10,591,612
Total revenue	7,582,721
Total expenses	6,483,069
Increase in net position	1,099,652

Complete financial statements for the McPherson Area Solid Waste Utility may be obtained from the administrative offices of the entity at 1431 17th Avenue, McPherson, Kansas 67460.

McPherson Airport Authority

The McPherson Airport Authority (Authority) is comprised of 5 members with 2 appointed by the Board of County Commissioners, 2 appointed by the McPherson City Commission and 1 appointed at-large by the other four members. 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 and McPherson County provide their funding through each entity's General Fund. The Authority does not have bonded indebtedness authority however; either entity may issue general obligation bonds on behalf of the Authority, subject to approval by the qualified electors of the issuing entity. Currently, there is no outstanding indebtedness of either entity for the Authority. The Authority provides for the fiscal management and the day-to-day operations of the airport. Title to certain of the airport property is held by the City of McPherson, McPherson County and also by the McPherson Airport Authority. The County has capitalized its investment in the facility, which is reflected in the statement of net position, in the amount of $3,573,237. Those capital assets include assets not being depreciated of $657,000 and assets being depreciated of $2,916,237, which has accumulated depreciation of $1,998,417 at December 31, 2021. Complete financial information for the McPherson Airport Authority may be obtained from the administrative offices of the City of McPherson, 400 East Kansas, McPherson, Kansas 67460.

9. OTHER POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS

Health Insurance

Plan Description, Benefits Provided and Contributions

The County sponsors a single-employer defined benefit healthcare plan that provides healthcare benefits, including medical and dental, to retirees. Retiree health coverage is provided for under K.S.A. 12-5040. Employees who retire with at least 10 years of cumulative service with the County and commence retirement or disability benefits under the Kansas Public Employee Retirement System (KPERS) are eligible for benefits. The funding policy of the County is to pay benefits through its self-insured Employee Benefits Plan Fund.

County retirees pay the same premiums charged to current employees for medical and dental coverage. The rates being paid by retirees for benefits are typically lower than those for individual health insurance policies. The difference between these two amounts is the implicit rate subsidy, which is considered other post employment benefits (OPEB) under Governmental Accounting Standards Board Statement No. 75 (GASB Statement No. 75). No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement 75. The plan does not issue a standalone financial report.

Retirees and spouses have the same benefit as active employees. Retiree coverage terminates either when the retiree becomes covered under another employer health plan, or when the retiree reaches the Medicare eligibility age, which is currently age 65. Spousal coverage is available until the retiree becomes covered under another employer health plan, attains Medicare eligibility age, or dies.

Funding Policy

The contributions of the plan members and the County are established and may be amended by the County Commission. The required contribution is based on pay-as-you-go financing requirements, with an additional amount to prefund benefits as determined annually. County retirees pay 100% of their healthcare premiums; the County is not required to share costs of retiree premiums.

The County's contributions to the plan for the year ended December 31, 2021 were $1,446,692, of which 85% was paid from the Employee Benefits Fund and 15% from other nonmajor funds.

Employees covered by benefit terms

As of the valuation date of December 31, 2021, the following employees were covered by the benefit terms:

Active employees	166
Retired participants medical	1
Total	167

9. OTHER POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (continued)

Total OPEB liability

The County's total OPEB liability of $909,494 was measured as of December 31, 2021, and was determined by an actuarial valuation as of December 31, 2021.

Actuarial assumptions and other inputs

The total OPEB liability in the December 31, 2021 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all period included measurement, unless otherwise noted:

Price inflation	– 3.00 percent
Discount rate	– 2.25 percent
Salary increases	– 3.00 percent (as selected by the County)
Actuarial cost method	– Entry Age Normal
Healthcare cost trend rates:	
Current rate	– 8.00 percent
Ultimate rate	– 5.00 percent
Year ultimate rate reached	– 2027

The discount rate was based on the S & P AA Municipal Bond Index.

Mortality rates were based on the PUB-2010 mortality tables with MP-2021 projection.

Changes in the total OPEB liability

	Total OPEB Liability
Changes for the year:	
Service cost	$ 98,579
Interest cost	16,166
Differences between expected and actual experience	(14,164)
Changes in assumptions	(25,377)
Benefit payments	(6,691)
Net changes	68,513
Net OPEB liability at beginning of year	840,981
Net OPEB liability at end of year	$ 909,494

9. OTHER POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (continued)

Sensitivity of the total OPEB liability to changes in the discount rate

The following presents the total OPEB liability of the County, as well as what the County's total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (1.25 percent) or 1 percentage point higher (3.25 percent) than the current discount rate:

	1.00% Decrease (1.25%)	Current Discount Rate (2.25%)	1.00% Increase (3.25%)
County's total OPEB liability	$ 990,540	$ 909,494	$ 834,367

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates

The following presents the total OPEB liability of the County, as well as what the County's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1 percentage point lower or 1 percentage point higher than the current trend rates.

	1.00% Decrease	Current Trend Assumption	1.00% Increase
County's total OPEB liability	$ 798,505	$ 909,494	$1,042,811

OPEB expense and deferred outflows of resources and deferred inflows of resources related to OPEB

For the year ended December 31, 2021, the County recognized OPEB expense of $85,969. At December 31, 2021 the County reported deferred outflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ –	$ 22,205
Changes in assumptions	17,142	12,393
Total	$ 17,142	$ 34,598

9. OTHER POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (continued)

Other amounts reported as deferred outflows of resources and deferred outflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ending December 31,	Amount
2022	(3,514)
2023	(3,514)
2024	(3,514)
2025	(3,514)
2026	(3,514)
2027 and thereafter	114

KPERS Death and Disability OPEB Plan

Plan description

The County participates in an agent multiple-employer defined benefit other postemployment benefit (OPEB) plan which is administered by KPERS. The Plan provides long-term disability benefits and life insurance benefits for disabled members to KPERS members, as provided by K.S.A. 74-04927. The Plan is administered through a trust held by KPERS that is funded to pay annual benefit payments. Because the trust's assets are used to pay employee benefits other than OPEB, no assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75. Accordingly, the Plan is considered to be administered on a pay-as-you go basis. There is no stand-alone financial report for the Plan.

Benefits provided

Benefits are established by statute and may be amended by the KPERS Board of Trustees. The Plan provides long-term disability benefits equal to 60% (prior to January 1, 2006, 66 2/3%) of annual compensation, offset by other benefits. Members receiving long-term disability benefits also receive credit towards their KPERS retirement benefits and have their group life insurance coverage continued under the waiver premium provision.

Long-term disability benefit

Monthly benefit is 60% of the member's monthly compensation, with a minimum of $100 and a maximum of $5,000. The monthly benefit is subject to reduction by deductible sources of income, which include Social Security primary disability or retirement benefits, worker's compensation benefits, other disability benefits from any other source by reason of employment, and earnings from any form of employment. If the disability begins before age 60, benefits are payable while disability continues until the member's 65th birthday or retirement date, whichever occurs first. If the disability occurs after age 60, benefits are payable while disability continues, for a period of 5 years or until the member retires, whichever occurs first. Benefit payments for disabilities caused or contributed to by substance abuse or non-biologically based mental illnesses are limited to the term of the disability or 24 months per lifetime, whichever is less. There are no automatic cost-of-living increase provisions. KPERS has the authority to implement an ad hoc cost-of-living increase.

