CITY OF NORWICH, KANSAS

Independent Auditor's Report and
Financial Statement with
Supplementary Information

For the Year Ended December 31, 2023

CITY OF NORWICH, KANSAS

For the Year Ended December 31, 2023

TABLE OF CONTENTS

	PAGE NUMBER
FINANCIAL STATEMENT:	
Independent Auditor's Report	1-3
Statement 1	
Summary Statement of Receipts, Expenditures, and Unencumbered Cash – Regulatory Basis	4
Notes to the Financial Statement	5-13
SUPPLEMENTARY INFORMATION:	
Schedule 1	
Summary of Expenditures – Actual and Budget (Budgeted Funds Only) – Regulatory Basis	14
Schedule 2	
Schedule of Receipts and Expenditures – Actual and Budget – Regulatory Basis (with Comparative Actual Amounts for the Prior Year)	
General Fund	15-17
Fire Fund	18
Library Fund	19
Employee Benefits Fund	20
Recreation Commission Fund	21
Special Highway Fund	22
Emergency Medical Service Fund	23
Municipal Equipment Reserve Fund	24
Capital Improvements Reserve Fund	25
Special Machinery Fund	26
ARPA Fund	27
Water Utility Fund	28
Sewer Utility Fund	29

INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and City Council
City of Norwich, Kansas

Adverse and Unmodified Opinions
We have audited the accompanying fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances of the City of Norwich, Kansas, as of and for the year ended December 31, 2023 and the related notes to the financial statement.

Adverse Opinion on U.S. Generally Accepted Accounting Principles
In our opinion, because of the significance of the matter discussed in the Basis for Adverse and Unmodified Opinions section of our report, the accompanying financial statement referred to above does not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the City of Norwich, Kansas as of December 31, 2023, or changes in financial position and cash flows thereof for the year then ended.

Unmodified Opinion on Regulatory Basis of Accounting
In our opinion, the accompanying financial statement referred to above presents fairly, in all material respects, the aggregate cash and unencumbered cash balance of the City of Norwich, Kansas as of December 31, 2023, and the aggregate receipts and expenditures for the year then ended in accordance with the financial reporting provisions of the *Kansas Municipal Audit and Accounting Guide* described in Note 1.

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

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

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

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

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

In performing an audit in accordance with GAAS, we:

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

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

Supplementary Information
Our audit was conducted for the purpose of forming an opinion on the fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances (basic financial statement) as a whole. The summary of regulatory basis expenditures-actual and budget and the schedule of receipts and expenditures – actual and budget regulatory basis, for each individual fund (Schedules 1 and 2 as listed in the table of contents) are presented for purposes of additional

analysis and are not a required part of the basic financial statement, however are required to be presented under the provisions of the *Kansas Municipal Audit and Accounting Guide*. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statement. The information has been subjected to the auditing procedures applied in the audit of the basic financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statement or to the basic financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying supplementary information is fairly stated in all material respects, in relation to the basic financial statement as a whole, on the basis of accounting described in Note 1.

We also previously audited, in accordance with auditing standards generally accepted in the United States of America, the basic financial statement of the City of Norwich, Kansas as of and for the year ended December 31, 2022 (not presented herein), and have issued our report thereon dated March 17, 2023, which contained an unmodified opinion on the basic financial statement. The 2022 basic financial statement and our accompanying report are not presented herein, but are available in electronic form from the web site of the Kansas Department of Administration at the following link https://admin.ks.gov/offices/accounts-reports/local-government/municipal-services. The 2022 actual column (2022 comparative information) presented in the individual fund schedules of regulatory basis receipts and expenditures—actual and budget for the year ended December 31, 2023 (Schedule 2 as listed in the table of contents) is presented for purposes of additional analysis and is not a required part of the basic financial statement. Such 2022 comparative information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 2022 basic financial statement. The 2022 comparative information was subjected to the auditing procedures applied in the audit of the 2022 basic financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the 2022 basic financial statement or to the 2022 basic financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the 2022 comparative information is fairly stated in all material respects in relation to the basic financial statement as a whole for the year ended December 31, 2022, on the basis of accounting described in Note 1.

Jarred, Gilmore & Phillips, PA

JARRED, GILMORE & PHILLIPS, PA
Certified Public Accountants

April 12, 2024
Chanute, Kansas

CITY OF NORWICH, KANSAS

Summary Statement of Receipts, Expenditures, and Unencumbered Cash
Regulatory Basis
For the Year Ended December 31, 2023

Funds	Beginning Unencumbered Cash Balance	Receipts	Expenditures	Ending Unencumbered Cash Balance	Add Outstanding Encumbrances and Accounts Payable	Ending Cash Balance December 31, 2023
General	$ 179,875.51	$ 370,165.29	$ 397,149.11	$ 152,891.69	$ 4,633.17	$ 157,524.86
Special Purpose Funds:						
Fire	17,262.04	69,886.75	55,260.71	31,888.08	2,303.23	34,191.31
Library	9,160.41	17,829.33	17,905.27	9,084.47	514.69	9,599.16
Employee Benefits	14,922.29	33,065.25	39,582.09	8,405.45	-	8,405.45
Recreation Commission	-	80,249.97	80,249.97	-	1,333.33	1,333.33
Special Highway	84,493.75	11,599.31	11,516.76	84,576.30	80.33	84,656.63
Emergency Medical Service	29,259.25	200,692.42	204,229.65	25,722.02	6,115.18	31,837.20
Municipal Equipment Reserve	59,413.73	10,000.00	-	69,413.73	-	69,413.73
Capital Improvements Reserve	188,953.02	-	62,186.21	126,766.81	-	126,766.81
Special Machinery	2,954.51	-	-	2,954.51	-	2,954.51
ARPA	67,148.04	-	-	67,148.04	-	67,148.04
Business Funds:						
Water Utility	135,128.01	127,331.16	186,170.30	76,288.87	3,861.25	80,150.12
Sewer Utility	48,369.16	39,876.67	42,567.33	45,678.50	1,122.11	46,800.61
Total Reporting Entity	$ 836,939.72	$ 960,696.15	$ 1,096,817.40	$ 700,818.47	$ 19,963.29	$ 720,781.76

