Combining Exhibit 3 (Page 3) /Combining Exhibit 4 (Pages 4-5): shows the cash balances and revenue/expense for each non-major special revenue fund. All funds are totaled in the far-right column and these numbers flow to the other reports. Bottom of page 5 shows each fund's beginning and ending balance and net change. Ending Fund Balance is reported on Combining 3, Page 3. The other governmental funds also flow through to the "Other funds" on Exhibit 3 and Exhibit 4.

A few notes about the non-major SR funds:

- No non-major special revenue fund levies tax dollars.
- Revenue in line 342.10 for the Joint Law is the portion received from the cities. With change to Leola Joint Law, Fund 238 will require more general fund cash in 2026.
- Transfer in line 371 shows the general fund dollars transferred into each fund. Only 237/238 received general fund transfers in 2025.
- Fund 207: 100% of revenue is due to the 911 surcharge and the expense is the remittance of those dollars to the North Central Regional 911.

Exhibit 3 (Page 3) – Cash balances for the major funds. Due to the cash balance in 295 compared to that of General Fund, 295 is reported as a major this year.

Exhibit 3 - General Fund Cash Balances Trend

	Commission Assigned Balance	Cash Applied for next year's Budget	Total Assigned	Total Unassigned	Total General Fund Balance
2025	$ 443,500	$ 396,307	$ 839,807	$ 395,884.24	$1,235,691.24
2024	$ 593,500	$ 635,184	$ 1,228,684	$ 296,358.46	$1,525,042.46
2023	$ 693,500	$ 876,875	$ 1,570,375	$ 431,765.07	$2,002,271.28
2022	$ 1,193,500	$ 300,454	$ 1,493,954	$ 733,445.88	$2,227,399.88
2021	$ 681,200	$ 464,266	$ 1,145,466	$ 798,470.97	$1,943,936.97
2020	$ 781,200	$ 459,806	$ 1,241,006	$ 696,677.52	$1,937,683.52

Historically looking back further here were the General fund balances 2009-2019

2019	1,928,600
2018	1,893,137
2017	2,101,703
2016	2,069,892
2015	1,662,218
2014	1,356,294
2013	1,086,143
2012	1,000,097
2011	1,100,596
2010	974,685
2009	1,301,388

The appropriate fund balance to maintain and the goal of the commission should really be considered. How much fund balance is "enough" to maintain flexibility and ensure the county can weather any unforeseen expenses?

Exhibit 4 (Page 7-9): Shows actual revenue/expenses and change in fund balance for the General and Road and Bridge Funds. This exhibit shows the best snapshot of the county for the year.

Road and Bridge Revenue/Expense Trend from Exhibit 4

Year	R&B Fund Revenue	R&B Fund Expenses	Excess Revenue Over (Under) expenses	Other Financing Sources (Uses)	Change in R&B Fund Balance
2025	$ 1,950,766.44	$ 2,512,496.47	$ (561,730.03)	$ 509,370.12	$ (52,359.91)
2024	$ 1,818,594.01	$ 1,978,908.60	$ (160,314.59)	$ 806,942.82	$ 646,628.23
2023	$ 1,670,667.11	$ 2,317,174.53	$ (646,507.42)	$ 522,845.38	$ (123,662.04)
2022	$ 1,700,233.24	$ 2,397,361.65	$ (697,128.41)	$ 502,931.35	$ (194,197.06)
2021	$ 1,756,125.06	$ 2,639,904.47	$ (883,779.41)	$ 650,133.69	$ (233,645.72)
2020	$ 1,878,061.30	$ 2,203,184.00	$ (325,122.70)	$ 497,980.00	$ 172,857.30

General Fund Revenue/Expense Trend from Exhibit 4

Year	General Fund Revenue	General Fund Expenses	Excess Revenue Over (Under) expenses	Other Financing Sources (Uses)	Change in General Fund Balance
2025	$ 1,975,804.26	$ 1,721,474.28	$ 254,329.98	$ (543,681.20)	$ (289,351.22)
2024	$ 1,932,690.44	$ 1,538,238.67	$ 394,451.77	$ (871,680.59)	$ (477,228.82)
2023	$ 1,922,188.11	$ 1,597,047.63	$ 325,140.48	$ (550,269.08)	$ (225,128.60)
2022	$ 2,053,645.25	$ 1,485,618.75	$ 568,026.50	$ (514,015.82)	$ 54,010.68
2021	$ 1,762,398.29	$ 1,337,757.75	$ 424,640.54	$ (418,387.09)	$ 6,253.45
2020	$ 1,909,084.28	$ 1,393,406.33	$ 515,677.95	$ (506,595.20)	$ 9,082.75

Excess Revenue shows that the general fund can support itself within the revenue it receives. Although that excess revenue over expense was the lowest in 2025 than it has been in the last 6 years. Other financing (uses) is the transfer out to other funds, mainly Road and Bridge. The change in fund balance shows if the fund (used cash) or added cash after all expenses and revenues.

