CITY OF NORTON, KANSAS

Norton, Kansas
Financial Statement and Regulatory-Required
Supplementary Information with Independent Auditor's Report
For the Year Ended December 31, 2025

MAPES & MILLER LLP
Certified Public Accountants
Norton, Kansas

CITY OF NORTON, KANSAS
Financial Statement and Regulatory-Required
Supplementary Information with Independent Auditor's Report
For the Year Ended December 31, 2025

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INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and City Council
City of Norton
Norton, Kansas 67654

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 Norton, Kansas, a Municipal Financial Reporting Entity as of and for the year ended December 31, 2025, and the related notes to the financial statement.

Adverse Opinion on 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 Norton, Kansas, as of December 31, 2025, 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 Norton, Kansas, as of December 31, 2025, and the aggregate receipts and expenditures for the year then ended in accordance with the financial reporting provisions of the *Kansas Municipal Audit and Accounting Guide* described in Note 1.

Basis for Adverse 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 Norton, 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 basis for our adverse and unmodified 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 Norton 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 Norton'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 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 Generally Accepted Auditing Standards (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

1) Exercise professional judgment and maintain professional skepticism throughout the audit.
2) 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.
3) 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 of Norton's internal control. Accordingly, no such opinion is expressed.
4) 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.
5) Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City of Norton'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, individual fund schedules of regulatory basis receipts and expenditures-actual and budget, schedule of regulatory basis summary of receipts and expenditures-agency funds (Schedules 1, 2 and 3 as listed in the table of contents) are presented for purposes of additional analysis and are not a required part of the 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 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.

Mapes & Miller LLP

Certified Public Accountants

Norton, Kansas
September 14, 2026

CITY OF NORTON, KANSAS

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

Funds	Beginning Unencumbered Cash Balance	Prior Year Cancelled Encumbrances	Receipts	Expenditures	Ending Unencumbered Cash Balance	Add Encumbrances and Accounts Payable	Ending Cash Balance
General Funds							
General	$ 530,308	0	2,130,200	2,387,874	272,634	10,021	282,655
Special Purpose Funds							
Employee Benefits	28,162	0	197,133	225,295	0	0	0
Special Highway	133,287	0	72,475	80,061	125,701	640	126,341
Special Parks	14,913	0	36,400	40,800	10,513	0	10,513
Industrial Development	27,065	0	102,183	95,656	33,592	0	33,592
Tourism and Convention	0	0	77,022	77,022	0	0	0
Library	0	0	121,340	121,340	0	0	0
Library Employee Benefits	0	0	46,518	46,518	0	0	0
Special Health Insurance	38,812	0	665,856	662,182	42,486	0	42,486
Police Donation	176	0	0	0	176	0	176
Animal Pound Donation	59,643	0	0	0	59,643	0	59,643
Cemetery Donation	14,058	0	0	0	14,058	0	14,058
Special Pool Sales Tax	833,181	0	476,688	396,329	913,540	0	913,540
Municipalities Fighting Addiction	16,647	0	4,880	0	21,527	0	21,527
Police Forfeiture	632	0	22	0	654	0	654
City Land Bank	489	0	0	63	426	0	426
Equipment Reserve	71,631	0	0	34,853	36,778	0	36,778
Capital Improvement	154,486	0	500,000	651,892	2,594	0	2,594
Bond and Interest Funds							
Bond and Interest	7,181	0	118,481	67,265	58,397	0	58,397
Highway 36 Bond	13,708	0	77,259	77,259	13,708	0	13,708
Water/Wastewater Debt Service	11,554	0	527,338	538,892	0	0	0
Business Funds							
Electric	378,238	0	3,194,332	3,399,006	173,564	129,300	302,864
Electric Deposits	0	0	20,524	20,524	0	86,007	86,007
Electric Replacement Reserve	468,160	0	108,934	261,748	315,346	0	315,346
Refuse	12,243	0	406,866	417,950	1,159	7,338	8,497
Water	188,825	0	981,931	947,981	222,775	8,328	231,103
Water Deposits	0	0	6,129	6,129	0	25,963	25,963

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

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

Funds	Beginning Unencumbered Cash Balance	Prior Year Cancelled Encumbrances	Receipts	Expenditures	Ending Unencumbered Cash Balance	Add Encumbrances and Accounts Payable	Ending Cash Balance
Business Funds (Continued)							
Water Replacement Reserve	$ 850	0	10,200	5,950	5,100	0	5,100
Sewer Service	119,054	0	585,771	614,565	90,260	1,232	91,492
Sewer Replacement Reserve	5,950	0	10,200	11,050	5,100	0	5,100
Trust Funds							
Revolving Loan	78,724	0	611	0	79,335	0	79,335
Total Primary Government	3,207,977	0	10,479,293	11,188,204	2,499,066	268,829	2,767,895
Related Municipal Entities:							
Norton Public Library							
General	281,381	0	229,275	227,407	283,249	0	283,249
NWKLS Grant	5,500	0	1,051	0	6,551	0	6,551
State Grant	0	0	1,929	1,929	0	0	0
Friends	916	0	0	0	916	0	916
Art Club	12,172	0	0	1,321	10,851	0	10,851
Special Project and Donation	84,276	0	0	1,244	83,032	0	83,032
Capital Improvement	36,362	0	0	0	36,362	0	36,362
Public Building Commission							
Pool Bond & Interest Reserve	317,009	0	307,440	307,445	317,004	0	317,004
Total Related Municipal Entities	737,616	0	539,695	539,346	737,965	0	737,965
Total Reporting Entity (Excluding Agency Funds)	$ **3,945,593**	**0**	**11,018,988**	**11,727,550**	**3,237,031**	**268,829**	**3,505,860**

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

CITY OF NORTON, KANSAS
Composition of Cash
Regulatory Basis
For the Year Ended December 31, 2025

Primary Government:		
Cash on Hand	$	100
First State Bank, Norton, Kansas		
NOW Accounts		617,327
Money Market Account		79,335
Checking Accounts		2,000
Certificates of Deposit		150,000
Solutions North Bank, Norton, Kansas		
NOW Account		1,468,421
Checking Accounts		30,013
Mid America Bank, Norton, Kansas		
Certificates of Deposit		250,000
Equity Bank, Norton, Kansas		
Certificates of Deposit		195,000
The Bank, Norton, Kansas		
Checking Account		2,000
Total Cash and Investments		2,794,196
Less: Agency Funds - Schedule 3		(26,301)
Total Primary Government		2,767,895
Related Municipal Entities:		
Norton Public Library Board		
Solutions North Bank, Norton, Kansas		
NOW Account		170,219
Certificate of Deposit		239,396
First State Bank, Norton, Kansas		
Certificate of Deposit		11,346
Public Building Commission		
First State Bank, Norton, Kansas		
Money Market Account		317,004
Total Related Municipal Entities		737,965
Total Reporting Entity per Statement 1, Page 2	$	**3,505,860**

