ANNUAL COMPREHENSIVE FINANCIAL REPORT

CITY OF NEWTON, KANSAS

FOR THE FISCAL YEAR ENDED DECEMBER 31, 2022

MAYOR

Leroy Koehn

VICE MAYOR

Rod Kreie

COMMISSIONERS

Clint McBroom
Rich Stinnett
Kathy Valentine

CITY MANAGER

Kelly McElroy

FINANCE DIRECTOR

Donna Pickman

Prepared by the Finance Office

CITY OF NEWTON, KANSAS
ANNUAL COMPREHENSIVE
FINANCIAL REPORT
Year Ended December 31, 2022

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Kelly McElroy
City Manager

June 21, 2023

Newton City Commission
City of Newton
201 E. Sixth Street
PO Box 426
Newton, KS 67114-0246

Dear Commissioners,

City of Newton staff is pleased to present to you the City's Annual Comprehensive Financial Report for the period ended December 31, 2022. This Annual Comprehensive Report is a review of what occurred financially over the course of the 2022 fiscal year and serves as an analysis of our ability to manage the City's financial resources.

The Annual Comprehensive Financial Report reflects the continuing progress (through very intentional and committed efforts by the City Commission and City staff) to achieve and maintain a solid municipal financial position. By following sensible financial principles and practices in the management of the taxpayer resources that we are entrusted with, and by willingly facing our challenges head-on, we continue to improve the City's overall financial condition.

The Annual Comprehensive Financial Report is a valuable resource for the community as we continue to evaluate and make decisions regarding allocations of resources among our municipal programs and services, meeting the needs and objectives of our citizens. It is the result of many hours of hard work and dedication by our Finance Department staff. Many of the department heads and other city staff members also dedicate significant time and effort to make this comprehensive report possible. We are fortunate to have a strong and dedicated team and express our appreciation for their efforts and service, and for your trust.

Sincerely,

Kelly McElroy
City Manager

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Donna Pickman
Finance Director

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201 E. Sixth, P.O. Box 426
Newton, Kansas 67114-0426

June 21, 2023

TO THE CITIZENS OF THE CITY OF NEWTON, KANSAS
HONORABLE MAYOR AND CITY COMMISSIONERS

Good financial management requires that we provide full disclosure of the results of the City's fiscal activities each year, and that we obtain independent verification of the accuracy of our statements. Additionally, Kansas statutes call for an annual audit of all funds of the City by independent certified public accountants. Pursuant to these requirements, we hereby issue the annual comprehensive financial report of the City of Newton for the fiscal year ended December 31, 2022. Responsibility for both the accuracy of the data presented, and the completeness and fairness of the presentation, including all disclosures, rests with the City. We believe the data presented is accurate in all material respects. It is presented in a manner designed to fairly set forth the financial position and results of the operations of the City, measured by the financial activity of its various funds. All disclosures necessary to enable the reader to gain an understanding of the City's financial activity have been included. The Management Discussion and Analysis section also includes a narrative explanation, through the eyes of management, on how the City has performed. The Management Discussion and Analysis begins on page 4 of this report.

The firm BT & Co, P.A. audited the City's financial statements. The goal of the independent audit is to provide reasonable assurance that the financial statements are free from material misstatements. The independent audit involves examining on a test basis evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there is a reasonable basis for rendering unmodified opinions that the statements presented are in conformity with generally accepted accounting principles (GAAP) and fairly present the financial condition of the City.

The Reporting Entity and Its Services

All funds and entities related to the City of Newton are included in our annual financial report. The city provides a full range of services, which include emergency services (police, fire, and emergency medical); environmental services (water supply and distribution, wastewater collection and treatment, and solid waste collection); public works

functions (street maintenance, operation of an airport, parks, cemetery, planning, engineering, building inspection), and a variety of supportive administrative services.

The Newton Public Library, a separate legal entity, is reported as a discrete component unit. A Board, the appointees of which are approved by the City, governs the Library. The Library is not a separate taxing entity under State statutes and the City levies taxes for the Library operation, which represents a significant portion of its total revenues.

The Housing Authority of the City of Newton, Kansas, a separate legal entity, is reported as a discrete component unit. The Housing Authority is governed by a Board, the appointees of which are approved by the City. The City also has the ability to remove appointed Board members at will and override or modify decisions of the governing board. The Housing Authority is presented as a proprietary fund type. Separately issued financial statements are available from the Housing Authority.

The finances for the municipal golf course, conference center and water, sewer and sanitation utilities are shown as enterprise funds. In addition, the Newton Public Building Commission is shown as a blended component unit classified as an enterprise fund.

Profile of the City of Newton

Newton is located just 20 minutes north of Wichita, the largest city in Kansas. The city was incorporated in 1872 at the western terminal of the Atchison, Topeka and Santa Fe Railway and the railhead of the Chisholm Trail, a cattle trail that ended in Abilene (current Highway K-15 follows the Chisholm Trail's route). Thus, the history of Newton has always been tied to the railroad.

Newton, the Harvey County seat, offers an ideal family environment with affordable, quiet neighborhoods and an assortment of youth recreational activities. A drive through the heart of the community reveals a city with pride and vision. Historical buildings that have been adapted for modern commercial enterprises are sprinkled throughout the community. Visible signs of steady growth are evidenced by the successful commerce of the community. Newton residents benefit from a lifestyle that values sound education, progressive health care and safe neighborhoods.

Newton area residents have access to full medical, dental, and rehabilitative services close to home. Harvey County enjoys the third highest physician to resident ratio in the state. NMC Health is an award-winning medical care system focused on improving health throughout Newton, Harvey, and surrounding counties. Featuring a 99-bed hospital located at the intersection of I-135 and Highway 50, and nine primary care and specialty clinics, NMC Health’s services and specialties include emergency medical, surgical services, orthopedics, neurology, rehabilitation, occupational medicine, home health and more. The medical center is a major employer in Harvey County with 875 full and part-time employees. NMC Health is one of The Chartis Center for Rural Health’s Top 100 Rural and Community Hospitals in the United States. NMC Health has received the 5-Star Overall Hospital Quality Rating from the Center for Medicare and Medicaid for the fourth consecutive year. They are one of only five hospitals in the State of Kansas to achieve a 5-Star status in 2022.

The Newton school district, USD 373, serves more than 3,506 students in the Newton area. Annually, Newton High School graduation classes average approximately 400. USD 373 is the largest employer in Newton and the second largest employer in Harvey County with a work force of 852 employees and 600 FTE. More than half of USD teachers have a master's degree or above. 100% of the teachers are designated as "highly Qualified" as defined by the Kansas Department of Education.

Effects of the Coronavirus (COVID-19) Pandemic

Since the onset of the pandemic in 2020, the City of Newton has had to adapt operations to new supply and service restraints. We saw interest earned on investment revenue decline in 2020 and 2021, but that has turned around in 2022. Fortunately, we have not seen a decline in sales tax or property tax revenues. The City had received $1,439,181 in 2021 through the American Rescue Plan Act: State and Local Fiscal Recovery Funds. These funds were not spent in 2022, but are budgeted to be used in 2023 and 2024.

Economic Condition and Outlook

Newton, with a 2022 US Census bureau population estimate of 18,433 is located in the Wichita, Kansas, Metropolitan Area, approximately 20 miles north of Wichita itself. Newton is the 23rd largest city in Kansas. 564 building permits were issued in 2022 for $23.5 million compared to $15.3 million in 2021. Thirty-seven of these permits were for residential homes with a value of $11.7 million, up from nine in 2021 with a value of $3.3 million.

The City of Newton is actively involved in economic development through its partnership with Harvey County and six other local cities. These entities fund the Harvey County Economic Development Council, Inc. to provide economic development services for the area. The mission of the organization is:

> To promote the social welfare and economic development of Harvey County; recruit industrial prospects for relocation and expansion in Harvey County; and engage in other programs and projects for promotion of local economic development.

Working as partners has allowed economies of scale in business and industrial development and recruitment, as well as the ability to acquire technical expertise and resources.

Major Initiatives

Park Electrochemical Corporation
Park Aerospace announced plans for a major expansion of its aerospace manufacturing development and design operations at Newton City/County Airport. In December 2018,

the Newton City Commission and Harvey County Commission approved a development agreement with Park for an $18.8 million expansion that will add 90,000 square feet of manufacturing and office space, essentially doubling its existing facility. The company plans to add 73 new full-time jobs over the next five years. This project broke ground at the end of 2019, but with the COVID-19 pandemic plans had to be postponed. The project was finally completed in 2022.

Municipal Pool and Centennial Park Ballfields

The City and the Newton Recreation Commission began serious discussions about pool renovations in 2017 and continued meetings through 2018 and 2019. In 2020, the two agencies decided on improvement options and began to move forward with a formal project due to failing infrastructure and a strong desire of the City Commission to invest in quality-of-life improvements in the community. The improvements consist of $2.14 million to reconstruct the existing public pool and $900,000 to improve ballfields at Centennial Park. The pool construction began in the fall of 2020 and was completed in August of 2021. The improvements at Centennial Park were delayed until the spring of 2022 and were completed in March of 2023.

1st Street Water Storage Tank Replacement

A multi-year project was implemented in 2020 to replace the 3.8-million-gallon water storage tank located on 1st street in Newton. This tank will be replaced with two 1.9-million-gallon tanks. Property had to be purchased from the BNSF Railway which accounted for much of the delay in starting the project. A low interest loan from the Kansas Department of Health and Environment estimated at $5.2 million has been approved to pay for this project. Construction was planned to be completed in 2023, but delays and increased costs have pushed the completion time to 2024.

Wheatridge Drive and Paddington Avenue

The Kansas Department of Transportation awarded the City approximately $2 million in June 2020 for the extension of Wheatridge Drive and Paddington Avenue to serve new development along South Kansas Avenue. Total construction is estimated at $2.77 million. The improvements serve a planned commercial development by Occidental Management on about 80 acres south of Wheatridge. The development will be phased and will consist of general commercial along South Kansas, potentially followed by residential and professional offices to the west. Construction on the street improvements was completed in 2022. People National Bank has since constructed its newest branch at the corner of Kansas Avenue and Paddington.

GAF Materials Corporation

The City Commission approve a letter of intent in July of 2021, to sell approximately 230 acres of land to GAF Materials Corp. for a new manufacturing facility. New Jersey-based GAF is the largest roofing materials manufacturer in North America, with more than two dozen manufacturing plants in the United States. A development agreement was approved in February 2023 and GAF closed on the land in April of 2023. The development agreement also calls for the City to provide rail improvements to the project site. In August 2022, the City was awarded $3.04 million from the Kansas Department of Transportation for rail extension to serve the site.

Summer Crossing Addition
The City Commission approved a public infrastructure project in June 2021. Petitions were approved for improvements funded through special assessments paid by the property owner. Summer Crossing is just west of Old Main, between U.S. 50 and Southwest 24th Street. The improvements for water, sewer and paving were completed in 2022. This opens up 24 additional single-family residential lots.

Mennonite Housing
In August 2021, Mennonite Housing was awarded tax credits from the Kansas Housing Resources Corporation for its proposed senior housing project at West First and Boyd. The long-term plan is a phased housing project for residents 55+ with up to 120 units, constructed as single-story patio homes. Phase 1 includes 32 housing units, clubhouse, and maintenance garage. Harvest Pointe began construction in 2022 and started welcoming residents for Phase 1 in April of 2023.

Newton Public Library
Final plans were approved by the City Commission in November 2022 for a new 25,000 square foot library on the east end of Military Park. After construction of the new building, the old library building will be demolished. The project cost estimate including design and construction was $10.7 million. The City has committed to fund $4.5 million toward the project. A volunteer fundraising committee has raised $3.2 million in private funds. In December a construction contract was awarded to Dondlinger Construction for $7,805,500. Construction began in February 2023.

Full Vision Expansion
The Newton-based metal fabrication company is planning a $7 million expansion that will add 35,000 square feet to its main manufacturing facility as well as 15 new jobs over the next five years. Full Vision requested annexation into the City so that it can utilize City sewer service and was approved in September 2022. Costs for the sewer expansion will be $695,000, with the City covering 20% of those costs or approximately $139,000.

Public Wetlands Park
The Kansas Alliance for Wetlands and Streams has been working with the City, the R. Michael Rhoades Foundation, and various other partners to develop a wetlands park. The 7.2-acre park will be built adjacent to the City's existing manmade wetlands which are fed by effluent water from the Wastewater Treatment Plant. The new wetlands will be fed by stormwater runoff rather than effluent. The City Commission awarded a contract for construction of the public wetlands for $261,374 in March 2023. Construction is expected to be completed by the end of 2023.

Fox Ridge Golf Course Redevelopment
In the fall of 2022, the Commission approved rezoning of the Fox Ridge Golf Course property to multi-family residential (R-3). The developer, Bryan Legally Homes, plans a mix of large single-family houses and duplex units. The development will be built in two phases. Petitions were approved in January 2023 for water, sewer, streets, and box culvert for phase one of the addition. When completed this will open up over 160 lots.

Autumn Glen 3rd Addition
In May of 2022, the first phase of street improvements to serve Autumn Glen 3rd Addition was approved by Commission. This will open up 29 additional lots north of the existing Autumn Glen Residential development. The street improvements will be complete by June of 2023.

Sand Creek Station
The Commission also approved plans and authorized improvements for water, sewer, and streets to serve 12 new residential lots at the Sand Creek Station Golf Course. The City will pay for the intersection of streets and the remaining costs will be paid via special assessments. The developer pulled all 12 permits in March and construction is well underway and will be complete by fall 2023.

QuikTrip Truck Center
The final plat was approved for the QuikTrip development on East First Street between Spencer and I-135. QuikTrip representatives hope to submit plans for a building permit and break ground in May 2023, with construction taking about a year.

Accounting System and Budgetary Control

The City's accounting records for general government operations are maintained on a modified accrual basis. Revenues are recorded when available and measurable, and expenditures are recorded when the services or goods are received or when the liabilities are incurred.

Accounting records for the City's utilities and other enterprises are maintained on the accrual basis. The City's basis of accounting in its various funds is explained in the notes to financial statements located in the financial section of this report

In developing and altering the City's accounting system, consideration is given to the adequacy of internal accounting controls. Internal accounting controls are designed to provide reasonable, but not absolute, assurance against loss of assets from unauthorized use or disposition. In addition, the controls maintain reliability of financial records for preparing financial statements and maintaining accountability for assets. The concept of reasonable assurance recognizes that the cost of a control should not exceed the benefits likely to be derived, and that evaluation of costs and benefits requires estimates and judgments by management.

All internal control evaluations occur within this framework. The administration believes that the City's internal accounting controls adequately safeguard assets and provide reasonable assurance of proper recording of financial transactions.

Kansas statutes require that an annual operating budget be legally adopted for the general fund, special revenue funds (unless exempted by a specific statute), debt service funds, and enterprise funds.

Expenditures are authorized by a budget approved by the City Commission as required by Kansas statutes. A public hearing is required on or before August 15th and final

budget adoption on or before August 25th. This deadline may be extended to October 1st, if the city commission approves an increase to its "revenue neutral rate", defined as a budget that includes revenue generated by property taxes in excess of the amount produced the preceding year using the current tax year's assessed valuation. This process involves notifying the County Clerk by July 20th of the intent to exceed the revenue neutral rate, publication of a notice of tax rate public hearing, and then holding the hearing between August 20th and September 20th. This hearing can be held in conjunction with the other required budget hearings. A resolution must then be adopted approving the proposed tax rate.

The Kansas Cash Basis and Budget Laws require cash to be on hand before expenditure is authorized, that all expenditures are budgeted, and that the budget not exceed anticipated revenues including carry-forward balances. Supplemental appropriations and transfers among budget categories occasionally modify original appropriations, but in order to exceed the total appropriation of a fund, an amended budget must be approved by City Commission. The proposed amended budget must appear in the official City newspaper at least 10 days prior to a public hearing. After the hearing, the Commission will then vote to amend the budget. Amended budgets are submitted to the Kansas Division of Accounts and Reports for recording the same as the original budget.

General Obligation Bonded Debt

Large capital improvement projects for the City of Newton normally require long term financing through municipal bonds. It has been City policy to divide bond issues into ten, fifteen, and twenty-year final maturities based upon the expected useful life of the financed project. This enables the life of the asset to match the term of financing. The practical application of this policy has resulted in most issues being "front loaded." Therefore, annual principal and interest payments are declining over time. This allows the primary financial burden of a project to be borne in its early years rather than deferring a financial burden to future taxpayers. Table I shows the City's annual debt service requirements as of December 31, 2022, illustrating the concept noted above.

TABLE I
CITY OF NEWTON
GENERAL OBLIGATION BOND DEBT SERVICE REQUIREMENTS
DECEMBER 31, 2022

Year	Principal	Interest	Total
2023	$ 4,000,000	$ 1,159,208	$ 5,159,208
2024	$ 4,175,000	$ 1,018,530	$ 5,193,530
2025	$ 3,885,000	$ 891,108	$ 4,776,108
2026	$ 4,015,000	$ 762,013	$ 4,777,013
2027	$ 3,290,000	$ 629,350	$ 3,919,350
2028	$ 3,210,000	$ 525,075	$ 3,735,075
2029	$ 2,280,000	$ 424,643	$ 2,704,643
2030	$ 1,880,000	$ 351,915	$ 2,231,915
2031	$ 1,495,000	$ 293,303	$ 1,788,303
2032	$ 1,540,000	$ 254,684	$ 1,794,684
2033	$ 1,590,000	$ 213,114	$ 1,803,114
2034	$ 1,350,000	$ 170,274	$ 1,520,274
2035	$ 1,395,000	$ 131,724	$ 1,526,724
2036	$ 1,280,000	$ 90,866	$ 1,370,866
2037	$ 640,000	$ 53,344	$ 693,344
2038	$ 665,000	$ 35,944	$ 700,944
2039	$ 430,000	$ 17,844	$ 447,844
2040	$ 435,000	$ 9,244	$ 444,244
2041	$ -	$ -	$ -
2042	$ -	$ -	$ -

To provide perspective and monitor trends in indebtedness of the City, various debt ratios are calculated. Table II shows such ratios. It is instructive to note that the growth environment generates additional debt burdens upon the City, but the debt ratios are within a reasonable range. Net bonded debt per capita at $1,442 and net bonded debt represents 19% of assessed value. It has been possible to finance improvements without jeopardizing these common indicators.

TABLE II
CITY OF NEWTON
SELECTED DEBT RATIOS

Year End 12-31	Net Direct Bonded Debt	Ratio of Net Bonded Debt to Assessed Value	Ratio of Net Bonded Debt to Estimated Actual Market Value	Net Bonded Debt Per Capita
2013	$ 27,884,239	24.01%	3.27%	$ 1,453
2014	$ 26,437,566	22.57%	3.07%	$ 1,383
2015	$ 25,870,675	21.91%	2.97%	$ 1,346
2016	$ 28,420,839	23.90%	3.23%	$ 1,488
2017	$ 26,681,662	22.23%	3.01%	$ 1,414
2018	$ 28,000,395	23.21%	3.13%	$ 1,494
2019	$ 24,248,566	19.37%	2.62%	$ 1,286
2020	$ 32,443,785	25.34%	3.43%	$ 1,699
2021	$ 29,268,166	22.86%	3.09%	$ 1,532
2022	$ 26,587,247	19.13%	2.77%	$ 1,442

Revenue Bonded Debt

Revenue bonds differ from general obligation bonds in that the full taxing power of the City is not pledged to their repayment. The revenue stream of the utility for which bonds are issued secures revenue bonds. In the case of industrial revenue bonds, the City has no direct responsibility for repayment of the bonds.

The City has used revenue-bonded debt for its water and wastewater utilities. A coverage ratio is required and maintained to assure investors of a sound operation.

General Government Services

Newton's general government services include public safety (police, fire, and emergency medical), law, administration, finance, streets, environmental, planning, engineering, building inspection, library, airport, park and cemetery. Such operations are accounted for in various funds shown in the financial report.

General government revenues are comprised of a wide variety of revenue sources that protect the City from a decline in any one element of its revenue stream, as illustrated below. The largest component is taxes, which account for just over half of all revenues. Of these taxes, the predominant components are property taxes, the two-percent countywide sales tax, and motor vehicle taxes. Property tax remains the largest single revenue source.

Charges for Services account for receipts individuals and businesses pay for part or all of City services received. In the General Fund, this is the second largest revenue source and accounts for 11% of revenues. Examples of services the City charges for include ambulance fees, administrative fees, rural fire services and rural ambulance services.

Intergovernmental revenue is another significant segment and is comprised of grants and shared revenue from the State of Kansas determined by statutory formulas. The remaining revenue comes from a varied mix of sources. Revenues usually remain quite stable from year to year. The largest concentration of expenditures is Capital Outlay. This is due to several ongoing projects (Street, Water and Sewer additions, and Airport improvements). Sources of revenues and expenditures are graphically illustrated in the Management Discussion and Analysis in the Financial Section.

Utility Operations

Ownership and operation of the Water, Wastewater, and Sanitation departments continue to comprise three essential elements of the City's service component. Newton has been blessed with high quality supplies of groundwater from the Equus Beds aquifer, and the water requires very little treatment. Newton is the sole supplier of potable water to city residents and businesses. In addition, Newton is a partner in Public Wholesale Water Supply District No. 17 along with three other municipalities. Newton treats and distributes water from the District to these neighboring communities under separate contract with each municipality. The City is also the sole provider of residential refuse services.

The entire water production system is modern and generally in sound condition. Work to replace the ground level storage tank on West First Street has started, along with painting two elevated water towers.

Newton owns and operates a wastewater treatment plant permitted by the Kansas Department of Health and Environment. In the summer of 2016, a $20 million upgrade to a Biological Nutrient Removal (BNR) plant was completed. This was funded through a low interest loan from KDHE and annual payments to the state are made from increased sewer rates.

The Newton solid waste department collects refuse from residential customers in the City. Commercial service was abandoned as a separate operation, although commercial customers who can be serviced in the normal residential refuse collection process can opt for City service. Refuse is delivered to the Harvey County transfer station, where it is then hauled to a landfill out of the county.

To provide an example of the current user fee level, Newton residents can receive weekly trash collection, 500 cubic feet sanitary sewer service, and use 500 cubic feet of water for a total of $133.07. This remains competitive with other communities in Kansas. The City Commission approved raising water and sewer rates starting in January of 2024.

Airport

The Newton City-County Airport is a vital asset to the community. Jointly owned by the City of Newton and Harvey County, the Airport is operated by the City. The Newton City-County Airport (designated EWK) is located on approximately 800 acres two miles east of Newton, Kansas. Originally constructed as an auxiliary flight training facility for the U.S. Navy, the airport was converted to a municipal facility following World War II.

The facility has a volunteer Aviation Advisory Commission that provides community input regarding the facility's operations to the two local governments.

The airport provides an "all weather" facility with two runways that can accommodate corporate business jets, multi-engine aircraft, and single-engine aircraft. Its primary runway, Runway 17/35, is 7,003 feet long, and its secondary runway, Runway 08/26 is 3,501 feet long. The field has on-site weather reporting, and its primary runway is equipped with an ILS approach, both of which provide access to the airport during most weather conditions.

The airport's primary function is to accommodate corporate/business activity. Companies such as Hawker-Beechcraft, Wells Fargo, Avcon Industries, and Hesston College use the facility daily. Other daily flying activities include pipeline inspections, flight training, and emergency medical flights. Local and State law enforcement use the airport on a weekly basis, as does the military. Other aviation activity at the airport consists of doctor transport, aerial advertising, aerial photography, and surveying. Numerous businesses operate at the airport. Avcon Industries, Midwest Aircraft, and Park Aircraft Technologies provide a variety of products and services. Hesston College provides flight instruction to student pilots. Reconstruction of Taxiway E was started in 2020. Designing phase was completed in late 2020 and construction began in 2021 and was completed in 2022. The federal government funded $6,655,440 of the project, with the remaining $657,185 split between the City of Newton and Harvey County.

Cash Management

Effective cash management is recognized as essential to good fiscal management. The City's investments are designed and managed in a manner responsive to the public trust and consistent with statutory requirements. In priority order, the basic cash management philosophy of the City is:

1. Protect investment principal.
2. Maintain liquidity.
3. Maximize interest earnings.

Funds not needed in the short term are invested either in local financial institutions or in the Kansas Municipal Investment Pool. The City may only invest in Treasury bills, certificates of deposits, or the Pool.

The Kansas Municipal Investment Pool was created in 1992 to allow municipalities to invest funds with the Kansas State Treasurer, who subsequently invests in federal securities. The State of Kansas guarantees these funds. Prior to investing funds in the Pool, the City must offer funds to qualified local financial institutions. Rates by local institutions are compared to published rates established by the Pool. If local banks are willing to pay the same rate, funds must be invested locally.

Insurance

The City of Newton carries a wide variety of coverage for its diverse risks. In 1994, the City became a charter member of the Kansas Municipal Insurance Trust (KMIT), a Worker's Compensation insurance pool. Through a continuing affiliation in 2007, KMIT provides to the City extensive risk management services, including memoranda on current issues, training materials, and seminars designed to decrease claims. In addition to substantial premium savings compared to previous policies, the City receives excellent risk prevention services.

Independent Audit

State statutes require an annual audit of the books of accounts, financial records, and transactions of all administrative departments of the City by independent certified public accountants selected by the City Commission. The firm of BT & Co, P.A. began performing the City audit for the fiscal year 2015. Their opinion for the December 31, 2022, financial statements is included.

Administrative Officials

Kelly McElroy was named City Manager for the City of Newton effective May 26, 2020. Donna Pickman was hired on July 24, 2017, as Finance Director.

Awards

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Newton for its annual comprehensive financial report for the fiscal year ended December 31, 2021. The Certificate of Achievement is a prestigious national award-recognizing conformance with the highest standards for preparation of state and local government financial reports.

In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized comprehensive annual financial report, whose contents conform to program standards. Such ACFR must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. The City of Newton has received a Certificate of Achievement for the last thirty-two consecutive years (fiscal years ended 1989-2021). We believe our current report continues to conform to the Certificate of Achievement program requirements, and we are submitting it to GFOA.

Acknowledgements

I sincerely appreciate the cooperation and dedicated efforts required of the many City personnel, both inside and outside of the Finance Office, for the presentation of this report. The citizens of the City of Newton are extraordinarily well served by all departments of the City who contributed to this annual financial report in their daily work throughout the year and their individual year-end tasks. I especially want to acknowledge the dedication and hard work of the Assistant Finance Director, Lisa Marshall. Her assistance with managing the Finance department and her help to other departments is invaluable.