Composition of Cash:	
Cash on Hand	$ 20.00
Checking Accounts	354,174.91
Money Market Accounts	366,586.85
Total Reporting Entity	$ 720,781.76

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statement and schedules of the City of Norwich, Kansas have been prepared in order to show compliance with the cash basis and budget laws of the State of Kansas. The Governmental Accounting Standards Board is the principal standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the City's accounting policies follow. Note 1 describes how the City's accounting policies differ from generally accepted accounting principles.

Financial Reporting Entity
The City of Norwich, Kansas, is a municipal corporation governed by an elected five-member council. This financial statement presents the City of Norwich.

Related Municipal Entities: A related municipal entity is determined by the following criteria. Whether the City exercises oversight responsibility on financial interdependency, selection of governing authority, designation of management, ability to significantly influence operations and accountability for fiscal matters, scope of the public service, and significant operational or financial relationships with the City. Related municipal entities are not required to be included in the City's audit by the Kansas Municipal Audit and Accounting Guide (KMAAG). Based upon the application of this criterion, the following is a brief review of potential related municipal entities:

Norwich Public Library
The City of Norwich Library Board operates the City's public library. Acquisition or disposition of real property by the Board must be approved by the City. Separate unaudited financial statements are available at the Library.

Norwich Public Housing Authority
The City of Norwich Public Housing Authority operates the City's Housing Authority. Acquisition or disposition of real property by the Board must be approved by the City. Separate unaudited financial statements are available at the Housing Authority.

Recreation Commission – City of Norwich Recreation Commission oversees recreational activities. The recreation commission can sue and be sued, but acquisition of real property by the commission, must be approved by the City. The County levies taxes for the recreation commission. Bond issuances must be approved by the City. The Recreation Commission funds in this financial statement only include tax levy money collected by the City and distributed to the Commission. Financial statements are available at the Commission.

Regulatory Basis Fund Types
A fund is defined as an independent fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources, together with all related liabilities and residual equities or balances, and changes therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations. The following types of funds comprise the financial activities of the City of Norwich, Kansas, for the year of 2023:

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Regulatory Basis Fund Types: (Continued)

General fund – the chief operating fund. Used to account for all resources except those required to be accounted for in another fund.

Special Purpose fund – used to account for the proceeds of specific tax levies and other specific regulatory receipts sources (other than Capital Project and tax levies for long-term debt) that are intended for specified purposes.

Business fund – funds financed in whole or in part by fees charged to users of the goods or services (i.e. enterprise and internal service fund etc.)

Basis of Presentation – Regulatory Basis of Accounting

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

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

Property Taxes

In accordance with governing state statutes, property taxes levied during the current year are a regulatory receipts source to be used to finance the budget of the ensuing year. Taxes are assessed on a calendar year basis and become a lien on the property on November 1st 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 taxes levied on or before December 20 during the year levied with the balance to be paid on or before May 10 of the ensuing year. State statutes prohibit the County Treasurer from distributing taxes collected in the year levied prior to January 1st of the ensuing year. Consequently, for regulatory receipts recognition purposes, 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.

Reimbursed Expenses

K.S.A. 79-2934 provides that reimbursed expenditures, in excess of those budgeted, should be recorded as reductions in expenditures rather than as receipts. In the financial statement and budget comparisons schedules presented in this report, reimbursements and refunds are recorded as regulatory receipts. The reimbursements are recorded as receipts when received by the City Treasurer and are often difficult to identify the exact expenditure which they are reimbursing. In funds showing expenditures in excess of the original adopted budget, reimbursements are added to the adopted budget as budget credits for comparison with the actual expenditures.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Special Assessments

Kansas statutes require projects financed in part by special assessments to be financed through the issuance of general obligation bonds which are secured by the full faith and credit of the City. Special assessments paid prior to the issuance of general obligation bonds are recorded as cash receipts in the appropriate project. Special assessments received after the issuance of general obligation bonds are recorded as cash receipts in the bond and interest fund. Further, state statutes require levying additional general ad valorem property taxes in the City bond and interest fund to finance delinquent special assessments receivable.

Budgetary Information

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

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

If the City 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 City did hold a revenue neutral rate hearing for this year.

The statutes allow for the governing body to increase the originally adopted budget for previously unbudgeted increases in regulatory receipts other than ad valorem property taxes. To do this, a notice of public hearing to amend the budget must be published in the local newspaper. At least ten days after publication the hearing may be held and the governing body may amend the budget at that time. During the year ended December 31, 2023, the City did not amend any funds.

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

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

A legal operating budget is not required for capital projects funds, trust funds, and the following special purpose funds:

- Municipal Equipment Reserve Fund
- Capital Improvements Reserve Fund
- Special Machinery Fund
- ARPA Fund

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

2. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Compliance with Kansas Statutes

Statement 1 and Schedule 1 have been prepared in order to show compliance with the cash basis and budget laws of Kansas. As shown in Statement 1 and Schedule 1, the City was in compliance with Kansas cash basis and budget laws of the State of Kansas.

Management is not aware of any other material statute violations.