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

1. **Summary of Significant Accounting Policies**

Municipal Financial Reporting Entity

The City of Norton, Kansas is a municipal corporation governed by an elected seven-member council. It was incorporated on September 12, 1885, and operates as a second-class city in accordance with the laws of the State of Kansas. The City operates under a mayor-council form of government and provides the following services: public safety (police and fire protection), highways and streets, electricity, water, sewer, sanitation, social, culture and recreation, planning and zoning, public improvements, and general administrative services. This financial statement presents the City of Norton, Kansas (the municipality) and its related municipal entities. The related municipal entities are included in the city's reporting entity because they were established to benefit the city and/or its constituents.

Norton Public Library. The Norton Public Library operates a municipal public library for the City of Norton. A seven-member board of trustees is appointed by the City Council to oversee the operation. The City annually levies a tax for the operation of the Library and also provides the facilities. The City can also issue bonded debt for the benefit of the Library. The Library Board must obtain the approval for the acquisition or disposal of real property from the City Council.

Public Building Commission. The City of Norton Public Building Commission Board operates the Public Building Commission for the purpose of providing additional and alternative methods for financing certain public buildings. The City levies taxes for the Public Building Commission. Bond issuances must be approved by the City. Complete financial records for the Public Building Commission may be reviewed at the City offices.

Regulatory Basis Fund Types

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 receipt sources (other than Capital Project and tax levies for long-term debt) that are intended for specified purposes.

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

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.)

Agency fund—funds used to report assets held by the municipal reporting entity in a purely custodial capacity (payroll clearing fund, county treasurer tax collection accounts, etc.)

Trust fund – funds used to report assets held in trust for the benefit of the municipal financial reporting entity (i.e. pension funds, investment trust funds, private purpose trust funds which benefit the municipal reporting entity, scholarship funds, etc.)

Basis of Accounting

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

The municipality 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 municipality to use the regulatory basis of accounting.

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 sequence and timetable in adoption of the legal annual operating budget:

1. Preparation of the budget for the succeeding calendar year on or before August 1st.

2. Publication in local newspaper on or before August 5th of the proposed budget and notice of public hearing on the budget.

3. Public hearing on or before August 15th, but at least ten days after publication of notice of hearing.

4. Adoption of final budget on or before August 25th.

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

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

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

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

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

Special Purpose Funds:
- Special Parks
- Tourism & Convention
- Special Health Insurance
- Special Pool Sales Tax
- Municipalities Fighting Addiction
- Police Donation
- Animal Pound Donation
- Cemetery Donation
- Police Forfeiture
- City Land Bank
- Equipment Reserve
- Capital Improvement

Bond and Interest Funds:
- Highway 36 Bond
- Water/Wastewater Debt Service

Business Funds:
- Electric Replacement Reserve
- Electric Deposits
- Water Replacement Reserve
- Water Deposits
- Sewer Replacement Reserve

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

Expenditures in the Employee Benefits Fund and the Refuse Fund exceeded the adopted budget for the year ended December 31, 2025, which is a violation of K.S.A. 79-2935.

3. **Deposits and Investments**

K.S.A. 9-1401 establishes the depositories which may be used by the City, Library, and Public Building Commission. The statute requires banks eligible to hold the municipality's funds have a main or branch bank in the county in which the municipality is located, or in an adjoining county if such institution has been designated as an official depository, and the banks provide an acceptable rate of 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, Library, and Public Building Commission have no other policies that would further limit interest rate risk.

K.S.A. 12-1675 limits the City's, Library's, and Public Building Commission'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, Library, and Public Building Commission have no investment policy that would further limit their investment choices.

Concentration of Credit Risk. State statutes place no limit on the amount the City, the Library, and the Public Building Commission 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, Library's, and Public Building Commission's deposits may not be returned to them. State statutes require the City's, Library's, and Public Building Commission's deposits in financial institutions to be entirely covered by federal depository insurance or by collateral held under a joint custody receipt issued by a bank within the State of Kansas, the Federal Reserve Bank of Kansas City, or the Federal Home Loan Bank of Topeka, except during designated "peak periods" when required coverage is 50%. The City, Library, and Public Building Commission have not designated any "peak periods" with eligible depositories. All deposits were legally secured at December 31, 2025.

At December 31, 2025, the City's carrying amount of deposits was $2,794,096 and the bank balance was $2,854,874. The bank balance was held by four banks resulting in a concentration of credit risk. Of the bank balance, $1,229,500 was covered by federal depository insurance, and $1,863,042 was collateralized with securities held by the pledging financial institutions' agents in the City's name.

At December 31, 2025, the Library's carrying amount of deposits was $420,961 and the bank balance was $437,855. The bank balance was held by two banks resulting in a concentration of credit risk. Of the bank balance, $261,346 was covered by federal depository insurance, and $176,509 was collateralized with securities held by the pledging financial institutions' agents in the Library's name.

At December 31, 2025, the Public Building Commission's carrying amount of deposits was $317,004 and the bank balance was $317,004. The bank balance was held by one bank resulting in a concentration of credit risk. Of the bank balance, $250,000 was covered by federal depository insurance, and $67,004 was collateralized with securities held by the pledging financial institutions' agents in the Commission's name.

Custodial Credit Risk – Investments. For an investment, this is the risk that, in the event of the failure of the issuer or counterparty, the Municipality will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. State statutes require investments to be adequately secured. At December 31, 2025, the City, Library and Public Building Commission held no investments except for certificates of deposit which are considered as a component of deposits.

4. **Defined Benefit Pension Plan**

Plan Description The City of Norton 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.kspers.org or by writing to KPERS (611 South Kansas, Suite 100, Topeka, Kansas 66603) or by calling 1-888-275-5737.

Contributions. K.S.A. 74-4919 and K.S.A. 74-49,210 establish the KPERS member-employee contribution rates. KPERS has multiple benefit structures and contribution rates depending on whether the employee is 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. Effective January 1, 2015, Kansas law established the KPERS member-employee contribution rate at 6% of covered salary for KPERS 1, KPERS 2 and KPERS 3 members. K.S.A. 74-4975 establishes KP&F member-employee contribution rate at 7.15% of covered salary. Member contributions are withheld by their employer and paid to KPERS according to the provisions of Section 414(h) of the Internal Revenue Code.