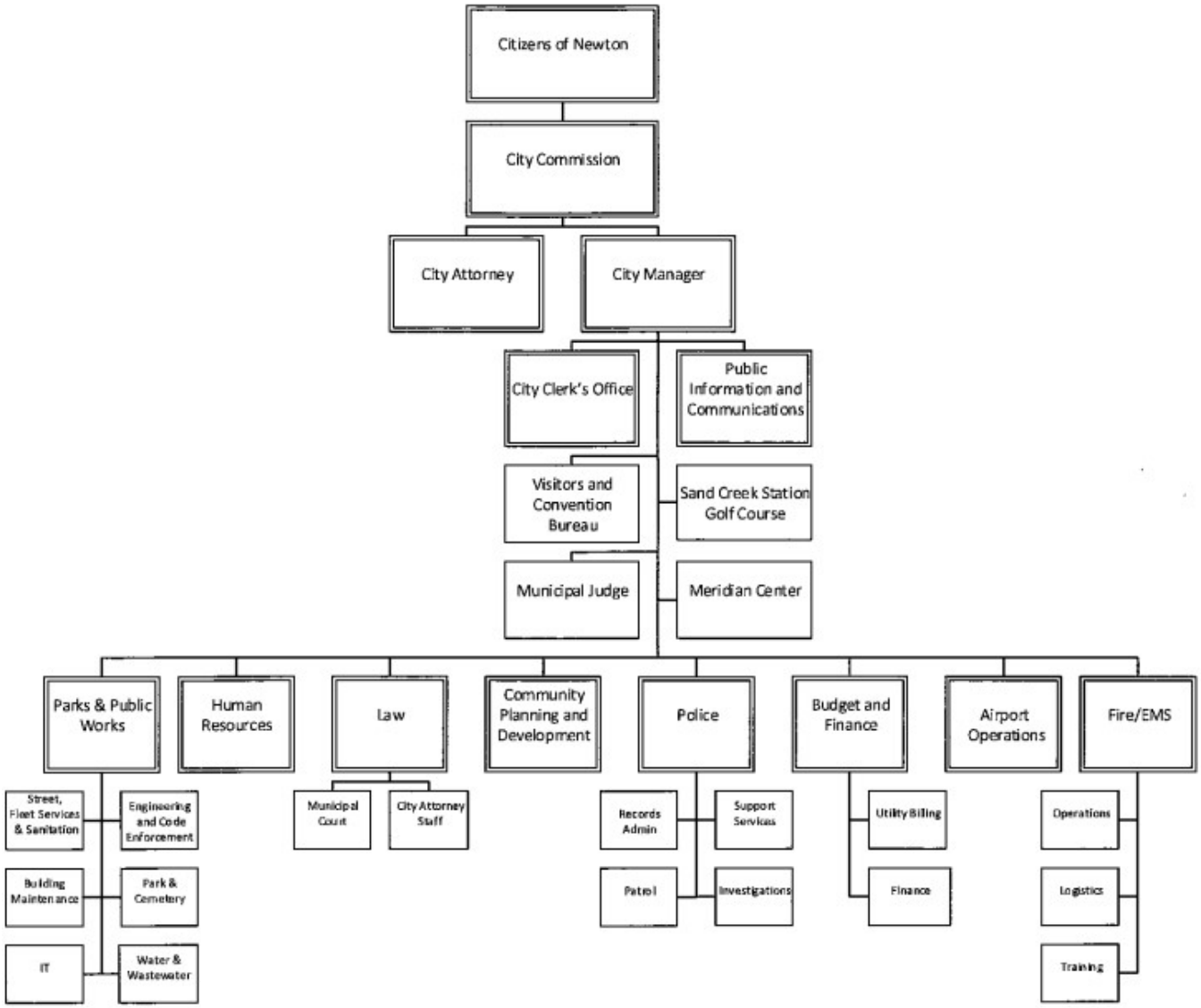
I express special appreciation to the City Commissioners and City Manager Kelly McElroy, for their unfailing support for maintaining the highest standards of professionalism in the management of the City of Newton's finances.

Respectfully,



Donna Pickman
Finance Director

City of Newton Organization Chart



The Law Dept. is under the supervision of the City Attorney but is under the City Manager's authority
Title VI Coordinator is the Public Works Director and the Civil Rights Coordinator is the HR Director

CITY OF NEWTON, KANSAS
LIST OF PRINCIPAL OFFICIALS

ELECTED CITY OFFICIALS

Name	Position	Term of Office
Leroy Koehn	Mayor	December 2022 – December 2023
	Commissioner	April 2013 – December 2025
Rod Kreie	Vice Mayor	December 2022 – December 2023
	Commissioner	April 2018 – December 2025
Clint McBroom	Commissioner	December 2019 – December 2023
Kathy Valentine	Commissioner	April 2015 – December 2023
Rich Stinnett	Commissioner	December 2019 – December 2023

ADMINISTRATIVE OFFICIALS

Name	Office
Kelly McElroy	City Manager
Erin McDaniel	Director of Communication/PIO
Chris Towle	City Attorney
Denise R. Duerksen	City Clerk
Suzanne Loomis	Director of Public Works/City Engineer
Steve Roberson	Fire/EMS Chief
Craig Dunlavy	Chief of Police
Donna Pickman	Finance Director
Lisa Marshall	Assistant Finance Director
Debra Perbeck	Director of Human Resources
Brian Palmer	Director of Aviation
Rebecca Likiardopoulos	Director of Administration
Zach McHatton	Community Development Director

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Newton
Kansas

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

December 31, 2021

Christopher P. Morrill

Executive Director/CEO

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BT & Co. P.A.
Certified Public Accountants

4301 SW Huntoon St. Topeka, KS 66604 | t:785.234.3427 | toll-free: 800.530.5526 | f: 785.233.1768 | w: btandcocpa.com

INDEPENDENT AUDITORS' REPORT

The Honorable Mayor and City Commission
City of Newton, Kansas

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Newton, Kansas (the City), as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, based on our report and the report of the other auditors, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City, as of December 31, 2022, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparisons for the General Fund and the Airport Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of the Housing Authority of the City of Newton, Kansas (Housing Authority), which represents 55%, 56% and 57%, respectively, of the assets, net position and revenues of the aggregate discretely presented component units as of December 31, 2022. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Housing Authority, is based solely on the report of the other auditors.

Basis for 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 Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

An Independently Owned Member, RSM US Alliance

RSM US Alliance member firms are separate and independent businesses and legal entities that are responsible for their own acts and omissions, and each are separate and independent from RSM US LLP. RSM US LLP is the U.S. member firm of RSM International, a global network of independent audit, tax, and consulting firms. Members of RSM US Alliance have access to RSM International resources through RSM US LLP but are not member firms of RSM International.

Emphasis-of-Matter

As described in Note 1 to the financial statements, the City implemented Governmental Accounting Standards Board Statement No. 87, *Leases*. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern within one year after the date that the financial statements are issued or available to be issued.

Auditors' Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS, we:

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and the required supplementary information listed in the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an

essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We and other auditors have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

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

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditors' report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

BT+ Co., P.A.

June 21, 2023
Topeka, Kansas

CITY OF NEWTON, KANSAS

Management's Discussion and Analysis

As management of the City of Newton, Kansas, we offer readers of the City of Newton's financial statements this narrative overview and analysis of the financial activities of the City of Newton for the year ended December 31, 2022. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages i-x of this report, and the City of Newton's financial statements, which follow this section beginning on page 14.

FINANCIAL HIGHLIGHTS

- The assets and deferred outflows of resources of the City of Newton exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by $105,096,708. Of this amount $30,553,074 (unrestricted net position) may be used to meet the government's ongoing obligations to the citizens and creditors.

- The City's total net position increased 2.00% to $105.1 million and unrestricted net position increased 10.40% to $30.5 million as a result of this year's operations.

- At the end of 2022, the combined unassigned and assigned fund balance for the General Fund was $15,230,707 or 74.78% of General Fund expenditures net of transfers. This is compared to $13,172,426 or 72.69% of General Fund expenditures in 2021. The increase in the combined unassigned and assigned fund balance is due to the City's conscious effort to keep a tight rein on expenditures. This fund balance is within the Fund Balance Policy limits.

- The City of Newton's General Obligation (GO) Debt decreased $3,915,000 during 2022 to $37,555,000.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the City of Newton's annual comprehensive financial report which includes the basic financial statements. The City's basic financial statements comprise three components. 1) Government-wide financial statements - consisting of *The Statement of Net Position* and the *Statement of Activities* which provide information about the activities of the City as a whole and present a more long-term view of the City's finances. 2) Fund financial statements that report the City's operations in more detail than the government-wide statements, by providing information about the City's most significant funds. 3) Notes to the financial statements. This report also contains other supplementary statistical and financial information in addition to the basic financial statements themselves.

Reporting the City as a Whole

The government-wide financial statements (pages 14-15 of this ACFR) are designed to provide readers with a broad overview of the City of Newton's finances, in a format similar to a private-sector business.

The Statement of Net Position and the Statement of Activities

One of the most important questions asked about the City's finances is, "Is the City as a whole better off or worse off as a result of the past year's activities?" The *Statement of Net Position* and the *Statement of Activities* each report information about the City as a whole and about its activities in a way that helps answer this question. These statements include **all** assets and liabilities using the **accrual basis of accounting**, which is similar to the accounting methods used by most private-sector companies. All of the current year's revenues and expenses are taken into account as they are earned or incurred, regardless of when cash is received or paid.

These two statements report the City's **net position** and changes in them. You can think of the City's net position as the difference between assets, deferred outflows of resources, liabilities, and deferred inflows of resources as one way to measure the City's financial health, or **financial position**. Over time, **increases or decreases** in the City's net position are one indicator of whether its financial health is improving or deteriorating. You will need to consider other non-financial factors, however, such as changes in the City's property tax base and the condition of the City's roads and other infrastructure, to assess the overall health of Newton.

The *Statement of Net Position* and the *Statement of Activities* distinguish functions of the City of Newton that are principally supported by taxes and intergovernmental revenues (government activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The City's governmental activities include general government, public safety, highways and street, community and economic development, and parks and recreation. Property taxes, transient guest taxes, sales taxes, and franchise fees finance most of these activities. The City's business-type activities include water, sewer, sanitation, golf course and conference center. The City of Newton has three component units, the Newton Public Library (discrete), the Newton Public Building Commission (blended) and The Newton Housing Authority (discrete), which are all separate legal entities. Although legally separate, these "component units" are important because the City is financially accountable for them.

Reporting the City's Most Significant Funds

A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The fund financial statements provide detailed information about the most significant funds-not the City of Newton as a whole. Some funds are required to be established by State Law and by bond covenants. In addition, the City Commission establishes other funds to help control and manage money for particular purposes, or to demonstrate that Newton is complying with legal requirements for using certain taxes, grants, and other money. The City's two kind of funds; **governmental and proprietary** use different accounting approaches.

Fund Financial Statements

- *Governmental funds*--Most of the City's basic services are reported in its governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for future spending. These funds are reported using an accounting method called the *modified accrual* basis of accounting, which measures cash and other financial assets that can readily be converted to cash. With this method, the governmental fund statements provide a detailed short-term view of the city's general government operations and the basic services it provides. Governmental fund information helps the reader determine whether there are more or fewer financial resources that can be spent in the near future to finance the City's programs. We describe the relationship (or differences) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds (reported in the fund financial statements) in a reconciliation document following the fund financial statements, on pages 17 and 19.
- *Proprietary funds*--When the City charges for certain services it provides, these services are generally reported in proprietary funds. Proprietary funds are reported using the *full accrual basis* of accounting, in the same way that all activities are reported in the *Statement of Net Position* and the *Statement of Activities*. The City of Newton maintains two different types of proprietary funds. *Enterprise funds* are used to report the same functions presented as business-type activities in the government-wide financial statements. We use *internal service funds* to report activities provided through one fund for other City programs and activities--such as the City's Stores and Maintenance and Self Insurance Funds.

THE CITY AS A WHOLE

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City of Newton, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by $105,096,708 at the close of 2022, the most recent fiscal year. This represents an increase of 2.00% as compared to the close of 2021.

By far the largest portion of the City of Newton's net position reflects its investment in capital assets (e.g., land, buildings, infrastructure, machinery, and equipment), less any related outstanding debt used to construct or acquire those assets. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Table 1
City of Newton
Condensed Statement of Net Position
December 31, 2022

	Governmental Activities		Business-Type Activities		Total	
	2022	2021	2022	2021	2022	2021
Current and other assets	$ 42,968,361	$ 33,440,767	$ 25,540,490	$ 22,505,621	$ 68,508,851	$ 55,946,388
Capital assets, non-depreciable	6,952,676	13,363,442	4,868,677	2,281,191	11,821,353	15,644,633
Capital assets, net of depreciation	58,162,538	54,155,484	60,147,898	62,110,278	118,310,436	116,265,762
Total Assets	108,083,575	100,959,693	90,557,065	86,897,090	198,640,640	187,856,783
Deferred Outflows of Resources	7,144,762	4,661,348	1,759,394	1,190,471	8,904,156	5,851,819
Long-term liabilities outstanding	49,152,587	45,075,968	33,357,188	30,779,364	82,509,775	75,855,332
Other liabilities	3,384,467	1,715,353	705,432	648,604	4,089,899	2,363,957
Total Liabilities	52,537,054	46,791,321	34,062,620	31,427,968	86,599,674	78,219,289
Deferred Inflows of Resources	15,802,777	11,685,427	45,637	771,993	15,848,414	12,457,420
Net Position:						
Net Investment in Capital Assets	36,895,067	36,511,227	34,218,081	36,215,736	71,113,148	72,726,963
Restricted	3,430,486	2,630,206	-	-	3,430,486	2,630,206
Unrestricted	6,562,953	8,002,860	23,990,121	19,671,864	30,553,074	27,674,724
Total Net Position	$ 46,888,506	$ 47,144,293	$ 58,208,202	$ 55,887,600	$ 105,096,708	$ 103,031,893

An additional portion of the City's net position represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position of $30,553,074 may be used to meet the government's ongoing obligations to citizens and creditors. The unrestricted net position increased by $2,878,350 or 10.40%.

At the end of the current fiscal year, the city is able to report positive balances in all categories of net position for governmental activities. The City's combined net position from governmental and business-type increased as described previously. This increase is reflected in the *Statement of Net Position* through *Statement of Activities,* on pages 14-15, respectively.

Table 2
City of Newton
Statement of Activities and Changes in Net Position
Year Ended December 31, 2022

	Governmental Activities		Business-Type Activities		Total	
	2022	2021	2022	2021	2022	2021
Revenues						
Program Revenues						
Charges for services	$ 4,774,358	$ 4,321,983	$ 17,223,983	$ 16,802,156	$ 21,998,341	$ 21,124,139
Operating grants and contributions	176,676	1,761,940	-	-	176,676	1,761,940
Capital grants and contributions	5,258,644	5,527,136	-	342,372	5,258,644	5,869,508
General Revenues						
Property taxes and special assessments	8,746,742	8,835,761	149,018	142,240	8,895,760	8,978,001
Sales taxes	6,715,797	6,221,635	-	-	6,715,797	6,221,635
Franchise taxes	1,775,707	1,519,599	-	-	1,775,707	1,519,599
Other taxes	-	-	-	-	-	-
Excise Taxes	337,277	316,027	-	-	337,277	316,027
Intergovernmental, not restricted to specific programs	-	-	-	-	-	-
Interest income	487,475	4,056	32,178	3,962	519,653	8,018
Other	1,820,415	730,551	6,399	60,105	1,826,814	790,656
Total Revenues	30,093,091	29,238,688	17,411,578	17,350,835	47,504,669	46,589,523
Expenses						
General government	9,108,702	5,385,546	-	-	9,108,702	5,385,546
Public safety	12,688,665	11,050,615	-	-	12,688,665	11,050,615
Highway and streets	5,459,269	4,404,305	-	-	5,459,269	4,404,305
Culture and recreation	1,463,514	1,300,417	-	-	1,463,514	1,300,417
Airport	1,513,020	1,606,844	-	-	1,513,020	1,606,844
Interest and fiscal charges	846,320	1,073,799	-	-	846,320	1,073,799
Sewer	-	-	5,690,790	5,308,781	5,690,790	5,308,781
Sanitation	-	-	1,805,788	1,752,106	1,805,788	1,752,106
Waterworks	-	-	3,968,995	3,633,023	3,968,995	3,633,023
Golf Course	-	-	1,819,318	1,566,644	1,819,318	1,566,644
Public Building Commission	-	-	498,967	449,532	498,967	449,532
Meridian Center	-	-	576,506	548,489.00	576,506	548,489
Total Expenses	31,079,490	24,821,526	14,360,364	13,258,575	45,439,854	38,080,101
Excess (Deficiency) before transfers	(986,399)	4,417,162	3,051,214	4,092,260	2,064,815	8,509,422
Transfers	730,612	(1,160,492)	(730,612)	1,160,492	-	-
Change in Net Assets	(255,787)	3,256,670	2,320,602	5,252,752	2,064,815	8,509,422
Net Position, beginning of the Year as previously reported	47,144,293	43,887,623	55,887,600	50,576,122	103,031,893	94,463,745
Prior period adjustment	-	-	-	58,726.00	-	58,726
Net Position, beginning of the Year as restated	47,144,293	43,887,623	55,887,600	50,634,848	103,031,893	94,522,471
Net Position, end of the Year	$ 46,888,506	$ 47,144,293	$ 58,208,202	$ 55,887,600	$ 105,096,708	$ 103,031,893

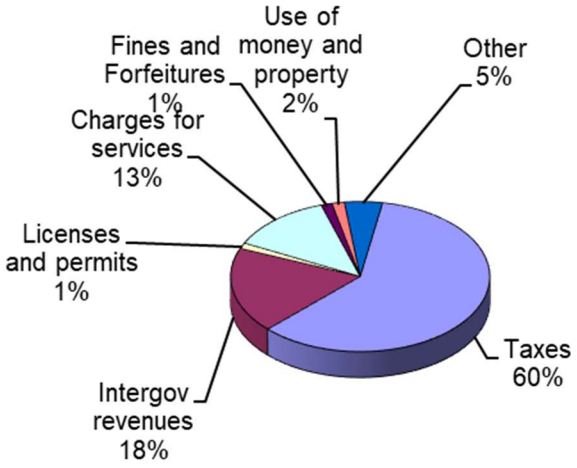
Governmental Activities

Table 3 presents the cost of the City's four largest governmental activities—general government; public safety; highway and streets, public works; and culture and recreation—as well as each activity's net cost (total cost, less revenues generated by the activity). The net cost shows the financial burden that was placed on the City's taxpayers by each of these governmental functions.

Table 3
Net Cost of Governmental Activities

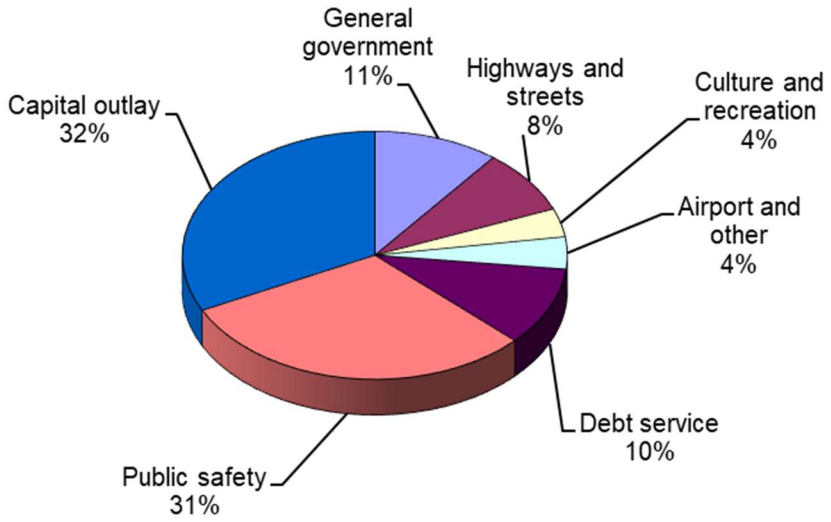
	Total Cost of Services	Net Cost of Services
General government	$ 9,108,702	$ 7,971,374
Public safety	12,688,665	10,142,621
Highway & streets and public works	5,459,269	4,279,911
Culture and recreation	1,463,514	1,441,276
Totals	$ 28,720,150	$ 23,835,182

Source of Revenue



- Property tax revenue decreased $82,241 or 0.92% for the year 2022 as compared to 2021.
- The City saw an increase in Sales Tax, Charges for Services, and Use of Money but a decrease in Fines and Forfeitures and Intergovernmental.

Functional Expenses



Business-type Activities

Business-type activities increased the City's net position by $2,320,602 to $58,208,202 or 4.15% during 2022. Table 4 presents the cost of the City's five business-type activities and blended component unit--Sewer, Sanitation, Water, Golf Course and Meridian Center and Public Building Commission—as well as each activity's net revenue (revenue generated by the activity less its total cost).

Table 4
Net Revenue from Business-Type Activities

	Total Cost of Activity	Net Revenue from Activity
Sewer	$ 5,690,790	$ 2,072,558
Sanitation	1,805,788	460,982
Waterworks	3,968,995	870,088
Golf Course	1,819,318	(243,672)
Public Building Commission	498,967	(16,133)
Meridian Center	576,506	(280,204)
Totals	$ 14,360,364	$ 2,863,619

- In 2014 the City began a mandated upgrade of the Wastewater Treatment Plant for estimated cost of $24 million. The City Commission adopted a plant upgrade fee in 2014 to pay for the debt service for the upgrade. This project came in approximately $4 million under budget upon completion. The fee established in 2014 will remain in effect for the City to utilize the excess funds in terms of interest savings and to reduce the debt service requirements in terms of years. As of December 31, 2022, an extra $5,600,000, raised by this upgrade fee, has been paid toward the principal to reduce the debt service.

- The 2022-2027 Capital Improvement Plan is approximately $55.6 million. The CIP is funded through a combination of City, State and Federal funds.

FINANCIAL ANALYSIS OF THE CITY'S FUNDS

On December 31, 2022, the City's governmental funds reported combined fund balance of $13,773,318, a $742,332 increase from 2021.

- The General Fund is the major operating and taxing fund for the City of Newton. The beginning total fund balance was $13,543,251. In 2022 the ending balance was $15,631,382 a $2,088,131 or 15.42% increase over 2021. In 2022, expenditures exceeded revenues by $659,531, however, the fund balance in the General Fund increased due to the City's resolve to continue to fund the budgeted transfers to the municipal equipment and capital reserve accounts.
- The Debt Service Fund reflected an increase of $291,821. The Debt Service Fund balance at year end 2022 was $1,544,731. The City took advantage of the low 2020 rates and refunded bonds with high interest rates, this helped lower debt service requirements in 2021 and beyond. This increase in fund balance reflects those savings.
- The Capital Projects Fund accounts for major capital projects in Newton. The fund reflects an ending balance of ($6,081,659). This is compared to the 2021 balance of ($3,830,366), with the negative ending balance being the result of temporary cash reserve funding for ongoing projects. A major portion of these projects will be completed and bonds issued in June of 2023.
- The Airport Fund is now reported as a major fund. The beginning balance was $185,213. The ending balance at the end of 2022 was $417,247. This increase is partially attributed to the high volume of aircraft fuel sold; this line item increased $248,783 over 2021.
- In Other Governmental Funds, the ending fund balance is $2,207,617, an increase of $327,639 or 17.43%.

General Fund Budgetary Highlights

The General Fund actual revenues exceeded budgeted revenues by $1,464,762 for 2022. Higher than anticipated revenue from sales tax, franchise tax, and interest on idle funds accounted for this increase.

- General Fund tax revenues, actual vs. budget, reflected a positive variance of $839,055. This increase was due to higher sales tax and franchise fee collections as well as a 6.6% increase in assessed valuation.

- General Fund expenditures in 2022 were $21,612,762 compared to $20,299,443 in 2021. This reflects a $1,313,319 expenditure increase. The rising costs of goods, due to inflation, that the City needs to maintain services, as well as higher costs for compensation and benefits, are factors increasing overall expenditures.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At the end of 2022, the City had $130,131,789 (net of depreciation) invested in a broad range of capital assets, including police and fire equipment, buildings, improvements, land, park facilities, golf course, and water and wastewater treatment facilities (see Table 5 below). This amount represents a net decrease (including additions and deletions) of $1,778,606. Construction in progress decreased $3,214,491, this decrease is a result the completion of several major street, utility and airport construction projects which increased general infrastructure. Building and Improvements decreased ($6,881,731). Machinery and Equipment decreased ($15,317). Utility Service Lines decreased ($600,958). General Infrastructure had a net increase of $9,045,077. Right-to-use leased assets had a net increase of $497,603. Additional information on the City of Newton's capital assets can be found in Note 6 of the Notes to Financial Statements, on pages 46-49.

The City's five-year Capital Improvement Plan reflects appropriations for construction, improvements to, or acquisition of an additional $55.6 million worth of capital assets for fiscal 2022 through 2027. Funding is budgeted to come from general obligation bonds, utility revenue bonds, state revolving fund loans and special benefit districts and other sources. The most significant projects include construction or enhancements of various streets, bridges, and traffic-ways, construction and enhancements to parks and athletic fields, airport facilities, water treatment and distribution system improvements, wastewater collection and treatment facilities and storm water drainage improvements.

Table 5
City of Newton's Capital Assets
(net of depreciation)

	Governmental Activities		Business-type Activities		Total	
	2022	2021	2022	2021	2022	2021
Land	$ 5,448,861	$ 6,057,650	$ 1,633,605	$ 1,633,605	$ 7,082,466	$ 7,691,255
Buildings and improvements	10,231,314	15,625,611	34,048,867	35,536,301	44,280,181	51,161,912
Machinery and equipment	3,741,525	3,468,263	2,337,829	2,626,408	6,079,354	6,094,671
General infrastructure	44,106,687	35,061,610	-	-	44,106,687	35,061,610
Utility service lines	-	-	23,346,611	23,947,569	23,346,611	23,947,569
Right-to-use assets	83,012	-	414,591	-	497,603	-
Construction in progress	1,503,815	7,305,792	3,235,072	647,586	4,738,887	7,953,378
Total capital assets	$ 65,115,214	$ 67,518,926	$ 65,016,575	$ 64,391,469	$ 130,131,789	$ 131,910,395

Debt

On December 31, 2022, the City had total general obligation debt outstanding of $37,555,000 backed by the full faith and credit of the government. The remainder of the City bonded debt represents revenue bonds. The City is obligated for $11,816,066 of state revolving fund loans secured solely by specified revenue sources and $498,374 in connection to lease obligations. Total City indebtedness as of December 31, 2022 is $56,204,440.

