CITY OF NORTON, KANSAS

Norton, Kansas
Financial Statement and Regulatory-Required
Supplementary Information with Independent Auditor's Report
For the Year Ended December 31, 2021

MAPES & MILLER LLP
Certified Public Accountants
Norton, Kansas

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For the Year Ended December 31, 2021

TABLE OF CONTENTS

	Page Number
Independent Auditor's Report	1
Financial Section	
STATEMENT 1	
Summary Statement of Receipts, Expenditures and Unencumbered Cash	3
Composition of Cash	5
Notes to the Financial Statement	6
Regulatory-Required Supplementary Information	
SCHEDULE 1	
Schedule of Receipts and Expenditures - Actual and Budget	16
SCHEDULE 2	
Schedule of Receipts and Expenditures – Actual and Budget	
General	17
Employee Benefits	20
Special Highway	21
Industrial Development	22
Library	23
Library Employee Benefits	24
Bond and Interest	25
Electric	26
Electric Deposits	27
Refuse	28
Water	29
Water Deposits	30
Sewer Service	31
Schedule of Receipts and Expenditures – Actual	
Special Parks	32
Tourism & Convention	32
Special Health Insurance	32
Special Pool Sales Tax	32
Animal Pound Donation	33
Cemetery Donation	33
Electric Replacement Reserve	33
Refuse Replacement Reserve	33
Water Replacement Reserve	34
Police Forfeiture	34
Sewer Replacement Reserve	34
City Land Bank	34

Equipment Reserve 35
Capital Improvement 35
Water/Wastewater Refunding 35
ARPA 35
Revolving Loan 35

Schedule of Receipts and Expenditures – Related Municipal Entities
Norton Public Library:
General 36
State Grant 36
Friends 36
Art Club 36
Special Project and Donation 36
Capital Improvement 36
Public Building Commission:
Pool Bond & Interest 37

SCHEDULE 3
Summary of Receipts and Disbursements - Agency Funds 38

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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 summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances of the City of Norton, Norton, Kansas, a Municipal Financial Reporting Entity as of and for the year ended December 31, 2021, 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 Opinion on U.S. Generally Accepted Accounting Principles" paragraph, the financial statement referred to above does not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the City of Norton, Kansas, as of December 31, 2021, 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 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, 2021, 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 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
May 4, 2022

CITY OF NORTON, KANSAS

Summary Statement of Receipts, Expenditures and Unencumbered Cash
Regulatory Basis
For the Year Ended December 31, 2021

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	$ 684,327	0	1,771,472	1,927,998	527,801	65,237	593,038
Special Purpose Funds							
Employee Benefits	46,359	0	124,343	155,164	15,538	0	15,538
Special Highway	326,855	0	79,658	137,154	269,359	0	269,359
Special Parks	39,684	0	12,797	4,232	48,249	0	48,249
Industrial Development	130,283	0	6,121	0	136,404	0	136,404
Tourism and Convention	0	0	35,712	35,712	0	0	0
Library	1,230	0	110,323	111,553	0	0	0
Library Employee Benefits	348	0	36,846	37,194	0	0	0
Special Health Insurance	100,526	0	571,458	573,404	98,580	0	98,580
Animal Pound Donation	71,573	0	0	0	71,573	0	71,573
Cemetery Donation	14,058	0	0	0	14,058	0	14,058
Special Pool Sales Tax	497,642	0	421,244	357,382	561,504	0	561,504
Police Forfeiture	0	0	1,286	0	1,286	0	1,286
City Land Bank	711	0	0	22	689	0	689
Equipment Reserve	166,740	0	50,000	105,194	111,546	0	111,546
Capital Improvement	159,694	0	50,000	24,960	184,734	0	184,734
ARPA	0	0	207,701	207,701	0	0	0
Bond and Interest Funds							
Bond and Interest	102,592	0	25,773	63,415	64,950	0	64,950
Water/Wastewater Refunding	0	0	5,778,897	5,767,343	11,554	0	11,554
Business Funds							
Electric	1,220,618	0	3,678,541	3,669,081	1,230,078	134,211	1,364,289
Electric Deposits	0	0	27,241	27,241	0	85,280	85,280
Electric Replacement Reserve	390,836	0	102,054	12,690	480,200	0	480,200
Refuse	263,398	0	350,979	350,931	263,446	6,317	269,763
Refuse Replacement Reserve	$ 123,190	0	12,600	0	135,790	0	135,790
Water	527,481	0	1,059,128	1,021,652	564,957	4,663	569,620
Water Deposits	0	0	8,626	8,626	0	25,907	25,907

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

Summary Statement of Receipts, Expenditures and Unencumbered Cash
Regulatory Basis
For the Year Ended December 31, 2021

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	23,986	0	10,200	0	34,186	0	34,186
Sewer Service	212,959	0	699,141	765,414	146,686	509	147,195
Sewer Replacement Reserve	119,117	0	10,200	0	129,317	0	129,317
Trust Funds							
Revolving Loan	48,727	0	10,902	0	59,629	0	59,629
Total Primary Government	5,272,934	0	15,253,243	15,364,063	5,162,114	322,124	5,484,238
Related Municipal Entities:							
Norton Public Library							
General	52,134	0	206,003	200,951	57,186	0	57,186
State Grant	0	0	774	774	0	0	0
Friends	1,189	0	107	278	1,018	0	1,018
Art Club	546	0	3,423	0	3,969	0	3,969
Special Project and Donation	59,727	0	16,985	1,000	75,712	0	75,712
Capital Improvement	20,362	0	0	0	20,362	0	20,362
Public Building Commission							
Pool Bond & Interest Reserve	319,653	0	293,827	299,253	314,227	0	314,227
Total Related Municipal Entities	453,611	0	521,119	502,256	472,474	0	472,474
Total Reporting Entity (Excluding Agency Funds)	$ **5,726,545**	**0**	**15,774,362**	**15,866,319**	**5,634,588**	**322,124**	**5,956,712**