State law provides that the employer contribution rates for KPERS 1 and KPERS 2, and KPERS 3 and KP&F be determined based on the results of each annual actuarial valuation. Kansas law sets a limitation on annual increases in the employer contribution rates. The actuarially determined employer contribution

rate (not including the 1% contribution rate for the Death and Disability Program) and the statutory contribution rate was 9.71% for KPERS and 24.67% for KP&F for the fiscal year ended December 31, 2025. Contributions to the pension plan from the City of Norton were $167,863 for KPERS and $86,307 for KP&F for the year ended December 31, 2025.

Net Pension Liability

At December 31, 2025, the City's proportionate share of the collective net pension liability reported by KPERS was $1,380,385 and $665,861 for KP&F. The Library's proportionate share of the collective net pension liability reported by KPERS was $83,958. The net pension liability was measured as of June 30, 2025 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2024, which was rolled forward to June 30, 2025. The City's and Library's proportion of the net pension liability was based on the ratio of the city's contributions to KPERS, relative to the total employer and non-employer contributions of the Local subgroup within KPERS. Since the KMAAG regulatory basis of accounting does not recognize long-term debt, this liability is not reported in these financial statements.

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

5. Other Long-Term Obligations from Operations

Other Post Employment Benefits. As provided by K.S.A. 12-5040, the City 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 premium regardless of age. However, the cost of this subsidy has not been quantified in this financial statement.

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.

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

Compensated Absences

City of Norton

Vacation Leave. Each full-time City employee with less than five years of service shall earn eight hours of vacation per month; over five years and less than ten years of service shall earn ten hours of vacation per month; over ten years and less than fifteen years of service shall earn twelve hours of vacation per month; over fifteen years and less than twenty years of service shall earn fourteen hours of vacation per month; and over twenty years of service shall earn sixteen hours of vacation per month. Each employee shall be allowed to carry over a vacation leave balance at the end of the calendar year equal to the annualized accrual for the employee's length of service as of the last day of the year. Annualized accrual shall be determined by multiplying the employee's monthly credit for the last month of the current year times twelve. Upon termination, a full time employee shall be compensated for all accumulated unused vacation leave.

Sick Leave. Full-time City employees earn eight hours of sick leave for each calendar month worked. An employee may accumulate unlimited sick leave. Upon retirement, an employee will be paid a maximum of nine hundred sixty (960) hours sick leave. Other employees terminating voluntarily will be paid for one-half of their unused sick leave up to four hundred eighty (480) hours.

Comp Time. The City's employees eligible to receive overtime have the option to be compensated for overtime by accumulating compensatory time, comp time, at a rate of one and one-half times the overtime worked at the discretion of the department head. Non-exempt public safety officers and non exempt employees may accumulate up to 120 hours of comp time.

Parental Leave. An eligible employee is entitled to up to four weeks of paid maternity leave for women who have given birth or one week of paid parental leave for spouse or committed partner to woman who has given birth, adoption or placement. The employee must have worked for the City at least 12 months prior to the event and a minimum of 1,250 hours during the twelve months preceding the leave and must qualify for FMLA.

Norton Public Library

Vacation. All full time Library employees earn vacation of five days after completion of the first calendar year of employment. After three calendar years, ten days of vacation are earned each year. After ten calendar years, fifteen days of vacation are earned each year. After twenty calendar years, twenty days of vacation are earned. Vacation time is not allowed to accumulate and any unused time is forfeited.

Sick Leave. All full time employees earn sick leave at the rate of one day per month and can accumulate to fifteen days. Unused sick leave at the time of termination of employment due to death, retirement, medical disability or to a family transfer out of the community will be paid at one-fourth of the dollar value of the employee's accumulated sick leave days.

6. Interfund Transactions

Operating transfers were as follows:

From	To	Regulatory Authority	Amount
Electric	Electric Replacement	K.S.A. 12-825d	102,000
Water	Water/Wastewater Debt Service	K.S.A. 12-825d	199,534
Water	Water Replacement	K.S.A. 12-825d	10,200
Water Replacement	Water/Wastewater Debt Service	K.S.A. 12-825d	5,950
Sewer	Sewer Replacement Reserve	K.S.A. 12-825d	10,200
Sewer	Water/Wastewater Debt Service	K.S.A. 12-825d	68,912
Sewer Replacement Reserve	Water/Wastewater Debt Service	K.S.A. 12-825d	11,050
Special Highway	Highway 36 Bond	K.S.A. 68-416	77,259
General	Refuse	Council Approval	53,000
General	Water/Wastewater Debt Service	Council Approval	100,000
General	Employee Benefits	Council Approval	8,604
Capital improvement	Water/Wastewater Debt Service	Council Approval	141,892

7. Risk Management

The City, Library, and Public Building Commission are 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 for which the City, Library and Public Building Commission purchase commercial insurance. During the year ended December 31, 2025 neither the City, the Library, nor the Public Building Commission reduced insurance coverage from levels in place during the prior year. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

8. **Claims and Judgments**

The City participates in federal, state and county programs that are fully or partially funded by grants received from other governmental units. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grant program regulations, the City may be required to reimburse the grantor government. As of the date of this report, the grant expenditures have not been audited, but the City believes that disallowed expenditures, if any, based on subsequent audits will not have a material effect of any of the individual government funds or the overall financial position of the City.

During the ordinary course of its operations the City is a party to various claims, legal actions, and complaints. It is the opinion of the City's management and legal counsel that these matters are not anticipated to have a material financial impact on the City.

9. **Special Items**

Revolving Loan Fund. The City of Norton received a $106,100 grant from the Kansas Small Cities Program Community Development Block Grant in 1988 for the purpose of establishing a Revolving Loan Fund to provide loans to businesses in and around the City of Norton for which the loan proceeds would result in the creation and/or retention of jobs. Norton Development Corporation administers this fund under the supervision of the City Council. The balance of the outstanding loans as of December 31, 2025 was $0.

10. **Joint Ventures**

The Norton County Economic Development Board is an economic development organization formed to administer, manage, and control the economic development in Norton County and the cities within Norton County, Kansas. In May 2005, the City of Almena, Kansas, City of Clayton, Kansas, City of Edmond, Kansas, City of Lenora, Kansas, City of Norton, Kansas, and Norton County entered into an interlocal cooperation agreement to serve these purposes. The City of Norton provides 40% of the Norton County Economic Development Board's approved budget annually through appropriation.