9. OTHER POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (continued)

Group waiver of premium benefit

Upon the death of an employee who is receiving monthly disability benefits, the plan will pay a lump-sum benefit to eligible beneficiaries. The benefit amount will be 150% of the greater of the member's annual rate of compensation at the time of the disability or the member's previous 12 months of compensation at the time of the last date of payroll. If the member has been disabled for 5 or more years, the annual compensation or salary rate at the time of death will be indexed using the consumer price index before the life insurance benefit is computed. The indexing is based on the consumer price index, less one percentage point, to compute the death benefit. If a member is diagnosed as terminally ill with a life expectancy of 12 months or less, the member may be eligible to receive up to 100% of the death benefits rather than having the benefit paid to the beneficiary. If a member retires or disability benefits end, the member may convert the group life insurance coverage to an individual life insurance plan.

Members covered by benefit terms

As of the valuation date of December 31, 2020, the following employees were covered by the benefit terms:

Active employees	168
Disabled members	0
Total	168

Total OPEB liability

The County's total OPEB liability of $174,786 was measured as of June 30, 2021, and was determined by an actuarial valuation as of December 31, 2020.

Actuarial assumptions and other inputs

The total OPEB liability in the December 31, 2020 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all period included measurement, unless otherwise noted:

Price inflation	– 2.75 percent
Payroll growth	– 3.00 percent
Discount rate *	– 2.16 percent
Salary increases	– 3.50 percent (composed of 2.75 percent inflation and .75 percent productivity)
Actuarial cost method	– Entry Age Normal
Healthcare cost trend rates	– Not applicable for the coverage in this plan
Retiree share of benefit cost	– Not applicable for the coverage in this plan

* - The discount rate was based on the Bond Buyer General Obligation 20-Bond Municipal Index.

9. OTHER POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (continued)

Mortality rates were based on the RP-2014 Mortality tables, as appropriate, with adjustments for mortality improvements based on Scale MP-2021.

The actuarial assumptions used in the December 31, 2020 valuation were based on an actuarial experience study for the period July 1, 2016 – June 30, 2018. Other demographic assumptions are set to be consistent with the actuarial assumptions reflected in the December 31, 2020 KPERS pension valuation.

Changes and items of impact relative to the prior valuation were as follows.

1. The discount rate was updated in accordance with the requirements of GASB 75.

2. The mortality projection scale was updated to the most recent table published by the Society of Actuaries.

Changes in the total OPEB liability

	Total OPEB Liability
Changes for the year:	
Service cost	$ 31,602
Interest cost	4,579
Effect of economic/demographic gains or losses	(35,582)
Effect of assumptions changes or inputs	324
Benefit payments	(3,505)
Net changes	(2,582)
Net OPEB liability at beginning of year	177,368
Net OPEB liability at end of year	$ 174,786

Changes in assumptions

Changes in assumptions and other inputs reflect the effects of changes in the discount rate for each period. The discount rate decreased from 2.21% on June 30, 2020 to 2.16% on June 30, 2021.

9. OTHER POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (continued)

Sensitivity of the total OPEB liability to changes in the discount rate

The following presents the total OPEB liability of the County, as well as what the County's total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (1.16%) or 1 percentage point higher (3.16%) than the current discount rate:

	1.00% Decrease (1.16%)	Current Discount Rate (2.16%)	1.00% Increase (3.16%)
County's total OPEB liability	$ 180,543	$ 174,786	$167,917

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates

The following presents the total OPEB liability of the County, as well as what the County's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1 percentage point lower or 1 percentage point higher than the current trend rates. The reader should note that healthcare trend rates do not affect the liabilities related to the long-term disability benefits sponsored by KPERS, but this exhibit is provided as it is a required disclosure under GASB Statement No. 75.

	1.00% Decrease	Current Trend Assumption	1.00% Increase
County's total OPEB liability	$ 174,786	$ 174,786	$ 174,786

OPEB expense and deferred outflows of resources and deferred inflows of resources related to OPEB

For the year ended December 31, 2021, the County recognized OPEB expense of $66,012. At December 31, 2021 the County reported deferred outflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ –	$ (92,619)
Changes in assumptions	11,759	(3,369)
Contributions subsequent to the measurement date	–	–
Total	$ 11,759	$ (95,988)

9. OTHER POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (continued)

The deferred outflow of resources related to the benefit payments subsequent to the measurement date totaling $-0- consist of payments made to KPERS for benefits and administrative costs, and will be recognized as a reduction in the total OPEB liability during the year ended December 31, 2021. Other amounts reported as deferred outflows of resources and deferred outflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ending December 31,	Amount
2022	(11,844)
2023	(11,844)
2024	(11,844)
2025	(11,844)
2026	(11,699)
2027 and thereafter	(25,154)

10. ADVANCE REFUNDING

On July 26, 2016, the County entered into an advance refunding transaction whereby it issued $2,900,000 of General Obligation Refunding Bonds, Series 2016, with interest rates from 2.00% to 3.00%, to advance refund $2,735,000 of outstanding General Obligation Refunding and Improvement Bonds, Series 2013 with interest rates from 3.00% to 4.00%. Proceeds from the Series 2016 Bonds, including the net premium received thereon, in the amount of $240,108, were placed in an irrevocable trust with the County's escrow paying agent, the Security Bank of Kansas City, Kansas City, Kansas, to provide for the principal amount and interest to the call date, August 1, 2020, to advance refund the General Obligation Refunding and Improvement Bonds, Series 2013 maturing on August 1, 2021 to August 1, 2033.

The County entered into the refunding transaction for the Series 2016 General Obligation Refunding Bonds to reduce its total debt service payments over the next 13 years by $120,669 and to obtain an economic gain (difference between the present values of the debt service payments on the old and new debt) of $110,487.

In the current year, the County implemented Governmental Accounting Standards Board (GASB) Statement No. 77, *Tax Abatement Disclosures*. The objective of GASB Statement No. 77 is to improve financial reporting by giving financial statement users essential information regarding the nature and magnitude of tax abatements.

McPherson County issues two types of tax abatements: (1) Economic Development Tax Exemption (EDX) and (2) Industrial Revenue Bond Exemption (IRB). EDX authority is given to local units of government in Article II, Section 13 of the Kansas Constitution. IRB exemptions authority is K.S.A. 12-1740 et. seq. Eligible properties for economic development tax exemptions are new or existing business engaged in manufacturing

11. TAX ABATEMENTS

articles of commence, conducting research and development, or storing goods or commodities which are sold or traded in interstate commerce.

The County's Tax Exemption Policy allows tax abatements that meet the guidelines for EDX and IRB tax exemptions under Kansas law. The County considers granting an exemption incentive upon a clear and factual showing of direct economic benefit to the County or City in which the property is located. Factors considered in determining the amount and term of a tax exemption incentive include, but not limited to: increased employment and earnings, additional revenues from new or expanded business, types of jobs created, degree to which the business improves diversification of the economy, potential for future expansion and additional job creation, utilization of local products or materials in manufacturing and the additional direct and indirect public costs for additional infrastructure. All applications require a Cost Benefit Analysis per Kansas regulations, which can be prepared by an independent consultant or Kansas Department of Commerce.