Additional information of the City of Newton's long–term debt can be found in Note 11, of the Notes to Financial Statements, on pages 67-72.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

Newton is the seat of Harvey County, within the Wichita Metropolitan Statistical Area (MSA). Wichita is one of 383 Metropolitan Statistical Areas (MSAs) in the nation. The Wichita MSA 2022 population was 650,039. The Harvey County 2022 population of 33,801 had a per capita personal income (PCPI) of $49,642. This PCPI was 82% of the state average, $60,152, and 74% of the national average, $67,214. The 2022 PCPI reflected an increase of 6% from 2021. The Harvey County Civilian Labor Force was 17,303 with an unemployment rate of 2.8%.

CONTACTING THE CITY'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, investors, and creditors with a general overview of the City's finances and to show the City's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Finance office, at the City of Newton, 201 E 6th Street, Newton, Kansas 67114.

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CITY OF NEWTON, KANSAS
STATEMENT OF NET POSITION
December 31, 2022

	Primary Government			Component Units	
	Governmental Activities	Business-Type Activities	Total	Public Library	Housing Authority
Assets:					
Cash and investments	$ 16,851,462	$ 21,963,731	$ 38,815,193	$ 2,214,606	$ 565,268
Receivables, net of an allowance for uncollectibles:					
Property tax	9,291,349	-	9,291,349	-	-
Special assessment tax	6,644,416	-	6,644,416	-	-
Sales tax	1,565,075	-	1,565,075	-	-
Franchise tax	190,414	-	190,414	-	-
Accounts	694,259	2,221,849	2,916,108	-	2,534
Due from other governments	-	-	-	-	35,697
Loans	347,037	-	347,037	-	-
Leases	6,033,503	-	6,033,503	-	-
Interest	13,934	-	13,934	-	-
Other	689,452	-	689,452	-	-
Internal balances	(140,761)	140,761	-	-	-
Prepaid items	420,675	6,970	427,645	-	68,823
Inventory	222,027	157,034	379,061	-	9,236
Restricted assets:					
Cash and investments	145,519	1,050,145	1,195,664	-	91,989
Capital assets:					
Capital assets not being depreciated	6,952,676	4,868,677	11,821,353	-	492,278
Other capital assets, net	58,162,538	60,147,898	118,310,436	109,911	1,642,262
Total assets	108,083,575	90,557,065	198,640,640	2,324,517	2,908,087
Deferred outflows of resources:					
Deferred charge on refunding	395,371	431,651	827,022	-	-
Deferred outflows - OPEB	752,156	65,035	817,191	2,912	-
Deferred outflows - pension	5,997,235	1,262,708	7,259,943	108,862	53,462
Total deferred outflows of resources	7,144,762	1,759,394	8,904,156	111,774	53,462
Liabilities:					
Accounts payable	1,129,514	237,603	1,367,117	23	102,189
Accrued expenses	270,013	91,314	361,327	315	15,889
Accrued interest payable	282,219	276,700	558,919	-	-
Claims payable	84,686	-	84,686	-	-
Unearned revenues	1,618,035	99,815	1,717,850	-	3,629
Noncurrent liabilities:					
Due within one year	3,511,620	3,184,037	6,695,657	13,279	8,191
Due in more than one year	45,640,967	30,173,151	75,814,118	314,134	142,879
Total liabilities	52,537,054	34,062,620	86,599,674	327,751	272,777
Deferred inflows of resources:					
Deferred receivable - property taxes	9,291,349	-	9,291,349	-	-
Deferred receivable - leases	5,971,549	-	5,971,549	-	-
Deferred inflows - OPEB	449,416	27,660	477,076	5,066	-
Deferred inflows - pension	90,463	17,977	108,440	42,112	68,226
Total deferred inflows of resources	15,802,777	45,637	15,848,414	47,178	68,226
Net position:					
Net investment in capital assets	36,895,067	34,218,081	71,113,148	109,911	2,134,540
Restricted for:					
Community development	796,467	-	796,467	-	-
Cemetery perpetual care - nonexpendable	443,012	-	443,012	-	-
Debt service	1,262,512	-	1,262,512	-	-
Airport	379,040	-	379,040	-	-
Law enforcement	253,318	-	253,318	-	-
Other	296,137	-	296,137	-	-
Unrestricted	6,562,953	23,990,121	30,553,074	1,951,451	486,006
Total net position	$ 46,888,506	$ 58,208,202	$ 105,096,708	$ 2,061,362	$ 2,620,546

See accompanying notes to basic financial statements.

CITY OF NEWTON, KANSAS
STATEMENT OF ACTIVITIES
Year Ended December 31, 2022

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position: Primary Government: Governmental Activities	Primary Government: Business-Type Activities	Primary Government: Total	Component Units: Newton Public Library	Component Units: Housing Authority
Primary government:									
Governmental activities:									
General government	$ 9,108,702	$ 655,017	$ 64,438	$ 417,873	$ (7,971,374)	$ -	$ (7,971,374)	$ -	$ -
Public safety	12,688,665	2,546,044	-	-	(10,142,621)	-	(10,142,621)	-	-
Highway and streets	5,459,269	-	-	1,179,358	(4,279,911)	-	(4,279,911)	-	-
Culture and recreation	1,463,514	-	22,238	-	(1,441,276)	-	(1,441,276)	-	-
Airport	1,513,020	1,573,297	90,000	3,661,413	3,811,690	-	3,811,690	-	-
Interest and fiscal charges	846,320	-	-	-	(846,320)	-	(846,320)	-	-
Total governmental activities	31,079,490	4,774,358	176,676	5,258,644	(20,869,812)	-	(20,869,812)	-	-
Business-type activities:									
Sewer	5,690,790	7,763,348	-	-	-	2,072,558	2,072,558	-	-
Sanitation	1,805,788	2,266,770	-	-	-	460,982	460,982	-	-
Waterworks	3,968,995	4,839,083	-	-	-	870,088	870,088	-	-
Golf course	1,819,318	1,575,646	-	-	-	(243,672)	(243,672)	-	-
Public building commission	498,967	482,834	-	-	-	(16,133)	(16,133)	-	-
Meridian Center	576,506	296,302	-	-	-	(280,204)	(280,204)	-	-
Total business-type activities	14,360,364	17,223,983	-	-	-	2,863,619	2,863,619	-	-
Total primary government	$ 45,439,854	$ 21,998,341	$ 176,676	$ 5,258,644	(20,869,812)	2,863,619	(18,006,193)	-	-
Component units:									
Newton Public Library	$ 923,961	$ 12,119	$ 138,647	$ -				(773,195)	-
Housing Authority	1,237,851	445,379	776,229	119,250				-	103,007
Total component units	$ 2,161,812	$ 457,498	$ 914,876	$ 119,250				(773,195)	103,007
General revenues:									
Taxes:									
Property taxes					8,746,742	149,018	8,895,760	821,826	-
Sales taxes					6,715,797	-	6,715,797	-	-
Franchise taxes					1,775,707	-	1,775,707	-	-
Excise taxes					337,277	-	337,277	-	-
Investment earnings					487,475	32,178	519,653	20,091	1,537
Other					1,820,415	-	1,820,415	-	-
Gain on disposals of capital assets					-	6,399	6,399	-	-
Transfers					730,612	(730,612)	-	-	-
Total general revenues and transfers					20,614,025	(543,017)	20,071,008	841,917	1,537
Change in net position					(255,787)	2,320,602	2,064,815	68,722	104,544
Net position, beginning of year					47,144,293	55,887,600	103,031,893	1,992,640	2,516,002
Net position, end of year					$ 46,888,506	$ 58,208,202	$ 105,096,708	$ 2,061,362	$ 2,620,546

See accompanying notes to basic financial statements.

CITY OF NEWTON, KANSAS
BALANCE SHEET
GOVERNMENTAL FUNDS
December 31, 2022

	Major Funds					Total
	General*	Airport	Bond & Interest	Capital Projects	Total Nonmajor Funds	Governmental Funds
Assets:						
Cash and investments	$ 7,890,235	$ 193,547	$ 1,544,731	$ -	$ 3,209,475	$ 12,837,988
Due from other funds	5,510,779	-	-	-	-	5,510,779
Receivables:						
Property tax	7,090,690	88,371	1,326,525	-	785,763	9,291,349
Special assessment tax	-	-	6,644,416	-	-	6,644,416
Sales tax	1,565,075	-	-	-	-	1,565,075
Franchise tax	190,414	-	-	-	-	190,414
Accounts	471,382	222,877	-	-	-	694,259
Loans	347,037	-	-	-	-	347,037
Leases	-	6,033,503	-	-	-	6,033,503
Other	315,877	13,934	-	-	373,575	703,386
Prepaid items	400,675	-	-	-	-	400,675
Inventory	-	92,207	-	-	-	92,207
Restricted assets:						
Cash and investments	-	-	-	-	145,519	145,519
Total assets	$ 23,782,164	$ 6,644,439	$ 9,515,672	$ -	$ 4,514,332	$ 44,456,607
Liabilities:					-	
Accounts payable	$ 388,783	$ 49,817	$ -	$ 570,880	$ 25,215	$ 1,034,695
Accrued expenses	248,697	10,153	-	-	6,579	265,429
Due to other funds	-	-	-	5,510,779	-	5,510,779
Unearned revenues	75,575	53,302	-	-	1,489,158	1,618,035
Total liabilities	713,055	113,272	-	6,081,659	1,520,952	8,428,938
Deferred inflows of resources:						
Unavailable revenue - leases receivable	-	5,971,549	-	-	-	5,971,549
Unavailable revenue - loans receivable	347,037	-	-	-	-	347,037
Unavailable revenue - property and special assessment taxes	7,090,690	88,371	7,970,941	-	785,763	15,935,765
Total deferred inflows of resources	7,437,727	6,059,920	7,970,941	-	785,763	22,254,351
Fund balances (deficit):						
Nonspendable:						
Prepaid items	400,675	-	-	-	-	400,675
Inventory	-	92,207	-	-	-	92,207
Restricted:						
Airport	-	379,040	-	-	-	379,040
Debt service	-	-	1,544,731	-	-	1,544,731
Community development	-	-	-	-	796,467	796,467
Perpetual care	-	-	-	-	443,012	443,012
Law enforcement	-	-	-	-	253,318	253,318
Other purposes	-	-	-	-	296,137	296,137
Assigned:						
Capital asset acquisition	8,875,353	-	-	-	418,683	9,294,036
Other purposes	10,597	-	-	-	-	10,597
Unassigned	6,344,757	-	-	(6,081,659)	-	263,098
Total fund balances	15,631,382	471,247	1,544,731	(6,081,659)	2,207,617	13,773,318
Total liabilities, deferred inflows of resources, and fund balances	$ 23,782,164	$ 6,644,439	$ 9,515,672	$ -	$ 4,514,332	$ 44,456,607

* See the General Fund Combining Balance Sheet on page 85.

See accompanying notes to basic financial statements.

CITY OF NEWTON, KANSAS
RECONCILIATION OF THE BALANCE SHEET OF THE GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION
December 31, 2022

Total fund balances in Governmental Funds Balance Sheet		$ 13,773,318
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources and therefore, are not reported in the funds.		65,115,214
Other long-term assets are not available to pay for current-period expenditures and therefore are reported as unavailable revenue in the funds.		6,991,453
Deferred outflows represent a consumption of net position that applies to a future period and so will not be recognized as an expenditure of resources until then.		
Deferred charge on refunding	$ 395,371	
Deferred outflows - OPEB	752,156	
Deferred outflows - pension	5,997,235	7,144,762
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore, not reported as liabilities in the funds.		(49,434,806)
Deferred inflows of resources represent an acquisition of net position that applies to a future period and so will not be recognized as revenue until then.		
Deferred inflows - OPEB	(449,416)	
Deferred inflows - pension	(90,463)	(539,879)
Internal service funds are used by the City to charge the cost of certain activities such as employee insurance and vehicle operating costs to individual funds. The assets and liabilities of internal service funds are included in governmental activities in the statement of net position.		3,838,444
Net position of governmental activities		$ 46,888,506

See accompanying notes to basic financial statements.

CITY OF NEWTON, KANSAS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
Year Ended December 31, 2022

	Major Funds					Total
	General*	Airport	Bond & Interest	Capital Projects	Total Nonmajor Funds	Governmental Funds
Revenues:						
Taxes:						
Property taxes	$ 6,413,562	$ 91,660	$ 1,427,144	$ -	$ 814,376	$ 8,746,742
Sales taxes	6,628,647	-	-	-	87,150	6,715,797
Franchise taxes	1,775,707	-	-	-	-	1,775,707
Excise taxes	-	-	-	-	337,277	337,277
Special assessments	-	-	1,045,836	-	-	1,045,836
Intergovernmental	1,062,051	154,013	94,575	3,597,400	611,300	5,519,339
Licenses and permits	384,405	-	-	-	-	384,405
Charges for services	2,387,952	1,573,297	-	-	8,052	3,969,301
Fines, forfeitures and penalties	420,652	-	-	-	-	420,652
Interest	375,817	90,596	-	-	21,062	487,475
Other	259,225	68,416	4,510	1,102,181	39,045	1,473,377
Total revenues	19,708,018	1,977,982	2,572,065	4,699,581	1,918,262	30,875,908
Expenditures:						
Current:						
General government	2,768,510	-	-	4,511	1,062,789	3,835,810
Public safety	11,103,590	-	-	-	22,508	11,126,098
Highway and streets	3,041,819	-	-	-	-	3,041,819
Culture and recreation	1,346,090	-	-	-	-	1,346,090
Airport	-	1,520,678	-	-	-	1,520,678
Capital outlay	2,070,955	-	-	9,645,147	42,643	11,758,745
Debt service:						
Principal	36,163	-	2,778,351	-	-	2,814,514
Interest	422	-	918,744	-	-	919,166
Total expenditures	20,367,549	1,520,678	3,697,095	9,649,658	1,127,940	36,362,920
Excess (deficiency) of revenues over (under) expenditures	(659,531)	457,304	(1,125,030)	(4,950,077)	790,322	(5,487,012)
Other financing sources (uses):						
Transfers in	3,050,968	-	2,893,177	2,698,784	125,650	8,768,579
Transfers out	(2,563,507)	(171,270)	(1,476,326)	-	(588,333)	(4,799,436)
Issuance of lease obligations	10,464	-	-	-	-	10,464
Sale of capital assets	2,249,737	-	-	-	-	2,249,737
Total other financing sources (uses)	2,747,662	(171,270)	1,416,851	2,698,784	(462,683)	6,229,344
Net change in fund balances	2,088,131	286,034	291,821	(2,251,293)	327,639	742,332
Fund balances, beginning of year	13,543,251	185,213	1,252,910	(3,830,366)	1,879,978	13,030,986
Fund balances, end of year	$ 15,631,382	$ 471,247	$ 1,544,731	$ (6,081,659)	$ 2,207,617	$ 13,773,318

* See the General Fund Combining Statement of Revenues, Expenditures and Changes in Fund Balances on page 86.

See accompanying notes to basic financial statements.

CITY OF NEWTON, KANSAS
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES OF THE GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
Year Ended December 31, 2022

Net change in fund balances - total governmental funds	$	742,332
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.		2,991,141
The net effect of various miscellaneous transactions involving capital assets (i.e. sales, trade-ins, disposals, donations) is to decrease net position.		(5,515,063)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		(782,818)
The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.		2,907,728
Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.		(925,466)
Internal service funds are used by the City to charge the cost of certain activities such as employee insurance and vehicle operating costs to individual funds. The net revenue of the internal service funds is reported with governmental activities.		326,359
Change in net position of governmental activities	$	(255,787)

See accompanying notes to basic financial statements.

CITY OF NEWTON, KANSAS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL - FUNDS INCLUDED IN THE GENERAL FUND
GENERAL FUND
Year Ended December 31, 2022

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
Revenues and other sources:			
Property tax	$ 6,770,679	$ 6,230,380	$ (540,299)
Sales tax	5,425,000	6,628,647	1,203,647
Franchise tax	1,600,000	1,775,707	175,707
PILOT	648,023	628,023	(20,000)
Intergovernmental	73,000	426,877	353,877
Licenses and permits	218,450	384,405	165,955
Charges for services	2,343,500	2,387,952	44,452
Fines and fees	481,740	420,652	(61,088)
Interest	250,000	368,550	118,550
Other	47,500	84,820	37,320
Transfers in	1,740,607	1,727,248	(13,359)
Total revenues and other sources	19,598,499	21,063,261	1,464,762
Expenditures and other uses:			
Current:			
General government	2,732,315	2,574,646	(157,669)
Public safety	11,016,334	11,106,695	90,361
Highway and streets	3,175,200	2,478,809	(696,391)
Parks and cemeteries	1,649,453	1,338,240	(311,213)
Capital outlay	268,000	236,796	(31,204)
Transfers out	3,112,920	3,877,576	764,656
Total expenditures and other uses	21,954,222	21,612,762	(341,460)
Revenues (expenditures) not subject to budget:			
Transfers in - stormwater reimbursement	-	554,612	554,612
Reimbursed expenditures	-	(554,612)	(554,612)
Total revenues (expenditures) not subject to budget	-	-	-
Excess (deficiency) of revenues and other sources over (under) expenditures and other uses	(2,355,723)	(549,501)	1,806,222
Fund balances, beginning of year	1,439,181	6,349,880	4,910,699
Fund balances, end of year	$ (916,542)	5,800,379	$ 6,716,921
Reconciliation to GAAP:			
Plus encumbrances outstanding at December 31, 2022		10,597	
Fund balance on the basis of GAAP - General Fund only		5,810,976	
Fund balances for non-budgeted funds included with the General Fund on GAAP basis financials:			
Capital Improvement Reserve		5,061,938	
Admin Contingency		945,053	
Municipal Equipment Reserve		3,813,415	
		$ 15,631,382	

See accompanying notes to basic financial statements.

CITY OF NEWTON, KANSAS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL - FUNDS INCLUDED IN THE GENERAL FUND
RHID FUND
Year Ended December 31, 2022

	Original and Final Budgeted Amounts	Actual	Variance with Final Budget
Revenues and other sources:			
Property taxes	$ 60,000	$ 51,572	$ (8,428)
Expenditures and other uses:			
Expense reimbursement	60,000	51,572	(8,428)
Excess (deficiency) of revenues and other sources over (under) expenditures and other uses	-	-	-
Fund balances, beginning of year	-	-	-
Fund balances, end of year	$ -	$ -	$ -

See accompanying notes to basic financial statements.

CITY OF NEWTON, KANSAS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL - FUNDS INCLUDED IN THE GENERAL FUND
RHID 2 FUND
Year Ended December 31, 2022

	Original and Final Budgeted Amounts	Actual	Variance with Final Budget
Revenues and other sources:			
Property taxes	$ 55,000	$ 44,925	$ (10,075)
Expenditures and other uses:			
Expense reimbursement	55,000	44,925	(10,075)
Excess (deficiency) of revenues and other sources over (under) expenditures and other uses	-	-	-
Fund balances, beginning of year	-	-	-
Fund balances, end of year	$ -	$ -	$ -

See accompanying notes to basic financial statements.

CITY OF NEWTON, KANSAS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL - MAJOR SPECIAL REVENUE FUND
AIRPORT FUND
Year Ended December 31, 2022

	Budgeted Amounts			Variance with Final
	Original	Final	Actual	Budget
Revenues and other sources:				
Property taxes	$ 100,211	$ 100,211	$ 91,660	$ (8,551)
Intergovernmental	90,000	90,000	95,013	5,013
Fuel sales and rentals	1,212,963	1,412,963	1,573,297	160,334
Interest	-	-	90,596	90,596
Other	25,000	25,000	68,416	43,416
Total revenues and other sources	1,428,174	1,628,174	1,918,982	290,808
Expenditures and other uses:				
Personnel services	558,952	558,952	540,429	(18,523)
Contractual services	292,683	292,683	207,109	(85,574)
Commodities	358,150	558,150	685,295	127,145
Vehicle operating	22,000	22,000	28,845	6,845
Capital outlay	30,600	30,600	-	(30,600)
Transfers out	171,270	171,270	171,270	-
Total expenditures and other uses	1,433,655	1,633,655	1,632,948	(707)
Revenues (expenditures) not subject to budget:				
Intergovernmental revenues	-	-	59,000	59,000
Reimbursed expenditures	-	-	(59,000)	(59,000)
Total revenues (expenditures) not subject to budget:	-	-	-	-
Excess (deficiency) of revenues and other sources over (under) expenditures and other uses	(5,481)	(5,481)	286,034	291,515
Fund balances, beginning of year	-	-	185,213	185,213
Fund balances, end of year	$ (5,481)	$ (5,481)	$ 471,247	$ 476,728

See accompanying notes to basic financial statements.

CITY OF NEWTON, KANSAS
STATEMENT OF NET POSITION - PROPRIETARY FUNDS
December 31, 2022

	Business-Type Activities					Governmental Activities
	Sewer	Waterworks	Public Building Commission	Nonmajor Enterprise	Total	Internal Service Funds
Assets:						
Current assets:						
Cash and investments	$ 11,327,446	$ 7,539,331	$ -	$ 3,096,954	$ 21,963,731	$ 4,013,474
Accounts receivable (net of allowance for uncollectibles)	1,204,970	643,950	-	372,929	2,221,849	-
Prepaid items	-	-	-	6,970	6,970	20,000
Inventory	-	93,173	-	63,861	157,034	129,820
Total current assets	12,532,416	8,276,454	-	3,540,714	24,349,584	4,163,294
Noncurrent assets:						
Restricted cash	-	-	1,050,145	-	1,050,145	-
Advances from other funds	-	-	1,538,400	-	1,538,400	-
Capital assets, net	38,186,555	11,053,179	5,963,853	9,812,988	65,016,575	601,312
Total noncurrent assets	38,186,555	11,053,179	8,552,398	9,812,988	67,605,120	601,312
Total assets	50,718,971	19,329,633	8,552,398	13,353,702	91,954,704	4,764,606
Deferred outflows of resources:						
Deferred charge on refunding	259,578	13,293	158,780	-	431,651	-
Deferred outflows - OPEB	20,201	29,980	-	14,854	65,035	-
Deferred outflows - pension	456,558	485,250	-	320,900	1,262,708	-
Total deferred outflows of resources	736,337	528,523	158,780	335,754	1,759,394	-
Liabilities:						
Current liabilities:						
Accounts payable	61,410	116,269	-	59,924	237,603	94,819
Accrued expenses	30,097	34,029	-	27,188	91,314	4,584
Compensated absences	19,513	46,119	-	32,974	98,606	6,994
Unreported claims payable	-	-	-	-	-	84,686
Unearned revenue	-	-	-	99,815	99,815	-
Current portion of long-term debt	1,827,525	319,535	855,000	83,371	3,085,431	-
Accrued interest payable	174,651	34,324	62,096	5,629	276,700	-
Total current liabilities	2,113,196	550,276	917,096	308,901	3,889,469	191,083
Noncurrent liabilities:						
Total OPEB liability	18,469	55,355	-	32,995	106,819	-
Net pension liability	1,251,041	1,329,662	-	879,315	3,460,018	-
State revolving fund loans payable	9,168,557	1,659,900	-	-	10,828,457	-
Advances to other funds	-	-	-	1,538,400	1,538,400	-
Bonds payable, net	7,938,074	1,860,666	5,649,540	-	15,448,280	-
Lease obligations	-	5,215	-	324,362	329,577	-
Total noncurrent liabilities	18,376,141	4,910,798	5,649,540	2,775,072	31,711,551	-
Total liabilities	20,489,337	5,461,074	6,566,636	3,083,973	35,601,020	191,083
Deferred inflows of resources:						
Deferred inflows - OPEB	17,821	7,846	-	1,993	27,660	-
Deferred inflows - pension	6,500	6,909	-	4,568	17,977	-
Total deferred inflows of resources	24,321	14,755	-	6,561	45,637	-
Net position:						
Net investment in capital assets	19,511,977	7,221,156	(381,907)	7,866,855	34,218,081	601,312
Unrestricted	11,429,673	7,161,171	2,526,449	2,732,067	23,849,360	3,972,211
Total net position	$ 30,941,650	$ 14,382,327	$ 2,144,542	$ 10,598,922	58,067,441	$ 4,573,523
Adjustment to report the cumulative internal balance for the net effect of the activity between the internal service funds and the enterprise funds over time.					140,761	
Net position of business-type activities					$ 58,208,202	

See accompanying notes to basic financial statements.

CITY OF NEWTON, KANSAS
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
Year Ended December 31, 2022

	Business-Type Activities					Governmental Activities
	Sewer	Waterworks	Public Building Commission	Nonmajor Enterprise	Total	Internal Service Funds
Operating revenues:						
Charges for sales and services	$ 7,732,432	$ 4,780,515	$ 482,834	$ 4,098,562	$ 17,094,343	$ 4,118,031
Miscellaneous	30,916	58,568	-	40,156	129,640	107,504
Total operating revenues	7,763,348	4,839,083	482,834	4,138,718	17,223,983	4,225,535
Operating expenses:						
Personnel services	1,873,516	2,029,638	-	1,998,163	5,901,317	2,991,289
Contractual services	736,671	1,164,428	1,855	863,905	2,766,859	69,132
Commodities	248,906	160,341	-	594,021	1,003,268	829,655
Capital outlay	-	11,218	-	-	11,218	2,302
Vehicle operating	65,649	74,401	-	261,684	401,734	29,210
Depreciation and amortization	2,228,532	464,667	216,800	477,597	3,387,596	65,734
Total operating expenses	5,153,274	3,904,693	218,655	4,195,370	13,471,992	3,987,322
Operating income (loss)	2,610,074	934,390	264,179	(56,652)	3,751,991	238,213
Nonoperating revenues (expenses):						
Gain on disposal of property	-	6,399	-	-	6,399	-
Taxes	-	-	149,018	-	149,018	-
Other	(30,600)	(4,226)	(123,463)	-	(158,289)	-
Interest income	-	2,125	20,026	10,027	32,178	28
Interest and fiscal charges	(527,890)	(83,063)	(156,849)	(13,195)	(780,997)	-
Total nonoperating revenues (expenses)	(558,490)	(78,765)	(111,268)	(3,168)	(751,691)	28
Income (loss) before capital contributions and transfers	2,051,584	855,625	152,911	(59,820)	3,000,300	238,241
Capital contributions	549,487	1,285,992	1,581,671	-	3,417,150	-
Transfers in	1,233,480	249,846	-	900,000	2,383,326	178,619
Transfers out	(2,751,811)	(2,001,372)	(1,526,397)	(251,508)	(6,531,088)	-
Change in net position	1,082,740	390,091	208,185	588,672	2,269,688	416,860
Net position, beginning of year	29,858,910	13,992,236	1,936,357	10,010,250	55,797,753	4,156,663
Net position, end of year	$ 30,941,650	$ 14,382,327	$ 2,144,542	$ 10,598,922	$ 58,067,441	$ 4,573,523
Change in net position					$ 2,269,688	
Adjustment for the net effect of the current year activity between the internal service funds and the enterprise funds.					50,914	
Change in net position of business-type activities					$ 2,320,602	

See accompanying notes to basic financial statements.