Pre 2022 the trend was for the general fund to break even or add insignificant fund balance. Using cash at this rate is concerning, especially if this trend continues. Budget wise we have done better than budgeted, which can be seen for both funds on the next page. We did a lot of projects in 2025 and bought a motorgrader which was a significant expense. The cash burn was expected and explainable in 2025 but really needs to stabilize. It is my opinion that in 2026 and 2027 the goal should be to swing back to breaking even or adding minimal cash in both funds. Burning additional cash at the past 3-year average rate of 300,000ish/year is not sustainable at this point and will reduce the county's flexibility. If we burn 300,000 in 2026 then we will be at 935,691 in the general fund at the end of 2026.

Exhibit 5/6/7 (Page 10-12)- do not apply since we have no proprietary funds in McPherson County

Exhibit 8/9 - Fund Specific Information included in the file 2025 McPherson County Custodial Funds

Exhibit 8 (Page 13) – total fiduciary funds the county is holding on 12/31 for other entities. Other entities include schools, townships, cities, delinquent tax account, state funds, LEPC, fire districts, law library, modernization and preservation flow through account, sheriff fund, fire tax flow through account.

Exhibit 9 (Page 14) – total fiduciary funds that flowed through the county to other entities throughout the year. This number doesn't contain any of the county's own revenues or tax collections. Specific information for each fund is found in the accompanying Combining Exhibit 9 Workbook.

6-year trend for funds received into the county and disbursed to other entities throughout the year

Year	Total Fiduciary Funds Disbursed
2025	6,705,817.95
2024	6,550,097.42
2023	10,804,060.60
2022	7,106,198.38
2021	6,044,170.95
2020	6,082,757.39
2019	6,211,284.67

Long Term Debt (Not included) – The county does not hold any long-term debt.

Budgetary General Fund/Budgetary Road & Bridge/RAI (Page 15 – 21)

This report shows how the ending balance would have looked if the budgeted amounts had been the actual amounts. Compares planned budget to what actual balances were for the year. If we had used all the general fund budget we would have used $499,067 in cash instead of the actual $289,351.22.

If Road and Bridge had used all it's budget we would have used $163,041 in cash versus the actual use of 52,359.91

Net Position Worksheet & Exhibit 1/Statement Activities Worksheet & Exhibit 2 (Page 22 – 34) – This is the same information as Exhibit 3 & 4. The information is restated into a program-based format versus the fund-based structure to make it easier to read for someone not familiar with the statutory duties of each special revenue fund.

General Fund-Revenue BUDGET

	Cash Applied Balance	635,184
311	Current Property Tax Levy	1,687,700
	Other Taxes	19,010
320	License & Permits	9,900
330	Intergovernmental Revenue	169,000
340	Charges for Goods & Services	100,020
350	Fines and Forfeits	100
360	Misc. & Interest Revenue	42,000
370	Other Financing Sources	1,000
	Less 5 % (SDLC 7-21-18)	-132,726
	Less 25% To Cities	-9,391
NET MEANS OF FINANCE		**2,521,797**

General Fund-Revenue ACTUAL

	Cash Applied Balance	289,351
311	Current Property Tax Levy	1,674,979
	Other Taxes	22,223
320	License & Permits	3,005
330	Intergovernmental Revenue	153,151
340	Charges for Goods & Services	84,287
350	Fines and Forfeits	0
360	Misc. & Interest Revenue	47,550
370	Other Financing Sources	15,866
	Less 5 % (SDLC 7-21-18)	0
	Less 25% To Cities	-9,391
NET MEANS OF FINANCE		**2,281,021**

County Road & Bridge Fund BUDGET

201	Highways, Road & Bridge	2,700,888
Revenue:		
	Cash Balance Applied	200,032
311	Current Property Tax Levy	341,218
	Other Taxes	3,000
320	Licenses and Permits	120,000
330	Intergovernmental Revenue	1,486,850
340	Charges for Goods & Services	85,000
360	Misc. & Interest Revenue	6,000
371	Transfer in from General Fund	466,747
374	Sale of Surplus Property	10,000
	Less 5% (SDLC 7-21-18)	-17,959
NET MEANS OF FINANCE		**2,700,888**

County Road & Bridge Fund ACTUAL

201	Highways, Road & Bridge	2,512,496
Revenue:		
	Cash Balance Applied	52,360
311	Current Property Tax Levy	339,243
	Other Taxes	4,522
320	Licenses and Permits	144,490
330	Intergovernmental Revenue	1,310,065
340	Charges for Goods & Services	130,824
360	Misc. & Interest Revenue	21,623
371	Transfer in from General Fund	466,747
374	Sale of Surplus Property	42,623
	Less 5% (SDLC 7-21-18)	0
NET MEANS OF FINANCE		**2,512,496**