The business is required to report any change in ownership of exempt assets which requires a new application for property tax exemption.

There is an annual requirement that the business submit an Annual Claim for Exemption from Property Taxation form with the County Appraiser. The annual review of the business report by the County is to ensure that the ownership and use of the property and any other qualifying criteria of the business for the tax exemption incentive shall continue to exist.

All applications and records pertaining to a property tax exemption request shall be subject to the provisions of the Kansas Open Records Act. Any business records or information eligible to remain confidential will be kept confidential only if requested by the applicant.

The County has no provisions to recapture abated taxes if the business does not meet initial new employment or salary estimates used in the preparation of the initial Cost Benefit Analysis. If the use changes to another qualifying use the annual tax abatement will most likely continue following review of the Annual Claim for Exemption Form. The tax abatement incentive is cancelled for any business that ceases to operate or no longer is considered an eligible property.

Property tax incentives issued by McPherson County are abated based on the new or expanded costs of improvements at 100% of the cost of the improvements. Per Kansas law, machinery and equipment placed in use by a business after June 30, 2006 is exempt from ad valorem taxes.

The County has made no commitments others than reduced taxes to business receiving tax abatement incentives.

McPherson County negotiates property tax abatement agreements on an individual basis. The abated taxes reflect the amounts that would have been levied on behalf of the County on the 2020 tax roll to fund expenditures during the calendar year 2021were it not for an exemption.

11. TAX ABATEMENTS (continued)

A summary of economic development tax abatements for 2021 is as follows:

Location of Exempt Property	Amount
IRB Tax Abatements:	
County	$ 360,486
Cities	26,006
Total IRB Abated Taxes	386,492
EDX Tax Abatements:	
County	591,814
Cities	48,854
Total EDX Abated Taxes	640,668
RHID Tax Abatements:	
Cities	291,816
Total abatements	$1,318,976

12. COMMITMENTS AND CONTINGENCIES

Landfill

The McPherson Area Solid Waste Utility (the Utility), of which McPherson County is a member (Note 8), is subject to State and federal laws and regulations which require the Utility to place a final cover on the present landfill site when it discontinues accepting waste and to perform certain maintenance and monitoring functions at the site for thirty years after closure. The Utility is responsible for operating and other costs including closure and post closure costs while it is in existence. At December 31, 2021, the Utility has accrued $2,161,402 for closure and post-closure costs. The municipal solid waste landfill operations were suspended during 2001 with the final closure of this portion of the landfill being completed during 2002. The Kansas Department of Health and Environment (KDHE) has approved the County's new Subtitle D landfill facility with one active cell being opened during 2014.

Regulations require that the Utility demonstrate financial strength of local governments (members) by financial test, or the substitution of a trust fund, letter of credit, surety bond or insurance policy to meet the estimated costs to be incurred for closure and post closure of the landfill. Although the Utility assumed responsibility for the operating and other costs, including closure and post closure costs, McPherson County, as the "owner" of the landfill, must ultimately demonstrate compliance with the financial assurance regulations. The County's distributions to the Utility for 2021 and 2020 (funded through special assessments on real property in the County) were $1,945,090 and $1,987,702, respectively, in each year. The County is in contact with KDHE with the understanding that the 2020

12. COMMITMENTS AND CONTINGENCIES (Continued)

and 2021 financial test information will be submitted upon the completion of the respective audits. The 2021 financial test information will be submitted in February 2024. Based on the financial condition of the County for year ended December 31, 2021 the County is confident they will meet the environmental obligations of the financial test. Any possible contributions by Utility Members required to fund post closure requirements is not determinable at this time. Any such contributions required to be made by McPherson County could be funded through special assessments on real property in the County, through the issuance of general obligation bonds, through current resources available to the County, or any combination thereof.

14. SUBSEQUENT EVENTS

The County is the CDBG grant sponsor for a new sanitary lift station project for the village of Roxbury, Kansas at an approximate cost of $300,000. The project is expected to be completed in 2022.

On June 29, 2022, McPherson County received the second portion of the American Rescue Plan Act (ARPA) funds in the amount of $2,771,974. This brings McPherson County's total ARPA funds received to $5,543,949. Unlike the CARES Act, which limited expenditures to costs directly related or incurred due to the pandemic, ARPA allows governments to use funding for a broader array of eligible purposes. Including support for vital public health and economic responses to the pandemic, premium pay to essential workers, lost government revenue replacement to prevent harmful cuts to government services, and necessary investments in water, sewer, and broadband infrastructure.

Management has evaluated subsequent events through February 10, 2024, the date on which the financial statements were available to be issued.

REQUIRED SUPPLEMENTARY INFORMATION

McPHERSON COUNTY, KANSAS

REQUIRED SUPPLEMENTARY INFORMATION

Schedule of Change in the County's Health Insurance Total OPEB Liaibility and Related Ratios Last Three Years *

	2021	2020	2019	2018
Total OPEB Liability				
Service Cost	$ 98,579	$ 86,372	$ 76,245	$ 76,245
Interest	16,166	16,166	33,054	33,054
Difference between expected and actual experience	(14,164)			
Effect of assumption changes or inputs	(25,377)	(382,286)	–	–
Benefit payments	(6,691)	(9,219)	(8,100)	(8,100)
Net change in total OPEB liability	68,513	(288,967)	101,199	101,199
Total OPEB liability - beginning of year	840,981	1,129,948	1,028,749	927,550
Total OPEB liability - end of year	$ 909,494	$ 840,981	$ 1,129,948	$ 1,028,749
Covered payroll	$ 7,572,380	$ 8,818,995	$ 8,217,348	$ 7,958,853
County's total OPEB liability as a percentage of covered payroll	12.01%	9.54%	13.75%	12.93%

* – Governmental Accounting Standards Board Statements No. 75 requires presentation of ten years. Additional years will be reported as they become available.

McPHERSON COUNTY, KANSAS

REQUIRED SUPPLEMENTARY INFORMATION

KPERS PENSION PLAN

Schedule of County's Proportionate Share of the Net Pension Liability and Related Ratios
Last Eight Years *

	2021	2020	2019	2018	2017	2016	2015	2014
County's proportionate percentage of the net pension liability	0.433544%	0.433616%	0.422473%	0.433038%	0.429587%	0.436539%	0.425974%	0.426883%
County's proportionate share of the net pension liability	$ 5,202,338	$ 7,517,401	$ 5,903,521	$ 6,035,640	$ 6,222,377	$ 6,753,387	$ 5,593,227	$ 5,254,132
County's covered employee payroll	$ 8,235,299	$ 8,321,359	$ 7,591,136	$ 7,782,944	$ 7,942,612	$ 7,606,634	$ 6,871,477	$ 6,649,299
County's proportionate share of the net pension liability as a percentage of its covered employee payroll	63.17%	90.34%	77.77%	77.55%	78.34%	88.78%	81.40%	79.02%
Plan fiduciary net position as a percentage of the total pension liability	81.13%	70.77%	75.02%	74.22%	72.16%	68.55%	71.98%	72.56%

Schedule of County's Contributions
Last Eight Years *

	2021	2020	2019	2018	2017	2016	2015	2014
Contractually required contribution	$ 746,021	$ 741,367	$ 710,117	$ 644,524	$ 656,885	$ 687,084	$ 695,303	$ 686,902
Contributions in relation to the contractually required contribution	(746,021)	(741,367)	(710,117)	(644,524)	(656,885)	(687,084)	(695,303)	(686,902)
Contribution deficiency (excess)	$ –	$ –	$ –	$ –	$ –	$ –	$ –	$ –
County's covered employee payroll	$ 8,412,157	$ 8,610,550	$ 7,987,807	$ 7,652,166	$ 7,764,603	$ 7,483,354	$ 7,334,420	$ 7,770,385
Contributions as a percentage of covered employee payroll	8.87%	8.61%	8.89%	8.39%	8.46%	9.18%	9.48%	8.84%

* – Data became available with the inception of GASB Statement No. 68 during fiscal year 2015, therefore 10 years of data is unavailable.