CITY OF NEWTON, KANSAS
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
Year Ended December 31, 2022

	Business-Type Activities					Governmental Activities
	Sewer	Waterworks	Public Building Commission	Nonmajor Enterprise	Total	Internal Service Funds
Cash flows from operating activities:						
Receipts from customers	$ 7,673,852	$ 4,758,051	$ 482,834	$ 4,097,491	$ 17,012,228	$ 4,225,535
Payments to suppliers for goods and services	(1,040,094)	(1,412,668)	(1,855)	(1,675,134)	(4,129,751)	(953,515)
Payments to employees for services	(1,788,083)	(1,931,027)	-	(1,973,925)	(5,693,035)	(251,421)
Payments for employee health benefits	-	-	-	-	-	(2,725,484)
Net cash from operating activities	4,845,675	1,414,356	480,979	448,432	7,189,442	295,115
Cash flows from noncapital financing activities:						
Transfers in	1,233,480	249,846	-	900,000	2,383,326	178,619
Transfers out	(2,751,811)	(2,001,372)	(1,526,397)	(251,508)	(6,531,088)	-
Net cash from noncapital financing activities	(1,518,331)	(1,751,526)	(1,526,397)	648,492	(4,147,762)	178,619
Cash flows from capital and related financing activities:						
Proceeds from sales of capital assets	-	12,400	-	-	12,400	-
Proceeds from taxes	-	-	149,018	-	149,018	-
Payments for capital assets	(30,538)	(36,714)	-	(81,829)	(149,081)	(105,321)
Principal payments on general obligation bonds	(946,076)	(190,573)	-	-	(1,136,649)	-
Principal payments on NPBC revenue bonds	-	-	(850,000)	-	(850,000)	-
Principal payments on KDHE revolving loans payable	(2,184,089)	(125,523)	-	-	(2,309,612)	-
Principal payments on lease obligations	-	(349)	-	(37,760)	(38,109)	-
Payments on advances from other funds	-	-	(1,929,423)	(600,000)	(2,529,423)	-
Other payments	(30,600)	(4,226)	(123,463)	-	(158,289)	-
Interest and fees paid on capital debt	(595,101)	(96,006)	(75,582)	(7,566)	(774,255)	-
Proceeds from KDHE revolving loans payable	-	800,856	-	-	800,856	-
Proceeds from NPBC revenue bonds	-	-	4,000,000	-	4,000,000	-
Proceeds from NPBC revenue bond premiums	-	-	171,561	-	171,561	-
Net cash from capital and related financing activities	(3,786,404)	359,865	1,342,111	(727,155)	(2,811,583)	(105,321)
Cash flows from investing activities:						
Interest received	-	2,125	20,026	10,027	32,178	28
Net change in cash and cash equivalents	(459,060)	24,820	316,719	379,796	262,275	368,441
Cash and cash equivalents, beginning of year	11,786,506	7,514,511	733,426	2,717,158	22,751,601	3,645,033
Cash and cash equivalents, end of year	$ 11,327,446	$ 7,539,331	$ 1,050,145	$ 3,096,954	$ 23,013,876	$ 4,013,474

(Continued)

CITY OF NEWTON, KANSAS
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
(Continued)
Year Ended December 31, 2022

	Business-Type Activities					Governmental Activities
	Sewer	Waterworks	Public Building Commission	Nonmajor Enterprise	Total	Internal Service Funds
Reconciliation of operating income (loss) to net cash from operating activities:						
Operating income (loss)	$ 2,610,074	$ 934,390	$ 264,179	$ (56,652)	$ 3,751,991	$ 238,213
Adjustments to reconcile operating income (loss) to net cash from operating activities:						
Depreciation and amortization	2,228,532	464,667	216,800	477,597	3,387,596	65,734
Changes in:						
Accounts receivable (net of allowance for uncollectibles)	(89,496)	(81,032)	-	(45,870)	(216,398)	-
Inventory	-	4,770	-	(4,787)	(17)	(31,514)
Prepaid items	-	-	-	24,156	24,156	-
Accounts payable	11,132	(7,050)	-	25,107	29,189	87,719
Accrued expenses	6,532	8,730	-	(5,166)	10,096	1,526
Compensated absences	3,067	5,066	-	2,553	10,686	-
Total OPEB liability	7,491	22,191	-	13,190	42,872	-
Net pension liability	561,949	602,022	-	470,390	1,634,361	-
Deferred outflows - pension	(227,288)	(243,154)	-	(151,525)	(621,967)	-
Deferred outflows - OPEB	(7,210)	(21,359)	-	(12,696)	(41,265)	-
Deferred inflows - pension	(258,413)	(272,824)	-	(291,283)	(822,520)	-
Deferred inflows - OPEB	(695)	(2,061)	-	(1,225)	(3,981)	-
Unearned revenue	-	-	-	4,643	4,643	-
Unreported claims payable	-	-	-	-	-	(66,563)
Net cash from operating activities	$ 4,845,675	$ 1,414,356	$ 480,979	$ 448,432	$ 7,189,442	$ 295,115

Noncash capital financing activities:

Contributions of capital assets of $ 549,487, $ 1,285,992, and $ 1,581,671 were received in the sewer fund, waterworks fund, and public building commission fund, respectively, from other governmental funds.

See accompanying notes to basic financial statements.

1 - Summary of Significant Accounting Policies

Reporting Entity

The City of Newton, Kansas (the City) was originally incorporated in 1871 under the laws of the State of Kansas. The City operates under a commission-manager form of government and provides services to its citizens in the areas of public safety, public works, community planning and development, water, wastewater and sanitation utilities, recreation, cultural and social assistance and municipal facilities.

Accounting principles generally accepted in the United States of America require that these financial statements present the City (the primary government) and its component units. The component units described below are included in the City's reporting entity because of their operational significance or financial relationships with the City.

Discretely Presented Component Units. The Newton Public Library (the Library), although a separate legal entity, is reported as a discrete component unit. The Library is governed by a Board, the appointees of which are approved by the City. The Library is not a separate taxing entity under State statutes and the City levies taxes for the Library operation, which represents a significant portion of its total revenues. The Library is presented as a governmental fund type. Separately issued financial statements for the Library are not available.

The Housing Authority of the City of Newton, Kansas, although a separate legal entity, is reported as a discrete component unit. The Housing Authority is governed by a Board, the appointees of which are approved by the City. The City also has the ability to remove appointed Board members at will and override or modify decisions of the governing board. The Housing Authority is presented as a proprietary fund type, and has a June 30 year end. Separately issued financial statements are available from the Housing Authority.

Blended Component Unit. The Newton Public Building Commission (NPBC) was formed under Kansas statutes during 2005 to provide debt financing for City facilities. The NPBC is a separate legal entity, governed by a Board which is appointed by the City Commission. The NPBC is included as a blended component unit because the NPBC's debt is repayable almost entirely from the City's resources. The financial statements of the NPBC have been included within the City's reporting entity as a proprietary fund. Separately issued financial statements for the NPBC are not available.

Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the activities of the primary government and its component units. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from the legally separate component units for which the primary government is financially accountable.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds and proprietary funds. Major individual governmental funds and the major individual enterprise funds are reported as separate columns in the fund financial statements.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are generally considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. A 60-day availability period is used for revenue recognition for all governmental funds revenues except property taxes. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments are recorded only when payment is due.

In applying the susceptible to accrual concept to intergovernmental revenues, the legal and contractual requirements of the numerous individual programs are used as guidance. There are, however, essentially two types of these revenues. In one, monies must be expended for the specific purpose or project before any amounts will be paid to the City; therefore, revenues are recognized based upon the expenditures recorded. In the other, monies are virtually unrestricted as to purpose of expenditure and are usually revocable only for failure to comply with prescribed requirements. These resources are reflected as revenues at the time of receipt, or earlier if the susceptible to accrual criteria are met.

Property taxes, sales taxes, franchise taxes, interest associated with the current fiscal period, and certain state and federal grants and entitlements are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the City. While property taxes receivable are shown on the balance sheet as current assets of the City, they are not recognized as revenue at year end because statutory provisions prohibit their use until the year for which they were raised and budgeted. Instead, they are offset by unavailable revenue accounts.

The City reports the following major governmental funds:

The general fund is the City's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The airport fund accounts for the operation and maintenance activities of the airport, which is jointly owned by the City and Harvey County. Its main operations consist of building and ground leases, fuel sales and aircraft storage, while also serving as a general aviation reliever airport for Wichita's Eisenhower Airport.

The bond and interest fund accounts for the resources accumulated and payments made for principal and interest on long-term debt of governmental funds.

The capital projects fund accounts for the acquisition and construction of city streets and other significant capital projects through capital grant funding and issuance of general obligation debt.

The City reports the following major proprietary funds:

The sewer fund accounts for the operation and maintenance activities of the City's wastewater collection and treatment systems.

The waterworks fund accounts for the operation and maintenance activities of the City's water distribution system.

The public building commission fund accounts for the activities of the Newton Public Building Commission (NPBC) blended component unit which provides financing for certain public buildings and facilities in the City.

Additionally, the City reports the following fund types:

The internal service funds account for the financing of goods and services provided by one fund to other funds of the City on a cost reimbursement basis and to account for the City's self-insurance activities relating to employee health coverage.

The permanent fund is used to account for the activities of the City's cemetery and mausoleum activities. The resources of this fund are restricted to the extent that only earnings, and not the principal, may be used for purposes that support the cemetery program.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the City's enterprise functions and various other functions of the City. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the enterprise funds are charges to customers for sales and services. Operating expenses for the enterprise funds

include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, then unrestricted resources as they are needed.

Pooled Cash and Investments

Cash and investments of the individual funds are combined to form a pool that is managed by the Director of Finance. Each fund's equity in the pool is included in "cash and investments" in the financial statements. These pooled deposits and investments consist of operating accounts and non-negotiable certificates of deposit which are recorded at cost because they are not affected by market rate changes. The City also has funds invested in the Kansas Municipal Investment Pool (MIP) which is overseen by the State of Kansas. The fair value of the City's position in the MIP is the same as the pool value of the shares. Investment earnings, including interest income, are allocated based on management discretion and upon their average daily equity balances. If a fund is not required to account for its own earnings by law or regulation, the earnings are allocated to the General Fund.

Cash Flows Statement

For purposes of the statement of cash flows, the City considers deposits and highly liquid investments with an original maturity of three months or less to be cash equivalents.

Receivables and Payables

Activities between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

All trade accounts receivable are shown net of an allowance for uncollectibles. Management records a trade accounts receivable allowance based on percentages of collection estimated from the aging of the accounts receivable. At December 31, 2022, management has determined that no allowance for uncollectible receivables is necessary.

Governmental funds report unavailable revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned. Governmental funds unavailable revenue is reported as follows:

General fund property tax receivable	$	7,090,690
Airport fund property tax receivable		88,371
Bond and interest fund property tax receivable		1,326,525
Bond and interest fund special assessments receivable		6,644,416
Nonmajor governmental funds property tax receivable		785,763
General fund loans receivable		347,037
Airport fund leases receivable		5,971,549
	$	22,254,351

Property Taxes

In accordance with governing State statutes, property taxes levied during the current year are a revenue source to be used to finance the budget of the ensuing year. Taxes are assessed on a calendar year basis and become a lien on the property on November 1 of each year. The County Treasurer is the tax collection agent for all taxing entities in the County. Property owners have the option of paying one-half or the full amount of the taxes levied on or before December 20 during the year levied with the balance to be paid on or before May 10 of the ensuing year. State statutes prohibit the County Treasurer from distributing taxes collected in the year levied prior to January 1 of the ensuing year. Consequently, for revenue recognition purposes, the taxes levied during the current year are not due and receivable until the ensuing year. At December 31, such taxes are a lien on the property and are recorded as taxes receivable with a corresponding amount recorded as unavailable revenue on the balance sheet of the appropriate funds. It is not practicable to apportion delinquent taxes held by the County Treasurer at the end of the year and further, the amounts thereof are not material in relationship to the financial statements taken as a whole.

Special Assessments

In accordance with State statutes, projects financed in part by special assessments are financed through issuance of general obligation bonds of the City and are retired from the bond and interest fund. Special assessments paid prior to the issuance of bonds are recorded as revenue in the appropriate project. Special assessments received after the issuance of bonds are recorded as revenue in the bond and interest fund. The special assessments receivable are not recorded as revenue in the fund financial statements when levied against the respective property owners as such amounts are not available as a resource to finance current year operations.

Restricted Assets

Restricted cash is set aside in the community development fund for community development programs and in the public building commission fund for debt service.

Inventories

Inventories that benefit future periods are recorded as expenditures or expenses as consumed. Inventories are stated at cost, as determined by the first-in, first-out method.

Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. Prepaid items of governmental funds are recorded as expenditures when consumed rather than when purchased.

Capital Assets

Capital assets, which include property, plant, equipment, infrastructure (e.g., roads, bridges, sidewalks and similar items), and construction in progress are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. The City capitalizes purchases of assets with a cost of $ 1,000 or more and an estimated useful life in excess of one year. All costs of land are capitalized. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the life of the asset are not capitalized.

Capital assets of the primary government, as well as the component units, are depreciated using the straight-line method over the following estimated useful lives:

Buildings	30 – 50 years
Improvements other than buildings	15 – 30 years
General infrastructure	30 – 50 years
Machinery	5 – 15 years
Office equipment and furniture	5 – 12 years
Water treatment plant	30 years
Water and sewer mains	30 – 50 years

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net assets that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/expenditure) until then. The City has several items that qualify for reporting in this category. One item, deferred charge on refunding, is reported in the government-wide and proprietary fund statements of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The other two items that qualify for reporting in this category are deferred outflows for pension and other postemployment benefits (OPEB) reported in the government-wide and proprietary fund statements of net position. See Notes 7 and 9 for more information on the deferred outflows for the pension and OPEB, respectively.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net assets that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. The City has several items that qualify for reporting in this

category. Unavailable revenue is reported in the governmental funds from four sources: property taxes, special assessments, leases, and loans. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. The government-wide statements report four items: deferred receivable – property taxes, deferred receivable – leases, deferred inflows – OPEB, and deferred inflows – pension. See Notes 7 and 9 for more information on the deferred inflows for the pension and OPEB, respectively. See Note 5 for more information on the deferred receivable for leases.

Leases

Lessee: The City is a lessee for leases pertaining to buildings and structures and equipment. The City recognizes a lease liability and an intangible right-to-use lease asset (lease asset) in the government-wide financial statements.

At the commencement of a lease, the City initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over its useful life.

Key estimates and judgments related to leases include how the City determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments.

- The City uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the City generally uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option price that the City is reasonably certain to exercise.

The City monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability.

Lease assets are reported with other capital assets and lease liabilities are reported with long-term debt on the statement of net position.

Lessor: The City is a lessor for leases of buildings and land. The City recognizes a lease receivable and a deferred inflow of resources in the government-wide and governmental fund financial statements.

At the commencement of a lease, the City initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

Key estimates and judgments include how the City determines (1) the discount rate it uses to discount the expected lease receipts to present value, (2) lease term, and (3) lease receipts.

- The City uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease. Lease receipts included in the measurement of the lease receivable is composed of fixed payments from the lessee.

The City monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease receivable and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable.

Compensated Absences

The City's policies regarding vacation and sick leave permit employees to accumulate a maximum of 10 to 18 days of vacation leave (depending on the number of years of continuous service) and a maximum accumulation of 90 days sick leave. Policies require the cancellation of accumulated sick leave on the date of employment termination. All vacation leave is accrued when incurred in the government-wide and proprietary fund financial statements. In the governmental fund financial statements, a liability is accrued when it has matured, for example, as a result of employee resignations and retirements.

Long-Term Obligations

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts and refunding differences are amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount.

In the fund financial statements, governmental fund types recognize bond premiums and discounts during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of KPERS and additions to/deductions from KPERS's fiduciary net position have been determined on the same basis as they are reported by KPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. KPERS investments are reported at fair value.

Fund Balances

As prescribed by GASB Statement No. 54, governmental funds report fund balance classifications based primarily on the extent to which the City is bound to honor constraints on the specific purposes for which

amounts in the funds can be spent. As of December 31, 2022, fund balances for governmental funds are made up of the following:

Nonspendable fund balances – includes amounts that are (a) not in spendable form, or (b) legally or contractually required to be maintained intact. The "not in spendable form" criterion includes items that are not expected to be converted to cash, for example: inventories, prepaid items, and long-term notes receivable.

Restricted fund balances – includes amounts that can be spent only for the specific purposes stipulated by external resource providers, constitutionally, or through enabling legislation. Restrictions may effectively be changed or lifted only with the consent of resource providers.

Committed fund balances – includes amounts that can be used only for specific purposes determined by a formal action of the City Commission. The City Commission is the highest level of decision-making authority for the City. Commitments may be established, modified, or rescinded only through ordinances approved through a majority vote by a quorum of the Commission.

Assigned fund balances – includes amounts the City intends to use for a specific purpose that is neither restricted nor committed as directed by the City Commission.

Unassigned fund balance – is the residual classification for the general fund and includes all amounts not contained in other classifications. Unassigned amounts are technically available for any purpose. The general fund is the only fund that reports a positive unassigned fund balance amount. In other governmental funds, it is not appropriate to report a positive unassigned fund balance amount. However, in governmental funds other than the general fund, if expenditures incurred for specific purposes exceed the amounts that are restricted, committed, or assigned to those purposes, it may be necessary to report a negative unassigned fund balance in that fund.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the City considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the City considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the City Commission has provided otherwise in its commitment or assignment actions.

The City has established a minimum fund balance policy for maintaining fund balances in governmental funds. The City strives to maintain a minimum unassigned fund balance of at least 15% of budgeted annual expenditures in the general fund.

Concentrations of Credit Risk

Credit is extended to citizens for special assessments levied by the City for capital improvements. These special assessments are secured by liens on the related properties. Unsecured credit is extended to customers for water fees, sewer fees, and charges for certain other services.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Adoption of New Accounting Standards

During the year, the City adopted the following accounting standard:

GASB Statement No. 87, *Leases* – This statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. This statement resulted in the reporting of certain lease receivables, lease obligations, and leased assets, along with deferred inflows of resources and accumulated amortization. Beginning net position and fund balance were not impacted by the adoption of this statement.

Pending Governmental Accounting Standards Board Statements

The following accounting standards have been recently issued and will be adopted as applicable by the City. Unless otherwise noted below, management has not yet determined the impact of these Statements on the City's financial statements.

GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements* – The primary objective of this Statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). A PPP is an arrangement in which a government contracts with an operator to provide public services by conveying control of the right to operate or use a nonfinancial asset, such as infrastructure or other capital asset, for a period of time in an exchange or exchange-like transaction. This statement will become effective for the City in the fiscal year ended December 31, 2023.

GASB Statement No 96, *Subscription-Based Information Technology Arrangements* – The statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements for government end users. This statement will become effective for the City in the fiscal year ended December 31, 2023.

GASB Statement No. 99, *Omnibus 2022* - The objectives of this statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees. The requirements related to extension of the use of LIBOR, accounting for SNAP distributions, disclosures of nonmonetary transactions, pledges of future revenues by pledging governments, clarification of certain provisions in Statement 34, as amended, and terminology updates related to Statement 53 and Statement 63 are effective

upon issuance by the City. The requirements related to leases, PPPs, and SBITAs will be effective for the City in fiscal year ending December 31, 2023. The requirements related to financial guarantees and the classification and reporting of derivative instruments within the scope of Statement 53 will become effective for the City in the fiscal year ended December 31, 2024.

GASB Statement No. 100, *Accounting Changes and Error Corrections* - The primary objective of this statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. This statement will become effective for the City in the fiscal year ended December 31, 2024.

GASB Statement No. 101, *Compensated Absences* - The objective of this statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. This statement will become effective for the City in the fiscal year ended December 31, 2024.

2 - Reconciliation of Government-Wide and Fund Financial Statements

Explanation of Certain Differences Between the Governmental Fund Balance Sheet and the Government-Wide Statement of Net Position

The governmental fund balance sheet includes a reconciliation between fund balances – total governmental funds and net position of governmental activities as reported in the government-wide statement of net position. One element of that reconciliation explains that "Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds." The details of this $ (49,434,806) difference are as follows:

General obligation bonds	$ (27,250,263)
Plus: Issuance premiums	(1,281,242)
Accrued interest payable	(282,219)
Compensated absences	(630,582)
Total OPEB liability	(1,223,394)
Net pension liability	(18,683,093)
Lease obligations	(84,013)
Net adjustment to decrease fund balances - total governmental funds to arrive at net position - governmental activities	$ (49,434,806)

Explanation of Certain Differences Between the Governmental Fund Statement of Revenues, Expenditures and Changes in Fund Balances and the Government-Wide Statement of Activities

The governmental fund statement of revenues, expenditures and changes in fund balances includes a reconciliation between net changes in fund balances – total governmental funds and changes in net position of governmental activities as reported in the government-wide statement of activities. One element of that

reconciliation explains that "Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense." The details of this $ 2,991,141 difference are as follows:

Capital outlay	$	6,252,284
Depreciation and amortization expense		(3,261,143)
Net adjustment to increase net change in fund balances - total governmental funds to arrive at change in net position of governmental activities	$	2,991,141

Another element of that reconciliation states that "Revenues in the statement of activities that do not provide current financial resources are not reported as revenue in the funds." The details of this $ (782,818) difference are as follows:

Special assessments	$	(1,129,855)
Loans		347,037
Net adjustment to decrease net change in fund balances - total governmental funds to arrive at change in net position of governmental activities	$	(782,818)

Another element of that reconciliation states that "The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities." The details of this $ 2,907,728 difference are as follows:

Principal repayments:		
General obligation bonds	$	2,778,351
Amortization of deferred charge on refunding		(81,711)
Amortization of issuance premiums		174,925
Lease obligations		36,163
Net adjustment to increase net change in fund balances - total governmental funds to arrive at change in net position of governmental activities	$	2,907,728

Another element of that reconciliation states that "Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds." The details of this $ (925,466) difference are as follows:

Compensated absences	$	(55,223)
Accrued interest payable		16,830
Total OPEB liability		54,494
Pension contributions		(941,567)
Net adjustment to decrease net changes in fund balances - total governmental funds to arrive at change in net position of governmental activities	$	(925,466)

3 - Stewardship, Compliance and Accountability

Budgetary Information

Applicable Kansas statutes require an annual operating budget be legally adopted for the general fund, special revenue funds (unless exempted by a specific statute), debt service funds, and proprietary funds. A legal operating budget is not prepared for the Capital Projects Fund, Capital Improvement Reserve Fund, Admin Contingency Fund, Municipal Equipment Reserve Fund, Community Development Fund, Grants Fund, Airport/Library Capital Improvement Fund, Airport/Library Municipal Equipment Reserve Fund, ARPA Fund, Sewer Special Reserve Fund, Solid Waste Special Reserve Fund, Waterworks Special Reserve Fund, Golf Course Special Reserve Fund, Public Building Commission Fund, Meridian Center Special Reserve Fund, Health Benefits Risk Management Fund, and Stores and Maintenance Special Reserve Fund. All budgets are prepared utilizing the modified accrual basis further modified by the encumbrance method of accounting – that is, commitments evidenced by documents such as purchase orders and contracts, in addition to disbursements and accounts payable, are recorded as expenditures.

The statutes provide for the following sequence and timetable in adoption of budgets:

a. Preparation of budget for the succeeding calendar year on or before August 1st.
b. Publication in a local newspaper of the proposed budget and notice of public hearing on the budget on or before August 5th.
c. Public hearing on or before August 15 but at least ten days after publication of notice of hearing.
d. Adoption of final budget on or before August 25th.

If the City is holding a revenue neutral rate hearing, the budget timeline for adoption of the final budget has been adjusted to on or before September 20th. The City did hold a revenue neutral rate hearing for this budget year.

Kansas statutes permit transferring budgeted amounts from one object or purpose to another within the same fund; however, such statutes prohibit creating expenditures in excess of the total amount of the adopted budget of expenditures in an individual fund. The legal level of budgetary control is the fund level. Spending in funds which are not subject to the legal annual operating budget requirement is controlled by federal regulations, other statutes, or by the use of internal spending limits established by the City. All unencumbered appropriations lapse at the end of the year. Encumbered appropriations are not reappropriated in the ensuing year's budget but are carried forward until liquidated or cancelled. Kansas statutes permit original budgets to be increased for previously unbudgeted increases in revenue other than ad valorem property taxes. The City must first publish, in the local newspaper, a notice of public hearing to amend the budget. At least ten days after publication, a public hearing is held and the governing body may amend the budget at that time. There were budget amendments in the following funds for 2022: Airport Fund and Golf Course Fund.

Compliance Violations

The Capital Projects Fund had a deficit net fund balance of $ 6,081,659 at December 31, 2022, which is in violation of K.S.A. 10-1113. Additionally, expenditures exceeded the budget authority in the Golf Course Fund by $ 46,806 and in the Stores and Maintenance Fund by $ 124,942, which is in violation of K.S.A 79-2935.

4 - Deposits and Investments

Deposits

Custodial Credit Risk

Custodial credit risk is the risk that in the event of a bank failure, the City's deposits may not be returned. K.S.A. 9-1401 establishes the depositories which may be used by the City. The statute requires banks eligible to hold the City's funds have a main or branch bank in the county in which the City 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. Kansas statutes require that deposits of the City be collateralized, and that collateral pledged must have a fair value equal to 100% of the deposits and investments, less insured amounts, and must be assigned for the benefit of the City. At year-end, the carrying amount of the City's deposits was $ 7,412,242 and the bank balance totaled $ 7,924,138. Of the bank balance, $ 250,000 was secured by federal deposit insurance and $ 7,674,138 was collateralized by pledged securities held under joint custody receipts issued by third party banks in the City's name. The Library and the Housing Authority's deposits were not exposed to custodial credit risk.