3. DEPOSITS AND INVESTMENTS

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

K.S.A 12-1675 limits the City's investment of idle funds to time deposits, open accounts, and certificates of deposit with allowable financial institutions; U.S. Government securities; temporary notes; no-fund warrants; repurchase agreements; and the Kansas Municipal Investment Pool. The City has no investment policy that would further limit its investment choices.

Concentration of credit risk. State statutes place no limit on the amount the Government may invest in any one issuer as long as the investments are adequately secured under K.S.A. 9-1402 and 9-1405.

Custodial credit risk – deposits. Custodial credit risk is the risk that in the event of a bank failure, the City's deposits may not be returned to it. State statutes require the City's deposits in financial institutions to be entirely covered by federal depository insurance or by collateral held under a joint custody receipt issued by a bank within the State of Kansas, the Federal Reserve Bank of Kansas City, or the Federal Home Loan Bank of Topeka. All deposits were legally secured at December 31, 2023.

Deposits: At year-end, the City's carrying amount of deposits was $720,761.76 and the bank balance was $731,744.16. The bank balance was held by one bank resulting in a concentration of credit risk. Of the bank balance, $500,000.00 was covered by FDIC insurance, and $231,744.16 was collateralized with Pledged Securities with Conway Bank in Wichita, Kansas.

4. FINANCE LEASE OBLIGATIONS

The City has entered into a finance lease agreement in order to finance the acquisition of a 2019 Ford E-450 Ambulance. Payments are made semi-annually, including interest at approximately 4.910%. Final maturity of the lease is June 1, 2029. Future minimum lease payments are as follows:

Year Ended December 31	Totals
2024	$ 19,571.74
2025	19,571.74
2026	19,571.74
2027	19,571.74
2028	19,571.74
2029	9,811.97
	107,670.67
Less imputed interest	(14,494.72)
Net Present Value of Minimum Lease Payments	93,175.95
Less: Current Maturities	(15,108.08)
Long-Term Finance Lease Obligations	$ 78,067.87

The City has entered into a finance lease agreement in order to finance the acquisition of a 2007 International Fire Truck. Payments are made annually, including interest at approximately 4.000%. Final maturity of the lease is February 1, 2030. Future minimum lease payments are as follows:

Year Ended December 31	Totals
2024	$ 12,188.57
2025	12,188.57
2026	12,188.57
2027	12,188.57
2028	12,188.57
2029-2030	25,874.47
	86,817.32
Less imputed interest	(12,322.00)
Net Present Value of Minimum Lease Payments	74,495.32
Less: Current Maturities	(9,228.10)
Long-Term Finance Lease Obligations	$ 65,267.22

The City has entered into a finance lease agreement in order to finance the acquisition of a 2015 John Deere Grader. Payments are made annually, including interest at approximately 2.990%. Final maturity of the lease is December 3, 2025. Future minimum lease payments are as follows:

Year Ended December 31	Totals
2024	$ 9,451.87
2025	9,451.87
	18,903.74
Less imputed interest	(814.33)
Net Present Value of Minimum Lease Payments	18,089.41
Less: Current Maturities	(8,910.99)
Long-Term Finance Lease Obligations	$ 9,178.42

5. LONG-TERM DEBT

Changes in long-term debt for the City for the year ended December 31, 2023, were as follows:

Issue	Interest Rates	Date of Issue	Original Amount of Issue	Date of Final Maturity	Balance Beginning of Year	Additions	Reductions/ Payments	Balance End of Year	Interest Paid
Revolving Loans									
Paid with Utilility Receipts									
Kansas Public Water Supply 2832	2.130%	March 4, 2015	$2,260,209.00	August 1, 2036	$ 1,058,497.31	$ -	$ 65,640.02	$ 992,857.29	$ 22,198.32
Finance Leases:									
2019 Ford E-450 Ambulance	4.910%	June 17, 2019	168,047.00	June 1, 2029	107,545.38	-	14,369.43	93,175.95	5,202.31
2007 International Fire truck	4.000%	February 12, 2020	100,000.00	February 1, 2030	83,323.20	-	8,827.88	74,495.32	3,360.69
2015 John Deere Grader	2.990%	December 8, 2020	43,300.00	December 3, 2025	26,741.70	-	8,652.29	18,089.41	799.58
Total Contractual Indebtedness					$ 1,276,107.59	$ -	$ 97,489.62	$ 1,178,617.97	$ 31,560.90

5. LONG-TERM DEBT (Continued)

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

Issue	2024	2025	2026	2027	2028	2029-2033	2034-2036	Total
Principal								
Revolving Loans								
Kansas Public Water Supply 2832	$ 67,045.60	$ 68,481.28	$ 69,947.70	$ 71,445.51	$ 72,975.42	$ 388,996.94	$ 253,964.84	$ 992,857.29
Finance Leases:								
2019 Ford E-450 Ambulance	15,108.08	15,882.57	16,683.07	17,523.93	18,403.25	9,575.05	-	93,175.95
2007 International Fire truck	9,228.10	9,595.26	9,991.49	10,396.70	10,818.34	24,465.43	-	74,495.32
2015 John Deere Grader	8,910.99	9,178.42	-	-	-	-	-	18,089.41
Total Principal Payments	100,292.77	103,137.53	96,622.26	99,366.14	102,197.01	423,037.42	253,964.84	1,178,617.97
Interest								
Revolving Loans								
Kansas Public Water Supply 2832	20,792.74	19,357.06	17,890.64	16,392.83	14,862.92	50,194.76	9,550.18	149,041.13
Finance Leases:								
2019 Ford E-450 Ambulance	4,463.66	3,689.17	2,888.67	2,047.81	1,168.49	236.92	-	14,494.72
2007 International Fire truck	2,960.47	2,593.31	2,197.08	1,791.87	1,370.23	1,409.04	-	12,322.00
2015 John Deere Grader	540.88	273.45	-	-	-	-	-	814.33
Total Interest Payments	28,757.75	25,912.99	22,976.39	20,232.51	17,401.64	51,840.72	9,550.18	176,672.18
Total Principal and Interest	$ 129,050.52	$ 129,050.52	$ 119,598.65	$ 119,598.65	$ 119,598.65	$ 474,878.14	$ 263,515.02	$1,355,290.15