McPHERSON COUNTY, KANSAS

REQUIRED SUPPLEMENTARY INFORMATION

KPERS LONG-TERM DISABILITY PLAN

Schedule of Change in the County's Disability Total OPEB Liaibility and Related Ratios Last Four Years *

	2021	2020	2019	2018
Total OPEB Liability				
Service Cost	$ 31,602	$ 25,921	$ 24,874	$ 24,715
Interest	4,579	6,351	7,357	7,169
Effect of economic/demographic gains or losses	(35,582)	(19,764)	(38,230)	(31,275)
Effect of assumption changes or inputs	324	12,358	2,326	(2,048)
Benefit payments	(3,505)	(6,008)	(6,008)	(11,707)
Net change in total OPEB liability	(2,582)	18,858	(9,681)	(13,146)
Total OPEB liability - beginning of year	177,368	158,510	168,191	181,337
Total OPEB liability - end of year	$ 174,786	$ 177,368	$ 158,510	$ 168,191
Covered payroll	$ 7,747,809	$ 8,299,834	$ 8,217,348	$ 7,958,853
County's total OPEB liability as a percentage of covered payroll	2.26%	2.14%	1.93%	2.11%

* – Governmental Accounting Standards Board Statements No. 75 requires presentation of ten years. Additional years will be reported as they become available.

Changes in assumptions: Discount rate changed from 2.21% in 2020 to 2.16% in 2021.

COMBINING FINANCIAL STATEMENTS
AND
INDIVIDUAL FUND SCHEDULES

GOVERNMENTAL FUNDS

NONMAJOR SPECIAL REVENUE FUNDS

The primary purpose of the Special Revenue Funds is to account for the proceeds of designated revenue sources which are used to finance specified activities as required by law or administrative regulation. The following nonmajor Special Revenue Funds are reported:

Community Corrections Fund – to account for the resources provided through federal and state assistance programs utilized for the development, implementation, operation and improvement of community correctional services for McPherson and Harvey Counties.

Health Fund – to account for the operations of public health services. Financing is provided by property taxes and through state assistance programs.

Noxious Weeds Fund – to account for the operations of the Noxious Weed Department for the control and eradication of noxious weeds. Financing is provided through property taxes and sales of chemicals to County residents.

Special Alcohol Fund – to account for alcohol abuse services for County residents. Financing is provided through a statewide alcoholic liquor tax.

Special Parks and Recreation Fund – to account for park and recreation services for County residents. Financing is provided through a statewide alcoholic liquor tax.

Court Trustee Fund – to account for the activities related to the District Court appointed trustee for the enforcement of support imposed by any court order, decree or judgment for child support and maintenance.

Technology – Register of Deeds Fund – to accumulate resources for new or replacement office equipment. Financing is provided through fees collected by the Register of Deeds office.

Cellular 911 Telephone Tax Fund – to account for the fees charged to County telephone subscribers under provisions of the "Kansas 911 Act" and such fees shall be used for implementation of 911 services, purchase of 911 equipment, maintenance and license fees for 911 equipment, training of personnel, monthly reoccurring charges billed by service providers, capital improvements and equipment or other physical enhancements to the 911 system, and the original acquisition and installation of road signs designed to aid in the delivery of emergency service.

Community Developmental Disability Organization (CDDO) Fund – the CDDO functions as the point of entry for services and determines eligibility for individuals needing services. The CDDO ensures that service providers comply with rules and regulations concerning individual rights and responsibilities, health, nutrition, record keeping and person centered support planning. Resources are provided by State grant proceeds and charges for services rendered.

CDBG – accounts for the Community Development Block Grants distributions

COVID-19 – accounts for the County's revenue and expenditures for the Coronavirus Relief funds and related activities. The COVID-19 funds provide additional relief to address the continued impact of the COVID-19 pandemic.

Technology – County Treasurer Fund – to accumulate resources for new or replacement office equipment. Financing is provided through fees collected by the County Treasurer's office.

Technology – County Clerk Fund – to accumulate resources for new or replacement office equipment. Financing is provided through fees collected by the County Clerk's office.

Oil and Gas Depletion Trust Fund – This fund holds excise tax on the production of oil and gas within the County. For any tax year that the oil and gas leasehold ad valorem valuation of the County is less than 50% of the oil and gas valuation of the County for the second succeeding tax year which commences January 1 following the end of the fiscal year in which the County had $100,000 or more in receipts of the excise tax production, the Kansas Property Tax Valuation Division shall certify such oil and gas amounts and authorize the County Treasurer to release 20% of the moneys credited to the County's Oil and Gas Depletion Trust Fund to the County General Fund.

Prosecutor's Training and Assistance Fund – to account for the operations of conducting a continuing legal education program exclusively for duties as a prosecuting attorney. Financing is provided through fees levied on cases prosecuted by the District Court.

Law Enforcement Trust Fund – to account for the sale of property seized through law enforcement proceedings by the Sheriff's Department.

Motor Vehicle Department Fund – to account for the operations of the Motor Vehicle License Department. Financing is provided from fees collected on motor vehicle registration renewals and are established by State statute.

NONMAJOR CAPITAL PROJECT FUNDS

Landfill Remediation Reserve Fund – to accumulate resources to be used for remediation costs of the closed portion of the County's landfill.

Capital Improvement Reserve Fund – to accumulate resources to be used for new or replacement facilities and improvements. Financing is provided through annual transfers that must be budgeted and can be from any source which may be lawfully utilized for such purposes.

Capital Equipment Reserve Fund – to accumulate resources to be used for new or replacement equipment. Financing is provided through annual transfers that must be budgeted and can be from any source which may be lawfully utilized for such purposes.

Highway Improvement Reserve Fund – The Highway Improvement Reserve Fund is used to account for highway improvement and maintenance operations. Financing is provided by transfers from the Public Works Fund at the discretion of the Board of County Commissioners, with certain limitations as provided in applicable state statutes. This fund also receives intergovernmental revenues from shared projects with the State of Kansas and other governmental entities within the County

Highway Machinery and Equipment Reserve Fund – to account for acquisitions of highway building machinery and equipment. Financing is provided for by transfers from the Road and Bridge fund at the discretion of the Board of County Commissioners, with certain limitations as provided in applicable state statutes.

E911 Capital Reserve – to accumulate resources to be used for new or replacement of E911 equipment. Financing is provided through annual transfers that must be budgeted and can be from any source which may be lawfully utilized for such purposes.