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, 2021

Primary Government:		
Cash on Hand	$	100
First State Bank, Norton, Kansas		
NOW Accounts		4,837,387
Money Market Account		59,629
Checking Accounts		27,042
Certificates of Deposit		595,000
The Bank, Norton, Kansas		
Checking Account		2,000
Total Cash and Investments		5,521,158
Less: Agency Funds - Schedule 3		(36,920)
Total Primary Government		5,484,238
Related Municipal Entities:		
Norton Public Library Board		
Solutions North Bank, Norton, Kansas		
NOW Account		137,362
Certificate of Deposit		10,530
First State Bank, Norton, Kansas		
Certificate of Deposit		10,355
Public Building Commission		
First State Bank, Norton, Kansas		
Money Market Account		314,227
Total Related Municipal Entities		472,474
Total Reporting Entity per Statement 1, Page 2	$	**5,956,712**

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.

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. There were no such budget amendments this year.

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 Health Insurance
- Animal Pound Donation
- Cemetery Donation
- Police Forfeiture
- City Land Bank
- Equipment Reserve
- Capital Improvement

Bond and Interest Funds:
- Water Loan
- Water/Wastewater Refunding

Business Funds:
- Electric Replacement Reserve
- Electric Deposits
- Refuse Replacement Reserve
- 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**

No statute violations were noted during 2021.

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, 2021.

At December 31, 2021, the City's carrying amount of deposits was $5,521,059 and the bank balance was $5,606,103. The bank balance was held by two banks resulting in a concentration of credit risk. Of the bank balance, $328,004 was covered by federal depository insurance, and $5,278,099 was collateralized with securities held by the pledging financial institutions' agents in the City's name.

At December 31, 2021, the Library's carrying amount of deposits was $158,247 and the bank balance was $173,173. The bank balance was held by two banks resulting in a concentration of credit risk. All of the bank balance was covered by federal depository insurance.

At December 31, 2021, the Public Building Commission's carrying amount of deposits was $314,227 and the bank balance was $314,227. 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 $64,227 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, 2021, 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.kpers.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. 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 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 8.87% for the fiscal year ended December 31, 2021. Contributions to the pension plan from the City of Norton were $153,205 for the year ended December 31, 2021.

Net Pension Liability

At December 31, 2021, the City's proportionate share of the collective net pension liability reported by KPERS was $1,030,366. The net pension liability was measured as of June 30, 2021 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2020, which was rolled forward to June 30, 2021. The City'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.kpers.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, 2021.

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.

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. Non-exempt police officers may accumulate up to 480 hours of comp time. All other employees may accumulate up to 240 hours.

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. **Operating Lease**

The City entered into a lease agreement, dated February 21, 2013 with the Public Building Commission, a related municipal entity of the City, to lease the swimming pool facility. The agreement states that the City will, during the term of the lease, keep and maintain the swimming pool facility and all parts in good condition and repair. The lease agreement provides for semi-annual lease payments. The City has imposed a ¾ percent city-wide retailer's sales tax to cover these payments.

7. **Interfund Transactions**

Operating transfers were as follows:

From	To	Regulatory Authority	Amount
General	Capital Improvement	K.S.A. 12-1,117	$ 20,000
Electric	Electric Replacement	K.S.A. 12-825d	102,000
Electric	Equipment Reserve	K.S.A. 12-825d	20,000
Electric	Capital Improvement	K.S.A. 12-825d	20,000
Water	Water/Wastewater Refunding	K.S.A. 12-825d	407,184
Water	Water Replacement	K.S.A. 12-825d	10,200
Sewer	Water/Wastewater Refunding	K.S.A. 12-825d	336,713
Sewer	Sewer Replacement Reserve	K.S.A. 12-825d	10,200
Refuse	Refuse Replacement	K.S.A. 12-825d	12,600
Refuse	Capital Improvement	K.S.A. 12-825d	20,000
Refuse	Equipment Reserve	K.S.A. 12-825d	20,000

8. **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, 2021 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.

9. **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.

10. **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, 2021 was $17,760.

11. **COVID-19**

On January 30, 2020, the World Health Organization ("WHO") announced a global health emergency because of a new strain of coronavirus in Wuhan, China (the "COVID-19 outbreak") and the risks to the international community as the virus spreads globally beyond its point of origin. In March 2020, the WHO classified the COVID-19 outbreak as a pandemic, based on the rapid increase in exposure globally. The full impact of the COVID-19 outbreak continues to evolve as of the date of this report. As such, it is uncertain as to the full magnitude that the pandemic will have on the City's financial condition, liquidity and future results of operations. Management is actively monitoring the global and local situation on its financial condition, liquidity, operations, suppliers, industry and workforce. Given the daily evolution of the COVID-19 outbreak and the global responses to curb its spread, the City is not able to estimate the effects of the COVID-19 outbreak on its results of operations, financial condition or liquidity for fiscal year 2021.

As a result of COVID-19, the State of Kansas has received Coronavirus State and Local Fiscal Recovery Funds (SLFRF) under the American Rescue Plan Act (ARPA). The SLFRF was received from the U.S. Department of Treasury. The City received SLFRF in the amount of $207,701 during 2021. The SLFRF are to be used to strengthen and improve infrastructure and continue to support the recovery related to the public health emergency. Additional information and updates on ARPA SLFRF, which includes audit requirements, can be found at https://home.treasury.gov.