6. DEFINED BENEFIT PENSION PLAN

General Information about the Pension Plan

Plan description. The City participates in the Kansas Public Employees Retirement System (KPERS), a cost-sharing multiple-employer defined benefit pension plan as provided by K.S.A. 74-4901, et. seq. Kansas law establishes and amends benefit provisions. KPERS issues a publicly available financial report that includes financial statements and required supplementary information. KPERS' financial statements are included in its Comprehensive Annual Financial Report which can be found on the KPERS website at www.kpers.org or by writing to KPERS (611 South Kansas, Suite 100, Topeka, KS 66603) or by calling 1-888-275-5737. The City has elected to only participate in the KPERS Supplemental Defined Contribution portion of the State plan, which allows the City to choose from a variety of options.

Contributions. K.S.A. 74-4919 and K.S.A. 74-49,210 establish the KPERS member-employee contribution rates. KPERS has multiple benefit structures and contribution rates depending on whether the employee is a KPERS 1, KPERS 2 or KPERS 3 member. KPERS 1 members are active and contributing members hired before July 1, 2009. KPERS 2 members were first employed in a covered position on or after July 1, 2009, and KPERS 3 members were first employed in a covered position on or after January 1, 2015. The City has not elected to participate in the employee contributions portion of KPERS under the approved adoption agreement.

For the year ended December 31, 2023, the City has elected a contribution rate of 3.3%. Contributions to the pension plan from City of Norwich were $8,380.65 for the year ended December 31, 2023.

7. OTHER LONG-TERM OBLIGATIONS FROM OPERATIONS

Compensated Absences

All full-time employees of the City are eligible for vacation benefits in varying annual amounts. Full time employees will be granted paid vacation time according to the following schedules:

After one year employment	1 Week
After three years of employment	2 Weeks
After ten years of employment	3 Weeks

The City council can; after ten years of service, award an employee additional vacation as they deem appropriate. All vacation or pay in lieu of must be used or paid in the year earned. In the event of termination employees will be compensated for unused vacation leave.

All full time employees are eligible for paid sick leave and starts accruing after the 90 day probationary period and is accrued at a rate of one eight hour day per month. Maximum accumulation of 90 days is allowed and not paid upon termination.

The City determines a liability for compensated absences when the following conditions are met:

1. The City's obligation relating to employees' rights to receive compensation for future absences is attributable to employees' services already rendered.
2. The obligation relates to rights that vest or accumulate.
3. Payment of the compensation is probable.
4. The amount can be reasonably estimated.

In accordance with the above criteria, the City has estimated a liability for vacation benefits of $18,936.63, and not estimated a liability for sick pay which has been earned, but not taken by City employees, inasmuch as the amount cannot be reasonably estimated.

7. OTHER LONG-TERM OBLIGATIONS FROM OPERATIONS (Continued)

Other Post Employment Benefits
As provided by K.S.A. 12-5040, the local government allows retirees to participate in the group health insurance plan. While each retiree pays the full amount of the applicable premium, conceptually, the City is subsidizing the retirees because each participant is charged a level of premium regardless of age. However, the cost of this subsidy has not been quantified in these financial statements.

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

8. RISK MANAGEMENT

The City is exposed to various risks of loss related to torts; theft of, damage to, or destruction of assets; errors and omissions; injuries to employees; employees' health and life; and natural disasters. The City manages these risks of loss through the purchase of various insurance policies.

9. RELATED PARTY

Ye Olde General Store and Double T Solutions are businesses owned by council members. During the year the City paid $14,868.42 to Ye Olde General Store and $13,181.25 to Double T Solutions.

10. INTERFUND TRANSFERS

Operating transfers were as follows:

From Fund:	To Fund:	Statutory Authority	Amount
General	Fire	K.S.A. 79-2934	$ 10,000.00
General	Municipal Equipment Reserve	K.S.A. 12-1,117	10,000.00
Water Utility	Emergency Medical Service	K.S.A. 12-825d	10,000.00

11. SUBSEQUENT EVENTS

The City evaluated events and transactions occurring subsequent to December 31, 2023, there were no subsequent events requiring recognition in the financial statement. In February 2024 the City Council approved payment of $72,015.00 to Cunningham Sandblasting for work done on the water tower. The funds would be paid with $67,148.04 from the ARPA Fund and $4,866.96 from the Capital Improvement Fund.

SUPPLEMENTARY INFORMATION

Schedule 1

CITY OF NORWICH, KANSAS

Summary of Expenditures - Actual and Budget
(Budgeted Funds Only)
Regulatory Basis
For the Year Ended December 31, 2023

Funds	Certified Budget	Adjustments for Qualifying Budget Credits	Total Budget for Comparison	Expenditures Chargeable to Current Year	Variance - Over (Under)
General	$ 649,066.00	$ -	$ 649,066.00	$ 397,149.11	$ (251,916.89)
Special Purpose Funds:					
Fire	83,346.00	-	83,346.00	55,260.71	(28,085.29)
Library	27,421.00	6,592.50	34,013.50	17,905.27	(16,108.23)
Employee Benefit	49,889.00	-	49,889.00	39,582.09	(10,306.91)
Recreation	90,000.00	-	90,000.00	80,249.97	(9,750.03)
Special Highway	96,996.00	-	96,996.00	11,516.76	(85,479.24)
Emergency Medical Service	202,802.00	1,757.33	204,559.33	204,229.65	(329.68)
Business Funds:					
Water Utility	274,684.00	-	274,684.00	186,170.30	(88,513.70)
Sewer Utility	84,586.00	-	84,586.00	42,567.33	(42,018.67)