Noxious Weed Capital Reserve Fund – to accumulate resources to be used for new or replacement equipment employed in the control and eradication of noxious weeds. Financing is provided through annual transfers that must be budgeted from the Noxious Weeds fund.

War Memorial Fund – to account for the maintenance of a war memorial established in McPherson County. Financing is provided through contributions and interest earnings on idle moneys.

NONMAJOR DEBT SERVICE FUNDS

Debt Service Fund - to account for the accumulation of resources for, and the payment of, interest and principal on general long-term general obligation debt of governmental funds.

McPHERSON COUNTY, KANSAS

COMBINING BALANCE SHEET – NONMAJOR GOVERNMENTAL FUNDS

December 31, 2021

	Special Revenue Funds	Debt Service Fund	Capital Project Funds	Total
ASSETS				
Cash including short-term investments	$ 1,049,681	$ 8,911	$ 9,318,357	$ 10,376,949
Property tax receivable	465,397	–	–	465,397
Other accounts receivable	83,271	–	–	83,271
Due from other governmental units	11,332	–	–	11,332
Total	$ 1,609,681	$ 8,911	$ 9,318,357	$ 10,936,949
LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES				
Liabilities:				
Salaries and wages payable	$ 34,164	$ –	$ –	$ 34,164
Accounts payable	13,218	–	–	13,218
Total liabilities	47,382	–	–	47,382
Deferred inflows of resources:				
Property taxes receivable	465,397	–	–	465,397
Fund Balances:				
Restricted:				
General government	347,877	–	–	347,877
Public safety	399,923	–	–	399,923
Health and welfare	275,883	–	–	275,883
Environmental protection	65,022	–	–	65,022
Culture and recreation	8,197	–	–	8,197
Debt service	–	8,911	–	8,911
Committed:				–
Capital improvements	–	–	3,275,405	3,275,405
Environmental protection	–	–	1,429,981	1,429,981
Highway improvements	–	–	4,612,971	4,612,971
Total fund balances	1,096,902	8,911	9,318,357	10,424,170
Total liabilities, deferred inflows and fund balances	$ 1,609,681	$ 8,911	$ 9,318,357	$ 10,936,949

McPHERSON COUNTY, KANSAS

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS

Year ended December 31, 2021

	Special Revenue Funds	Debt Service Fund	Capital Project Funds	Total
Revenues:				
Taxes	$ 723,067	$ –	$ –	$ 723,067
Intergovernmental	2,157,066	318,000	177,993	2,653,059
Licenses and permits	412,629	–	–	412,629
Charges for services	550,980	–	–	550,980
Use of money and property	–	–	–	–
Other	7,002	–	–	7,002
Total revenues	3,850,744	318,000	177,993	4,346,737
Expenditures:				
Current:				
General government	386,226	–	–	386,226
Public safety	1,669,108	–	–	1,669,108
Culture and recreation	36,000	–	–	36,000
Environmental protection	229,939	–	–	229,939
Health and welfare	1,571,211	–	–	1,571,211
Capital outlay	–	–	–	–
Debt Service	–	318,000	2,279,843	2,597,843
Total expenditures	3,892,484	318,000	2,279,843	6,490,327
Expenditures over revenues	(41,740)	–	(2,101,850)	(2,143,590)
Other financing sources (uses):				
Capital lease proceeds	–	–	–	–
Transfers in	–	–	4,223,000	4,223,000
Transfers out	(54,482)	–	–	(54,482)
Total other financing sources (uses)	(54,482)	–	4,223,000	4,168,518
Net change in fund balances	(96,222)	–	2,121,150	2,024,928
Fund balances, beginning of year	1,193,124	8,911	7,197,207	8,399,242
Fund balances, end of year	$ 1,096,902	$ 8,911	$ 9,318,357	$ 10,424,170

McPHERSON COUNTY, KANSAS

COMBINING BALANCE SHEET – NONMAJOR SPECIAL REVENUE FUNDS

December 31, 2021

	Community Corrections	Health	Noxious Weeds	Special Alcohol	Special Parks and Recreation	Court Trustee	Technology – Register of Deeds	Cellular 911 Telephone Tax	Community Develop-mental Disability Organizatio	CDBG	COVID-19	Technology – County Treasurer	Technology – County Clerk	Oil & Gas Depletion Trust	Prosecutor Training And Assistance	Law Enforce-ment Trust	Motor Vehicle Department	Total Nonmajor Special Revenue Funds
ASSETS																		
Cash Including short-term Investments	$ 102,628	$ 142,382	$ 66,890	$ 6,275	$ 8,197	$ 68,862	$ 153,886	$ 208,859	$ 68,564	$ (22,456)	$ –	$ 13,108	$ 20,486	$ 139,645	$ 7,870	$ 33,406	$ 31,079	$ 1.049,681
Property tax receivable	–	163,903	190,055	–	–	–	–	–	111,439	–	–	–	–	–	–	–	–	465,397
Other accounts receivable	–	58,632	–	–	–	–	–	–	–	24,639	–	–	–	–	–	–	–	83,271
Due from other governmental units	–	11,332	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	11,332
Total	$ 102,628	$ 376,249	$ 256,945	$ 6,275	$ 8,197	$ 68,862	$ 153,886	$ 208,859	$ 180,003	$ 2,183	$ –	$ 13,108	$ 20,486	$ 139,645	$ 7,870	$ 33,406	$ 31,079	$ 1,609,681
LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES																		
Liabilities:																		
Accounts payable	$ 4,822	$ 3.431	$ 126	$ –	$ –	$ 1,647	$ –	$ 318	$ –	$ –	$ –	$ –	$ –	$ –	$ –	$ –	$ 2,874	$ 13,218
Unearned revenue	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Accrued payroll	10,270	7,871	1,742	–	–	4,644	–	–	–	–	–	–	–	–	–	–	9,637	34,164
Total liabilities	15,092	11,302	1,868	–	–	6,291	–	318	–	–	–	–	–	–	–	–	12,511	47,382
Deferred inflows of resources:																		
Property taxes receivable	–	163,903	190,055	–	–	–	–	–	111,439	–	–	–	–	–	–	–	–	465,397
Fund Balances:																		
Restricted:																		
General government	–	–	–	–	–	–	153,886	–	–	2,183	–	13,108	20,486	139,645	–	–	18,569	347,877
Public safety	87,535	–	–	–	–	62,571	–	208,541	–	–	–	–	–	–	7,870	33,406	–	399,923
Health and welfare	–	201,044	–	6,275	–	–	–	–	68,564	–	–	–	–	–	–	–	–	275,883
Environmental protection	–	–	65,022	–	–	–	–	–	–	–	–	–	–	–	–	–	–	65,022
Culture and recreation	–	–	–	–	8,197	–	–	–	–	–	–	–	–	–	–	–	–	8,197
Total fund balances	87,535	201,044	65,022	6,275	8,197	62,571	153,886	208,541	68,564	2,183	–	13,108	20,486	139,645	7,870	33,406	18,569	1,096,902
Total liabilities, deferred inflows and fund balances	$ 102,627	$ 376,249	$ 256,945	$ 6,275	$ 8,197	$ 68,862	$ 153,886	$ 208,859	$ 180,003	$ 2,183	$ –	$ 13,108	$ 20,486	$ 139,645	$ 7,870	$ 33,406	$ 31,080	$ 1,609,681