13. **Subsequent Events**

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

14. **Long-term Debt**

Changes in long-term liabilities for the City of Norton, Kansas for the year ended December 31, 2021, 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 2010 Water Supply System Improvements	3.25%	08/12/10	3,234,000	08/17/50	2,764,454	0	2,764,454	0	40,369
Series 2019 Street Improvement	2.5-3.75%	04/24/19	815,000	04/01/34	775,000	0	40,000	735,000	23,415
Series 2021 Water/Wastewater Refundi	.75%-3.00%	01/26/21	5,035,000	08/01/48	0	5,035,000	495,000	4,540,000	44,408
Total General Obligation Bonds					3,539,454	5,035,000	3,299,454	5,275,000	108,192
Capital Leases:									
Pumper Truck	4.48%	08/02/19	340,000	03/01/29	306,689	0	28,419	278,270	13,740
Bucket Truck	3.25%	04/19/17	88,000	12/01/21	23,011	0	23,011	0	767
JCB Backhoe	3.50%	05/03/17	67,500	05/03/17	17,756	0	17,756	0	624
Ford Police Interceptors	5.65%	04/30/20	72,097	04/30/22	46,732	0	22,724	24,008	2,640
Wastewater Equipment	5.00%	03/02/21	185,307	08/15/25	0	185,307	37,476	147,831	4,214
Water Equipment	5.00%	03/02/21	320,129	08/15/25	0	320,129	64,742	255,387	7,280
Total Capital Leases					394,188	505,436	194,128	705,496	29,265
KDHE Revolving Loans:									
Wastewater Project	2.77%	05/10/04	4,300,000	03/01/26	1,429,696	0	1,429,696	0	16,171
Water Project	3.62%	06/28/06	6,449,123	08/01/28	778,547	0	778,547	0	13,857
Total KDHE Revolving Loans					2,208,243	0	2,208,243	0	30,028
Other									
City Utility Low-Interest Loan	0.25%	3/22/2021	572,741	06/01/24	0	572,741	94,930	477,811	941
Public Building Commission									
Revenue Refunding Bond, Series 2020	1.30-2.75%	5/27/2020	3,410,000	08/01/33	3,410,000	0	215,000	3,195,000	84,253
Total Contractual Indebtedness					**9,551,885**	**6,113,177**	**6,011,755**	**9,653,307**	**252,679**

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

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

	2022	2023	2024	2025	2026	2027-2030	2032-2036	2037-2041	2042-2046	2047-2051	Total
PRINCIPAL											
General Obligation Bonds:											
Series 2010 Water Supply System Improvements	0	0	0	0	0	0	0	0	0	0	0
Series 2019 Street Improvements	45,000	45,000	50,000	50,000	50,000	295,000	200,000	0	0	0	735,000
Water/Wastewater Refunding	455,000	460,000	465,000	470,000	335,000	590,000	455,000	515,000	595,000	200,000	4,540,000
Total General Obligation Bonds	500,000	505,000	515,000	520,000	385,000	885,000	655,000	515,000	595,000	200,000	5,275,000
Capital Leases:											
Pumper Truck	29,692	31,022	32,385	33,863	35,380	115,928	0	0	0	0	278,270
Bucket Truck	0	0	0	0	0	0	0	0	0	0	0
JCB Backhoe	0	0	0	0	0	0	0	0	0	0	0
Ford Police Interceptors	24,008	0	0	0	0	0	0	0	0	0	24,008
Wastewater Equipment	34,299	36,013	37,814	39,705	0	0	0	0	0	0	147,831
Water Equipment	59,253	62,216	65,326	68,592	0	0	0	0	0	0	255,387
Total Capital Leases	147,252	129,251	135,525	142,160	35,380	115,928	0	0	0	0	705,496
KDHE Revolving Loans:											
Wastewater Project	0	0	0	0	0	0	0	0	0	0	0
Water Project	0	0	0	0	0	0	0	0	0	0	0
Total KDHE Revolving Loans	0	0	0	0	0	0	0	0	0	0	0
Other											
City Utility Low-Interest Loan	190,766	191,244	95,801	0	0	0	0	0	0	0	477,811
Public Building Commission											
Revenue Refunding Bond, Series 2020	235,000	240,000	245,000	250,000	255,000	1,370,000	600,000	0	0	0	3,195,000
TOTAL PRINCIPAL	**1,073,018**	**1,065,495**	**991,326**	**912,160**	**675,380**	**2,370,928**	**1,255,000**	**515,000**	**595,000**	**200,000**	**9,653,307**
INTEREST											
General Obligation Bonds:											
Series 2010 Water Supply System Improvements	0	0	0	0	0	0	0	0	0	0	0
Series 2019 Street Improvements	21,915	20,340	18,765	17,265	16,015	57,735	12,555	0	0	0	164,590
Water/Wastewater Refunding	82,703	78,608	74,007	68,892	63,252	272,898	226,837	165,125	84,750	8,100	1,125,172
Total General Obligation Bonds	104,618	98,948	92,772	86,157	79,267	330,633	239,392	165,125	84,750	8,100	1,289,762
Capital Leases:											
Pumper Truck	12,466	11,136	9,773	8,296	6,779	10,549	0	0	0	0	58,999
Bucket Truck	0	0	0	0	0	0	0	0	0	0	0
JCB Backhoe	0	0	0	0	0	0	0	0	0	0	0
Ford Police Interceptors	1,356	0	0	0	0	0	0	0	0	0	1,356
Wastewater Equipment	7,392	5,677	3,876	1,985	0	0	0	0	0	0	18,930
Water Equipment	12,769	9,807	6,696	3,430	0	0	0	0	0	0	32,702
Total Capital Leases	33,983	26,620	20,345	13,711	6,779	10,549	0	0	0	0	111,987
KDHE Revolving Loans:											
Wastewater Project	0	0	0	0	0	0	0	0	0	0	0
Water Project	0	0	0	0	0	0	0	0	0	0	0
Total KDHE Revolving Loans	0	0	0	0	0	0	0	0	0	0	0
Other											
City Utility Low-Interest Loan	976	499	70	0	0	0	0	0	0	0	1,545
Public Building Commission											
Revenue Refunding Bond, Series 2020	68,740	65,450	61,610	57,445	52,945	182,437	24,888	0	0	0	513,515
TOTAL INTEREST	**208,317**	**191,517**	**174,797**	**157,313**	**138,991**	**523,619**	**264,280**	**165,125**	**84,750**	**8,100**	**1,916,809**
TOTAL PRINCIPAL AND INTEREST	**$ 1,281,335**	**1,257,012**	**1,166,123**	**1,069,473**	**814,371**	**2,894,547**	**1,519,280**	**680,125**	**679,750**	**208,100**	**11,570,116**