CITY OF NORWICH, KANSAS
GENERAL FUND
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2023
(With Comparative Actual Amounts for the Year Ended December 31, 2022)

		Current Year		
	Prior Year Actual	Actual	Budget	Variance - Over (Under)
Receipts				
Taxes and Shared Receipt				
Ad Valorem Property Tax	$ 210,047.51	$ 198,979.19	$ 210,425.00	$ (11,445.81)
Delinquent Tax	11,204.53	5,207.23	8,093.00	(2,885.77)
Neighborhood Revitalization Rebate	(3,679.86)	(5,497.96)	(5,697.00)	199.04
Motor Vehicle Tax	28,211.57	28,087.90	30,291.00	(2,203.10)
Recreational Vehicle Tax	410.96	491.11	529.00	(37.89)
16/20M Vehicle Tax	427.72	411.12	428.00	(16.88)
Commercial Vehicle Tax	264.17	268.67	4.00	264.67
Franchise Tax	107,949.08	98,862.91	106,366.00	(7,503.09)
Charges for Services				
Swimming Pool Receipts	9,656.50	8,827.00	6,945.00	1,882.00
Police Agreement	4,200.00	4,200.00	4,200.00	-
VIN Inspections	2,270.00	1,870.00	2,380.00	(510.00)
Licenses and Permits	185.00	435.00	165.00	270.00
Municipal Court Fines	6,493.00	4,669.00	4,027.00	642.00
Use of Money and Property				
Donations	-	350.00	-	350.00
Interest Income	1,114.93	2,166.47	787.00	1,379.47
Lease/Rent of Property	1,432.00	2,416.00	1,432.00	984.00
Sale of Assets	354.70	-	-	-
Other Receipts				
Miscellaneous	1,455.21	967.15	-	967.15
Reimbursed Expense	18,710.68	17,454.50	7,790.00	9,664.50
Total Receipts	400,707.70	370,165.29	$ 378,165.00	$ (7,999.71)
Expenditures				
General				
Contractual Services	100.00	100.00	$ 220.00	$ (120.00)
General Government				
Contractual Services	9,063.58	12,671.29	5,000.00	7,671.29
Commodities	-	-	5,000.00	(5,000.00)

CITY OF NORWICH, KANSAS
GENERAL FUND
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2023
(With Comparative Actual Amounts for the Year Ended December 31, 2022)

		Current Year		
	Prior Year Actual	Actual	Budget	Variance - Over (Under)
Expenditures (Continued)				
General Administration				
Personal Services	$ 20,379.00	$ 23,148.95	$ 23,771.00	$ (622.05)
Contractual Services	17,008.42	23,971.71	20,000.00	3,971.71
Commodities	6,397.84	7,055.11	8,000.00	(944.89)
Capital Outlay	-	-	2,000.00	(2,000.00)
Police				
Personal Services	58,004.16	60,664.32	61,563.00	(898.68)
Contractual Services	7,186.86	5,988.74	10,000.00	(4,011.26)
Commodities	11,508.05	9,892.33	12,000.00	(2,107.67)
Capital Outlay	-	179.97	2,000.00	(1,820.03)
Street Lights				
Contractual Services	9,969.14	8,489.33	13,250.00	(4,760.67)
Buildings and Properties				
Contractual Services	18,969.19	17,802.36	18,000.00	(197.64)
Commodities	4,042.60	406.14	4,350.00	(3,943.86)
Capital Outlay	-	-	2,000.00	(2,000.00)
Park				
Contractual Services	3,158.88	4,359.67	3,000.00	1,359.67
Commodities	3,315.79	3,458.37	5,000.00	(1,541.63)
Capital Outlay	9,234.96	-	3,500.00	(3,500.00)
Streets				
Contractual Services	1,479.48	1,356.06	5,000.00	(3,643.94)
Commodities	6,320.05	5,618.05	7,000.00	(1,381.95)
Capital Outlay	111,634.77	63,524.91	283,562.00	(220,037.09)
Swimming Pool				
Personal Services	12,843.29	16,190.75	13,282.00	2,908.75
Contractual Services	3,536.41	4,581.46	7,000.00	(2,418.54)
Commodities	5,439.02	7,683.06	9,000.00	(1,316.94)
Capital Outlay	7,268.85	4,785.88	5,000.00	(214.12)
Noxious Weeds				
Personal Services	-	2,289.20	6,000.00	(3,710.80)
Contractual Services	-	-	500.00	(500.00)
Commodities	95.47	1,344.75	1,000.00	344.75

CITY OF NORWICH, KANSAS
GENERAL FUND
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2023
(With Comparative Actual Amounts for the Year Ended December 31, 2022)

		Current Year		
	Prior Year Actual	Actual	Budget	Variance - Over (Under)
Expenditures (Continued)				
Court				
Personal Services	$ 2,125.74	$ 2,222.76	$ 2,230.00	$ (7.24)
Contractual Services	2,086.80	1,525.60	3,000.00	(1,474.40)
Debt Services				
Principal	64,263.92	65,640.02	65,640.00	0.02
Interest	23,574.42	22,198.32	22,198.00	0.32
Operating Transfers to:				
Municipal Equipment Reserve Fund	10,000.00	10,000.00	10,000.00	-
Fire Fund	7,000.00	10,000.00	10,000.00	-
Total Expenditures	436,006.69	397,149.11	$ 649,066.00	$ (251,916.89)
Receipts Over(Under) Expenditures	(35,298.99)	(26,983.82)		
Unencumbered Cash, Beginning	215,174.50	179,875.51		
Unencumbered Cash, Ending	$ 179,875.51	$ 152,891.69		