McPHERSON COUNTY, KANSAS

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES – NONMAJOR SPECIAL REVENUE FUNDS

Year ended December 31, 2021

	Community Corrections	Health	Noxious Weeds	Special Alcohol	Special Parks and Recreation	Court Trustee	Technology – Register of Deeds	Cellular 911 Telephone Tax	Community Develop-mental Disability Organizatio	CDBG	COVID-19	Technology – County Treasurer	Technology – County Clerk	Oil & Gas Depletion Trust	Prosecutor Training and Assistance	Law Enforce-ment Trust	Motor Vehicle Department	Total Nonmajor Special Revenue Funds
Revenues:																		
Taxes	$ –	$ 198,692	$ 181,715	$ –	$ –	$ –	$ –	$ 238,410	$ 104,250	$ –	$ –	$ –	$ –	$ –	$ –	$ –	$ –	$ 723,067
Intergovernmental	1,025,464	324,585	–	10,775	5,632	–	–	–	347,952	24,639	418,019	–	–	–	–	–	–	2,157,066
Licenses and permits	–	–	–	–	–	318,598	55,854	–	10,250	–		13,963	13,964	–	–	–	–	412,629
Charges for services	40,475	110,053	59,321	–	–	–	–	–	–	–	–	–	–	–	3,731	3,376	334,024	550,980
Use of money and property	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Other	–	3,066	–	–	–	466	–	–	–	–	–	–	–	–	–	3,470	–	7,002
Total revenues	1,065,939	636,396	241,036	10,775	5,632	319,064	55,854	238,410	462,452	24,639	418,019	13,963	13,964	–	3,731	6,846	334,024	3,850,744
Expenditures:																		
General government	–	–	–	–	–	–	21,053	–	–	22,456	–	7,159	13,522	–	–	–	322,036	386,226
Public Safety	1,045,028	–	–	–	–	360,983	–	247,455	–	–	–	–	–	–	1,677	13,965	–	1,669,108
Culture and recreation	–	–	–	–	36,000	–	–	–	–	–	–	–	–	–	–	–	–	36,000
Environmental protection	–	–	229,939	–	–	–	–	–	–	–	–	–	–	–	–	–	–	229,939
Health and welfare	–	748,580	–	4,500	–	–	–	–	400,112	–	418,019	–	–	–	–	–	–	1,571,211
Total expenditures	1,045,028	748,580	229,939	4,500	36,000	360,983	21,053	247,455	400,112	22,456	418,019	7,159	13,522	–	1,677	13,965	322,036	3,892,484
Revenues over (under) expenditures	20,911	(112,184)	11,097	6,275	(30,368)	(41,919)	34,801	(9,045)	62,340	2,183	–	6,804	442	–	2,054	(7,119)	11,988	(41,740)
Other financing uses – transfers out																		
Transfers In	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Transfers Out	–	–	(48,000)	–	–	–	–	–	–	–	–	–	–	–	–	–	(6,482)	(54,482)
Total other financing sources (uses)	–	–	(48,000)	–	–	–	–	–	–	–	–	–	–	–	–	–	(6,482)	(54,482)
Net change in fund balances	20,911	(112,184)	(36,903)	6,275	(30,368)	(41,919)	34,801	(9,045)	62,340	2,183	–	6,804	442	–	2,054	(7,119)	5,506	(96,222)
Fund balances, beginning of year	66,624	313,228	101,925	–	38,565	104,490	119,085	217,586	6,224	–	–	6,304	20,044	139,645	5,816	40,525	13,063	1,193,124
Fund balances, end of year	$ 87,535	$ 201,044	$ 65,022	$ 6,275	$ 8,197	$ 62,571	$ 153,886	$ 208,541	$ 68,564	$ 2,183	$ –	$ 13,108	$ 20,486	$ 139,645	$ 7,870	$ 33,406	$ 18,569	$ 1,096,902

McPHERSON COUNTY, KANSAS

COMMUNITY CORRECTIONS FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL – BUDGETARY BASIS

Year ended December 31, 2021

	Original Budget	Final Budget	Actual Amounts Budgetary Basis	Variance With Final Budget Positive (Negative)
Revenues:				
Intergovernmental - State	$ 1,050,445	$ 1,050,445	$ 1,025,464	$ (24,981)
Charges for services	45,000	45,000	40,475	(4,525)
Transfers In	–	–	–	–
Total revenues	1,095,445	1,095,445	1,065,939	(29,506)
Expenditures:				
Personal services	810,400	810,400	786,068	24,332
Contractual services	305,000	305,000	243,937	61,063
Commodities	16,181	16,181	10,949	5,232
Capital outlay	1,000	1,000	4,074	(3,074)
Total expenditures	1,132,581	1,132,581	1,045,028	87,553
Adjustment for qualifying budget credits	–	–	–	–
Total expenditures and credits	1,132,581	1,132,581	1,045,028	87,553
Revenues over (under) expenditures	(37,136)	(37,136)	20,911	58,047
Fund balance, beginning of year	138,290	138,290	66,624	(71,666)
Fund balance, end of year	$ 101,154	$ 101,154	$ 87,535	$ (13,619)

McPHERSON COUNTY, KANSAS

HEALTH FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL – BUDGETARY BASIS

Year ended December 31, 2021

	Original Budget	Final Budget	Actual Amounts Budgetary Basis	Variance With Final Budget Positive (Negative)
Revenues:				
Taxes	$ 199,724	$ 199,724	$ 198,692	$ (1,032)
Intergovernmental	165,498	165,498	324,585	159,087
Charges for services	286,050	286,050	110,053	(175,997)
Miscellaneous	500	500	3,066	2,566
Total revenues	651,772	651,772	636,396	(15,376)
Expenditures:				
Personal services	417,000	417,000	436,405	(19,405)
Contractual services	285,580	285,580	230,377	55,203
Commodities	21,000	21,000	36,826	(15,826)
Capital outlay	25,000	25,000	44,972	(19,972)
Total expenditures	748,580	748,580	748,580	–
Revenues over (under) expenditures	(96,808)	(96,808)	(112,184)	(15,376)
Fund balance, beginning of year	96,808	96,808	313,228	216,420
Fund balance, end of year	$ –	$ –	$ 201,044	$ 201,044

McPHERSON COUNTY, KANSAS

NOXIOUS WEEDS FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL – BUDGETARY BASIS

Year ended December 31, 2021

	Original Budget	Final Budget	Actual Amounts Budgetary Basis	Variance With Final Budget Positive (Negative)
Revenues:				
Taxes	$ 181,451	$ 181,451	$ 181,715	$ 264
Sale of chemicals and labor	114,000	114,000	59,321	(54,679)
Use of money and property	1,820	1,820	–	(1,820)
Other	–	–	–	–
Total revenues	297,271	297,271	241,036	(56,235)
Expenditures and other uses:				
Personal services	123,228	123,228	126,556	(3,328)
Contractual services	27,240	27,240	18,608	8,632
Commodities	162,700	162,700	81,794	80,906
Capital outlay	4,150	4,150	2,981	1,169
Transfers out	48,000	48,000	48,000	–
Total expenditures and other uses	365,318	365,318	277,939	87,379
Revenues over (under) expenditures and other uses	(68,047)	(68,047)	(36,903)	31,144
Fund balance, beginning of year	68,047	68,047	101,925	33,878
Fund balance, end of year	$ –	$ –	$ 65,022	$ 65,022