The Norton City/County Airport Board was created in January 1995 through an interlocal cooperation agreement between the City of Norton, Kansas and Norton County, Kansas for the purpose of operating the Norton Municipal Airport. The City of Norton provides 40% of the Norton City/County Airport Board's approved budget annually through appropriation.

11. **Subsequent Events**

Management has evaluated the effects on the financial statement of subsequent events occurring through September 14, 2026, which is the date at which the financial statement was available to be issued.

11. **Long-term Debt**

Changes in long-term liabilities for the City of Norton, Kansas for the year ended December 31, 2025, were as follows:

Issue	Interest Rates	Date of Issue	Amount of Issue	Date of Final Maturity	Balance Beginning of Year	Additions	Reductions/ Payments	Balance End of Year	Interest Paid
General Obligation Bonds:									
Series 2022 Highway Improvement	4.33%	06/30/22	830,000	10/01/37	745,000	0	45,000	700,000	32,258
Series 2019 Street Improvement	2.5-3.75%	04/24/19	815,000	04/01/34	595,000	0	50,000	545,000	17,265
Series 2021 Water/Wastewater Refunding	.75%-3.00%	01/26/21	5,035,000	08/01/48	3,160,000	0	470,000	2,690,000	68,892
Total General Obligation Bonds					4,500,000	0	565,000	3,935,000	118,415
Finance Leases:									
Pumper Truck	4.48%	08/02/19	340,000	03/01/29	185,171	0	33,863	151,308	8,296
Wastewater Equipment	5.00%	03/02/21	185,307	07/15/26	63,996	0	39,977	24,019	1,713
Water Equipment	5.00%	03/02/21	320,129	07/15/26	110,557	0	69,063	41,494	2,959
Police Body Cameras	0.00%	05/31/23	39,999	05/31/27	17,902	0	5,967	11,935	0
Bobcat Compact Excavator	4.95%	07/07/23	37,706	03/08/28	30,879	0	7,170	23,709	1,529
Police Cars	8.84%	06/30/23	92,367	06/30/25	30,715	0	30,715	0	2,715
John Deere 5105M Tractor	4.85%	08/04/25	59,507	08/04/30	0	59,507	0	59,507	0
Total Finance Leases					439,220	59,507	186,755	311,972	17,212
Public Building Commission									
Revenue Refunding Bond, Series 2020	1.30-2.75%	5/27/2020	3,410,000	08/01/33	2,475,000	0	250,000	2,225,000	57,445
Total Contractual Indebtedness					**7,414,220**	**59,507**	**1,001,755**	**6,471,972**	**193,072**

12. **Long-term Debt - (Continued)**

Current maturities of long-term debt for the City of Norton, Kansas through maturity are as follows:

	2026	2027	2028	2029	2030	2031-2035	2036-2040	2041-2045	2046-2050	Total
PRINCIPAL										
General Obligation Bonds:										
Series 2022 Highway Improvement	45,000	50,000	50,000	55,000	55,000	305,000	140,000	0	0	700,000
Series 2019 Street Improvement	50,000	55,000	55,000	60,000	60,000	265,000	0	0	0	545,000
Series 2021 Water/Wastewater Refunding	335,000	200,000	140,000	80,000	85,000	445,000	500,000	580,000	325,000	2,690,000
Total General Obligation Bonds	430,000	305,000	245,000	195,000	200,000	1,015,000	640,000	580,000	325,000	3,935,000
Finance Leases:										
Pumper Truck	35,380	36,965	38,611	40,352	0	0	0	0	0	151,308
Wastewater Equipment	24,019	0	0	0	0	0	0	0	0	24,019
Water Equipment	41,494	0	0	0	0	0	0	0	0	41,494
Police Body Cameras	5,968	5,967	0	0	0	0	0	0	0	11,935
Bobcat Compact Excavator	7,525	7,897	8,287	0	0	0	0	0	0	23,709
John Deere 5105M Tractor	10,803	11,327	11,871	12,451	13,055	0	0	0	0	59,507
Total Finance Leases	125,189	62,156	58,769	52,803	13,055	0	0	0	0	311,972
Public Building Commission										
Revenue Refunding Bond, Series 2020	255,000	260,000	265,000	275,000	280,000	890,000	0	0	0	2,225,000
TOTAL PRINCIPAL	**810,189**	**627,156**	**568,769**	**522,803**	**493,055**	**1,905,000**	**640,000**	**580,000**	**325,000**	**6,471,972**
INTEREST										
General Obligation Bonds:										
Series 2022 Highway Improvement	30,310	28,362	26,197	24,032	21,650	71,012	9,093	0	0	210,656
Series 2019 Street Improvement	16,015	14,715	13,230	11,690	9,950	20,705	0	0	0	86,305
Series 2021 Water/Wastewater Refunding	63,252	58,898	56,098	53,998	52,718	237,100	178,900	102,150	17,850	820,964
Total General Obligation Bonds	109,577	101,975	95,525	89,720	84,318	328,817	187,993	102,150	17,850	1,117,925
Finance Leases:										
Pumper Truck	6,779	5,194	3,547	1,808	0	0	0	0	0	17,328
Wastewater Equipment	300	0	0	0	0	0	0	0	0	300
Water Equipment	519	0	0	0	0	0	0	0	0	519
Police Body Cameras	0	0	0	0	0	0	0	0	0	0
Bobcat Compact Excavator	1,174	801	411	0	0	0	0	0	0	2,386
John Deere 5105M Tractor	2,886	2,362	1,818	1,237	633	0	0	0	0	8,936
Total Finance Leases	11,658	8,357	5,776	3,045	633	0	0	0	0	29,469
Public Building Commission										
Revenue Refunding Bond, Series 2020	52,945	48,100	42,900	36,938	30,750	48,638	0	0	0	260,271
TOTAL INTEREST	**174,180**	**158,432**	**144,201**	**129,703**	**115,701**	**377,455**	**187,993**	**102,150**	**17,850**	**1,407,665**
TOTAL PRINCIPAL AND INTEREST	**$ 984,369**	**785,588**	**712,970**	**652,506**	**608,756**	**2,282,455**	**827,993**	**682,150**	**342,850**	**7,879,637**