CITY OF NORTON, KANSAS
REGULATORY-REQUIRED
SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2021

CITY OF NORTON, KANSAS SCHEDULE 1

Summary of Expenditures - Actual and Budget

Regulatory Basis

For the Year Ended December 31, 2021

Funds	Certified Budget	Adjustment for Qualifying Budget Credits	Total Budget for Comparison	Expenditures Chargeable to Current Year	Variance Over (Under)
General Funds					
General	$ 2,095,044	16,749	2,111,793	1,927,998	(183,795)
Special Purpose Funds					
Employee Benefits	168,200	0	168,200	155,164	(13,036)
Special Highway	332,532	545	333,077	137,154	(195,923)
Industrial Development	100,000	0	100,000	0	(100,000)
Library	113,759	0	113,759	111,553	(2,206)
Library Employee Benefits	37,945	0	37,945	37,194	(751)
Bond and Interest Funds					
Bond and Interest	93,465	0	93,465	63,415	(30,050)
Business Funds					
Electric	4,366,125	12,861	4,378,986	3,669,081	(709,905)
Electric Deposits	92,738	0	92,738	27,241	*
Refuse	566,449	0	566,449	350,931	(215,518)
Water	1,484,760	0	1,484,760	1,021,652	(463,108)
Water Deposits	30,917	0	30,917	8,626	*
Sewer Service	817,563	0	817,563	765,414	(52,149)

* 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, 2021

		Actual	Budget	Variance Over (Under)
Receipts:				
Taxes:				
Ad Valorem Property	$	627,865	637,508	(9,643)
Delinquent		4,399	0	4,399
Motor Vehicle		109,613	117,533	(7,920)
Recreational Vehicle		2,313	1,701	612
16/20M Vehicle		0	1,103	(1,103)
Watercraft		780	720	60
Commerical Vehicle		2,946	2,988	(42)
In Lieu of Taxes (IRB)		18,772	7,000	11,772
Intergovernmental:				
County/City Sales Tax		501,768	430,000	71,768
Local Alcoholic Liquor Tax		5,844	5,500	344
Licenses, Fees, Fines and Permits:				
Court Fees and Fines		43,682	52,000	(8,318)
Franchise Fees		206,342	226,360	(20,018)
Licenses and Permits		8,178	6,600	1,578
Charges for Services:				
Cemetery		12,000	12,000	0
Kennel Charges		0	200	(200)
Swimming Pool		45,920	34,000	11,920
Other:				
Interest on Idle Funds		4,879	12,000	(7,121)
Rent		24,912	15,000	9,912
Miscellaneous		3,158	1,000	2,158
Grants		0	0	0
Refunds		25,149	2,000	23,149
Reimbursed Expenses		18,749	2,000	16,749
Insurance Proceeds		0	0	0
Photo Copy Receipts		130	100	30
County Payment for Inmate Crew		26,213	25,000	1,213
County Payment for Rescue Services		10,000	10,000	0
Sale of City Property		3,504	1,000	2,504
Reimbursement from Special Pool Sales Tax		64,356	40,000	24,356
Total Receipts		1,771,472	**1,643,313**	**128,159**

(Continued)

CITY OF NORTON, KANSAS
GENERAL FUND
Schedule of Receipts and Expenditures- Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2021

	Actual	Budget	Variance Over (Under)
(Continued)			
Expenditures:			
Finance and Administration:			
Personal Services	$ 59,750	69,555	(9,805)
Contractual Services	107,883	268,582	(160,699)
Commodities	6,832	11,500	(4,668)
Capital Outlay	3,709	61,732	(58,023)
Transfer to Equip. Reserve Fund	0	0	0
Transfer to Capital Improvement Fund	20,000	0	20,000
Total Finance and Administration	198,174	411,369	(213,195)
Police:			
Personal Services	531,867	497,960	33,907
Contractual Services	169,626	174,300	(4,674)
Commodities	43,616	28,500	15,116
Capital Outlay	85,177	81,595	3,582
Total Police	830,286	782,355	47,931
Fire:			
Personal Services	19,648	28,000	(8,352)
Contractual Services	29,322	33,550	(4,228)
Commodities	5,219	5,500	(281)
Capital Outlay	50,715	50,770	(55)
Total Fire	104,904	117,820	(12,916)
Rescue:			
Personal Services	10,133	18,000	(7,867)
Contractual Services	4,407	5,930	(1,523)
Commodities	215	300	(85)
Capital Outlay	2,496	2,500	(4)
Total Rescue	17,251	26,730	(9,479)
Street and Alley:			
Personal Services	127,101	153,050	(25,949)
Contractual Services	26,158	33,000	(6,842)
Commodities	33,903	47,000	(13,097)
Capital Outlay	93,116	60,000	33,116
Total Street and Alley	280,278	293,050	(12,772)