McPHERSON COUNTY, KANSAS

SPECIAL ALCOHOL FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL – BUDGETARY BASIS

Year ended December 31, 2021

	Original Budget	Final Budget	Actual Amounts Budgetary Basis	Variance With Final Budget Positive (Negative)
Revenues:				
Intergovernmental	$ 10,500	$ 10,500	$ 10,775	$ 275
Expenditures:				
Contractual services	12,000	12,000	4,500	7,500
Revenues over (under) expenditures	(1,500)	(1,500)	6,275	7,775
Fund balance, beginning of year	1,897	1,897	–	(1,897)
Fund balance, end of year	$ 397	$ 397	$ 6,275	$ 5,878

McPHERSON COUNTY, KANSAS

SPECIAL PARKS AND RECREATION FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL – BUDGETARY BASIS

Year ended December 31, 2021

	Original Budget	Final Budget	Actual Amounts Budgetary Basis	Variance With Final Budget Positive (Negative)
Revenues:				
Intergovernmental	$ 6,250	$ 6,250	$ 5,632	$ (618)
Expenditures:				
Contractual services	20,000	40,000	36,000	4,000
Revenues over (under) expenditures	(13,750)	(33,750)	(30,368)	3,382
Fund balance, beginning of year	24,462	38,565	38,565	–
Fund balance, end of year	$ 10,712	$ 4,815	$ 8,197	$ 3,382

McPHERSON COUNTY, KANSAS

COURT TRUSTEE FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL – BUDGETARY BASIS

Year ended December 31, 2021

	Original Budget	Final Budget	Actual Amounts Budgetary Basis	Variance With Final Budget Positive (Negative)
Revenues:				
Licenses and fees	$ 320,600	$ 320,600	$ 319,064	$ (1,536)
Expenditures:				
Personal services	305,028	305,028	291,327	13,701
Contractual services	24,360	24,360	45,160	(20,800)
Commodities	12,000	12,000	22,952	(10,952)
Capital outlay	2,000	2,000	1,544	456
Total expenditures	343,388	343,388	360,983	(17,595)
Revenues over (under) expenditures	(22,788)	(22,788)	(41,919)	(19,131)
Fund balance, beginning of year	111,986	111,986	104,490	(7,496)
Fund balance, end of year	$ 89,198	$ 89,198	$ 62,571	$ (26,627)

McPHERSON COUNTY, KANSAS

CELLULAR TAX E911 FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL – BUDGETARY BASIS

Year ended December 31, 2021

	Original Budget	Final Budget	Actual Amounts Budgetary Basis	Variance With Final Budget Positive (Negative)
Revenues:				
Telephone tax	$ 221,000	$ 221,000	$ 238,410	$ 17,410
Expenditures:				
Contractual services	225,000	225,000	246,574	(21,574)
Commodities	3,000	3,000	882	2,118
Capital outlay	102,603	102,603	–	102,603
Total expenditures	330,603	330,603	247,456	83,147
Revenues over (under) expenditures	(109,603)	(109,603)	(9,046)	100,557
Fund balance, beginning of year	109,603	109,603	217,587	107,984
Fund balance, end of year	$ –	$ –	$ 208,541	$ 208,541

McPHERSON COUNTY, KANSAS

TECHNOLOGY – REGISTER OF DEEDS FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL – BUDGETARY BASIS

Year ended December 31, 2021

	Original Budget	Final Budget	Actual Amounts Budgetary Basis	Variance With Final Budget Positive (Negative)
Revenues:				
Licenses and fees	$ 43,000	$ 43,000	$ 55,854	$ 12,854
Expenditures:				
Personal services	–	–	–	–
Contractual services	55,000	55,000	20,027	34,973
Commodities	15,000	15,000	1,026	13,974
Capital outlay	10,400	10,400	–	10,400
Transfers out	–	–	–	–
Total expenditures	80,400	80,400	21,053	59,347
Revenues over expenditures	(37,400)	(37,400)	34,801	72,201
Fund balance, beginning of year	43,554	43,554	119,085	75,531
Fund balance, end of year	$ 6,154	$ 6,154	$ 153,886	$ 147,732

• – Per K.S.A. 28-115a this fund is not subject to the budget laws of the State of Kansas.

McPHERSON COUNTY, KANSAS

COMMUNITY DEVELOPMENTAL DISABILITY ORGANIZATION FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL – BUDGETARY BASIS

Year ended December 31, 2021

	Original Budget	Final Budget	Actual Amounts Budgetary Basis	Variance With Final Budget Positive (Negative)
Revenues:				
Taxes	$ 104,059	$ 104,059	$ 104,250	$ 191
Intergovernmental	278,362	278,362	347,952	69,590
Charges for services	–	10,250	10,250	–
Total revenues	382,421	392,671	462,452	69,781
Expenditures:				
Personal services	–	–	–	–
Contractual services	154,330	154,330	344,362	(190,032)
Commodities	–	–	–	–
Capital outlay	–	–	–	–
Agency appropriations	238,032	238,032	55,750	182,282
Adjustment for qualifying budget credit	–	10,250	–	– 10,250
Total expenditures	392,362	402,612	400,112	2,500
Revenues over (under) expenditures	(9,941)	(9,941)	62,340	72,281
Fund balance, beginning of year	9,941	9,941	6,224	(3,717)
Fund balance, end of year	$ –	$ –	$ 68,564	$ 68,564

McPHERSON COUNTY, KANSAS

TECHNOLOGY – COUNTY TREASURER FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL – BUDGETARY BASIS

Year ended December 31, 2021

	Original Budget	Final Budget	Actual Amounts Budgetary Basis	Variance With Final Budget Positive (Negative)
Revenues:				
Licenses and fees	$ 10,100	$ 10,100	$ 13,963	$ 3,863
Expenditures:				
Contractual services	7,247	7,247	1,542	5,705
Commodities	–	–	1,115	(1,115)
Capital outlay	4,000	4,000	4,503	(503)
Total expenditures	11,247	11,247	7,160	4,087
Revenues over expenditures	(1,147)	(1,147)	6,803	7,950
Fund balance, beginning of year	1,147	1,147	6,304	5,157
Fund balance, end of year	$ –	$ –	$ 13,107	$ 13,107

McPHERSON COUNTY, KANSAS

TECHNOLOGY – COUNTY CLERK FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL – BUDGETARY BASIS

Year ended December 31, 2021

	Original Budget	Final Budget	Actual Amounts Budgetary Basis	Variance With Final Budget Positive (Negative)
Revenues:				
Licenses and fees	$ 10,100	$ 10,100	$ 13,963	$ 3,863
Expenditures:				
Contractual services	6,014	6,014	80	5,934
Capital outlay	9,100	9,100	13,442	(4,342)
Total expenditures	15,114	15,114	13,522	1,592
Revenues over (under) expenditures	(5,014)	(5,014)	441	5,455
Fund balance, beginning of year	13,723	13,723	20,044	6,321
Fund balance, end of year	$ 8,709	$ 8,709	$ 20,485	$ 11,776