CITY OF NORTON, KANSAS
REGULATORY-REQUIRED
SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2025

CITY OF NORTON, KANSAS SCHEDULE 1

Summary of Expenditures - Actual and Budget

Regulatory Basis

For the Year Ended December 31, 2025

Funds	Certified Budget	Adjustment for Qualifying Budget Credits	Total Budget for Comparison	Expenditures Chargeable to Current Year	Variance Over (Under)
General Funds					
General	$ 2,404,627	33,660	2,438,287	2,387,874	(50,413)
Special Purpose Funds					
Employee Benefits	215,700	0	215,700	225,295	9,595
Special Highway	206,125	0	206,125	80,061	(126,064)
Industrial Development	130,000	0	130,000	95,656	(34,344)
Library	124,044	0	124,044	121,340	(2,704)
Library Employee Benefits	47,598	0	47,598	46,518	(1,080)
Bond and Interest Funds					
Bond and Interest	77,265	0	77,265	67,265	(10,000)
Business Funds					
Electric	3,713,710	47,923	3,761,633	3,399,006	(362,627)
Electric Deposits	35,000	0	35,000	20,524	*
Refuse	412,090	0	412,090	417,950	5,860
Water	1,339,388	0	1,339,388	947,981	(391,407)
Water Deposits	9,000	0	9,000	6,129	*
Sewer Service	716,844	0	716,844	614,565	(102,279)

* Exempt from the Budget Law

CITY OF NORTON, KANSAS
GENERAL FUND
Schedule of Receipts and Expenditures- Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2025

	Actual	Budget	Variance Over (Under)
Receipts:			
Taxes:			
Ad Valorem Property	$ 647,331	678,936	(31,605)
Delinquent	18,810	5,000	13,810
Motor Vehicle	110,166	102,043	8,123
Recreational Vehicle	2,643	2,416	227
16/20M Vehicle	740	980	(240)
Watercraft	873	873	0
Commerical Vehicle	3,418	2,717	701
In Lieu of Taxes (IRB)	10,331	10,000	331
Intergovernmental:			
County/City Sales Tax	605,838	540,000	65,838
Local Alcoholic Liquor Tax	6,071	5,434	637
Licenses, Fees, Fines and Permits:			
Court Fees and Fines	123,419	24,000	99,419
Franchise Fees	195,147	207,000	(11,853)
Licenses and Permits	9,193	7,000	2,193
Charges for Services:			
Cemetery	8,100	10,000	(1,900)
Kennel Charges	150	200	(50)
Swimming Pool	44,063	41,000	3,063
Other:			
Interest on Idle Funds	60,616	10,000	50,616
Rent	29,421	27,000	2,421
Miscellaneous	20,493	2,000	18,493
Refunds	196	6,000	(5,804)
Reimbursed Expenses	33,382	35,000	(1,618)
Photo Copy Receipts	70	100	(30)
County Payment for Inmate Crew	54,195	0	54,195
County Payment for Rescue Services	10,000	10,000	0
Sale of City Property	40,256	2,000	38,256
Reimbursement from Special Pool Sales Tax	95,278	60,000	35,278
Total Receipts	2,130,200	**1,789,699**	**340,501**

(Continued)

CITY OF NORTON, KANSAS
GENERAL FUND
Schedule of Receipts and Expenditures- Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2025

	Actual	Budget	Variance Over (Under)
(Continued)			
Expenditures:			
Finance and Administration:			
Personal Services	$ 85,242	59,000	26,242
Contractual Services	167,135	257,600	(90,465)
Commodities	5,322	10,000	(4,678)
Capital Outlay	1,964	114,593	(112,629)
Total Finance and Administration	259,663	441,193	(181,530)
Police:			
Personal Services	520,472	446,100	74,372
Contractual Services	181,219	165,980	15,239
Commodities	34,697	30,200	4,497
Capital Outlay	127,203	115,431	11,772
Total Police	863,591	757,711	105,880
Fire:			
Personal Services	25,301	35,000	(9,699)
Contractual Services	31,260	27,900	3,360
Commodities	2,741	4,700	(1,959)
Capital Outlay	72,159	72,159	0
Total Fire	131,461	139,759	(8,298)
Rescue:			
Personal Services	11,186	15,000	(3,814)
Contractual Services	2,618	5,200	(2,582)
Commodities	206	400	(194)
Capital Outlay	13,127	13,500	(373)
Total Rescue	27,137	34,100	(6,963)
Street and Alley:			
Personal Services	181,010	184,620	(3,610)
Contractual Services	41,082	47,800	(6,718)
Commodities	54,754	66,300	(11,546)
Capital Outlay	74,230	75,000	(770)
Total Street and Alley	351,076	373,720	(22,644)

(Continued)

CITY OF NORTON, KANSAS
GENERAL FUND
Schedule of Receipts and Expenditures- Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2025

	Actual	Budget	Variance Over (Under)
(Continued)			
Expenditures:			
Park:			
Personal Services	190,889	200,540	(9,651)
Contractual Services	35,466	41,300	(5,834)
Commodities	29,629	30,900	(1,271)
Capital Outlay	41,287	42,500	(1,213)
Total Park	297,271	315,240	(17,969)
Swimming Pool:			
Personal Services	95,490	75,000	20,490
Contractual Services	6,607	11,600	(4,993)
Commodities	39,746	49,600	(9,854)
Capital Outlay	0	15,000	(15,000)
Total Swimming Pool	141,843	151,200	(9,357)
Civic Building:			
Contractual Services	19,562	51,780	(32,218)
Commodities	4,813	11,000	(6,187)
Total Civic Building	24,375	62,780	(38,405)
Economic Development Appropriations	73,553	0	73,553
Airport Appropriations	56,300	0	56,300
Transfer to Employee Benefits	8,604	0	8,604
Transfer to Water/Wastewater Debt Service	100,000	128,924	(28,924)
Transfer to Refuse	53,000	0	53,000
Adjustments for Qualifying Budget Credits:			
Reimbursed Expenses	0	33,660	(33,660)
Total Expenditures	2,387,874	**2,438,287**	**(50,413)**
Receipts Over (Under) Expenditures	(257,674)		
Unencumbered Cash, Beginning	530,308		
Unencumbered Cash, Ending	$ **272,634**		

CITY OF NORTON, KANSAS
EMPLOYEE BENEFITS FUND
Schedule of Receipts and Expenditures- Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2025