(Continued)

CITY OF NORTON, KANSAS
GENERAL FUND
Schedule of Receipts and Expenditures- Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2021

	Actual	Budget	Variance Over (Under)
(Continued)			
Expenditures:			
Park:			
Personal Services	186,356	205,420	(19,064)
Contractual Services	27,611	32,500	(4,889)
Commodities	22,064	31,000	(8,936)
Capital Outlay	7,267	21,700	(14,433)
Total Park	243,298	290,620	(47,322)
Swimming Pool:			
Personal Services	60,856	65,000	(4,144)
Contractual Services	6,987	11,000	(4,013)
Commodities	32,688	42,100	(9,412)
Capital Outlay	9,745	10,300	(555)
Total Swimming Pool	110,276	128,400	(18,124)
Civic Building:			
Contractual Services	15,834	34,700	(18,866)
Commodities	15,633	10,000	5,633
Capital Outlay	0	0	0
Total Civic Building	31,467	44,700	(13,233)
Economic Development Appropriations	55,732	0	55,732
Airport Appropriations	56,332	0	56,332
Adjustments for Qualifying Budget Credits:			
Reimbursed Expenses	0	16,749	(16,749)
Total Expenditures	1,927,998	**2,111,793**	**(183,795)**
Receipts Over (Under) Expenditures	(156,526)		
Prior Year Cancelled Encumbrances	0		
Unencumbered Cash, Beginning	684,327		
Unencumbered Cash, Ending	$ **527,801**		

CITY OF NORTON, KANSAS
EMPLOYEE BENEFITS FUND
Schedule of Receipts and Expenditures- Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2021

		Actual	Budget	Variance Over (Under)
Receipts:				
Taxes:				
Ad Valorem Property	$	106,846	108,492	(1,646)
Delinquent		851	0	851
Motor Vehicle		15,780	16,821	(1,041)
Recreational Vehicle		332	243	89
16/20M Vehicle		0	158	(158)
Watercraft		112	103	9
Commerical Vehicle		422	428	(6)
Miscellaneous		0	0	0
Total Receipts		124,343	**126,245**	**(1,902)**
Expenditures:				
Personal Services		155,164	**168,200**	**(13,036)**
Receipts Over (Under) Expenditures		(30,821)		
Unencumbered Cash, Beginning		46,359		
Unencumbered Cash, Ending	$	**15,538**		

CITY OF NORTON, KANSAS
SPECIAL HIGHWAY FUND
Schedule of Receipts and Expenditures- Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2021

		Actual	Budget	Variance Over (Under)
Receipts:				
Intergovernmental:				
State Gas Tax	$	78,819	75,680	3,139
Special Street Assessment		0	1,000	(1,000)
Reimbursed Expense		294	0	294
Sale of Equipment		545	0	545
Total Receipts		79,658	**76,680**	**2,978**
Expenditures:				
Personal Services		5,188	5,400	(212)
Commodities		52,242	67,000	(14,758)
Capital Outlay		79,724	260,132	(180,408)
Adjustments for Qualifying Budget Credits:				
Reimbursed Expenses		0	545	(545)
Total Expenditures		137,154	**333,077**	**(195,923)**
Receipts Over (Under) Expenditures		(57,496)		
Unencumbered Cash, Beginning		326,855		
Unencumbered Cash, Ending	$	**269,359**		

CITY OF NORTON, KANSAS
INDUSTRIAL DEVELOPMENT FUND
Schedule of Receipts and Expenditures- Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2021

		Actual	Budget	Variance Over (Under)
Receipts:				
Taxes:				
Ad Valorem Property	$	3,059	3,114	(55)
Delinquent		104	0	104
Motor Vehicle		2,788	2,997	(209)
Recreational Vehicle		58	43	15
16/20M Vehicle		0	28	(28)
Watercraft		20	18	2
Commerical Vehicle		75	76	(1)
Interest on Idle Funds		17	300	(283)
Total Receipts		6,121	**6,576**	**(455)**
Expenditures:				
Public Improvements		0	**100,000**	**(100,000)**
Receipts Over (Under) Expenditures		6,121		
Unencumbered Cash, Beginning		130,283		
Unencumbered Cash, Ending	$	**136,404**		

CITY OF NORTON, KANSAS
LIBRARY FUND
Schedule of Receipts and Expenditures- Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2021

		Actual	Budget	Variance Over (Under)
Receipts:				
Taxes:				
Ad Valorem Property	$	91,546	92,948	(1,402)
Delinquent		747	0	747
Motor Vehicle		17,091	18,267	(1,176)
Recreational Vehicle		360	264	96
16/20M Vehicle		0	171	(171)
Watercraft		121	112	9
Commercial Vehicle		458	464	(6)
Total Receipts		110,323	**112,226**	**(1,903)**
Expenditures:				
Appropriations		111,553	113,759	(2,206)
Total Expenditures		111,553	**113,759**	**(2,206)**
Receipts Over (Under) Expenditures		(1,230)		
Unencumbered Cash, Beginning		1,230		
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, 2021