Investments

As of December 31, 2022, the City had the following investments:

Investment Type	Fair Value	Maturity < 1 year	Rating
Kansas Municipal Investment Pool	$ 32,598,615	$ 32,598,615	Not Rated

Credit Risk

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

Concentrations of Credit Risk

State statutes place no limit on the amount the City may invest in any one issuer as long as the investments are adequately secured under K.S.A. 9-1402 and 9-1405. As noted in the schedule above, the City's investments as of December 31, 2022 consisted entirely of amounts held by the MIP.

Custodial Credit Risk

For an investment, this is the risk that, in the event of the failure of the issuer or counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. At December 31, 2022, the City has invested $ 32,598,615 in the MIP. The City is not exposed to custodial credit risk.

The MIP is under the oversight of the Pooled Money Investment Board. The board is comprised of the State Treasurer and four additional members appointed by the State Governor. The board reports annually to the Kansas legislature. State pooled monies may be invested in direct obligations of, or obligations that are insured as to principal and interest, by the U.S. government or any agency thereof, with maturities up to four years. No more than ten percent of those funds may be invested in mortgage-backed securities. In addition, the State pool may invest in repurchase agreements with Kansas banks or with primary government securities dealers. The fair value of the City's position in the MIP is substantially the same as the value of the pool shares. The City's investments in the MIP were not rated by a rating agency as of December 31, 2022.

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair market value of an investment. The City does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from rising interest rates, but state statutes do establish a two-year limitation on investment maturities. In practice, the City generally does not exceed a one-year maturity when investing idle funds. The City is not exposed to significant interest rate risk.

Fair Value Measurement

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. Fair value measurement hierarchy information is not provided to the City for its deposits in the MIP.

5 - Leases Receivable

On January 1, 2022, the City entered into a 455-month lease as lessor for the use of 1720 North Oliver. An initial lease receivable was recorded in the amount of $ 112,665. As of December 31, 2022, the value of the lease receivable is $ 112,665. The lessee is required to make annual variable principal and interest payments of $ 4,480 based on a CPI index of 0.00%. The lease has an interest rate of 1.7510%. The value of the deferred inflow of resources as of December 31, 2022 was $ 109,698, and the City recognized lease revenue of $ 2,967 during the fiscal year. The lessee has 3 extension options, each for 120 months. The rent for each extension shall be adjusted by a percentage equal to the percentage of change in the All Urban Consumer Price Index (CPI-U) for Midwest urban cities, size D. Rent has been paid current through December 22, 2024.

On May 15, 2022, the City entered into a 600-month lease as lessor for the use of Avcon Hangar. An initial lease receivable was recorded in the amount of $ 207,817. As of December 31, 2022, the value of the lease receivable is $ 202,346. The lessee is required to make annual fixed payments of $ 7,645. The lease has an interest rate of 2.9070%. The value of the deferred inflow of resources as of December 31, 2022 was $ 205,210, and the City recognized lease revenue of $ 2,607 during the fiscal year.

On January 1, 2022, the City entered into a 21-month lease as lessor for the use of Cory D. Klaassen Farm. An initial lease receivable was recorded in the amount of $ 23,420. As of December 31, 2022, the value of the lease receivable is $ 0. The lessee is required to make annual fixed payments of $ 23,484. The lease has an interest rate of 0.3300%. The value of the deferred inflow of resources as of December 31, 2022 was $ 10,037, and the City recognized lease revenue of $ 13,383 during the fiscal year. The City had a termination period of one month as of the lease commencement.

On January 1, 2022, the City entered into a 121-month lease as lessor for the use of Ballard Aviation - Building X. An initial lease receivable was recorded in the amount of $ 199,497. As of December 31, 2022, the value of the lease receivable is $180,596. The lessee is required to make monthly fixed payments of $ 1,750. The lease has an interest rate of 1.2050%. The value of the deferred inflow of resources as of December 31, 2022 was $ 179,712, and the City recognized lease revenue of $ 19,785 during the fiscal year. The lessee has one extension option for 60 months.

On January 1, 2022, the City entered into a 135-month lease as lessor for the use of 1108 N. Oliver Road. An initial lease receivable was recorded in the amount of $ 12,379. As of December 31, 2022, the value of the lease receivable is $ 11,218. The lessee is required to make annual fixed payments of $ 1,200. The lease has an interest rate of 1.2450%. The value of the deferred inflow of resources as of December 31, 2022 was $ 11,279, and the City recognized lease revenue of $ 1,100 during the fiscal year. The lessee has two extension options, each for 60 months.

On January 1, 2022, the City entered into an 85-month lease as lessor for the use of Weatherly Airport Hangar. An initial lease receivable was recorded in the amount of $ 560,613. As of December 31, 2022, the value of the lease receivable is $ 490,506. The lessee is required to make monthly fixed payments ranging from $ 6,068 to $ 7,462. The lease has an interest rate of 0.9780%. The value of the deferred inflow of resources as of December 31, 2022, was $ 481,467, and the City recognized lease revenue of $ 79,145 during the fiscal year. The lessee has one extension option for 60 months.

On January 1, 2022, the City entered into a 43-month lease as lessor for the use of Tri-Rotor Crop Airport Hangar. An initial lease receivable was recorded in the amount of $ 88,632. As of December 31, 2022, the value of the lease receivable is $ 64,509. The lessee is required to make monthly fixed payments ranging from $ 2,030 to $ 2,123. The lease has an interest rate of 0.5520%. The value of the deferred inflow of resources as of December 31, 2022 was $ 63,897, and the City recognized lease revenue of $ 24,734 during the fiscal year.

On May 1, 2022, the City entered into a 120-month lease as lessor for the use of TAP Hangar. An initial lease receivable was recorded in the amount of $ 14,267. As of December 31, 2022, the value of the lease receivable is $ 13,267. The lessee is required to make annual fixed payments of $ 1,500. The lease has an interest rate of 2.4520%. The value of the deferred inflow of resources as of December 31, 2022 was $ 13,323, and the City recognized lease revenue of $ 943 during the fiscal year.

On January 1, 2022, the City entered into a 364-month lease as lessor for the use of Mid West Electric Transformers. An initial lease receivable was recorded in the amount of $ 92,803. As of December 31, 2022, the value of the lease receivable is $ 90,332. The lessee is required to make monthly fixed payments of $ 328. The lease has an interest rate of 1.7510%. The value of the deferred inflow of resources as of December 31, 2022 was $ 89,744, and the City recognized lease revenue of $ 3,059 during the fiscal year.

On January 1, 2022, the City entered into a 173-month lease as lessor for the use of Midwest Airport Hangar - E. An initial lease receivable was recorded in the amount of $ 439,968. As of December 31, 2022, the value of the lease receivable is $ 414,810. The lessee is required to make monthly fixed payments ranging from $ 2,511 to $ 3,093. The lease has an interest rate of 1.3380%. The value of the deferred inflow of resources as of December 31, 2022 was $ 409,450, and the City recognized lease revenue of $ 30,518 during the fiscal year. The lessee has two extension options, each for 60 months.

On January 1, 2022, the City entered into a 173-month lease as lessor for the use of Midwest Airport Hangar. An initial lease receivable was recorded in the amount of $ 206,842. As of December 31, 2022, the value of the lease receivable is $ 195,019. The lessee is required to make monthly fixed payments ranging from $ 1,180 to $ 1,455. The lease has an interest rate of 1.3380%. The value of the deferred inflow of resources as of December 31, 2022 was $ 192,494, and the City recognized lease revenue of $ 14,347 during the fiscal year. The lessee has two extension options, each for 60 months.

On January 1, 2022, the City entered into a 157-month lease as lessor for the use of Hesston College Hangar. An initial lease receivable was recorded in the amount of $ 292,266. As of December 31, 2022, the value of the lease receivable is $ 273,425. The lessee is required to make monthly fixed payments of $ 1,827, increasing annually by 1.5%. The lease has an interest rate of 1.3060%. The value of the deferred inflow of resources as of December 31, 2022 was $ 269,927, and the City recognized lease revenue of $ 22,339 during the fiscal year. The lessee has two extension options, each for 60 months.

On July 1, 2022, the City entered into a 180-month lease as lessor for the use of Forsythe Airport Hangar. An initial lease receivable was recorded in the amount of $ 284,943. As of December 31, 2022, the value of the lease receivable is $ 277,842. The lessee is required to make monthly fixed payments ranging from $ 1,800 to $ 2,217. The lease has an interest rate of 3.1590%. The value of the deferred inflow of resources as of December 31, 2022 was $ 275,445, and the City recognized lease revenue of $ 9,498 during the fiscal year. The lessee has two extension options, each for 60 months.

On September 22, 2022, the City entered into a 600-month lease as lessor for the use of Building V - Parcel A. An initial lease receivable was recorded in the amount of $ 320,737. As of December 31, 2022, the value of the lease receivable is $ 319,154. The lessee is required to make monthly fixed payments of $ 1,127. The lease has an interest rate of 3.4890%. The value of the deferred inflow of resources as of December 31, 2022 was $ 318,974, and the City recognized lease revenue of $ 1,763 during the fiscal year.

On January 1, 2022, the City entered into a 309-month lease as lessor for the use of Ballard Aviation Hangar R. An initial lease receivable was recorded in the amount of $ 93,406. As of December 31, 2022, the value of the lease receivable is $ 90,364. The lessee is required to make monthly fixed payments of $ 373. The lease has an interest rate of 1.7090%. The value of the deferred inflow of resources as of December 31, 2022 was $ 89,778, and the City recognized lease revenue of $ 3,627 during the fiscal year.

On January 1, 2022, the City entered into a 270-month lease as lessor for the use of Avcon Hangars C, D, M, Q & F. An initial lease receivable was recorded in the amount of $ 3,297,121. As of December 31, 2022, the value of the lease receivable is $ 3,195,611. The lessee is required to make monthly fixed payments ranging from $ 12,386 to $ 17,187. The lease has an interest rate of 1.6220%. The value of the deferred inflow of resources as of December 31, 2022 was $ 3,150,582, and the City recognized lease revenue of $ 146,539 during the fiscal year. The lessee has four extension options, each for 60 months.

On January 1, 2022, the City entered into a 163-month lease as lessor for the use of 810 North Oliver. An initial lease receivable was recorded in the amount of $108,520. As of December 31, 2022, the value of the lease receivable is $ 101,839. The lessee is required to make monthly fixed payments of $ 660. The lease has an interest rate of 1.3380%. The value of the deferred inflow of resources as of December 31, 2022 was $ 100,532, and the City recognized lease revenue of $ 7,989 during the fiscal year. The lessee has two extension options, each for 60 months.

Lease information is summarized in the table below:

Lease	Lease receivable at December 31, 2022	Deferred inflow at December 31, 2022
1720 North Oliver	$ 112,665	$ 109,698
Avcon Hangar	202,346	205,210
Cory D. Klaasseen Farm	-	10,037
Ballard Aviation - Building X	180,596	179,712
1108 N. Oliver Road	11,218	11,279
Weatherly Airport Hangar	490,506	481,467
Tri-Rotor Crop Airport Hangar	64,509	63,897
TAP Hangar	13,267	13,323
Mid West Electric Transformers	90,332	89,744
Midwest Airport Hangar - E	414,810	409,450
Midwest Airport Hangar	195,019	192,494
Hesston College Hangar	273,425	269,927
Forsythe Airport Hangar	277,842	275,445
Building V - Parcel A	319,154	318,974
Ballard Aviation Hangar R	90,364	89,778
Avcon Hangars C, D, M, Q & F	3,195,611	3,150,582
810 North Oliver	101,839	100,532
	$ 6,033,503	$ 5,971,549

6 - Capital Assets

Capital asset activity of the primary government for the year ended December 31, 2022 was as follows:

	Beginning Balance	Increase	Decrease	Transfers	Ending Balance
Governmental activities:					
Capital assets not being depreciated:					
Land	$ 6,057,650	$ -	$ (608,789)	$ -	$ 5,448,861
Construction in progress	7,305,792	4,964,893	(10,766,870)	-	1,503,815
Total capital assets not being depreciated	13,363,442	4,964,893	(11,375,659)	-	6,952,676
Capital assets being depreciated:					
Buildings and structures	27,161,596	5,211	(5,886,723)	-	21,280,084
General infrastructure	56,825,909	10,688,654	(1,955)	-	67,512,608
Equipment	13,723,729	1,240,220	(277,557)	1,627	14,688,019
Total capital assets being depreciated	97,711,234	11,934,085	(6,166,235)	1,627	103,480,711
Less accumulated depreciation for:					
Buildings and structures	(11,535,985)	(618,471)	1,105,686	-	(11,048,770)
General infrastructure	(21,764,299)	(1,641,622)	-	-	(23,405,921)
Equipment	(10,255,466)	(963,886)	274,485	(1,627)	(10,946,494)
Total accumulated depreciation	(43,555,750)	(3,223,979)	1,380,171	(1,627)	(45,401,185)
Total capital assets being depreciated, net	54,155,484	8,710,106	(4,786,064)	-	58,079,526
Right-to-use leased assets being amortized:					
Buildings and structures	-	109,712	-	-	109,712
Equipment	-	10,464	-	-	10,464
Total right-to-use leased assets being amortized	-	120,176	-	-	120,176
Less accumulated amortization:					
Buildings and structures	-	(36,571)	-	-	(36,571)
Equipment	-	(593)	-	-	(593)
Total accumulated amortization	-	(37,164)	-	-	(37,164)
Total right-to-use leased assets being amortized, net	-	83,012	-	-	83,012
Other capital assets, net	54,155,484	8,793,118	(4,786,064)	-	58,162,538
Governmental activities capital assets, net	$ 67,518,926	$ 13,758,011	$ (16,161,723)	$ -	$ 65,115,214

	Beginning Balance	Increase	Decrease	Transfers	Ending Balance
Business-type activities:					
Capital assets not being depreciated:					
Land	$ 1,633,605	$ -	$ -	$ -	$ 1,633,605
Construction in progress	647,586	3,174,067	(586,581)	-	3,235,072
Total capital assets not being depreciated	2,281,191	3,174,067	(586,581)	-	4,868,677
Capital assets being depreciated:					
Buildings and improvements	54,085,561	191,246	-	-	54,276,807
Equipment	10,815,293	201,748	(543,796)	(1,627)	10,471,618
Utility service lines and infrastructure	51,092,353	585,753	-	-	51,678,106
Total capital assets being depreciated	115,993,207	978,747	(543,796)	(1,627)	116,426,531
Less accumulated depreciation for:					
Buildings and improvements	(18,549,260)	(1,678,680)	-	-	(20,227,940)
Equipment	(8,188,885)	(484,326)	537,795	1,627	(8,133,789)
Utility service lines and infrastructure	(27,144,784)	(1,186,711)	-	-	(28,331,495)
Total accumulated depreciation	(53,882,929)	(3,349,717)	537,795	1,627	(56,693,224)
Total capital assets being depreciated, net	62,110,278	(2,370,970)	(6,001)	-	59,733,307
Right-to-use leased assets being amortized:					
Equipment	-	452,470	-	-	452,470
Less accumulated amortization	-	(37,879)	-	-	(37,879)
Total right-to-use leased assets being amortized, net	-	414,591	-	-	414,591
Other capital assets, net	62,110,278	(1,956,379)	(6,001)	-	60,147,898
Business-type activities capital assets, net	$ 64,391,469	$ 1,217,688	$ (592,582)	$ -	$ 65,016,575

Capital asset activity of the discretely presented component units for the year ended December 31, 2022 was as follows:

	Beginning Balance	Increase	Decrease	Transfers	Ending Balance
Newton Public Library:					
Capital assets being depreciated:					
Equipment	$ 581,298	$ 91,696	$ (117,269)	$ -	$ 555,725
Less accumulated depreciation	(461,842)	(101,241)	117,269	-	(445,814)
Library capital assets, net	$ 119,456	$ (9,545)	$ -	$ -	$ 109,911
Housing Authority:					
Capital assets not being depreciated:					
Land	$ 119,300	$ -	$ -	$ -	$ 119,300
Construction in progress	255,536	117,442	-	-	372,978
Total capital assets not being depreciated	374,836	117,442	-	-	492,278
Capital assets being depreciated:					
Buildings	8,138,030	-	-	-	8,138,030
Equipment - dwelling	460,395	1,808	-	-	462,203
Equipment - administration	237,238	2,283	-	-	239,521
Total capital assets being depreciated	8,835,663	4,091	-	-	8,839,754
Less accumulated depreciation for:					
Buildings	(6,370,229)	(170,885)	-	-	(6,541,114)
Equipment - dwelling	(452,509)	(1,523)	-	-	(454,032)
Equipment - administration	(191,367)	(10,979)	-	-	(202,346)
Total accumulated depreciation	(7,014,105)	(183,387)	-	-	(7,197,492)
Total capital assets being depreciated, net	1,821,558	(179,296)	-	-	1,642,262
Housing Authority capital assets, net	$ 2,196,394	$ (61,854)	$ -	$ -	$ 2,134,540

Depreciation and amortization expense was charged to functions/programs of the primary government as follows:

Governmental activities:		
General government	$	1,150,671
Public safety		682,838
Highway and streets		1,306,276
Culture and recreation		121,358
Total depreciation and amortization expense - governmental activities	$	3,261,143
Business-type activities:		
Sewer	$	2,228,532
Waterworks		464,667
Nonmajor enterprise		477,597
Public building commission		216,800
Total depreciation and amortization expense - business-type activities	$	3,387,596
Component units:		
Newton Public Library	$	101,241
Housing Authority	$	183,387

7 - Defined Benefit Pension Plan

General Information About the Pension Plan

Description of Pension Plan. The City, the Library, and the Housing Authority participate in a cost-sharing multiple-employer defined benefit pension plan (Pension Plan), as defined in Governmental Accounting Standards Board Statement No. 67, *Financial Reporting for Pension Plans*. The Pension Plan is administered by the Kansas Public Employees Retirement System (KPERS), a body corporate and an instrumentality of the State of Kansas. KPERS provides pension benefits to the following statewide pension groups under one plan, as provided by K.S.A. 74, article 49:

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

Substantially all public employees in Kansas are covered by the Pension Plan. Participation by local political subdivisions is optional, but irrevocable once elected.

Those employees participating in the Pension Plan for the City are included in both the Local and Police and Firemen employee groups.

KPERS issues a stand-alone annual comprehensive financial report, which is available on the KPERS website at www.kpers.org.

Benefits Provided. Benefits are established by statute and may only be changed by the Kansas Legislature. Member employees (except police and firemen) with ten or more years of credited service may retire as early as age 55 (police and firemen may be age 50 with 20 years of credited service), with an actuarially reduced monthly benefit. Normal retirement is at age 65, age 62 with ten years of credited service, or whenever an employee's combined age and years of credited service equal 85 points (police and firemen normal retirement ages are age 60 with 15 years of credited service, age 55 with 20 years, age 50 with 25 years, or any age with 36 years of service).

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

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

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

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

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 the Police and Firemen (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 are determined based on the results of an annual actuarial valuation for each of the three state-wide pension groups. The contributions and assets of all groups are deposited in the Kansas Public Employees Retirement Fund established by K.S.A. 74-4921. KPERS is funded on an actuarial reserve basis.

For KPERS fiscal years beginning in 1995, Kansas legislation established statutory limits on increases in contribution rates for KPERS employers. Annual increases in the employer contribution rates related to subsequent benefit enhancements are not subject to these limitations. The statutory cap increase over the prior year contribution rate is 1.2% of total payroll for the KPERS fiscal year ended June 30, 2022.

The actuarially determined employer contribution rate (not including the 1.0% contribution rate for the Death and Disability Program) and the statutory contribution rate were 8.90% for KPERS and 22.99% for KP&F for the year ended December 31, 2022. Contributions to the Pension Plan from the City were $ 2,157,099 ($ 650,222 for KPERS and $ 1,506,877 for KP&F) for the year ended December 31, 2022. Contributions from the Library for KPERS were $ 31,652 for the year ended December 31, 2022. Contributions from the Housing Authority for KPERS were $ 19,696 for the year ended June 30, 2022.

Summary of Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At December 31, 2022, the City reported a total net pension liability of $ 22,143,111 ($ 6,896,586 for KPERS and $ 15,246,525 for KP&F), and the Library reported a liability of $ 309,041 for their proportionate share of the KPERS collective net pension liability. The collective net pension liability was measured by KPERS as of June 30, 2022, and the total pension liability used to calculate the collective net pension liability was determined by an actuarial valuation as of December 31, 2021, which was rolled forward to June 30, 2022.

At June 30, 2022, the Housing Authority reported a liability of $ 142,879 for KPERS for its proportionate share of the KPERS collective net pension liability. The collective net pension liability was measured by KPERS as of June 30, 2021, and the total pension liability used to calculate the collective net pension liability was determined by an actuarial valuation as of December 31, 2020, which was rolled forward to June 30, 2021.

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

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

To facilitate the separate (sub) actuarial valuations, KPERS maintains separate accounts to identify additions, deductions, and fiduciary net position applicable to each group. The allocation percentages presented for each group in the schedule of employer and non-employer allocations are applied to amounts

presented in the schedules of pension amounts by employer and non-employer. The City's proportion of the collective net pension liability was based on the ratio of the City's actual contributions to KPERS and KP&F, relative to the total employer and non-employer contributions of the Local group and Police and Firemen group within KPERS for the KPERS fiscal year ended June 30, 2022. The contributions used exclude contributions made for prior service, excess benefits and irregular payments. At June 30, 2022, the City's proportion for KPERS was 0.346903%, which was an increase of 0.015724% from its proportion measured as of June 30, 2021. At June 30, 2022, the City's proportion for KP&F was 1.057148%, which was an increase of 0.00955% from its proportion measured as of June 30, 2021. At June 30, 2022, the Library's proportion for KPERS was 0.015545%, which is a decrease of 0.003333% from its proportion measured as of June 30, 2021.

At June 30, 2021, the Housing Authority's proportion for KPERS was 0.011907%, which was a decrease of 0.000208% from its proportion measured as of June 30, 2020.

For the year ended December 31, 2022, the City recognized total pension expense of $ 3,284,168 ($ 886,736 for KPERS and, $ 2,397,432 for KP&F) and the Library recognized total pension expense of $ 31,201. For the year ended June 30, 2022, the Housing Authority recognized pension income of $ 4,268. At December 31, 2022, the City and the Library reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

City		
	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$ 907,858	$ 12,362
Net difference between projected and actual earnings on pension plan investments	1,630,184	-
Changes of assumptions	3,061,656	-
Changes in proportionate share	465,568	96,078
City contributions subsequent to measurement date	1,194,677	-
Total	$ 7,259,943	$ 108,440

Library

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$ 11,689	$ 554
Net difference between projected and actual earnings on pension plan investments	26,161	-
Changes of assumptions	49,399	-
Changes in proportionate share	5,617	41,558
Library contributions subsequent to measurement date	15,996	-
Total	$ 108,862	$ 42,112

At June 30, 2022, the Housing Authority reported deferred outflows of resources and deferred inflow of resources related to pensions from the following sources:

Housing Authority

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$ 5,640	$ 1,294
Net difference between projected and actual earnings on pension plan investments	-	50,736
Changes of assumptions	28,126	-
Changes in proportionate share	-	16,196
Housing Authority contributions subsequent to measurement date	19,696	-
Total	$ 53,462	$ 68,226

The $ 1,194,677 for the City, the $ 15,996 for the Library, and the $ 19,696 for the Housing Authority reported as deferred outflows of resources related to pensions resulting from the respective entity's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability for the year ended December 31, 2023 for the City and the Library and the year ended June 30, 2023 for the Housing Authority. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

	Year Ended December 31		Year Ended June 30
	City	Library	Housing Authority
2023	$ 1,669,046	$ 15,373	$ (9,317)
2024	1,545,522	14,978	(7,040)
2025	844,007	1,627	(6,066)
2026	1,822,390	19,022	(12,695)
2027	75,861	(246)	658
	$ 5,956,826	$ 50,754	$ (34,460)

Actuarial assumptions. The total pension liability for KPERS in the December 31, 2021 and 2020 actuarial valuations was determined using the following actuarial assumptions, applied to all periods included in the measurement:

	2021	2020
Price inflation	2.75 percent	2.75 percent
Wage inflation	3.00 percent	2.75 percent
Salary increases, including price inflation	3.50 to 12.00 percent	3.50 to 12.00 percent
Long-term rate of return net of investment expense, and including price inflation	7.00 percent	7.25 percent

Changes in actuarial assumptions and methods in the December 31, 2021 actuarial valuation were as follows:

Both Groups

- Investment return assumption was lowered from 7.25% to 7.00%.
- Interest crediting rate assumption for KPERS 3 members was lowered from 6.25% to 6.00%.
- Annuity interest rate assumptions for KPERS 3 members was lowered from 5.75% to 5.00%.
- The total unfunded actuarial liability (UAL) was re-amortized. The UAL bases were combined, and the total balance was re-amortized over a closed 17-year period for State/School and Local and a closed 22-period for KP&F.

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

The actuarial assumptions used in the December 31, 2021 and December 31, 2020 valuations were based on the results of an actuarial experience study conducted for the three-year period ending December 31, 2018.