CITY OF NORWICH, KANSAS
FIRE FUND
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2023
(With Comparative Actual Amounts for the Year Ended December 31, 2022)

		Current Year		
	Prior Year Actual	Actual	Budget	Variance - Over (Under)
Receipts				
Intergovernmental				
Township Appropriations	$ 35,000.00	$ 50,000.00	$ 50,000.00	$ -
Other Receipts				
Miscellaneous	35.00	335.00	-	335.00
Reimbursed Expense	731.50	-	-	-
Donations	17,793.86	9,551.75	-	9,551.75
Operating Transfers from				
General Fund	7,000.00	10,000.00	10,000.00	-
Total Receipts	60,560.36	69,886.75	$ 60,000.00	$ 9,886.75
Expenditures				
Emergency Services				
Personal Services	2,000.00	4,000.00	$ 1,210.00	$ 2,790.00
Contractual Services	25,831.84	13,371.12	25,000.00	(11,628.88)
Commodities	18,831.22	25,701.02	19,814.00	5,887.02
Capital Outlay	-	-	25,133.00	(25,133.00)
Debt Service				
Finance Lease	12,188.57	12,188.57	12,189.00	(0.43)
Total Expenditures	58,851.63	55,260.71	$ 83,346.00	$ (28,085.29)
Receipts Over(Under) Expenditures	1,708.73	14,626.04		
Unencumbered Cash, Beginning	15,553.31	17,262.04		
Unencumbered Cash, Ending	$ 17,262.04	$ 31,888.08		

CITY OF NORWICH, KANSAS
LIBRARY FUND
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2023
(With Comparative Actual Amounts for the Year Ended December 31, 2022)

		Current Year		
	Prior Year Actual	Actual	Budget	Variance - Over (Under)
Receipts				
Taxes and Shared Receipt				
Ad Valorem Property Tax	$ 9,563.86	$ 9,934.24	$ 10,507.00	$ (572.76)
Delinquent Tax	491.37	245.59	404.00	(158.41)
Neighborhood Revitalization Rebate	(167.55)	(274.54)	(274.00)	(0.54)
Motor Vehicle Tax	1,233.90	1,278.96	1,379.00	(100.04)
Recreational Vehicle Tax	17.97	22.37	24.00	(1.63)
16/20M Vehicle Tax	18.70	17.98	20.00	(2.02)
Commercial Vehicle Tax	11.55	12.23	-	12.23
Other Receipts				
Reimbursed Expense	5,937.39	6,592.50	5,928.00	664.50
Total Receipts	17,107.19	17,829.33	$ 17,988.00	$ (158.67)
Expenditures				
Cultural and Recreation				
Library Appropriations	11,169.80	11,236.83	$ 21,240.00	$ (10,003.17)
Personal Services	5,944.39	6,668.44	6,181.00	487.44
Total Certified Budget			27,421.00	(9,515.73)
Adjustments for Qualifying Budget Credits			6,592.50	(6,592.50)
Total Expenditures	17,114.19	17,905.27	$ 34,013.50	$ (16,108.23)
Receipts Over(Under) Expenditures	(7.00)	(75.94)		
Unencumbered Cash, Beginning	9,167.41	9,160.41		
Unencumbered Cash, Ending	$ 9,160.41	$ 9,084.47		

CITY OF NORWICH, KANSAS
EMPLOYEE BENEFITS FUND
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2023
(With Comparative Actual Amounts for the Year Ended December 31, 2022)

		Current Year		
	Prior Year Actual	Actual	Budget	Variance - Over (Under)
Receipts				
Taxes and Shared Receipt				
Ad Valorem Property Tax	$ 20,434.94	$ 28,733.57	$ 30,450.00	$ (1,716.43)
Delinquent Tax	1,049.73	610.14	1,171.00	(560.86)
Neighborhood Revitalization Rebate	(358.00)	(794.31)	(586.00)	(208.31)
Motor Vehicle Tax	2,635.81	2,732.57	2,947.00	(214.43)
Recreational Vehicle Tax	38.40	47.77	51.00	(3.23)
16/20M Vehicle Tax	39.95	38.41	42.00	(3.59)
Commercial Vehicle Tax	24.69	26.14	-	26.14
Watercraft Tax	-	-	5.00	(5.00)
Other Receipts				
Miscellaneous	1,531.22	1,670.96	-	1,670.96
Total Receipts	25,396.74	33,065.25	$ 34,080.00	$ (1,014.75)
Expenditures				
General Administration				
Personal Services	33,344.84	37,932.09	$ 49,889.00	$ (11,956.91)
Contractual Services	1,650.00	1,650.00	-	1,650.00
Total Expenditures	34,994.84	39,582.09	$ 49,889.00	$ (10,306.91)
Receipts Over(Under) Expenditures	(9,598.10)	(6,516.84)		
Unencumbered Cash, Beginning	24,520.39	14,922.29		
Unencumbered Cash, Ending	$ 14,922.29	$ 8,405.45		

CITY OF NORWICH, KANSAS
RECREATION COMMISSION FUND
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2023
(With Comparative Actual Amounts for the Year Ended December 31, 2022)