		Actual	Budget	Variance Over (Under)
Receipts:				
Taxes:				
Ad Valorem Property	$	30,790	31,260	(470)
Delinquent		237	0	237
Motor Vehicle		5,516	5,914	(398)
Recreational Vehicle		116	86	30
16/20M Vehicle		0	56	(56)
Watercraft		39	36	3
Commercial Vehicle		148	150	(2)
Total Receipts		36,846	**37,502**	**(656)**
Expenditures:				
Appropriations		37,194	**37,945**	**(751)**
Receipts Over (Under) Expenditures		(348)		
Unencumbered Cash, Beginning		348		
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, 2021

		Actual	Budget	Variance Over (Under)
Receipts:				
Taxes:				
Ad Valorem Property	$	3,949	4,017	(68)
Delinquent		372	0	372
Motor Vehicle		6,294	6,057	237
Recreational Vehicle		129	88	41
16/20M Vehicle		0	57	(57)
Watercraft		40	37	3
Commercial Vehicle		152	154	(2)
Special Street Assessment		14,837	0	14,837
Residual Equity Transfer from Airport Bond		0	0	0
Total Receipts		25,773	**10,410**	**15,363**
Expenditures:				
Principal		40,000	40,000	0
Interest		23,415	23,415	0
Commission		0	50	(50)
Cash Basis Reserve		0	30,000	(30,000)
Total Expenditures		63,415	**93,465**	**(30,050)**
Receipts Over (Under) Expenditures		(37,642)		
Unencumbered Cash, Beginning		102,592		
Unencumbered Cash, Ending	$	**64,950**		

CITY OF NORTON, KANSAS
ELECTRIC FUND
Schedule of Receipts and Expenditures- Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2021

	Actual	Budget	Variance Over (Under)
Receipts:			
Charges for Services	$ 3,045,827	3,546,450	(500,623)
Loan Proceeds	572,741	0	572,741
Miscellaneous	10,343	6,000	4,343
Refunds	0	3,000	(3,000)
Reimbursed Expenses	17,861	5,000	12,861
Sales of City Property	31,769	2,000	29,769
Total Receipts	3,678,541	**3,562,450**	**116,091**
Expenditures:			
General and Administrative:			
Personal Services	589,105	702,430	(113,325)
Contractual Services	164,464	253,100	(88,636)
Commodities	9,303	24,500	(15,197)
Capital Outlay	29,958	66,807	(36,849)
Total General and Administrative	792,830	1,046,837	(254,007)
Production and Acquisitions:			
Personal Services	57,641	74,460	(16,819)
Contractual Services	18,101	23,100	(4,999)
Commodities	2,276,888	32,650	2,244,238
Capital Outlay	0	2,655,000	(2,655,000)
Total Production and Acquisitions	2,352,630	2,785,210	(432,580)
Transmission and Distribution:			
Personal Services	157,532	176,000	(18,468)
Contractual Services	33,786	39,800	(6,014)
Commodities	44,053	47,500	(3,447)
Capital Outlay	146,250	128,778	17,472
Total Transmission and Distribution	381,621	392,078	(10,457)
Transfers:			
To Electric Replacement Reserve	102,000	102,000	0
To Equipment Reserve	20,000	20,000	0
To Capital Improvement	20,000	20,000	0
Total Transfers	142,000	142,000	0
Adjustments for Qualifying Budget Credits:			
Reimbursed Expenses	0	12,861	(12,861)
Total Expenditures	3,669,081	4,378,986	**(709,905)**
Receipts Over (Under) Expenditures	9,460		
Unencumbered Cash, Beginning	1,220,618		
Unencumbered Cash, Ending	$ **1,230,078**		

CITY OF NORTON, KANSAS
ELECTRIC DEPOSITS FUND
Schedule of Receipts and Expenditures- Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2021

		Actual	*Budget	Variance Over (Under)
Receipts:				
Consumer Deposits	$	27,241	**20,000**	**7,241**
Expenditures:				
Deposit Refunds		27,241	**92,738**	**(65,497)**
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, 2021

		Actual	Budget	Variance Over (Under)
Receipts:				
Charges for Services	$	349,778	346,000	3,778
Miscellaneous		1,201	1,000	201
Reimbursed Expenses		0	500	(500)
Total Receipts		350,979	**347,500**	**3,479**
Expenditures:				
Personal Services		198,397	223,080	(24,683)
Contractual Services		82,940	105,800	(22,860)
Commodities		9,132	18,000	(8,868)
Capital Outlay		7,862	156,969	(149,107)
Transfers:				
To Refuse Replacement Reserve		12,600	12,600	0
To Equipment Reserve		20,000	25,000	(5,000)
To Capital Improvement		20,000	25,000	(5,000)
Total Transfers		52,600	62,600	(10,000)
Total Expenditures		350,931	**566,449**	**(215,518)**
Receipts Over (Under) Expenditures		48		
Unencumbered Cash, Beginning		263,398		
Unencumbered Cash, Ending	$	**263,446**		

CITY OF NORTON, KANSAS
WATER FUND
Schedule of Receipts and Expenditures- Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2021