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

	December 31, 2021 and 2020	
Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
U.S. Equities	23.50%	5.20%
Non-U.S. Equities	23.50%	6.40%
Private Equity	8.00%	9.50%
Private Real Estate	11.00%	4.45%
Yield Driven	8.00%	4.70%
Real Return	11.00%	3.25%
Fixed Income	11.00%	1.55%
Cash	4.00%	0.25%
Total	100%	

Discount rate. The discount rate used by KPERS to measure the total pension liability was 7.00%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the contractually required rate. The Local employers do not necessarily contribute the full actuarial determined rate. Based on legislation passed in 1993 and subsequent legislation, the employer contribution rates certified by the KPERS Board of Trustees for this group may not increase by more than the statutory cap. The expected KPERS employer statutory contribution was modeled for future years, assuming all actuarial assumptions are met in future years. Employers contribute the full actuarial determined rate for KPERS. Future employer contribution rates were also modeled for KP&F assuming all actuarial assumptions are met in future years. Employers contribute the full actuarial determined rate for KP&F. Based on those assumptions, the Pension Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the City's proportionate share of the collective net pension liability to changes in the discount rate. The following presents the City's and Library's proportionate share of the collective net pension liability calculated using the discount rate of 7.00% as well as what the proportionate share of the collective net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.00%) or 1-percentage-point higher (8.00%) than the current rate:

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
City's KPERS proportionate share of the collective net pension liability	$ 9,907,168	$ 6,896,586	$ 4,388,333
City's KP&F proportionate share of the collective net pension liability	20,912,841	15,246,525	10,531,824
Library's KPERS proportionate share of the collective net pension liability	443,948	309,041	196,645

The following presents the Housing Authority's proportionate share of the collective net pension liability calculated using the discount rate of 7.25% as well as what the proportionate share of the collective net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.25%) or 1-percentage-point higher (8.25%) than the current rate:

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Housing Authority's KPERS proportionate share of the collective net pension liability	$ 235,022	$ 142,879	$ 65,605

Pension plan fiduciary net position. Detailed information about the Pension Plan's fiduciary net position is available in the separately issued KPERS financial report.

8 - Deferred Compensation Plan

The City offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, available to all City employees, permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency. Assets of the plan, valued at current market prices, are held in trust for the benefit of the participants.

All amounts of compensation deferred under the plan as well as earnings attributable to those amounts, are solely the property of the participant employees. Accordingly, the assets and related liabilities for the plan are not recorded in the accompanying financial statements.

9 - Other Postemployment Benefits

Health Insurance

Plan Description, Benefits Provided and Contributions. The City provides postemployment health insurance benefits to retirees and their dependents in accordance with Kansas law (K.S.A. 12-5040). The benefits are provided through a single employer defined benefit postemployment healthcare plan administered by the City. Kansas statutes provide that postemployment healthcare benefits be extended to retired employees who have met age and/or service eligibility requirements until the individuals become eligible for Medicare coverage at age 65. The medical insurance benefit provides the same coverage for retirees and their dependents as for active employees and their dependents. A retiring employee who waives continuing participation in the City's health insurance program at the time of retirement is not eligible to participate at a later date. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement 75. The plan does not issue a stand-alone financial report.

Kansas statutes, which may be amended by the state legislature, establish that participating retirees may be required to contribute to the employee group health benefits plan, including administrative costs at an amount not to exceed 125 percent of the premium cost for other similarly situated employees. The City requires participating retirees to contribute 100 percent of the blended premium cost of active employees to maintain coverage. In 2022, retired plan members receiving benefits contributed $ 115,898 to the plan and the City contributed $ 134,718.

Employees Covered by Benefit Terms. At December 31, 2022, the following employees were covered by the benefit terms:

Active plan members	206
Inactive employees or beneficiary currently receiving benefits	14
	220

Total OPEB Liability

The City's total OPEB liability of $ 1,197,782 was measured as of December 31, 2022 and was determined by an actuarial valuation performed as of January 1, 2022.

Actuarial Assumption and Other Inputs. The total OPEB liability in the January 1, 2022 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Discount rate	4.18 percent
Salary increases	2.00 percent per year
Healthcare cost trend rates	6.00 percent for 2022, decreasing 0.5 percent for year 2, then decreasing 0.25 percent per year through year 4, then decreasing 0.1 percent per year through year 8 to an ultimate rate of 4.50 percent for year 9.
Actuarial cost method	Entry Age Normal - Level Percent-of-Pay

The discount rate was based on the average of the S&P Municipal Bond 20 Year High Grade and Fidelity GO AA-20 Year published yields.

Mortality rates were based on the Society of Actuaries Pub-2010 Public Retirement Plans Headcount-Weighted General and Public Safety Mortality Tables using Scale MP-2021 Full Generational Improvement.

Changes in the Total OPEB Liability

	Total OPEB Liability
Balance at December 31, 2021	$ 836,188
Changes for the year:	
Service cost	63,108
Interest	16,972
Differences between actual and expected experience	86,987
Changes in assumptions or other inputs	329,245
Benefit payments	(134,718)
Net changes	361,594
Balance at December 31, 2022	$ 1,197,782

Changes of assumptions and other inputs reflect a change in the discount rate from 2.04 percent in 2021 to 4.18 percent in 2022.

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate. The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (3.18 percent) or 1-percentage-point higher (5.18 percent) than the current discount rate:

	1% Decrease (3.18%)	Discount Rate (4.18%)	1% Increase (5.18%)
Total OPEB liability	$ 1,366,833	$ 1,197,782	$ 1,050,912

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates. The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

	1% Decrease	Healthcare Cost Trend Rates	1% Increase
Total OPEB liability	$ 1,011,157	$ 1,197,782	$ 1,427,171

OPEB Expense and Deferred Inflows/Outflows of Resources Related to OPEB

For the year ended December 31, 2022, the City recognized OPEB expense of $ 114,703. At December 31, 2022, the City reported deferred outflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in assumptions or other inputs	$ 481,864	$ 338,808
Differences between expected and actual experience	284,462	-
	$ 766,326	$ 338,808

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

Year Ended December 31,	
2023	$ 34,623
2024	34,623
2025	34,623
2026	34,623
2027	34,623
2028 and Thereafter	254,403
	$ 427,518

Disability Benefits and Life Insurance

Plan Description, Benefits Provided and Contributions. The City and the Library participate in a multiple-employer defined benefit other postemployment benefit (OPEB) plan (the Plan) which is administered by the Kansas Public Employees Retirement System (KPERS). The Plan provides long-term disability benefits and a life insurance benefit for disabled members to KPERS members, as provided by K.S.A. 74-04927. The Plan is administered through a trust held by KPERS that is funded to pay annual benefit payments. However, because the trust's assets are used to pay employee benefits other than OPEB, the trust does not meet the criteria in paragraph 4 of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. Accordingly, the Plan is considered to be administered on a pay-as-you-go basis.

Employer contributions are established and may be amended by state statute. Members are not required to contribute. Employer contributions paid for benefits as they came due during the fiscal year ended December 31, 2022 totaled $ 40,479 and $ 2,104 for the City and the Library, respectively.

Benefits are established by statute and may be amended by the KPERS Board of Trustees. The Plan provides long-term disability benefits equal to 60 percent (prior to January 1, 2006, 66⅔ percent) of annual compensation, offset by other benefits. Members receiving long-term disability benefits also receive credit towards their KPERS retirement benefits and have their group life insurance coverage continued under the waiver of premium provision.

The monthly long-term disability benefit is 60 percent of the member's monthly compensation, with a minimum of $ 100 and a maximum of $ 5,000. The monthly benefit is subject to reduction by deductible sources of income, which include Social Security primary disability or retirement benefits, workers compensation benefits, other disability benefits from any other sources by reason of employment, and earnings from any form of employment. If the disability begins before age 60, benefits are payable while the disability continues until the member's 65th birthday or retirement date, whichever occurs first. If the disability begins after age 60, benefits are payable while the disability continues, for a period of five years

or until the member retires, whichever occurs first. Benefit payments for disabilities caused or contributed to by substance abuse or non-biologically based mental illnesses are limited to the shorter of the term of the disability or 24 months per lifetime.

The death benefit paid to beneficiaries of disabled members is 150% of the greater of 1) the member's annual rate of compensation at the time of disability, or 2) the members previous 12 months of compensation at the time of the last date on payroll. If the member has been disabled for five or more years, the annual compensation or salary rate at the time of death will be indexed using the consumer price index, less one percentage point, to compute the death benefit. If a member is diagnosed as terminally ill with a life expectancy of 12 months or less, the member may be eligible to receive up to 100% of the death benefit rather than having the benefit paid to the beneficiary. If a member retires or disability benefits end, the member may convert the group life insurance coverage to an individual insurance policy.

Employees Covered by Benefit Terms. As of the valuation date of December 31, 2021, the following employees were covered by the benefit terms.

City	
Active plan members	118
Inactive employees or beneficiary currently receiving benefits	1
	119
Library	
Active plan members	9
Inactive employees or beneficiary currently receiving benefits	0
	9

Total OPEB Liability

The total OPEB liability for the City and the Library of $ 132,431 and $ 5,093, respectively, was measured as of June 30, 2022 and was determined by an actuarial valuation performed as of December 31, 2021.

	Total OPEB Liability	
	City	Library
Balance at December 31, 2021	$ 198,740	$ 5,838
Changes for the year:		
Service cost	27,776	1,012
Interest	4,770	148
Differences between actual and expected experience	(37,821)	889
Changes in assumptions or other inputs	(49,568)	(2,794)
Benefit payments	(11,466)	-
Net changes	(66,309)	(745)
Balance at December 31, 2022	$ 132,431	$ 5,093

Actuarial Assumptions and Other Inputs. The total OPEB liability in the December 31, 2021 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Discount rate	3.54 percent
Implicit inflation rate	2.75 percent
Mortality rates	Local Males: 90% of RP-2014 M Total Dataset +2 Local Females: 90% of RP-2014 F Total Dataset +1 Generational mortality improvements were projected for future years using MP-2021.
Salary increases	3.50 percent (composed of 2.75 percent inflation and 0.75 percent productivity)
Payroll growth	3.00 percent
Actuarial cost method	Entry Age Normal

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

The actuarial assumptions used in the December 31, 2021 valuation were based on the results of an actuarial experience study conducted for the period January 1, 2016 through December 31, 2018.

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

1. The discount rate was updated in accordance with the requirements of GASB 75.
2. The mortality projection scale was updated to the most recent table published by the Society of Actuaries.

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate. The following presents the total OPEB liability of the City and the Library, as well as what the City and the Library's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.54 percent) or 1-percentage-point higher (4.54 percent) than the current discount rate:

	City		
	1% Decrease (2.54%)	Discount Rate (3.54%)	1% Increase (4.54%)
Total OPEB liability	$ 138,062	$ 132,431	$ 126,490

	Library		
	1% Decrease (2.54%)	Discount Rate (3.54%)	1% Increase (4.54%)
Total OPEB liability	$ 5,455	$ 5,093	$ 4,732

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates. The following represents the total OPEB liability of the City and the Library as well as what the City and the Library's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

	City		
	1% Decrease	Healthcare Cost Trend Rates	1% Increase
Total OPEB liability	$ 132,431	$ 132,431	$ 132,431

	Library		
	1% Decrease	Healthcare Cost Trend Rates	1% Increase
Total OPEB liability	$ 5,093	$ 5,093	$ 5,093

OPEB Expense, Deferred Outflows and Deferred Inflows of Resources Related to OPEB

For the year ended December 31, 2022, the City and the Library recognized OPEB expense of $ 15,093 and $ 582, respectively. At December 31, 2022, the City and the Library reported deferred outflows and inflows of resources related to OPEB from the following sources:

	City	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in assumptions or other inputs	$ 10,386	$ 47,606
Differences between expected and actual experience	-	90,662
Contributions after measurement date	40,479	-
	$ 50,865	$ 138,268

	Library	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in assumptions or other inputs	$ 314	$ 2,642
Differences between expected and actual experience	801	2,424
Contributions after measurement date	1,797	-
	$ 2,912	$ 5,066

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

Year Ended December 31,	City
2023	$ (17,453)
2024	(17,453)
2025	(17,453)
2026	(17,284)
2027	(15,805)
2028 and Thereafter	(42,434)
	$ (127,882)

Year Ended December 31,	Library
2023	$ (578)
2024	(578)
2025	(578)
2026	(575)
2027	(535)
2028 and Thereafter	(1,107)
	$ (3,951)

Aggregate OPEB Information

	Balances at December 31, 2022		
	Disability Benefits and Life Insurance	Health Insurance	Total
Total OPEB Liability	$ (132,431)	$ (1,197,782)	$ (1,330,213)
Deferred outflows of resources	50,865	766,326	817,191
Deferred inflows of resources	(138,268)	(338,808)	(477,076)
OPEB expense	15,093	114,703	129,796

10 - Risk Management and Claims

The City is exposed to various risks of loss related to torts; damage to and destruction of assets; business interruptions; errors and omissions; employee injuries and illnesses; and natural disasters. Commercial insurance coverage is purchased for claims arising from such matters. Settled claims have not exceeded this commercial coverage in any of the three preceding years. There have not been significant reductions in coverage from prior years.

Property, Liability and Employee Life Insurance

Losses under these programs are covered by commercial insurance policies, subject to deductibles in some cases. There have been no significant reductions in insurance coverage for these programs and settlement amounts have not exceeded insurance coverage for the current year or the three prior years.

Workers' Compensation Coverage

The City is a member of the Kansas Municipal Insurance Trust Workers' Compensation Pool (the Pool) for purposes of workers' compensation coverage. This program is similar to commercial insurance coverage because the Pool is liable for all claims. The City contributes to the Pool at the beginning of each coverage period based on experience and payroll factors. The City records a liability for estimated additional contributions that may be incurred because of adjustments made by the Pool. The cost of this workers' compensation coverage is charged to City funds based on payroll expenditures.

Employee Health Care Benefits

During the year ended December 31, 2022, employees of the City were covered by the City of Newton Medical Benefits Plan (the Plan). Under the Plan, the City retains a significant portion of the risk of loss for employee health benefits. Claims are paid by a third-party administrator acting on behalf of the City. The administrative contract between the City and the third-party administrator is renewable annually. Administrative fees and stop-loss premiums are included in the contractual provisions.

The City is protected against catastrophic loss by stop-loss coverage carried through a commercial insurance carrier. Stop-loss coverage is in effect for individual claims exceeding $ 75,000 and for aggregate loss, which is based on a factor determined monthly by the insurer.

The risk management activities under the Plan are recorded in the Health Benefits Risk Management Fund. Using the actuarial method, the City charges the cost of estimated benefits to funds in relation to personal services expenditures. An estimated liability is recorded for claims against the Plan that have been incurred but not yet reported at year end. The following represents the changes in the liability for unreported claims under the Plan for 2022 and 2021:

	2022	2021
Liability balance, beginning	$ 151,249	$ 113,222
Health benefit claims incurred	2,738,342	2,928,100
Add premiums and fees	5,264	224,533
Total costs incurred	2,894,855	3,265,855
Less claims paid	(2,804,905)	(2,890,073)
Less premiums and fees paid	(5,264)	(224,533)
Liability balance, ending	$ 84,686	$ 151,249

11 - Long-Term Debt

The following is a summary of changes in long-term debt of the City for the year ended December 31, 2022:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
General obligation bonds	$ 30,028,614	$ -	$ 2,778,351	$ 27,250,263	$ 2,841,962
Plus deferred amounts:					
Issuance premiums	1,456,167	-	174,925	1,281,242	-
Lease obligations - direct borrowing	-	120,176	36,163	84,013	39,076
Compensated absences	575,359	630,582	575,359	630,582	630,582
Total OPEB liability	970,981	252,413	-	1,223,394	-
Net pension liability	12,044,847	6,638,246	-	18,683,093	-
Governmental activities long-term liabilities	$ 45,075,968	$ 7,641,417	$ 3,564,798	$ 49,152,587	$ 3,511,620

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Business-type activities:					
General obligation bonds	$ 11,441,386	$ -	$ 1,136,649	$ 10,304,737	$ 1,158,038
NPBC revenue bonds - direct borrowing	3,185,000	4,000,000	850,000	6,335,000	855,000
Plus deferred amounts:					
Issuance premiums	750,487	171,561	100,467	821,581	-
KDHE revolving loans payable - direct borrowing	13,324,822	800,856	2,309,612	11,816,066	987,609
Lease obligations - direct borrowing	-	452,470	38,109	414,361	84,784
Compensated absences	87,920	98,606	87,920	98,606	98,606
Total OPEB liability	63,947	42,872	-	106,819	-
Net pension liability	1,925,802	1,534,216	-	3,460,018	-
Business-type activities long-term liabilities	$ 30,779,364	$ 7,100,581	$ 4,522,757	$ 33,357,188	$ 3,184,037

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Newton Public Library:					
Compensated absences	$ 19,842	$ 13,279	$ 19,842	$ 13,279	$ 13,279
Net pension liability	226,528	82,513	-	309,041	-
Total OPEB liability	5,838	-	745	5,093	-
Newton Public Library long-term liabilities	$ 252,208	$ 95,792	$ 20,587	$ 327,413	$ 13,279

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Housing Authority:					
Compensated absences	$ 15,867	$ 8,191	$ 15,867	$ 8,191	$ 8,191
Net pension liability	210,032	-	67,153	142,879	-
Housing Authority long-term liabilities	$ 225,899	$ 8,191	$ 83,020	$ 151,070	$ 8,191

For the governmental activities, compensated absences, net pension liability, and the total OPEB liability are generally liquidated by the general fund and the airport fund.

General Obligation Bonds

At December 31, 2022, the outstanding general obligation bonds consisted of the following:

	Interest Rates	Outstanding December 31, 2022	Original Amount
Airport refunding, 2004-B	5.250-6.000%	$ 85,000	$ 515,000
GO refunding, 2012-A	2.000-2.100	750,000	3,570,000
Internal improvements, 2015-B	2.000-3.100	485,000	1,130,000
Internal improvements, 2015-C	3.000	2,570,000	2,570,000
Internal improvements, 2015-D	2.000-3.000	1,220,000	2,500,000
GO refunding, 2016-A	1.500-4.000	9,150,000	13,425,000
Internal improvements, 2018-A	3.000-4.000	1,890,000	2,125,000
Taxable GO bonds, 2018-B	3.000-4.100	1,155,000	1,490,000
Taxable GO refunding and improvement, 2020-A	3.000-3.450	5,425,000	6,015,000
GO refunding and improvement, 2020-B	2.000-3.500	8,205,000	9,575,000
GO tax increment financing refunding, 2020-C	2.000-3.000	1,465,000	1,790,000
GO refunding, 2021-A	1.750-4.000	5,155,000	5,965,000
		$ 37,555,000	

A portion of the general obligation bond principal represents special assessment debt with government commitment to pay the principal and interest if the special assessments are not paid by the applicable property owners. Annual debt service requirements to maturity for general obligation bonds are as follows:

	Governmental Activities		Business-Type Activities	
	Principal	Interest	Principal	Interest
2023	$ 2,841,962	$ 846,550	$ 1,158,038	$ 312,658
2024	2,960,436	750,284	1,214,564	268,246
2025	2,691,307	659,776	1,193,693	231,332
2026	2,776,197	570,984	1,238,803	191,029
2027	2,316,938	479,784	973,062	149,566
2028-2032	7,817,319	1,462,337	2,587,681	387,281
2033-2037	4,881,104	517,583	1,373,896	141,738
2038-2040	965,000	39,619	565,000	23,413
	$ 27,250,263	$ 5,326,917	$ 10,304,737	$ 1,705,263

Water Fund Revolving Loans

The City has three loans with the Kansas Department of Health and Environment (KDHE) to provide funding for City waterworks improvements.

Terms of the individual loans are as follows:

Year of Inception	Interest Rate	Term	Outstanding December 31, 2022
2009	3.37%	20 years	$ 739,925
2009	3.75%	20 years	249,036
2022	1.26%	20 years	800,856
			$ 1,789,817

The City entered into a loan agreement with KDHE on September 8, 2021. According to the agreement, KDHE will loan an amount not to exceed $ 5,200,000 to the City for the purpose of making improvements to the City's public water supply system including replacements of a ground storage tank and rehabilitation of two elevated storage towers. The interest rate on the loan is 1.26%. As of December 31, 2022, there has been a total of $ 800,856 draw downs on the loan. Once the project is complete and the loan amount is finalized, the repayment schedule will be finalized.

Future principal payments on the two finalized Waterworks revolving loans are scheduled as follows:

2023	$ 129,917
2024	134,465
2025	139,174
2026	144,047
2027	149,091
2028-2029	292,267
	$ 988,961

Sewer Fund Revolving Loans

The City has two loans with KDHE to provide funding for the City wastewater treatment improvements. Terms of the individual loans are as follows:

Year of Inception	Interest Rate	Term	Outstanding December 31, 2022
2008	2.85%	20 years	$ 2,927,747
2014	2.83%	20 years	7,098,502
			$ 10,026,249

Future principal payments on these loans are scheduled as follows:

2023	$ 857,692
2024	889,485
2025	914,916
2026	941,073
2027	967,979
2028-2032	3,827,647
2033-2035	1,627,457
	$ 10,026,249

Revenue Bonds

The public building commission fund has issued revenue bonds to finance athletic field improvements and to construct the Sand Creek Station Golf Course. At December 31, 2022, the outstanding NPBC revenue bonds consisted of the following:

	Interest Rates	Outstanding December 31, 2022	Original Amount
Series 2004	4.36%	$ 505,000	$ 2,685,000
2012 refunding	2.00-2.40%	1,830,000	5,915,000
Series 2022	4.00-5.00%	4,000,000	4,000,000
		$ 6,335,000	

Debt service requirement to maturity for revenue bonds are as follows:

	Principal	Interest	Total
2023	$ 855,000	$ 210,582	$ 1,065,582
2024	865,000	206,842	1,071,842
2025	765,000	186,836	951,836
2026	155,000	171,956	326,956
2027	160,000	164,206	324,206
2028-2032	900,000	694,531	1,594,531
2033-2037	1,075,000	458,531	1,533,531
2038-2042	1,275,000	221,562	1,496,562
2043	285,000	12,113	297,113
	$ 6,335,000	$ 2,327,159	$ 8,662,159

Lease Obligations Payable

On November 15, 2022, the City entered into a 60-month lease as lessee for the use of golf carts. An initial lease liability was recorded in the amount of $ 232,924. As of December 31, 2022, the value of the lease liability is $ 225,132. The City is required to make monthly fixed payments of $ 4,301. The lease has an interest rate of 4.2510%. The equipment estimated useful life was 72 months as of the contract commencement. The value of the right to use asset as of December 31, 2022 is $ 232,924 with accumulated amortization of $ 5,952.

On April 4, 2022, the City entered into a 60-month lease as lessee for the use of maintenance equipment. An initial lease liability was recorded in the amount of $ 212,570. As of December 31, 2022, the value of the lease liability is $ 182,602. The City is required to make monthly fixed payments of $ 3,865. The lease has an interest rate of 3.5820%. The equipment estimated useful life was 120 months as of the contract commencement. The value of the right to use asset as of December 31, 2022 is $ 212,570 with accumulated amortization of $ 31,531.

On September 19, 2022, the City entered into a 60-month lease as lessee for the use of a postage meter. An initial lease liability was recorded in the amount of $ 17,440. As of December 31, 2022, the value of the lease liability is $ 16,569. The City is required to make quarterly fixed payments of $ 973. The lease has an interest rate of 2.3660%. The value of the right to use asset as of December 31, 2022 is $ 17,440 with accumulated amortization of $ 989.

On January 1, 2022, the City entered into a 36-month lease as lessee for the use of a building at 225 South Meridian. An initial lease liability was recorded in the amount of $ 109,712. As of December 31, 2022, the value of the lease liability is $ 74,071. The City is required to make monthly fixed payments of $ 3,000. The lease has an interest rate of 0.4260%. The value of the right to use asset as of December 31, 2022 is $ 109,712 with accumulated amortization of $ 36,571. The City has two extension options, each for 12 months.

Future minimum lease payments for lease obligations are as follows:

	Governmental Activities		
	Principal	Interest	Total
2023	$ 39,076	$ 460	$ 39,536
2024	39,284	252	39,536
2025	2,221	114	2,335
2026	2,274	61	2,335
2027	1,158	10	1,168
	$ 84,013	$ 897	$ 84,910

	Business-Type Activities		
	Principal	Interest	Total
2023	$ 84,784	$ 14,766	$ 99,550
2024	88,151	11,399	99,550
2025	91,653	7,897	99,550
2026	95,295	4,255	99,550
2027	54,478	902	55,380
	$ 414,361	$ 39,219	$ 453,580

12 - Commitments and Contingencies

Litigation – The City is a defendant in various lawsuits. Although the outcomes of these lawsuits are not presently determinable, in the opinion of the City Attorney, the resolution of these matters will not have a material adverse effect on the City's financial statements.

Federal Grants – In the normal course of operation, the City receives grant funds from various Federal and State agencies. The grant programs are subject to audit by agents of the granting authority, the purpose of which is to ensure compliance with conditions precedent to the granting of funds. Any liability for reimbursement that may arise as the result of these audits is not believed to be material.

Encumbrances – The City uses encumbrances to control expenditure commitments for the year and to enhance cash management. Encumbrances represent commitments related to executory contracts not yet performed and purchase orders not yet filled. Commitments for cash expenditure of monies are encumbered to reserve a portion of applicable appropriations. Encumbrances still open at year-end are not accounted for as expenditures and liabilities, but, rather, as restricted, committed, or assigned fund balance. At December 31, 2022, the City had the following encumbrances:

General	$	10,597
Sewer		63,827
Sanitation		1,592
Waterworks		186,017
	$	262,033

13 - Conduit Debt Obligations

From time to time, the City has issued Industrial Revenue Bonds to provide financial assistance to private-sector entities for the acquisition and construction of industrial and commercial facilities deemed to be in the public interest. The bonds are secured by the property financed and are payable solely from payments received on the underlying mortgage loans. Upon repayment of the bonds, ownership of the acquired facilities transfers to the private-sector entity served by the bond issuance. Neither the City, the State, nor any political subdivision thereof is obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements. At December 31, 2022, one City-issued Industrial Revenue bond was outstanding with a total balance of $ 1,875,000.

14 - Joint Venture - Public Wholesale Water Supply District No. 17

During 1997, the City of Newton entered into an agreement with the cities of Halstead, North Newton and Sedgwick to form the Public Wholesale Water Supply District No. 17 (the District). The purpose of the District is to secure an additional water supply for sale to member cities and other potential customers. The City of Newton has contributed $ 40,000 in capital to the District. As there is no explicit, measurable equity interest for the City, the City has not recorded an asset related to this joint venture.

Separate financial statements for the District can be obtained from the District's office located at City of Newton administration building (201 East Sixth, Newton, Kansas 67114-0426).