		Actual	Budget	Variance Over (Under)
Receipts:				
Taxes:				
Ad Valorem Property	$	152,024	159,441	(7,417)
Delinquent		4,423	1,000	3,423
Motor Vehicle		28,824	27,543	1,281
Recreational Vehicle		688	652	36
16/20M Vehicle		159	265	(106)
Watercraft		234	236	(2)
Commerical Vehicle		923	733	190
Miscellaneous		1,254	0	1,254
Transfer from General		8,604	0	8,604
Total Receipts		197,133	**189,870**	**7,263**
Expenditures:				
Personal Services		225,295	**215,700**	**9,595**
Receipts Over (Under) Expenditures		(28,162)		
Unencumbered Cash, Beginning		28,162		
Unencumbered Cash, Ending	$	**0**		

CITY OF NORTON, KANSAS
SPECIAL HIGHWAY FUND
Schedule of Receipts and Expenditures- Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2025

		Actual	Budget	Variance Over (Under)
Receipts:				
Intergovernmental:				
State Gas Tax	$	72,475	73,650	(1,175)
Reimbursed Expense		0	0	0
Total Receipts		72,475	**73,650**	**(1,175)**
Expenditures:				
Commodities		2,802	68,000	(65,198)
Capital Outlay		0	60,866	(60,866)
Transfer to Highway 36 Bond		77,259	77,259	0
Total Expenditures		80,061	**206,125**	**(126,064)**
Receipts Over (Under) Expenditures		(7,586)		
Unencumbered Cash, Beginning		133,287		
Unencumbered Cash, Ending	$	**125,701**		

CITY OF NORTON, KANSAS
INDUSTRIAL DEVELOPMENT FUND
Schedule of Receipts and Expenditures- Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2025

		Actual	Budget	Variance Over (Under)
Receipts:				
Taxes:				
Ad Valorem Property	$	97,394	102,153	(4,759)
Delinquent		1,245	50	1,195
Motor Vehicle		2,698	2,841	(143)
Recreational Vehicle		63	67	(4)
16/20M Vehicle		4	27	(23)
Watercraft		24	24	0
Commerical Vehicle		95	76	19
Interest on Idle Funds		660	500	160
Total Receipts		102,183	**105,738**	**(3,555)**
Expenditures:				
Public Improvements		95,656	**130,000**	**(34,344)**
Receipts Over (Under) Expenditures		6,527		
Unencumbered Cash, Beginning		27,065		
Unencumbered Cash, Ending	$	**33,592**		

CITY OF NORTON, KANSAS
LIBRARY FUND
Schedule of Receipts and Expenditures- Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2025

		Actual	Budget	Variance Over (Under)
Receipts:				
Taxes:				
Ad Valorem Property	$	101,234	106,181	(4,947)
Delinquent		2,842	2,000	842
Motor Vehicle		16,139	14,847	1,292
Recreational Vehicle		388	351	37
16/20M Vehicle		113	143	(30)
Watercraft		127	127	0
Commercial Vehicle		497	395	102
Total Receipts		121,340	**124,044**	**(2,704)**
Expenditures:				
Appropriations		121,340	124,044	(2,704)
Total Expenditures		121,340	**124,044**	**(2,704)**
Receipts Over (Under) Expenditures		0		
Unencumbered Cash, Beginning		0		
Unencumbered Cash, Ending	$	**0**		

CITY OF NORTON, KANSAS
LIBRARY EMPLOYEE BENEFITS FUND
Schedule of Receipts and Expenditures- Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2025

		Actual	Budget	Variance Over (Under)
Receipts:				
Taxes:				
Ad Valorem Property	$	39,299	41,222	(1,923)
Delinquent		1,037	500	537
Motor Vehicle		5,779	5,371	408
Recreational Vehicle		139	127	12
16/20M Vehicle		38	52	(14)
Watercraft		46	46	0
Commercial Vehicle		180	143	37
Total Receipts		46,518	**47,461**	**(943)**
Expenditures:				
Appropriations		46,518	**47,598**	**(1,080)**
Receipts Over (Under) Expenditures		0		
Unencumbered Cash, Beginning		0		
Unencumbered Cash, Ending	$	**0**		

CITY OF NORTON, KANSAS
BOND AND INTEREST FUND
Schedule of Receipts and Expenditures- Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2025

		Actual	Budget	Variance Over (Under)
Receipts:				
Taxes:				
Ad Valorem Property	$	59,865	62,787	(2,922)
Delinquent		1,350	100	1,250
Motor Vehicle		6,789	6,048	741
Recreational Vehicle		164	143	21
16/20M Vehicle		56	58	(2)
Watercraft		52	52	0
Commercial Vehicle		203	161	42
Street Assessments		50,002	0	50,002
Total Receipts		118,481	**69,349**	**49,132**
Expenditures:				
Principal		50,000	50,000	0
Interest		17,265	17,265	0
Cash Basis Reserve		0	10,000	(10,000)
Total Expenditures		67,265	**77,265**	**(10,000)**
Receipts Over (Under) Expenditures		51,216		
Unencumbered Cash, Beginning		7,181		
Unencumbered Cash, Ending	$	**58,397**		

CITY OF NORTON, KANSAS
ELECTRIC FUND
Schedule of Receipts and Expenditures- Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2025

		Actual	Budget	Variance Over (Under)
Receipts:				
Charges for Services	$	3,088,738	3,422,837	(334,099)
Miscellaneous		45,073	8,000	37,073
Refunds		0	2,000	(2,000)
Reimbursed Expenses		57,923	10,000	47,923
Sales of City Property		2,598	2,000	598
Total Receipts		3,194,332	**3,444,837**	**(250,505)**
Expenditures:				
General and Administrative:				
Personal Services		821,041	750,960	70,081
Contractual Services		197,450	198,800	(1,350)
Commodities		11,793	19,000	(7,207)
Capital Outlay		18,363	30,000	(11,637)
Total General and Administrative		1,048,647	998,760	49,887
Production and Acquisitions:				
Personal Services		72,424	73,850	(1,426)
Contractual Services		19,017	31,700	(12,683)
Commodities		1,537,753	18,100	1,519,653
Capital Outlay		10	1,970,700	(1,970,690)
Total Production and Acquisitions		1,629,204	2,094,350	(465,146)
Transmission and Distribution:				
Personal Services		254,599	359,200	(104,601)
Contractual Services		62,781	27,400	35,381
Commodities		145,933	93,000	52,933
Capital Outlay		155,842	141,000	14,842
Total Transmission and Distribution		619,155	620,600	(1,445)
Transfers:				
To Electric Replacement Reserve		102,000	0	102,000
Total Transfers		102,000	0	102,000
Adjustments for Qualifying Budget Credits:				
Reimbursed Expenses		0	47,923	(47,923)
Total Expenditures		3,399,006	3,761,633	**(362,627)**
Receipts Over (Under) Expenditures		(204,674)		
Unencumbered Cash, Beginning		378,238		
Unencumbered Cash, Ending	$	**173,564**		

CITY OF NORTON, KANSAS
ELECTRIC DEPOSITS FUND
Schedule of Receipts and Expenditures- Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2025

		Actual	*Budget	Variance Over (Under)
Receipts:				
Consumer Deposits	$	20,524	**35,000**	**(14,476)**
Expenditures:				
Deposit Refunds		20,524	**35,000**	**(14,476)**
Receipts Over (Under) Expenditures		0		
Unencumbered Cash, Beginning		0		
Unencumbered Cash, Ending	$	**0**		

* Exempt from Budget Law K.S.A. 12-822.