		Current Year		
	Prior Year Actual	Actual	Budget	Variance - Over (Under)
Receipts				
Intergovernmental				
Kingman County Appropriations	$ 65,000.00	$ 65,000.00	$ 78,000.00	$ (13,000.00)
Other Receipts				
Reimbursed Expense	12,000.00	15,249.97	12,000.00	3,249.97
Total Receipts	77,000.00	80,249.97	$ 90,000.00	$ (9,750.03)
Expenditures				
Cultural and Recreation				
Commission Appropriations	65,000.00	65,000.00	$ 78,000.00	$ (13,000.00)
Personal Services	12,000.00	15,249.97	12,000.00	3,249.97
Total Expenditures	77,000.00	80,249.97	$ 90,000.00	$ (9,750.03)
Receipts Over(Under) Expenditures	-	-		
Unencumbered Cash, Beginning	-	-		
Unencumbered Cash, Ending	$ -	$ -		

CITY OF NORWICH, KANSAS
SPECIAL HIGHWAY FUND
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2023
(With Comparative Actual Amounts for the Year Ended December 31, 2022)

		Current Year		
	Prior Year Actual	Actual	Budget	Variance - Over (Under)
Receipts				
Intergovernmental				
Special Highway Tax	$ 11,630.65	$ 11,599.31	$ 12,230.00	$ (630.69)
Total Receipts	11,630.65	11,599.31	$ 12,230.00	$ (630.69)
Expenditures				
Street Maintenance				
Contractual Services	890.41	1,058.32	$ 3,000.00	$ (1,941.68)
Commodities	966.86	1,006.57	84,544.00	(83,537.43)
Debt Service				
Finance Lease - Equipment	9,451.87	9,451.87	9,452.00	(0.13)
Total Expenditures	11,309.14	11,516.76	$ 96,996.00	$ (85,479.24)
Receipts Over(Under) Expenditures	321.51	82.55		
Unencumbered Cash, Beginning	84,172.24	84,493.75		
Unencumbered Cash, Ending	$ 84,493.75	$ 84,576.30		

CITY OF NORWICH, KANSAS
EMERGENCY MEDICAL SERVICE FUND
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2023
(With Comparative Actual Amounts for the Year Ended December 31, 2022)

		Current Year		
	Prior Year Actual	Actual	Budget	Variance - Over (Under)
Receipts				
Intergovernmental				
Kingman County Appropriations	$ 56,000.00	$ 56,000.00	$ 56,000.00	$ -
Sumner County Appropriations	55,000.00	55,000.00	55,000.00	-
State Aid	25,101.62	1,757.33	-	1,757.33
Charges for Services				
Transports	71,629.22	73,523.21	48,594.00	24,929.21
Other Receipts				
Miscellaneous	6,871.08	920.00	-	920.00
Donations	1,055.00	3,491.88	-	3,491.88
Operating Transfer from				
Water Utility Fund	5,000.00	10,000.00	-	10,000.00
Total Receipts	220,656.92	200,692.42	$ 159,594.00	$ 41,098.42
Expenditures				
Emergency Services				
Personal Services	97,771.47	106,439.48	$ 96,820.00	$ 9,619.48
Contractual Services	59,292.47	49,862.48	50,000.00	(137.52)
Commodities	27,845.35	28,355.95	30,000.00	(1,644.05)
Capital Outlay	34,584.39	-	6,410.00	(6,410.00)
Debt Service				
Finance Lease - Equipment	19,571.74	19,571.74	19,572.00	(0.26)
Total Certified Budget			202,802.00	1,427.65
Adjustments for Qualifying				
Budget Credits			1,757.33	(1,757.33)
Total Expenditures	239,065.42	204,229.65	$ 204,559.33	$ (329.68)
Receipts Over(Under) Expenditures	(18,408.50)	(3,537.23)		
Unencumbered Cash, Beginning	47,667.75	29,259.25		
Unencumbered Cash, Ending	$ 29,259.25	$ 25,722.02		

CITY OF NORWICH, KANSAS
MUNICIPAL EQUIPMENT RESERVE FUND
Schedule of Receipts and Expenditures - Actual
Regulatory Basis
For the Year Ended December 31, 2023
(With Comparative Actual Amounts for the Year Ended December 31, 2022)

	Prior Year Actual	Current Year Actual
Receipts		
Operating Transfer from General Fund	$ 10,000.00	$ 10,000.00
Total Receipts	10,000.00	10,000.00
Expenditures		
General Government		
Capital Outlay	-	-
Total Expenditures	-	-
Receipts Over(Under) Expenditures	10,000.00	10,000.00
Unencumbered Cash, Beginning	49,413.73	59,413.73
Unencumbered Cash, Ending	$ 59,413.73	$ 69,413.73

CITY OF NORWICH, KANSAS
CAPITAL IMPROVEMENTS RESERVE FUND
Schedule of Receipts and Expenditures - Actual
Regulatory Basis
For the Year Ended December 31, 2023
(With Comparative Actual Amounts for the Year Ended December 31, 2022)

	Prior Year Actual	Current Year Actual
Receipts		
Operating Transfer from General Fund	$ -	$ -
Total Receipts	-	-
Expenditures		
General Government		
Contractual	-	1,981.71
Commodities	-	15,990.01
Capital Outlay	-	44,214.49
Total Expenditures	-	62,186.21
Receipts Over(Under) Expenditures	-	(62,186.21)
Unencumbered Cash, Beginning	188,953.02	188,953.02
Unencumbered Cash, Ending	$ 188,953.02	$ 126,766.81

CITY OF NORWICH, KANSAS
SPECIAL MACHINERY FUND
Schedule of Receipts and Expenditures - Actual
Regulatory Basis
For the Year Ended December 31, 2023
(With Comparative Actual Amounts for the Year Ended December 31, 2022)