McPHERSON COUNTY, KANSAS

DEBT SERVICE FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL – BUDGETARY BASIS

Year ended December 31, 2021

	Original Budget	Final Budget	Actual Amounts Budgetary Basis	Variance With Final Budget Positive (Negative)
Revenues:				
Intergovernmental	$ 318,000	$ 318,000	$ 318,000	$ –
Expenditures:				
Bond principal	235,000	235,000	235,000	–
Bond interest and commission	83,000	83,000	83,000	–
Total expenditures	318,000	318,000	318,000	–
Revenues over (under) expenditures	–	–	–	–
Fund balance, beginning of year	8,911	8,911	8,911	–
Fund balance, end of year	$ 8,911	$ 8,911	$ 8,911	$ –

McPHERSON COUNTY, KANSAS

COMBINING BALANCE SHEET – NONMAJOR CAPITAL PROJECT FUNDS

December 31, 2021

	Landfill Remediation Reserve	Capital Improvement Reserve	Capital Equipment Reserve	Highway Improvement Reserve	Highway Machinery & Equipment Reserve	E911 Capital Reserve	Noxious Weed Reserve	War Memorial	Totals
ASSETS									
Cash and short-term investments	$ 1,270,423	$ 1,686,044	$ 1,586,025	$ 2,872,046	$ 915,925	$ 825,000	$ 159,558	$ 3,336	$ 9,318,357
LIABILITIES AND FUND BALANCES									
Liabilities:									
Accounts payable	$ –	$ –	$ –	$ –	$ –	$ –	$ –	$ –	$ –
Fund balances:									
Committed:									
Capital improvements	–	1,686,044	1,586,025	–	–	–	–	3,336	3,275,405
Environmental protection	1,270,423	–	–	–	–	–	159,558	–	1,429,981
Highway improvements	–	–	–	2,872,046	915,925	825,000	–	–	4,612,971
Total fund balance	1,270,423	1,686,044	1,586,025	2,872,046	915,925	825,000	159,558	3,336	9,318,357
Total liabilities and fund balances	$ 1,270,423	$ 1,686,044	$ 1,586,025	$ 2,872,046	$ 915,925	$ 825,000	$ 159,558	$ 3,336	$ 9,318,357

McPHERSON COUNTY, KANSAS

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES – NONMAJOR CAPITAL PROJECT FUNDS

Year ended December 31, 2021

	Landfill Remediation Reserve	Capital Improve-Reserve	Capital Equipment Reserve	Highway Improvement Reserve	Highway Machinery Equipment Reserve	E911 Capital Reserve	Noxious Weed Reserve	War Memorial	Totals
Revenues:									
Taxes	$ –	$ –	$ –	$ –	$ –	$ –	$ –	$ –	$ –
Intergovernmental	–	–	–	177,993	–	–	–	–	177,993
Miscellaneous	–	–	–	–	–	–	–	–	–
Total revenues	–	–	–	177,993	–	–	–	–	177,993
Expenditures:									
Capital outlay	–	–	–	–	–	–	–	–	–
Debt service	–	1,000,000	1,279,843	–	–	–	–	–	2,279,843
Total expenditures	–	1,000,000	1,279,843	–	–	–	–	–	2,279,843
Revenues over (under) expenditures	–	(1,000,000)	(1,279,843)	177,993	–	–	–	–	(2,101,850)
Other financing sources (uses):									
Capital lease proceeds	–	–	–	–	–	–	–	–	–
Transfers in	–	2,000,000	1,350,000	–	–	825,000	48,000	–	4,223,000
Total other financing sources (uses)	–	2,000,000	1,350,000	–	–	825,000	48,000	–	4,223,000
Net change in fund balance	–	1,000,000	70,157	177,993	–	825,000	48,000	–	2,121,150
Fund balances, beginning of year	1,270,423	686,044	1,515,868	2,694,053	915,925	–	111,558	3,336	7,197,207
Fund balances, end of year	$ 1,270,423	$ 1,686,044	$ 1,586,025	$ 2,872,046	$ 915,925	$ 825,000	$ 159,558	$ 3,336	$ 9,318,357

FIDUCIARY FUNDS

Fiduciary Funds are used to report assets held in a trustee or agent capacity for others and, therefore, are not used to support the government's own programs.

AGENCY FUNDS

Tax Collection Funds – to account for the various taxes levied by taxing districts throughout the County. The County Treasurer serves as the tax collection agent for all such taxing districts.

Tax Distribution Funds – to account for the individual fund levies of all taxing districts throughout the County.

Motor Vehicle Fees and Sales Tax Collection Funds – to account for the state required fees received on motor vehicle registration renewals to be remitted to the State of Kansas.

Fish and Game Licenses and Park Permits Funds – to account for the state required fees received on the sale of state fish and game licenses and state park permits to be remitted to the State of Kansas.

Stray Animals Fund – to account for the proceeds from the sales of stray animals not claimed by their rightful owners. Excess proceeds are due to the State of Kansas.

Fee Offices Funds – to account for the operations of the County Clerk, Register of Deeds, Sheriff and District Count offices of the County. Fees are due to various funds and agencies as provided by State statutes.

McPherson County Jail Inmates Fund – to account for moneys held on behalf of prisoners held in the County jail.

McPherson County Cafeteria Plan Fund – to account for moneys held on behalf of County employees for payment of designated benefit items.

McPherson County Sheriff's Benefit Reserve Fund – to account for moneys paid to off-duty sheriff reserve officers for services performed outside of normal working hours and assignments.

Sales Tax Holding Fund – to account for sales taxes collected on solid waste facility operations.

McPHERSON COUNTY, KANSAS

COMBINING STATEMENT OF FIDUCIARY NET POSITION
ALL CUSTODIAL FUNDS

December 31, 2021

	Tax Collection Funds	Other Funds	Total Custodial Funds
Assets:			
Cash including short-term investments	$ 38,610,128	$ 108,005	$ 38,718,133
Accounts receivables	26,464,537	–	26,464,537
Total assests	65,074,665	108,005	65,182,670
Liabilities:			
Accounts payable	–	100,949	100,949
Due to taxing governments and other	65,044,024	–	65,044,024
Total liabilities	65,044,024	100,949	65,144,973
Net position:			
Restricted for others	–	7,056	7,056
Total net position	$ –	$ 7,056	$ 7,056

The accompanying notes are an integral part of the financial statements.

McPHERSON COUNTY, KANSAS

COMBINING STATEMENT OF CHANGES IN FIDUACIARY NET POSITION
ALL CUSTODIAL FUNDS

December 31, 2021

	Tax Collection Funds	Other Funds	Total Custodial Funds
Additions:			
Tax collections	$ 68,901,084	$ –	$ 68,901,084
Other	–	1,829,862	1,829,862
Total additions	68,901,084	1,829,862	70,730,946
Deductions:			
Tax distributions	68,901,084	–	68,901,084
Other deductions	–	1,839,230	1,839,230
Total deductions	68,901,084	1,839,230	70,740,314
Net change in net position	–	(9,368)	(9,368)
Net position, beginning of year (as restated)	–	16,424	16,424
Net position, end of period	$ –	$ 7,056	$ 7,056

The accompanying notes are an integral part of the financial statements.