15 - Interfund Transfers

Interfund transfers reflect the flow of resources from one fund to another fund, generally from the fund in which resources are received to the fund where resources will be expended. The City uses transfers from business activities to provide support for general government, and to provide funding from government activities for specific capital needs, and to provide funds for debt service. Transfers for the year were as follows:

	Transfers in				
Transfers out	General	Bond & Interest	Capital Projects	Nonmajor Governmental	Waterworks
General	$ -	$ 1,291,976	$ 371,531	$ -	$ -
Airport	-	94,870	-	69,400	-
Bond & Interest	-	-	-	-	249,846
Nonmajor Governmental	588,333	-	-		-
Sewer	1,427,235	1,236,806	-	18,250	-
Waterworks	833,471	269,525	800,856	28,000	-
Public Building Commission	-	-	1,526,397	-	-
Nonmajor Enterprise	201,929	-	-	10,000	-
Total	$ 3,050,968	$ 2,893,177	$ 2,698,784	$ 125,650	$ 249,846

	Transfers in			
Transfers out	Sewer	Nonmajor Enterprise	Internal Service Funds	Total
General	$ -	$ 900,000	$ -	$ 2,563,507
Airport	7,000	-	-	171,270
Bond & Interest	1,226,480	-	-	1,476,326
Nonmajor Governmental	-	-	-	588,333
Sewer	-	-	69,520	2,751,811
Waterworks	-	-	69,520	2,001,372
Public Building Commission	-	-	-	1,526,397
Nonmajor Enterprise	-	-	39,579	251,508
Total	$ 1,233,480	$ 900,000	$ 178,619	$ 11,330,524

16 - Interfund Receivable/Payable

Advances from/to Other Funds

During 2005, the City entered into an agreement with the Newton Public Building Commission (NPBC) to provide funding for the Sand Creek Station Golf Course which was completed during 2006. Under the agreement, the City will make lease payments equal to the NPBC debt incurred to acquire, improve and

equip the course. An equal amount was recorded on the NPBC's financial statements when the course assets were transferred to the City, and recorded in the golf course fund. The required minimum lease payments, based on the NPBC's debt requirements, are as follows:

2023	$ 645,385
2024	626,718
2025	622,380
	1,894,483
Less portion attributed to interest	(356,083)
	$ 1,538,400

Due to/from Other Funds

Interfund receivables and payables are recorded to eliminate negative cash balances in capital project and other funds prior to the issuance of permanent long-term financing. At December 31, 2022, the interfund balances consisted of the following:

	Due from Other Funds	Due to Other Funds
General fund	$ 5,510,779	$ -
Capital projects	-	(5,510,779)
	$ 5,510,779	$ (5,510,779)

17 - Tax Abatements

The City of Newton and Harvey County enter into property tax abatement agreements with local businesses for the purpose of attracting businesses within their jurisdictions. For the fiscal year ended December 31, 2022, abated property taxes that impacted the City totaled $ 671,595, including the following tax abatement agreements that each exceeded 10 percent of the total amount abated:

- A property tax abatement to a holdings company. The City's portion of the abatement amounted to $ 85,566.
- A property tax abatement for the City of Newton, Kansas on an Industrial Revenue Bond. The City's portion of the abatement amounted to $ 108,071.
- A property tax abatement to a developer and manufacturer of advanced composite materials for aircraft and space. The City's portion of the abatement amounted to $ 440,348.

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REQUIRED SUPPLEMENTARY INFORMATION

CITY OF NEWTON, KANSAS
Schedule of the City's Proportionate Share of the Collective Net Pension Liability
Kansas Public Employees Retirement System
Last Nine Fiscal Years*

	2022	2021	2020	2019
City's proportion of the collective net pension liability				
KPERS	0.346903%	0.331179%	0.326910%	0.327595%
KP&F	1.057148%	1.047598%	1.019577%	1.027745%
City's proportionate share of the collective net pension liability	$ 22,143,111	$ 13,970,649	$ 18,240,269	$ 14,979,741
City's covered payroll	$ 12,021,075	$ 12,261,157	$ 11,745,411	$ 11,535,439
City's proportionate share of the collective net pension liability as a percentage of its covered payroll	184%	114%	155%	130%
Plan fiduciary net position as a percentage of the total pension liability	69.75%	76.40%	66.30%	69.88%

	2018	2017	2016	2015	2014
City's proportion of the collective net pension liability					
KPERS	0.334374%	0.332957%	0.367572%	0.364582%	0.361789%
KP&F	1.051132%	1.029023%	1.083101%	1.102692%	1.097784%
City's proportionate share of the collective net pension liability	$ 14,774,481	$ 14,472,812	$ 15,745,894	$ 12,793,964	$ 11,652,675
City's covered payroll	$ 11,336,340	$ 11,039,244	$ 11,415,983	$ 11,109,928	$ 10,815,790
City's proportionate share of the collective net pension liability as a percentage of its covered payroll	130%	131%	138%	115%	108%
Plan fiduciary net position as a percentage of the total pension liability	68.88%	67.12%	65.10%	64.95%	66.60%

* GASB 68 requires presentation of 10 years. Data was not available prior to fiscal year 2014.

CITY OF NEWTON, KANSAS
NEWTON PUBLIC LIBRARY
Schedule of the Library's Proportionate Share of the Collective Net Pension Liability
Kansas Public Employees Retirement System
Last Nine Fiscal Years*

	2022	2021	2020	2019
Library's proportion of the collective net pension liability KPERS	0.015545%	0.018878%	0.019275%	0.018345%
Library's proportionate share of the collective net pension liability	$ 309,041	$ 226,528	$ 334,162	$ 256,348
Library's covered payroll	$ 342,585	$ 364,131	$ 363,873	$ 339,475
Library's proportionate share of the collective net pension liability as a percentage of its covered payroll	90%	62%	92%	76%
Plan fiduciary net position as a percentage of the total pension liability	69.75%	76.40%	66.30%	69.88%

	2018	2017	2016	2015	2014
Library's proportion of the collective net pension liability KPERS	0.018949%	0.018307%	0.019479%	0.018471%	0.018727%
Library's proportionate share of the collective net pension liability	$ 264,109	$ 265,169	$ 301,346	$ 242,532	$ 230,494
Library's covered payroll	$ 339,130	$ 324,491	$ 333,636	$ 308,532	$ 307,672
Library's proportionate share of the collective net pension liability as a percentage of its covered payroll	78%	82%	90%	79%	75%
Plan fiduciary net position as a percentage of the total pension liability	68.88%	67.12%	65.10%	64.95%	66.60%

*GASB 68 requires presentation of 10 years. Data was not available prior to fiscal year 2014.

CITY OF NEWTON, KANSAS
HOUSING AUTHORITY
Schedule of the Housing Authority's Proportionate Share of the Collective Net Pension Liability
Kansas Public Employees Retirement System
Last Eight Fiscal Years*

	2022	2021	2020	2019
Housing Authority's proportion of the collective net pension liability KPERS	0.011907%	0.012115%	0.012922%	0.013601%
Housing Authority's proportionate share of the collective net pension liability	$ 142,879	$ 210,032	$ 180,568	$ 189,569
Housing Authority's covered payroll	$ 229,493	$ 228,597	$ 239,840	$ 243,398
Housing Authority's proportionate share of the collective net pension liability as a percentage of its covered payroll	62%	92%	75%	78%
Plan fiduciary net position as a percentage of the total pension liability	81.14%	70.77%	75.02%	74.22%

	2018	2017	2016	2015
Housing Authority's proportion of the collective net pension liability KPERS	0.014371%	0.014975%	0.014994%	0.154300%
Housing Authority's proportionate share of the collective net pension liability	$ 208,158	$ 231,668	$ 196,878	$ 189,914
Housing Authority's covered payroll	$ 254,956	$ 256,721	$ 250,357	$ 253,669
Housing Authority's proportionate share of the collective net pension liability as a percentage of its covered payroll	82%	90%	79%	75%
Plan fiduciary net position as a percentage of the total pension liability	72.16%	68.55%	71.98%	74.99%

* GASB 68 requires presentation of 10 years. Data was not available prior to fiscal year 2015.

CITY OF NEWTON, KANSAS
Schedule of the City's Contributions
Kansas Public Employees Retirement System
Last Ten Fiscal Years

	2022	2021	2020	2019	2018
KPERS contractually required contributions	$ 650,222	$ 557,997	$ 540,157	$ 531,381	$ 504,211
KP&F contractually required contributions	1,506,877	1,312,456	1,243,313	1,167,096	1,045,685
Contributions in relation to the contractually required contribution	(2,157,099)	(1,870,453)	(1,783,470)	(1,698,477)	(1,549,896)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -
City's covered payroll	$ 12,625,550	$ 12,751,615	$ 12,446,094	$ 11,584,455	$ 11,396,824
Contributions as a percentage of covered payroll	17.1%	14.7%	14.3%	14.7%	13.6%

	2017	2016	2015	2014	2013
KPERS contractually required contributions	$ 520,799	$ 580,045	$ 587,308	$ 527,224	$ 465,230
KP&F contractually required contributions	1,014,326	1,050,678	1,097,368	996,198	847,528
Contributions in relation to the contractually required contribution	(1,535,125)	(1,630,723)	(1,684,676)	(1,523,424)	(1,312,756)
Contribution deficiency (excess)	$ -	$ -	$ -	$ (2)	$ 2
City's covered payroll	$ 11,186,375	$ 11,297,360	$ 11,284,441	$ 10,912,626	$ 10,670,233
Contributions as a percentage of covered payroll	13.7%	14.4%	14.9%	14.0%	12.3%

CITY OF NEWTON, KANSAS
NEWTON PUBLIC LIBRARY
Schedule of the Library's Contributions
Kansas Public Employees Retirement System
Last Ten Fiscal Years

	2022	2021	2020	2019	2018
Contractually required contributions	$ 31,652	$ 31,807	$ 31,848	$ 29,304	$ 28,573
Contributions in relation to the contractually required contribution	(31,652)	(31,807)	(31,848)	(29,304)	(28,573)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -
Library's covered payroll	$ 355,641	$ 341,622	$ 367,797	$ 349,752	$ 342,698
Contributions as a percentage of covered payroll	8.9%	9.3%	8.7%	8.4%	8.3%

	2017	2016	2015	2014	2013
Contractually required contributions	$ 28,049	$ 29,496	$ 31,136	$ 27,191	$ 23,944
Contributions in relation to the contractually required contribution	(28,049)	(29,496)	(31,136)	(27,191)	(23,944)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -
Library's covered payroll	$ 331,552	$ 322,340	$ 328,439	$ 307,591	$ 301,556
Contributions as a percentage of covered payroll	8.5%	9.2%	9.5%	8.8%	7.9%

CITY OF NEWTON, KANSAS
HOUSING AUTHORITY
Schedule of the Housing Authority's Contributions
Kansas Public Employees Retirement System
Last Eight Fiscal Years*

	2022	2021	2020	2019
Contractually required contributions	$ 19,696	$ 20,062	$ 20,017	$ 20,725
Contributions in relation to the contractually required contribution	(19,696)	(20,062)	(20,017)	(20,725)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -
Housing Authority's covered payroll	$ 221,735	$ 229,493	$ 228,597	$ 239,840
Contributions as a percentage of covered payroll	8.9%	8.7%	8.8%	8.6%

	2018	2017	2016	2015
Contractually required contributions	$ 20,509	$ 22,478	$ 23,954	$ 22,930
Contributions in relation to the contractually required contribution	(20,509)	(22,478)	(23,954)	(22,930)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -
Housing Authority's covered payroll	$ 243,398	$ 254,966	$ 256,721	$ 250,357
Contributions as a percentage of covered payroll	8.4%	8.8%	9.3%	9.2%

* GASB 68 requires presentation of 10 years. Data was not available prior to fiscal year 2015.

CITY OF NEWTON, KANSAS
Schedule of Changes in the City's Total OPEB Liability and Related Ratios
Health Insurance
Last Six Fiscal Years*

	2022	2021	2020	2019	2018	2017
Total OPEB liability:						
Service cost	$ 63,108	$ 70,434	$ 52,089	$ 56,591	$ 56,079	$ 48,339
Interest	16,972	19,025	25,448	37,367	31,141	32,745
Differences between expected and actual experience	86,987	188,908	17,655	43,709	-	-
Changes of assumptions	329,245	(238,052)	177,306	(198,437)	24,688	46,595
Benefit payments	(134,718)	(208,709)	(128,189)	(75,545)	(40,740)	(49,613)
Net change in total OPEB liability	361,594	(168,394)	144,309	(136,315)	71,168	78,066
Total OPEB liability, beginning	836,188	1,004,582	860,273	996,588	925,420	847,354
Total OPEB liability, ending	$ 1,197,782	$ 836,188	$ 1,004,582	$ 860,273	$ 996,588	$ 925,420
Covered employee payroll	$11,722,438	$11,722,438	$10,488,071	$10,488,071	$10,554,613	$10,554,613
City's total OPEB liability as a percentage of covered employee payroll	10.22%	7.13%	9.58%	8.20%	9.44%	8.77%

Notes to Schedule:

Changes of assumptions:
- The discount rate was changed from 2.04% to 4.18% for the end of year measurement.
- The assumed proportion of future eligible retiring employees electing coverage with the City upon retirement was lowered from 45% to 40%.
- Per capita costs, fixed costs and retiree contributions were updated along with assumed trend as part of the evaluation.
- Rx rebates were netted against per capita claims and the January 1, 2023 renewal was taken into account.
- Modeling errors involving Rx claims and covered spouses were found and fixed with this valuation. These corrections increased present value costs.

There are no assets accumulated in a trust that meets the criteria of the GASB codification to pay related benefits for the OPEB plan.

*GASB 75 requires the presentation of 10 years. Data was not available prior to fiscal year 2017. Therefore, 10 years of data is unavailable.

CITY OF NEWTON, KANSAS
Schedule of Changes in the City's Total OPEB Liability and Related Ratios
Disability Benefits and Life Insurance
Last Six Fiscal Years*

	2022	2021	2020	2019	2018	2017
Total OPEB liability:						
Service cost	$ 27,776	$ 24,733	$ 22,865	$ 22,702	$ 22,512	$ 23,703
Interest	4,770	4,742	6,906	8,024	8,134	6,215
Changes of economic/demographic gains or losses	(37,821)	(15,110)	(15,470)	(30,409)	(32,663)	-
Changes of assumptions	(49,568)	300	12,569	2,358	(2,009)	(5,231)
Benefit payments	(11,466)	(11,466)	(11,466)	(14,195)	(17,824)	(10,958)
Net change in total OPEB liability	(66,309)	3,199	15,404	(11,520)	(21,850)	13,729
Total OPEB liability, beginning	198,740	195,541	180,137	191,657	213,507	199,778
Total OPEB liability, ending	$ 132,431	$ 198,740	$ 195,541	$ 180,137	$ 191,657	$ 213,507
Covered employee payroll	$ 6,699,434	$ 6,261,794	$ 5,627,920	$ 5,572,068	$ 5,784,433	$ 5,665,109
City's total OPEB liability as a percentage of covered employee payroll	1.98%	3.17%	3.47%	3.23%	3.31%	3.77%

Notes to Schedule:

Changes of assumptions:
• The discount rate was increased from 2.16% to 3.54% in accordance with the requirements of GASB 75.
• The mortality projection scale was updated to the most recent table published by the Society of Actuaries.

There are no assets accumulated in a trust that meets the criteria of the GASB codification to pay related benefits for the OPEB plan.

*GASB 75 requires the presentation of 10 years. Data was not available prior to fiscal year 2017. Therefore, 10 years of data is unavailable.

CITY OF NEWTON, KANSAS
NEWTON PUBLIC LIBRARY
Schedule of Changes in the Library's Total OPEB Liability and Related Ratios
Disability Benefits and Life Insurance
Last Six Fiscal Years*

	2022	2021	2020	2019	2018	2017
Total OPEB liability:						
Service cost	$ 1,012	$ 1,144	$ 857	$ 899	$ 895	$ 967
Interest	148	139	169	239	207	141
Changes of economic/demographic gains or losses	889	(603)	(247)	(2,495)	(613)	-
Changes of assumptions	(2,794)	10	393	57	(95)	(21)
Benefit payments		-	-	-	-	-
Net change in total OPEB liability	(745)	690	1,172	(1,300)	394	1,087
Total OPEB liability, beginning	5,838	5,148	3,976	5,276	4,882	3,795
Total OPEB liability, ending	$ 5,093	$ 5,838	$ 5,148	$ 3,976	$ 5,276	$ 4,882
Covered employee payroll	$ 343,192	$ 291,768	$ 344,449	$ 314,096	$ 331,551	$ 321,340
Library's total OPEB liability as a percentage of covered employee payroll	1.48%	2.00%	1.49%	1.27%	1.59%	1.52%

Notes to Schedule:

Changes of assumptions:
• The discount rate was increased from 2.16% to 3.54% in accordance with the requirements of GASB 75.
• The mortality projection scale was updated to the most recent table published by the Society of Actuaries.

There are no assets accumulated in a trust that meets the criteria of the GASB codification to pay related benefits for the OPEB plan.

*GASB 75 requires the presentation of 10 years. Data was not available prior to fiscal year 2017. Therefore, 10 years of data is unavailable.

OTHER SUPPLEMENTARY INFORMATION

CITY OF NEWTON, KANSAS
COMBINING BALANCE SHEET
GENERAL FUND
December 31, 2022

	General	Capital Improvement Reserve	Admin Contingency	Municipal Equipment Reserve	RHID	RHID 2	Total General Fund
Assets:							
Cash and investments	$ 3,106,584	$ 34,787	$ 945,053	$ 3,803,811	$ -	$ -	$ 7,890,235
Due from other funds	483,015	5,027,764	-	-	-	-	5,510,779
Receivables:							
Property tax	7,090,690	-	-	-	-	-	7,090,690
Sales tax	1,565,075	-	-	-	-	-	1,565,075
Franchise tax	190,414	-	-	-	-	-	190,414
Accounts	461,377	-	-	10,005	-	-	471,382
Loans	-	347,037	-	-	-	-	347,037
Other	315,877	-	-	-	-	-	315,877
Prepaid items	400,675	-	-	-	-	-	400,675
Total assets	$ 13,613,707	$ 5,409,588	$ 945,053	$ 3,813,816	$ -	$ -	$ 23,782,164
Liabilities:							
Accounts payable	$ 387,769	$ 613	$ -	$ 401	$ -	$ -	$ 388,783
Accrued expenses	248,697	-	-	-	-	-	248,697
Unearned revenues	75,575	-	-	-	-	-	75,575
Total liabilities	712,041	613	-	401	-	-	713,055
Deferred inflows of resources:							
Unavailable revenue - loans receivable	-	347,037	-	-	-	-	347,037
Unavailable revenue - property and special assessment taxes	7,090,690	-	-	-	-	-	7,090,690
Total deferred inflows of resources	7,090,690	347,037	-	-	-	-	7,437,727
Fund balances:							
Nonspendable:							
Prepaid items	400,675	-	-	-	-	-	400,675
Assigned:							
Capital asset acquisition	-	5,061,938	-	3,813,415	-	-	8,875,353
Other purposes	10,597	-	-	-	-	-	10,597
Unassigned	5,399,704	-	945,053	-	-	-	6,344,757
Total fund balances	5,810,976	5,061,938	945,053	3,813,415	-	-	15,631,382
Total liabilities, deferred inflows of resources, and fund balances	$ 13,613,707	$ 5,409,588	$ 945,053	$ 3,813,816	$ -	$ -	$ 23,782,164

CITY OF NEWTON, KANSAS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES - GENERAL FUND
Year Ended December 31, 2022

	General	Capital Improvement Reserve	Admin Contingency	Municipal Equipment Reserve	RHID	RHID 2	Eliminations	Total General Fund
Revenues:								
Taxes:								
Property taxes	$ 6,230,380	$ 86,685	$ -	$ -	$ 51,572	$ 44,925	$ -	$ 6,413,562
Sales taxes	6,628,647	-	-	-	-	-	-	6,628,647
Franchise taxes	1,775,707	-	-	-	-	-	-	1,775,707
Intergovernmental	426,877	240,968	-	394,206	-	-	-	1,062,051
Licenses and permits	384,405	-	-	-	-	-	-	384,405
Charges for services	2,387,952	-	-	-	-	-	-	2,387,952
Fines, forfeitures and penalties	420,652	-	-	-	-	-	-	420,652
Interest	368,550	7,267	-	-	-	-	-	375,817
Other	74,356	131,440	-	53,429	-	-	-	259,225
Total revenues	18,697,526	466,360	-	447,635	51,572	44,925	-	19,708,018
Expenditures:								
Current:								
General government	2,577,532	87,964	-	6,517	51,572	44,925	-	2,768,510
Public safety	11,103,590	-	-	-	-	-	-	11,103,590
Highway and streets	3,041,819	-	-	-	-	-	-	3,041,819
Culture and recreation	1,346,090	-	-	-	-	-	-	1,346,090
Capital outlay	234,986	632,821	-	1,203,148	-	-	-	2,070,955
Debt service:								
Principal	36,163	-	-	-	-	-	-	36,163
Interest	422	-	-	-	-	-	-	422
Total expenditures	18,340,602	720,785	-	1,209,665	51,572	44,925	-	20,367,549
Excess (deficiency) of revenues over (under) expenditures	356,924	(254,425)	-	(762,030)	-	-	-	(659,531)
Other financing sources (uses):								
Transfers in	2,909,883	1,979,129	-	1,289,532	-	-	(3,127,576)	3,050,968
Transfers out	(3,877,576)	(1,813,507)	-	-	-	-	3,127,576	(2,563,507)
Issuance of lease obligations	10,464	-	-	-	-	-	-	10,464
Sale of capital assets	-	2,191,188	-	58,549	-	-	-	2,249,737
Total other financing sources (uses)	(957,229)	2,356,810	-	1,348,081	-	-	-	2,747,662
Net change in fund balances	(600,305)	2,102,385	-	586,051	-	-	-	2,088,131
Fund balances, beginning of year	6,411,281	2,959,553	945,053	3,227,364	-	-	-	13,543,251
Fund balances, end of year	$ 5,810,976	$ 5,061,938	$ 945,053	$ 3,813,415	$ -	$ -	$ -	$ 15,631,382

CITY OF NEWTON, KANSAS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
December 31, 2022

	Special Revenue Funds							
	Community Development	Special Alcohol Program	Special Highway	Grants	Special Liability	Special Parks & Recreation	Tourism & Convention Promotion	Airport/Library Capital Improvement
Assets:								
Cash and investments	$ -	$ 5,926	$ 151,048	$ 63,084	$ 88,283	$ -	$ 282,775	$ 107,323
Receivables:								
Property tax	-	-	-	-	50,440	-	-	-
Other	373,575	-	-	-	-	-	-	-
Restricted assets:	-	-	-	-	-	-	-	
Cash and investments	145,519	-	-	-	-	-	-	-
Total assets	$ 519,094	$ 5,926	$ 151,048	$ 63,084	$ 138,723	$ -	$ 282,775	$ 107,323
Liabilities:								
Accounts payable	$ -	$ -	$ -	$ 11,245	$ -	$ -	$ 4,749	$ -
Accrued expenses	-	5,926	-	-	-	-	653	-
Unearned revenues	-	-	-	49,977	-	-	-	-
Total liabilities	-	5,926	-	61,222	-	-	5,402	-
Deferred inflows of resources:								
Unavailable revenue - property and special assessment taxes	-	-	-	-	50,440	-	-	-
Total deferred inflows of resources	-	-	-	-	50,440	-	-	-
Fund balances:								
Restricted:								
Community development	519,094	-	-	-	-	-	277,373	-
Perpetual care	-	-	-	-	-	-	-	-
Law enforcement	-	-	-	-	-	-	-	-
Other purposes	-	-	151,048	1,862	88,283	-	-	-
Assigned:	-	-	-	-	-	-	-	
Capital asset acquisition	-	-	-	-	-	-	-	107,323
Total fund balances	519,094	-	151,048	1,862	88,283	-	277,373	107,323
Total liabilities, deferred inflows of resources, and fund balances	$ 519,094	$ 5,926	$ 151,048	$ 63,084	$ 138,723	$ -	$ 282,775	$ 107,323

(Continued)

CITY OF NEWTON, KANSAS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
(Continued)
December 31, 2022

	Special Revenue Funds					Permanent Fund	
	Airport/Library Municipal Equipment Reserve	Special Law Enforcement	Library	ARPA	Community Improvement District Sales Tax	Cemetery & Mausoleum	Total
Assets:							
Cash and investments	$ 311,360	$ 253,318	$ 38,433	$ 1,455,692	$ 7,457	$ 444,776	$ 3,209,475
Receivables:							
Property tax	-	-	735,323	-	-	-	785,763
Other	-	-	-	-	-	-	373,575
Restricted assets:							
Cash and investments	-	-	-	-	-	-	145,519
Total assets	$ 311,360	$ 253,318	$ 773,756	$ 1,455,692	$ 7,457	$ 444,776	$ 4,514,332
Liabilities:							
Accounts payable	$ -	$ -	$ -	$ -	$ 7,457	$ 1,764	$ 25,215
Accrued expenses	-	-	-	-	-	-	6,579
Unearned revenues	-	-	-	1,439,181	-	-	1,489,158
Total liabilities	-	-	-	1,439,181	7,457	1,764	1,520,952
Deferred inflows of resources:							
Unavailable revenue - property and special assessment taxes	-	-	735,323	-	-	-	785,763
Total deferred inflows of resources	-	-	735,323	-	-	-	785,763
Fund balances:							
Restricted:							
Community development	-	-	-	-	-	-	796,467
Perpetual care	-	-	-	-	-	443,012	443,012
Law enforcement	-	253,318	-	-	-	-	253,318
Other purposes	-	-	38,433	16,511	-	-	296,137
Assigned:							
Capital asset acquisition	311,360	-	-	-	-	-	418,683
Total fund balances	311,360	253,318	38,433	16,511	-	443,012	2,207,617
Total liabilities, deferred inflows of resources, and fund balances	$ 311,360	$ 253,318	$ 773,756	$ 1,455,692	$ 7,457	$ 444,776	$ 4,514,332

CITY OF NEWTON, KANSAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS
Year Ended December 31, 2022