CITY OF NORTON, KANSAS
REFUSE FUND
Schedule of Receipts and Expenditures- Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2025

		Actual	Budget	Variance Over (Under)
Receipts:				
Charges for Services	$	351,759	375,473	(23,714)
Miscellaneous		1,282	1,100	182
Reimbursed Expenses		825	500	325
Transfer from General		53,000	0	53,000
Total Receipts		406,866	**377,073**	**29,793**
Expenditures:				
Personal Services		309,497	297,040	12,457
Contractual Services		97,856	99,050	(1,194)
Commodities		10,597	12,500	(1,903)
Capital Outlay		0	3,500	(3,500)
Total Expenditures		417,950	**412,090**	**5,860**
Receipts Over (Under) Expenditures		(11,084)		
Unencumbered Cash, Beginning		12,243		
Unencumbered Cash, Ending	$	**1,159**		

CITY OF NORTON, KANSAS
WATER FUND
Schedule of Receipts and Expenditures- Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2025

	Actual	Budget	Variance Over (Under)
Receipts:			
Charges for Services	$ 969,576	1,118,000	(148,424)
Miscellaneous	7,989	0	7,989
Water Tap	3,750	0	3,750
Reimbursed Expenses	616	1,500	(884)
Rent	0	7,500	(7,500)
Total Receipts	981,931	**1,127,000**	**(145,069)**
Expenditures:			
General and Administrative:			
Personal Services	95,307	128,420	(33,113)
Contractual Services	47,854	40,200	7,654
Commodities	867	2,000	(1,133)
Capital Outlay	50,000	394,869	(344,869)
Total General and Administrative	194,028	565,489	(371,461)
Production and Treatment:			
Personal Services	130,140	111,700	18,440
Contractual Services	201,680	87,300	114,380
Commodities	136,506	136,700	(194)
Capital Outlay	0	237,499	(237,499)
Total Production and Treatment	468,326	573,199	(104,873)
Transmission and Distribution:			
Personal Services	37,132	88,200	(51,068)
Contractual Services	12,270	25,300	(13,030)
Commodities	10,758	22,200	(11,442)
Capital Outlay	15,733	65,000	(49,267)
Total Transmission and Distribution	75,893	200,700	(124,807)
Transfers:			
To Water Replacement Reserve	10,200	0	10,200
To Water/Wastewater Debt Service	199,534	0	199,534
Total Transfers	209,734	0	209,734
Total Expenditures	947,981	**1,339,388**	**(391,407)**
Receipts Over (Under) Expenditures	33,950		
Unencumbered Cash, Beginning	188,825		
Unencumbered Cash, Ending	$ **222,775**		

CITY OF NORTON, KANSAS
WATER DEPOSITS FUND
Schedule of Receipts and Expenditures- Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2025

		Actual	*Budget	Variance Over (Under)
Receipts:				
Customer Deposits	$	6,129	**9,000**	**(2,871)**
Expenditures:				
Deposit Refunds		6,129	**9,000**	**(2,871)**
Revenues Over (Under) Expenditures		0		
Unencumbered Cash, Beginning		0		
Unencumbered Cash, Ending	$	**0**		

* Exempt from Budget Law K.S.A. 12-822.

CITY OF NORTON, KANSAS
SEWER SERVICE FUND
Schedule of Receipts and Expenditures- Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2025

	Actual	Budget	Variance Over (Under)
Receipts:			
Charges for Services	$ 583,816	605,804	(21,988)
Miscellaneous	1,682	1,000	682
Reimbursed Expenses	273	500	(227)
Total Receipts	585,771	**607,304**	**(21,533)**
Expenditures:			
General and Administrative:			
Personal Services	95,411	84,480	10,931
Contractual Services	5,616	5,550	66
Capital Outlay	50,000	144,024	(94,024)
Total General and Administrative	151,027	234,054	(83,027)
Sewer Plant:			
Personal Services	104,763	102,200	2,563
Contractual Services	75,608	75,000	608
Commodities	11,467	18,700	(7,233)
Capital Outlay	41,690	72,190	(30,500)
Total Sewer Plant	233,528	268,090	(34,562)
Sewer Collections:			
Personal Services	145,516	127,100	18,416
Contractual Services	519	4,000	(3,481)
Commodities	4,863	12,600	(7,737)
Capital Outlay	0	71,000	(71,000)
Total Sewer Collections	150,898	214,700	(63,802)
Transfers:			
To Sewer Replacement Reserve	10,200	0	10,200
To Water/Wastewater Debt Service	68,912	0	68,912
Total Transfers	79,112	0	79,112
Total Expenditures	614,565	**716,844**	**(102,279)**
Receipts Over (Under) Expenditures	(28,794)		
Unencumbered Cash, Beginning	119,054		
Unencumbered Cash, Ending	$ **90,260**		

CITY OF NORTON, KANSAS
Any Nonbudgeted Fund
Schedule of Receipts and Expenditures
Regulatory Basis
For the Year Ended December 31, 2025

	Special Parks	Tourism & Convention	Special Health Insurance	Special Pool Sales Tax	Municipalities Fighting Addiction
Receipts:					
Interest on Idle Funds	$ 0	0	775	0	0
Settlement	0	0	0	0	4,880
Liquor Tax	6,071	0	0	0	0
Head Tax	831	0	0	0	0
Transient Guest Tax	0	77,022	0	0	0
Donations	29,498	0	0	0	0
Reimbursed Expenses	0	0	665,081	0	0
Sales Tax	0	0	0	476,688	0
Total Receipts	36,400	77,022	665,856	476,688	4,880
Expenditures:					
Lease Payment	0	0	0	301,051	0
Reimbursement to General	0	0	0	95,278	0
Personal Services	0	0	662,182	0	0
Contractual	200	77,022	0	0	0
Capital Outlay	40,600	0	0	0	0
Total Expenditures	40,800	77,022	662,182	396,329	0
Receipts Over (Under) Expenditures	(4,400)	0	3,674	80,359	4,880
Unencumbered Cash, Beginning	14,913	0	38,812	833,181	16,647
Unencumbered Cash, Ending	$ **10,513**	**0**	**42,486**	**913,540**	**21,527**