	Actual	Budget	Variance Over (Under)
Receipts:			
Charges for Services	$ 939,756	1,081,000	(141,244)
Miscellaneous	15,264	600	14,664
Water Tap	0	0	0
Reimbursed Expenses	257	1,000	(743)
Reimbursement from ARPA Fund	103,851	0	103,851
Rent	0	5,400	(5,400)
Total Receipts	1,059,128	**1,088,000**	**(28,872)**
Expenditures:			
General and Administrative:			
Personal Services	105,528	159,380	(53,852)
Contractual Services	37,161	39,200	(2,039)
Commodities	620	3,000	(2,380)
Total General and Administrative	143,309	201,580	(58,271)
Production and Treatment:			
Personal Services	44,279	102,500	(58,221)
Contractual Services	135,432	64,950	70,482
Commodities	99,720	118,450	(18,730)
Capital Outlay	0	435,000	(435,000)
Total Production and Treatment	279,431	720,900	(441,469)
Transmission and Distribution:			
Personal Services	96,833	136,450	(39,617)
Contractual Services	27,099	30,700	(3,601)
Commodities	12,764	24,200	(11,436)
Capital Outlay	44,832	95,589	(50,757)
Total Transmission and Distribution	181,528	286,939	(105,411)
Transfers:			
To Water Replacement Reserve	10,200	10,200	0
To Water Loan	0	119,466	(119,466)
To Debt Service Bond	0	145,675	(145,675)
To Water/Wastewater Refunding	407,184	0	407,184
To Equipment Reserve	0	0	0
To Capital Improvement	0	0	0
Total Transfers	417,384	275,341	142,043
Total Expenditures	1,021,652	**1,484,760**	**(463,108)**
Receipts Over (Under) Expenditures	37,476		
Unencumbered Cash, Beginning	527,481		
Unencumbered Cash, Ending	$ **564,957**		

CITY OF NORTON, KANSAS
WATER DEPOSITS FUND
Schedule of Receipts and Expenditures- Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2021

		Actual	*Budget	Variance Over (Under)
Receipts:				
Customer Deposits	$	8,626	**8,000**	**626**
Expenditures:				
Deposit Refunds		8,626	**30,917**	**(22,291)**
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, 2021

		Actual	Budget	Variance Over (Under)
Receipts:				
Charges for Services	$	586,844	618,500	(31,656)
Miscellaneous		8,419	1,000	7,419
Reimbursement from ARPA Fund		103,850	0	103,850
Reimbursed Expenses		28	500	(472)
Total Receipts		699,141	**620,000**	**79,141**
Expenditures:				
General and Administrative:				
Personal Services		75,532	95,680	(20,148)
Contractual Services		2,798	3,900	(1,102)
Capital Outlay		0	0	0
Total General and Administrative		78,330	99,580	(21,250)
Sewer Plant:				
Personal Services		87,898	93,500	(5,602)
Contractual Services		91,947	104,900	(12,953)
Commodities		7,490	21,000	(13,510)
Capital Outlay		41,690	56,152	(14,462)
Total Sewer Plant		229,025	275,552	(46,527)
Sewer Collections:				
Personal Services		93,749	95,500	(1,751)
Contractual Services		278	4,000	(3,722)
Commodities		7,932	13,500	(5,568)
Capital Outlay		9,187	37,190	(28,003)
Total Sewer Collections		111,146	150,190	(39,044)
Transfers:				
To Sewer Replacement Reserve		10,200	10,200	0
To Wastewater Loan		0	282,041	(282,041)
To Water/Wastewater Refunding		336,713	0	336,713
To Equipment Reserve		0	0	0
To Capital Improvement		0	0	0
Total Transfers		346,913	292,241	54,672
Total Expenditures		765,414	**817,563**	**(52,149)**
Receipts Over (Under) Expenditures		(66,273)		
Unencumbered Cash, Beginning		212,959		
Unencumbered Cash, Ending	$	**146,686**		

CITY OF NORTON, KANSAS
Any Nonbudgeted Fund
Schedule of Receipts and Expenditures
Regulatory Basis
For the Year Ended December 31, 2021

	Special Parks	Tourism & Convention	Special Health Insurance	Special Pool Sales Tax
Receipts:				
Interest on Idle Funds	$ 0	0	13	0
Lliquor Tax	5,844	0	0	0
Head Tax	218	0	0	0
Transient Guest Tax	0	35,712	0	0
Donations	6,735	0	0	0
Reimbursed Expenses	0	0	571,445	0
Sales Tax	0	0	0	421,244
Total Receipts	12,797	35,712	571,458	421,244
Expenditures:				
Lease Payment	0	0	0	293,026
Reimbursement to General	0	0	0	64,356
Personal Services	0	0	573,303	0
Contractual	755	35,712	101	0
Capital Outlay	3,477	0	0	0
Total Expenditures	4,232	35,712	573,404	357,382
Receipts Over (Under) Expenditures	8,565	0	(1,946)	63,862
Unencumbered Cash, Beginning	39,684	0	100,526	497,642
Unencumbered Cash, Ending	$ **48,249**	**0**	**98,580**	**561,504**

CITY OF NORTON, KANSAS
Any Nonbudgeted Fund
Schedule of Receipts and Expenditures
Regulatory Basis
For the Year Ended December 31, 2021

	Animal Pound Donation	Cemetery Donation	Electric Replacement Reserve	Refuse Replacement Reserve
Receipts:				
Interest on Idle Funds	$ 0	0	54	0
Transfer from Electric	0	0	102,000	0
Transfer from Water	0	0	0	0
Transfer from Refuse	0	0	0	12,600
Total Receipts	0	0	102,054	12,600
Expenditures:				
Principal	0	0	0	0
Interest	0	0	0	0
Capital Outlay	0	0	12,690	0
Total Expenditures	0	0	12,690	0
Receipts Over (Under) Expenditures	0	0	89,364	12,600
Unencumbered Cash, Beginning	71,573	14,058	390,836	123,190
Unencumbered Cash, Ending	$ **71,573**	**14,058**	**480,200**	**135,790**