	Prior Year Actual	Current Year Actual
Receipts		
Use of Money and Property		
Interest Income	$ -	$ -
Total Receipts	-	-
Expenditures		
General Government		
Capital Outlay	-	-
Total Expenditures	-	-
Receipts Over(Under) Expenditures	-	-
Unencumbered Cash, Beginning	2,954.51	2,954.51
Unencumbered Cash, Ending	$ 2,954.51	$ 2,954.51

CITY OF NORWICH, KANSAS
ARPA FUND
Schedule of Receipts and Expenditures - Actual
Regulatory Basis
For the Year Ended December 31, 2023
(With Comparative Actual Amounts for the Year Ended December 31, 2022)

	Prior Year Actual	Current Year Actual
Receipts		
Intergovernmental		
ARPA Grant Proceeds	$ 33,574.02	$ -
Total Receipts	33,574.02	-
Expenditures		
General Government		
Capital Outlay	-	-
Total Expenditures	-	-
Receipts Over(Under) Expenditures	33,574.02	-
Unencumbered Cash, Beginning	33,574.02	67,148.04
Unencumbered Cash, Ending	$ 67,148.04	$ 67,148.04

CITY OF NORWICH, KANSAS
WATER UTILITY FUND
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2023
(With Comparative Actual Amounts for the Year Ended December 31, 2022)

		Current Year		
	Prior Year Actual	Actual	Budget	Variance - Over (Under)
Receipts				
Operating Receipts				
Charges for Service	$ 129,739.79	$ 124,602.00	$ 123,344.00	$ 1,258.00
Connection Fees	20.00	-	-	-
Other Receipts				
Miscellaneous	380.00	2,729.16	-	2,729.16
Total Receipts	130,139.79	127,331.16	$ 123,344.00	$ 3,987.16
Expenditures				
Operations				
Personal Services	78,208.30	105,526.66	$ 68,800.00	$ 36,726.66
Contractual Services	34,867.42	37,877.31	45,000.00	(7,122.69)
Commodities	19,538.61	32,766.33	30,000.00	2,766.33
Capital Outlay	-	-	130,884.00	(130,884.00)
Operating Transfer to				
Emergency Medical Service Fund	5,000.00	10,000.00	-	10,000.00
Total Expenditures	137,614.33	186,170.30	$ 274,684.00	$ (88,513.70)
Receipts Over(Under) Expenditures	(7,474.54)	(58,839.14)		
Unencumbered Cash, Beginning	142,602.55	135,128.01		
Unencumbered Cash, Ending	$ 135,128.01	$ 76,288.87		

CITY OF NORWICH, KANSAS
SEWER UTILITY FUND
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2023
(With Comparative Actual Amounts for the Year Ended December 31, 2022)

		Current Year		
	Prior Year Actual	Actual	Budget	Variance - Over (Under)
Receipts				
Operating Receipts				
Charges for Service	$ 38,771.86	$ 39,176.67	$ 38,666.00	$ 510.67
Connection Fees	1,650.00	700.00	2,300.00	(1,600.00)
Total Receipts	40,421.86	39,876.67	$ 40,966.00	$ (1,089.33)
Expenditures				
Operations				
Personal Services	46,481.65	26,381.62	$ 64,586.00	$ (38,204.38)
Contractual Services	9,784.81	8,818.54	10,000.00	(1,181.46)
Commodities	8,989.28	7,367.17	10,000.00	(2,632.83)
Total Expenditures	65,255.74	42,567.33	$ 84,586.00	$ (42,018.67)
Receipts Over(Under) Expenditures	(24,833.88)	(2,690.66)		
Unencumbered Cash, Beginning	73,203.04	48,369.16		
Unencumbered Cash, Ending	$ 48,369.16	$ 45,678.50		

Jarred Gilmore Phillips

The Honorable Mayor and City Council
City of Norwich, Kansas

In planning and performing our audit of the financial statement of the City of Norwich, Kansas as of and for the year ended December 31, 2023, in accordance with auditing standards generally accepted in the United States of America, we considered City of Norwich, Kansas' system of internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statement, but not for the purpose of expressing an opinion on the effectiveness of City of Norwich, Kansas' internal control. Accordingly, we do not express an opinion on the effectiveness of City of Norwich, Kansas' internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we identified certain deficiencies in internal control that we consider to be material weaknesses.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the City's financial statement will not be prevented, or detected and corrected, on a timely basis. We consider the following deficiencies in internal control to be material weaknesses:

Preparation of Financial Statement

Accounting standards states the client must be able to accept responsibility and be able to identify a material misstatement when reviewing the financial statement, including footnotes and supplemental information. This would also include knowing if a required footnote disclosure was missing or not correctly stated. Presently, the City staff does not have the ability to process and prepare the required financial statement, including footnotes. The potential effects of this material weakness could be unrecognized errors on the financial statement. While we recognize that this condition is not unusual for a City your size, it is important that you be aware of this condition for financial reporting purposes. Management and the City Council should continually be aware of the financial reporting of the City and changes in reporting requirements.

Segregation of Duties

An internal control structure is, quite simply, the procedures and policies in effect which ensure that the City's financial activity is properly recorded, processed, summarized, and reported in the financial statement. A weakness in the control structure occurs when one person is responsible for all of the accounting activities such as performing billings, receipting cash, making deposits, reconciling the bank accounts, and having access to all books and records of the City. Due to small staff size, it is not possible for reviews of daily work to take place, potentially resulting in errors in financial records and reports.

This communication is intended solely for the information and use of management, the Mayor, City Council, and others within the City of Norwich, Kansas, and is not intended to be, and should not be, used by anyone other than these specified parties.

Jarred, Gilmore & Phillips, PA

JARRED, GILMORE & PHILLIPS, PA
Certified Public Accountants

Chanute, Kansas
April 12, 2023