CITY OF NORTON, KANSAS
Any Nonbudgeted Fund
Schedule of Receipts and Expenditures
Regulatory Basis
For the Year Ended December 31, 2025

	Police Donation	Animal Pound Donation	Cemetery Donation	Electric Replacement Reserve
Receipts:				
Interest on Idle Funds	$ 0	0	0	6,934
Transfer from Electric	0	0	0	102,000
Total Receipts	0	0	0	108,934
Expenditures:				
Capital Outlay	0	0	0	261,748
Total Expenditures	0	0	0	261,748
Receipts Over (Under) Expenditures	0	0	0	(152,814)
Unencumbered Cash, Beginning	176	59,643	14,058	468,160
Unencumbered Cash, Ending	$ **176**	**59,643**	**14,058**	**315,346**

CITY OF NORTON, KANSAS
Any Nonbudgeted Fund
Schedule of Receipts and Expenditures
Regulatory Basis
For the Year Ended December 31, 2025

	Water Replacement Reserve	Police Forfeiture	Sewer Replacement Reserve	City Land Bank	Highway 36 Bond
Receipts:					
Forfeiture Proceeds	$ 0	22	0	0	0
Transfer from Special Highway	0	0	0	0	77,259
Transfer from Water	10,200	0	0	0	0
Transfer from Sewer	0	0	10,200	0	0
Total Receipts	10,200	22	10,200	0	77,259
Expenditures:					
Contractual	0	0	0	63	0
Bond Principal	0	0	0	0	45,000
Bond Interest	0	0	0	0	32,259
Transfer to Water/Wastewater Debt Service	5,950	0	11,050	0	0
Total Expenditures	5,950	0	11,050	63	77,259
Receipts Over (Under) Expenditures	4,250	22	(850)	(63)	0
Unencumbered Cash, Beginning	850	632	5,950	489	13,708
Unencumbered Cash, Ending	**5,100**	**654**	**5,100**	**426**	**13,708**

CITY OF NORTON, KANSAS
Any Nonbudgeted Fund
Schedule of Receipts and Expenditures
Regulatory Basis
For the Year Ended December 31, 2025

	Equipment Reserve	Capital Improvement	Water/ Wastewater Debt Service	Revolving Loan
Receipts:				
Interest	$ 0	0	0	611
State Grant	0	500,000	0	0
Transfer from General	0	0	100,000	0
Transfer from Sewer Replacement Reserve	0	0	11,050	0
Transfer from Water Replacement Reserve	0	0	5,950	0
Transfer from Capital Improvement	0	0	141,892	0
Transfer from Water	0	0	199,534	0
Transfer from Sewer	0	0	68,912	0
Total Receipts	0	500,000	527,338	611
Expenditures:				
Capital Outlay	34,853	510,000	0	0
Bond Principal	0	0	470,000	0
Bond Interest	0	0	68,892	0
Transfer to Water/Wastewater Debt Service	0	141,892	0	0
Total Expenditures	34,853	651,892	538,892	0
Receipts Over (Under) Expenditures	(34,853)	(151,892)	(11,554)	611
Unencumbered Cash, Beginning	71,631	154,486	11,554	78,724
Unencumbered Cash, Ending	$ **36,778**	**2,594**	**0**	**79,335**

CITY OF NORTON, KANSAS
Related Municipal Entitie
Schedule of Receipts and Expenditures
Regulatory Basis
For the Year Ended December 31, 2025

	Norton Public Library						
	General	**NWKLS Grant**	**State Grant**	**Friends**	**Art Club**	**Special Project and Donation**	**Capital Improvement**
Receipts:							
Appropriation from City	$ 167,856	0	0	0	0	0	0
Memorials and Donations	40,925	0	0	0	0	0	0
Fines and Fees	3,683	0	0	0	0	0	0
Interest on Idle Funds	10,955	0	0	0	0	0	0
Grants	5,500	1,051	0	0	0	0	0
Miscellaneous	356	0	0	0	0	0	0
State Aid	0	0	1,929	0	0	0	0
Total Receipts	229,275	1,051	1,929	0	0	0	0
Expenditures							
Personal Services	176,922	0	0	0	0	0	0
Books and Periodicals	17,279	0	1,687	0	0	0	0
Contractual Services	8,006	0	0	0	0	0	0
Facilities and Equipment	567	0	0	0	0	1,244	0
Miscellaneous	3,352	0	0	0	995	0	0
Printing & Copying	3,570	0	0	0	0	0	0
Supplies	7,743	0	242	0	326	0	0
Technology	8,877	0	0	0	0	0	0
Utilities	1,091	0	0	0	0	0	0
Total Expenditures	227,407	0	1,929	0	1,321	1,244	0
Receipts Over (Under) Expenditures	1,868	1,051	0	0	(1,321)	(1,244)	0
Unencumbered Cash, Beginning	281,381	5,500	0	916	12,172	84,276	36,362
Unencumbered Cash, Ending	$ **283,249**	**6,551**	**0**	**916**	**10,851**	**83,032**	**36,362**

CITY OF NORTON, KANSAS
Related Municipal Entitie
Schedule of Receipts and Expenditures
Regulatory Basis
For the Year Ended December 31, 2025

	PBC
	Pool Bond & Interest
Receipts:	
Lease Income	301,050
Interest on Idle Funds	6,390
Total Receipts	307,440
Expenditures	
Principal	250,000
Interest	57,445
Total Expenditures	307,445
Receipts Over (Under) Expenditures	(5)
Unencumbered Cash, Beginning	317,009
Unencumbered Cash, Ending	**317,004**

CITY OF NORTON, KANSAS SCHEDULE 3

Agency Funds
Summary of Receipts and Disbursements
Regulatory Basis
For the Year Ended December 31, 2025

	Beginning Cash Balance	Receipts	Disburse-ments	Ending Cash Balance
Payroll Clearing	$ 20,823	2,501,074	2,502,882	19,015
Court Bonds	19,698	3,250	19,138	3,810
Utility Trust	14,859	89,972	101,355	3,476
Total Agency Funds	$ **55,380**	**2,594,296**	**2,623,375**	**26,301**