CITY OF NORTON, KANSAS
Any Nonbudgeted Fund
Schedule of Receipts and Expenditures
Regulatory Basis
For the Year Ended December 31, 2021

	Water Replacement Reserve	Police Forfeiture	Sewer Replacement Reserve	City Land Bank
Receipts:				
Forfeiture Proceeds	$ 0	1,286	0	0
Transfer from Water	10,200	0	0	0
Transfer from Sewer	0	0	10,200	0
Total Receipts	10,200	1,286	10,200	0
Expenditures:				
Contractual	0	0	0	22
Capital Outlay	0	0	0	0
Loan Principal	0	0	0	0
Loan Interest	0	0	0	0
Total Expenditures	0	0	0	22
	$			
Receipts Over (Under) Expenditures	10,200	1,286	10,200	(22)
Unencumbered Cash, Beginning	23,986	0	119,117	711
Unencumbered Cash, Ending	**34,186**	**1,286**	**129,317**	**689**

CITY OF NORTON, KANSAS
Any Nonbudgeted Fund
Schedule of Receipts and Expenditures
Regulatory Basis
For the Year Ended December 31, 2021

	Equipment Reserve	Capital Improvement	Water/ Wastewater Refunding	ARPA	Revolving Loan
Receipts:					
Transfer from Electric	$ 20,000	20,000	0	0	0
Transfer from General	10,000	10,000	0	0	0
Transfer from Refuse	20,000	20,000	0	0	0
Transfer from Sewer	0	0	0	0	0
Loan Repayments	0	0	0	0	10,849
Interest on Idle Funds	0	0	0	0	53
Federal Grants	0	0	0	207,701	0
Bond Proceeds	0	0	5,035,000	0	0
Transfer from Water	0	0	407,184	0	0
Transfer from Sewer	0	0	336,713	0	0
Total Receipts	50,000	50,000	5,778,897	207,701	10,902
Expenditures:					
Capital Outlay	105,194	24,960	0	0	0
Loan Principal	0	0	2,208,243	0	0
Loan Interest	0	0	30,028	0	0
Bond Principal	0	0	3,259,454	0	0
Bond Interest	0	0	84,777	0	0
Reimbursement of Wastewater Fund	0	0	0	103,850	0
Reimbursement of Water Fund	0	0	0	103,851	0
Cost of Issuance	0	0	184,841	0	0
Total Expenditures	105,194	24,960	5,767,343	207,701	0
Receipts Over (Under) Expenditures	(55,194)	25,040	11,554	0	10,902
Unencumbered Cash, Beginning	166,740	159,694	0	0	48,727
Unencumbered Cash, Ending	$ **111,546**	**184,734**	**11,554**	**0**	**59,629**

CITY OF NORTON, KANSAS
Related Municipal Entities
Schedule of Receipts and Expenditures
Regulatory Basis
For the Year Ended December 31, 2021

	Norton Public Library					
	General	**State Grant**	**Friends**	**Art Club**	**Special Project and Donation**	**Capital Improvement**
Receipts:						
Appropriation from City	$ 149,087	0	0	0	0	0
Memorials and Donations	35,738	0	0	0	0	0
Fines and Fees	3,903	0	0	0	0	0
Interest on Idle Funds	538	0	0	0	0	0
Grants	14,600	774	0	0	0	0
Donations	54	0	107	3,423	16,985	0
Miscellaneous	2,083	0	0	0	0	0
State Aid	0	0	0	0	0	0
Total Receipts	206,003	774	107	3,423	16,985	0
Expenditures						
Personal Services	140,569	0	0	0	0	0
Books and Periodicals	14,236	774	0	0	0	0
Contractual Services	6,184	0	0	0	1,000	0
Miscellaneous	12,246	0	0	0	0	0
Printing & Copying	759	0	0	0	0	0
Supplies	10,073	0	278	0	0	0
Technology	15,791	0	0	0	0	0
Utilities	1,093	0	0	0	0	0
Total Expenditures	200,951	774	278	0	1,000	0
Receipts Over (Under) Expenditures	5,052	0	(171)	3,423	15,985	0
Unencumbered Cash, Beginning	52,134	0	1,189	546	59,727	20,362
Unencumbered Cash, Ending	$ **57,186**	**0**	**1,018**	**3,969**	**75,712**	**20,362**

CITY OF NORTON, KANSAS
Related Municipal Entities
Schedule of Receipts and Expenditures
Regulatory Basis
For the Year Ended December 31, 2021

	PBC
	Pool Bond & Interest
Receipts:	
Lease Income	293,026
Reimbursed Expense	0
Interest on Idle Funds	801
Total Receipts	293,827
Expenditures	
Contractual Services	0
Principal	215,000
Interest	84,253
Total Expenditures	299,253
Receipts Over (Under) Expenditures	(5,426)
Unencumbered Cash, Beginning	319,653
Unencumbered Cash, Ending	**314,227**

CITY OF NORTON, KANSAS SCHEDULE 3

Agency Funds
Summary of Receipts and Disbursements
Regulatory Basis
For the Year Ended December 31, 2021

		Beginning Cash Balance	Receipts	Disburse-ments	Ending Cash Balance
Payroll Clearing	$	12,280	1,952,982	1,952,185	13,077
Utility Trust		14,119	28,889	19,165	23,843
Total Agency Funds	$	**26,399**	**1,981,871**	**1,971,350**	**36,920**