	Special Revenue Funds							
	Community Development	Special Alcohol Program	Special Highway	Grants	Special Liability	Special Parks & Recreation	Tourism & Convention Promotion	Airport/Library Capital Improvement
Revenues:								
Taxes:								
Property taxes	$ -	$ -	$ -	$ -	$ 48,852	$ -	$ -	$ -
Sales taxes	-	-	-	-	-	-	-	-
Excise taxes	-	-	-	-	-	-	337,277	-
Intergovernmental	-	22,238	502,627	19,649	2,861	22,238	-	-
Charges for services	-	-	-	-	-	-	-	-
Interest	67	-	-	-	-	-	-	-
Other	-	-	-	767	-	-	1,070	9,260
Total revenues	67	22,238	502,627	20,416	51,713	22,238	338,347	9,260
Expenditures:								
Current:								
General government	7,253	22,238	-	-	52,577	-	71,384	-
Public safety	-	-	-	22,508	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	5,911
Total expenditures	7,253	22,238	-	22,508	52,577	-	71,384	5,911
Excess (deficiency) of revenues over (under) expenditures	(7,186)	-	502,627	(2,092)	(864)	22,238	266,963	3,349
Other financing sources (uses):								
Transfers in	-	-	-	-	56,250	-	-	27,400
Transfers out	-	-	(485,010)	-	-	(22,238)	(81,085)	-
Total other financing sources (uses)	-	-	(485,010)	-	56,250	(22,238)	(81,085)	27,400
Net change in fund balances	(7,186)	-	17,617	(2,092)	55,386	-	185,878	30,749
Fund balances, beginning of year	526,280	-	133,431	3,954	32,897	-	91,495	76,574
Fund balances, end of year	$ 519,094	$ -	$ 151,048	$ 1,862	$ 88,283	$ -	$ 277,373	$ 107,323

(Continued)

CITY OF NEWTON, KANSAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS
(Continued)
Year Ended December 31, 2022

	Special Revenue Funds					Permanent Fund		
	Airport/Library Municipal Equipment Reserve	Special Law Enforcement	Library	ARPA	Community Improvement District Sales Tax	Cemetery & Mausoleum	Eliminations	Total
Revenues:								
Taxes:								
Property taxes	$ -	$ -	$ 765,524	$ -	$ -	$ -	$ -	$ 814,376
Sales taxes	-	-	-	-	87,150	-	-	87,150
Excise taxes	-	-	-	-	-	-	-	337,277
Intergovernmental	-	-	41,687	-	-	-	-	611,300
Charges for services	-	8,052	-	-	-	-	-	8,052
Interest	-	-	-	16,511	-	4,484	-	21,062
Other	7,636	-	-	-	-	20,312	-	39,045
Total revenues	7,636	8,052	807,211	16,511	87,150	24,796	-	1,918,262
Expenditures:								
Current:								
General government	-	360	821,827	-	87,150	-	-	1,062,789
Public safety	-	-	-	-	-	-	-	22,508
Capital outlay	5,837	30,895	-	-	-	-	-	42,643
Total expenditures	5,837	31,255	821,827	-	87,150	-	-	1,127,940
Excess (deficiency) of revenues over (under) expenditures	1,799	(23,203)	(14,616)	16,511	-	24,796	-	790,322
Other financing sources (uses):								
Transfers in	42,000	-	-	-	-	16,967	(16,967)	125,650
Transfers out	-	-	-	-	-	(16,967)	16,967	(588,333)
Total other financing sources (uses)	42,000	-	-	-	-	-	-	(462,683)
Net change in fund balances	43,799	(23,203)	(14,616)	16,511	-	24,796	-	327,639
Fund balances, beginning of year	267,561	276,521	53,049	-	-	418,216	-	1,879,978
Fund balances, end of year	$ 311,360	$ 253,318	$ 38,433	$ 16,511	$ -	$ 443,012	$ -	$ 2,207,617

CITY OF NEWTON, KANSAS
COMBINING STATEMENT OF NET POSITION
NONMAJOR ENTERPRISE FUNDS
December 31, 2022

	Sanitation	Golf Course	Meridian Center	Total Nonmajor Enterprise Funds
Assets:				
Current assets:				
Cash and investments	$ 1,951,769	$ 905,496	$ 239,689	$ 3,096,954
Accounts receivable (net of allowance for uncollectibles)	353,543	2,670	16,716	372,929
Prepaid items	-	6,970	-	6,970
Inventory	-	54,415	9,446	63,861
Total current assets	2,305,312	969,551	265,851	3,540,714
Noncurrent assets:				
Capital assets, net	457,404	6,759,780	2,595,804	9,812,988
Total assets	2,762,716	7,729,331	2,861,655	13,353,702
Deferred outflows of resources:				
Deferred outflows - OPEB	14,854	-	-	14,854
Deferred outflows - pension	246,904	-	73,996	320,900
Total deferred outflows of resources	261,758	-	73,996	335,754
Liabilities:				
Current liabilities:				
Accounts payable	40,933	11,550	7,441	59,924
Accrued expenses	18,004	4,961	4,223	27,188
Compensated absences	26,342	-	6,632	32,974
Unearned revenue	-	97,165	2,650	99,815
Current portion of long-term debt	-	83,371	-	83,371
Accrued interest payable	-	5,629	-	5,629
Total current liabilities	85,279	202,676	20,946	308,901
Noncurrent liabilities:				
Total OPEB liability	32,995	-	-	32,995
Net pension liability	676,555	-	202,760	879,315
Advances to other funds	-	1,538,400	-	1,538,400
Lease obligations	-	324,362	-	324,362
Total noncurrent liabilities	709,550	1,862,762	202,760	2,775,072
Total liabilities	794,829	2,065,438	223,706	3,083,973
Deferred inflows of resources:				
Deferred inflows - OPEB	1,993	-	-	1,993
Deferred inflows - pension	3,515	-	1,053	4,568
Total deferred inflows of resources	5,508	-	1,053	6,561
Net position:				
Net investment in capital assets	457,404	4,813,647	2,595,804	7,866,855
Unrestricted	1,766,733	850,246	115,088	2,732,067
Total net position	$ 2,224,137	$ 5,663,893	$ 2,710,892	$ 10,598,922

CITY OF NEWTON, KANSAS
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
NONMAJOR ENTERPRISE FUNDS
Year Ended December 31, 2022

	Sanitation	Golf Course	Meridian Center	Eliminations	Total Nonmajor Enterprise Funds
Operating revenues:					
Charges for sales and services	$ 2,239,717	$ 1,562,544	$ 296,301	$ -	$ 4,098,562
Miscellaneous	27,053	13,102	1	-	40,156
Total operating revenues	2,266,770	1,575,646	296,302	-	4,138,718
Operating expenses:					
Personnel services	1,000,174	667,507	330,482	-	1,998,163
Contractual services	466,983	332,948	63,974	-	863,905
Commodities	41,501	467,707	84,813	-	594,021
Vehicle operating	261,684	-	-	-	261,684
Depreciation and amortization	38,518	337,961	101,118	-	477,597
Total operating expenses	1,808,860	1,806,123	580,387	-	4,195,370
Operating income (loss)	457,910	(230,477)	(284,085)	-	(56,652)
Nonoperating revenues (expenses)					
Interest income	-	10,027	-	-	10,027
Interest and fiscal charges	-	(13,195)	-	-	(13,195)
Total nonoperating revenues (expenses)	-	(3,168)	-	-	(3,168)
Income (loss) before transfers	457,910	(233,645)	(284,085)	-	(59,820)
Transfers in	297,000	769,828	200,000	(366,828)	900,000
Transfers out	(548,508)	(69,828)	-	366,828	(251,508)
Change in net position	206,402	466,355	(84,085)	-	588,672
Net position, beginning of year	2,017,735	5,197,538	2,794,977	-	10,010,250
Net position, end of year	$ 2,224,137	$ 5,663,893	$ 2,710,892	$ -	$ 10,598,922

CITY OF NEWTON, KANSAS
COMBINING STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUNDS
Year Ended December 31, 2022

	Sanitation	Golf Course	Meridian Center	Total Nonmajor Enterprise Funds
Cash flows from operating activities:				
Receipts from customers	$ 2,237,616	$ 1,579,639	$ 280,236	$ 4,097,491
Payments to suppliers for goods and services	(755,896)	(775,565)	(143,673)	(1,675,134)
Payments to employees for services	(990,444)	(677,116)	(306,365)	(1,973,925)
Net cash from operating activities	491,276	126,958	(169,802)	448,432
Cash flows from noncapital financing activities:				
Transfers in	-	700,000	200,000	900,000
Transfers out	(251,508)	-	-	(251,508)
Net cash from noncapital financing activities	(251,508)	700,000	200,000	648,492
Cash flows from capital and related financing activities:				
Payments for capital assets	(12,000)	(69,829)	-	(81,829)
Principal payments on lease obligations	-	(37,760)	-	(37,760)
Payment on advances from other funds	-	(600,000)	-	(600,000)
Interest and fees paid on capital debt	-	(7,566)	-	(7,566)
Net cash from capital and related financing activities	(12,000)	(715,155)	-	(727,155)
Cash flows from investing activities:				
Interest received	-	10,027	-	10,027
Net change in cash and cash equivalents	227,768	121,830	30,198	379,796
Cash and cash equivalents, beginning of year	1,724,001	783,666	209,491	2,717,158
Cash and cash equivalents, end of year	$ 1,951,769	$ 905,496	$ 239,689	$ 3,096,954

(Continued)

CITY OF NEWTON, KANSAS
COMBINING STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUNDS
(Continued)
Year Ended December 31, 2022

	Sanitation	Golf Course	Meridian Center	Total Nonmajor Enterprise Funds
Reconciliation of operating income (loss) to net cash from operating activities:				
Operating income (loss)	$ 457,910	$ (230,477)	$ (284,085)	$ (56,652)
Adjustments to reconcile operating income (loss) to net cash from operating activities:				
Depreciation and amortization	38,518	337,961	101,118	477,597
Changes in:				
Accounts receivable (net of allowance for uncollectibles)	(29,154)	-	(16,716)	(45,870)
Inventory	-	(5,009)	222	(4,787)
Prepaid items	-	24,156	-	24,156
Accounts payable	14,272	5,943	4,892	25,107
Accrued expenses	4,215	(9,609)	228	(5,166)
Compensated absences	3,156	-	(603)	2,553
Total OPEB liability	13,190	-	-	13,190
Net pension liability	267,630	-	202,760	470,390
Deferred outflows - pension	(110,849)	-	(40,676)	(151,525)
Deferred outflows - OPEB	(12,696)	-	-	(12,696)
Deferred inflows - pension	(153,691)	-	(137,592)	(291,283)
Deferred inflows - OPEB	(1,225)	-	-	(1,225)
Unearned revenue	-	3,993	650	4,643
Net cash from operating activities	$ 491,276	$ 126,958	$ (169,802)	$ 448,432

CITY OF NEWTON, KANSAS
COMBINING STATEMENT OF NET POSITION -
INTERNAL SERVICE FUNDS
December 31, 2022

	Health Benefits Risk Management	Stores and Maintenance	Total
Assets:			
Current assets:			
Cash and investments	$ 3,043,638	$ 969,836	$ 4,013,474
Prepaid items	20,000	-	20,000
Inventory	-	129,820	129,820
Total current assets	3,063,638	1,099,656	4,163,294
Capital assets:			
Capital assets, net	-	601,312	601,312
Total assets	3,063,638	1,700,968	4,764,606
Liabilities:			
Current liabilities:			
Accounts payable	80,711	14,108	94,819
Accrued expenses	-	4,584	4,584
Compensated absences	-	6,994	6,994
Unreported claims payable	84,686	-	84,686
Total current liabilities	165,397	25,686	191,083
Net position:			
Net investment in capital assets	-	601,312	601,312
Unrestricted	2,898,241	1,073,970	3,972,211
Total net position	$ 2,898,241	$ 1,675,282	$ 4,573,523

CITY OF NEWTON, KANSAS
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION - INTERNAL SERVICE FUNDS
Year Ended December 31, 2022

	Health Benefits Risk Management	Stores and Maintenance	Eliminations	Total
Operating revenues:				
Charges for sales and services	$ 3,138,950	$ 979,081	$ -	$ 4,118,031
Miscellaneous	91,129	16,375	-	107,504
Total operating revenues	3,230,079	995,456	-	4,225,535
Operating expenses:				
Personnel services	2,738,342	252,947	-	2,991,289
Contractual services	5,264	63,868	-	69,132
Commodities	194,608	635,047	-	829,655
Capital outlay	-	2,302	-	2,302
Vehicle operating	-	29,210	-	29,210
Depreciation and amortization	-	65,734	-	65,734
Total expenses	2,938,214	1,049,108	-	3,987,322
Operating income (loss)	291,865	(53,652)	-	238,213
Nonoperating revenues:				
Interest income	28	-	-	28
Income (loss) before transfers	291,893	(53,652)	-	238,241
Transfers:				
Transfers in	-	369,940	(191,321)	178,619
Transfers out	-	(191,321)	191,321	-
Total transfers	-	178,619	-	178,619
Change in net position	291,893	124,967	-	416,860
Net position, beginning of year	2,606,348	1,550,315	-	4,156,663
Net position, end of year	$ 2,898,241	$ 1,675,282	$ -	$ 4,573,523

CITY OF NEWTON, KANSAS
COMBINING STATEMENT OF CASH FLOWS -
INTERNAL SERVICE FUNDS
Year Ended December 31, 2022

	Health Benefits Risk Management	Stores and Maintenance	Total
Cash flows from operating activities:			
Receipts from customers	$ 3,230,079	$ 995,456	$ 4,225,535
Payments to suppliers for goods and services	(199,872)	(753,643)	(953,515)
Payments to employees for services	-	(251,421)	(251,421)
Payments for employee health benefits	(2,725,484)	-	(2,725,484)
Net cash from operating activities	304,723	(9,608)	295,115
Cash flows from noncapital financing activities:			
Transfers in	-	369,940	369,940
Transfers out	-	(191,321)	(191,321)
Net cash from noncapital financing activities	-	178,619	178,619
Cash flows from capital and related financing activities:			
Payments for capital assets	-	(105,321)	(105,321)
Cash flows from investing activities:			
Interest received	28	-	28
Net change in cash and cash equivalents	304,751	63,690	368,441
Cash and cash equivalents, beginning of year	2,738,887	906,146	3,645,033
Cash and cash equivalents, end of year	$ 3,043,638	$ 969,836	$ 4,013,474

(Continued)

CITY OF NEWTON, KANSAS
COMBINING STATEMENT OF CASH FLOWS -
INTERNAL SERVICE FUNDS
(Continued)
Year Ended December 31, 2022

	Health Benefits Risk Management	Stores and Maintenance	Total
Reconciliation of operating income (loss) to net cash from operating activities:			
Operating income (loss)	$ 291,865	$ (53,652)	$ 238,213
Adjustments to reconcile operating income (loss) to net cash from operating activities:			
Depreciation and amortization	-	65,734	65,734
Changes in:			
Inventory	-	(31,514)	(31,514)
Accounts payable	79,421	8,298	87,719
Accrued expenses	-	1,526	1,526
Unreported claims payable	(66,563)	-	(66,563)
Net cash from operating activities	$ 304,723	$ (9,608)	$ 295,115

CITY OF NEWTON, KANSAS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL
SPECIAL ALCOHOL PROGRAM FUND
Year Ended December 31, 2022

	Original and Final Budgeted Amounts	Actual	Variance with Final Budget
Revenues and other sources:			
Liquor tax	$ 30,000	$ 22,238	$ (7,762)
Expenditures and other uses:			
Contractual services	30,000	22,238	(7,762)
Excess (deficiency) of revenues and other sources over (under) expenditures and other uses	-	-	-
Fund balances, beginning of year	-	-	-
Fund balances, end of year	$ -	$ -	$ -

CITY OF NEWTON, KANSAS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL
SPECIAL HIGHWAY FUND
Year Ended December 31, 2022

	Original and Final Budgeted Amounts	Actual	Variance with Final Budget
Revenues and other sources:			
Intergovernmental	$ 485,010	$ 502,627	$ 17,617
Expenditures and other uses:			
Transfers out	485,010	485,010	-
Excess (deficiency) of revenues and other sources over (under) expenditures and other uses	-	17,617	17,617
Fund balances, beginning of year	133,431	133,431	-
Fund balances, end of year	$ 133,431	$ 151,048	$ 17,617

CITY OF NEWTON, KANSAS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL
SPECIAL LIABILITY FUND
Year Ended December 31, 2022

	Original and Final Budgeted Amounts	Actual	Variance with Final Budget
Revenues and other sources:			
Property taxes	$ 53,046	$ 48,852	$ (4,194)
Intergovernmental	-	2,861	2,861
Transfers in	46,250	56,250	10,000
Total revenues and other sources	99,296	107,963	8,667
Expenditures and other uses:			
Contractual services	100,000	52,577	(47,423)
Excess (deficiency) of revenues and other sources over (under) expenditures and other uses	(704)	55,386	56,090
Fund balances, beginning of year	-	32,897	32,897
Fund balances, end of year	$ (704)	$ 88,283	$ 88,987

CITY OF NEWTON, KANSAS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL
SPECIAL PARKS & RECREATION FUND
Year Ended December 31, 2022

	Original and Final Budgeted Amounts	Actual	Variance with Final Budget
Revenues and other sources:			
Liquor tax	$ 30,000	$ 22,238	$ (7,762)
Expenditures and other uses:			
Transfers out	30,000	22,238	(7,762)
Excess (deficiency) of revenues and other sources over (under) expenditures and other uses	-	-	-
Fund balances, beginning of year	-	-	-
Fund balances, end of year	$ -	$ -	$ -

CITY OF NEWTON, KANSAS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL
TOURISM & CONVENTION PROMOTION FUND
Year Ended December 31, 2022

	Original and Final Budgeted Amounts	Actual	Variance with Final Budget
Revenues and other sources:			
Transient guest tax	$ 290,000	$ 337,277	$ 47,277
Other	-	1,070	1,070
Total revenues and other sources	290,000	338,347	48,347
Expenditures and other uses:			
Tourism/conventions	137,462	71,384	(66,078)
Transfers out	150,000	81,085	(68,915)
Total expenditures and other uses	287,462	152,469	(134,993)
Excess (deficiency) of revenues and other sources over (under) expenditures and other uses	2,538	185,878	183,340
Fund balances, beginning of year	4,165	91,495	87,330
Fund balances, end of year	$ 6,703	$ 277,373	$ 270,670

CITY OF NEWTON, KANSAS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL
SPECIAL LAW ENFORCEMENT FUND
Year Ended December 31, 2022

	Original and Final Budgeted Amounts	Actual	Variance with Final Budget
Revenues and other sources:			
Forfeitures and other	$ 25,000	$ 8,052	$ (16,948)
Expenditures and other uses:			
Commodities and other	90,000	360	(89,640)
Capital outlay	25,000	30,895	5,895
Total expenditures and other uses	115,000	31,255	(83,745)
Excess (deficiency) of revenues and other sources over (under) expenditures and other uses	(90,000)	(23,203)	66,797
Fund balances, beginning of year	221,600	276,521	54,921
Fund balances, end of year	$ 131,600	$ 253,318	$ 121,718

CITY OF NEWTON, KANSAS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL
LIBRARY FUND
Year Ended December 31, 2022

	Original and Final Budgeted Amounts	Actual	Variance with Final Budget
Revenues and other sources:			
Property taxes	$ 831,371	$ 765,524	$ (65,847)
Intergovernmental	-	41,687	41,687
Total revenues and other sources	831,371	807,211	(24,160)
Expenditures and other uses:			
Appropriations to Library	821,826	821,827	1
Capital outlay	20,000	-	(20,000)
Total expenditures and other uses	841,826	821,827	(19,999)
Excess (deficiency) of revenues and other sources over (under) expenditures and other uses	(10,455)	(14,616)	(4,161)
Fund balances, beginning of year	-	53,049	53,049
Fund balances, end of year	$ (10,455)	$ 38,433	$ 48,888

CITY OF NEWTON, KANSAS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL
COMMUNITY IMPROVEMENT DISTRICT SALES TAX FUND
Year Ended December 31, 2022

	Original and Final Budgeted Amounts	Actual	Variance with Final Budget
Revenues and other sources:			
Sales tax	$ 100,000	$ 87,150	$ (12,850)
Expenditures and other uses:			
Expense reimbursements	95,000	87,150	(7,850)
Fees and commissions	5,000	-	(5,000)
Total expenditures and other uses	100,000	87,150	(12,850)
Excess (deficiency) of revenues and other sources over (under) expenditures and other uses	-	-	-
Fund balances, beginning of year	-	-	-
Fund balances, end of year	$ -	$ -	$ -

CITY OF NEWTON, KANSAS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL
CEMETERY & MAUSOLEUM FUND
Year Ended December 31, 2022

	Original and Final Budgeted Amounts	Actual	Variance with Final Budget
Revenues and other sources:			
Sale of cemetery lots	$ 10,500	$ 20,312	$ 9,812
Investment earnings	600	4,484	3,884
Total revenues and other sources	11,100	24,796	13,696
Expenditures and other uses:			
Capital outlay	20,000	-	(20,000)
Excess (deficiency) of revenues and other sources over (under) expenditures and other uses	(8,900)	24,796	33,696
Fund balances, beginning of year	84,397	418,216	333,819
Fund balances, end of year	$ 75,497	$ 443,012	$ 367,515

CITY OF NEWTON, KANSAS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL
BOND & INTEREST FUND
Year Ended December 31, 2022

	Original and Final Budgeted Amounts	Actual	Variance with Final Budget
Revenues and other sources:			
Property taxes	$ 1,539,835	$ 1,427,144	$ (112,691)
Special assessments	1,038,141	1,045,836	7,695
Intergovernmental	-	94,575	94,575
Other	1,311,350	4,510	(1,306,840)
Transfers in	1,601,201	2,893,177	1,291,976
Total revenues and other sources	5,490,527	5,465,242	(25,285)
Expenditures and other uses:			
Debt service:			
Principal	3,990,000	2,778,350	(1,211,650)
Interest	1,251,673	918,745	(332,928)
Projected future debt	260,700	-	(260,700)
Transfers out	-	1,476,326	1,476,326
Total expenditures and other uses	5,502,373	5,173,421	(328,952)
Excess (deficiency) of revenues and other sources over (under) expenditures and other uses	(11,846)	291,821	303,667
Fund balances, beginning of year	-	1,252,910	1,252,910
Fund balances, end of year	$ (11,846)	$ 1,544,731	$ 1,556,577

CITY OF NEWTON, KANSAS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL
SEWER FUND
Year Ended December 31, 2022

	Original and Final Budgeted Amounts	Actual	Variance with Final Budget
Revenues and other sources:			
Service fees	$ 7,863,000	$ 7,732,432	$ (130,568)
Capital grants	21,000	-	(21,000)
Transfers in	2,545,387	1,233,479	(1,311,908)
Land rent	22,000	14,102	(7,898)
Other	6,000	14,108	8,108
Total revenues and other sources	10,457,387	8,994,121	(1,463,266)
Expenditures and other uses:			
Personnel services	1,995,074	1,794,615	(200,459)
Contractual services	914,645	1,023,069	108,424
Commodities	116,900	85,901	(30,999)
Vehicle operating	48,420	65,649	17,229
Capital outlay	163,000	19,569	(143,431)
Projected debt service	-	3,725,265	3,725,265
Expense reimbursement	554,612	-	(554,612)
Principal	2,202,990	-	(2,202,990)
Interest	334,834	-	(334,834)
Other	32,372	30,600	(1,772)
Transfers out	5,667,202	3,602,947	(2,064,255)
Total expenditures and other uses	12,030,049	10,347,615	(1,682,434)
Excess (deficiency) of revenues and other sources over (under) expenditures and other uses	(1,572,662)	(1,353,494)	219,168
Fund balances, beginning of year	5,039,451	7,743,945	2,704,494
Fund balances, end of year	$ 3,466,789	6,390,451	$ 2,923,662

(Continued)

CITY OF NEWTON, KANSAS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL
SEWER FUND
(Continued)
Year Ended December 31, 2022

Reconciliation to GAAP:	
Plus capital assets, net of accumulated depreciation at December 31, 2022	38,186,555
Plus deferred charges on refunding at December 31, 2022	259,578
Plus deferred outflows - OPEB at December 31, 2022	20,201
Plus deferred outflows - pension at December 31, 2022	456,558
Less compensated absences at December 31, 2022	(19,513)
Less accrued interest payable at December 31, 2022	(174,651)
Less total OPEB liability at December 31, 2022	(18,469)
Less net pension liability at December 31, 2022	(1,251,041)
Less state revolving fund loans payable at December 31, 2022	(10,026,249)
Less general obligation bonds, net at December 31, 2022	(8,907,907)
Less deferred inflows - OPEB at December 31, 2022	(17,821)
Less deferred inflows - pension at December 31, 2022	(6,500)
Plus encumbrances outstanding at December 31, 2022	63,827
Fund balance on the basis of GAAP	24,955,019
Fund balances for non-budgeted funds included with the Sewer Fund on GAAP basis financials:	
Sewer Special Reserve Fund	5,986,631
	$ 30,941,650

CITY OF NEWTON, KANSAS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL
WATERWORKS FUND
Year Ended December 31, 2022

	Original and Final Budgeted Amounts	Actual	Variance with Final Budget
Revenues and other sources:			
Service fees	$ 4,550,000	$ 4,780,515	$ 230,515
Interest	-	2,125	2,125
Capital grants	159,300	-	(159,300)
Other	-	58,568	58,568
Transfers in	463,073	249,846	(213,227)
Total revenues and other sources	5,172,373	5,091,054	(81,319)
Expenditures and other uses:			
Personnel services	2,048,606	1,939,757	(108,849)
Contractual services	1,715,063	1,544,774	(170,289)
Commodities	111,050	141,729	30,679
Vehicle operating	77,170	74,401	(2,769)
Capital outlay	85,000	11,218	(73,782)
Fees and commission	3,792	-	(3,792)
Other	-	4,225	4,225
Principal	125,522	316,097	190,575
Interest	33,759	96,012	62,253
Projected future debt	300,000	-	(300,000)
Transfers out	1,946,605	2,120,097	173,492
Total expenditures and other uses	6,446,567	6,248,310	(198,257)
Revenues (expenditures) not subject to budget:			
Revolving loan proceeds	-	800,856	800,856
Excess (deficiency) of revenues and other sources over (under) expenditures and other uses	(1,274,194)	(356,400)	917,794
Fund balances, beginning of year	944,563	3,063,387	2,118,824
Fund balances, end of year	$ (329,631)	2,706,987	$ 3,036,618
Reconciliation to GAAP:			
Plus capital assets, net of accumulated depreciation at December 31, 2022		11,053,179	
Plus deferred charges on refunding at December 31, 2022		13,293	
Plus deferred outflows - OPEB at December 31, 2022		29,980	
Plus deferred outflows - pension at December 31, 2022		485,250	
Less compensated absences at December 31, 2022		(46,119)	
Less accrued interest payable at December 31, 2022		(34,324)	
Less total OPEB liability at December 31, 2022		(55,355)	
Less net pension liability at December 31, 2022		(1,329,662)	
Less state revolving fund loans payable at December 31, 2022		(1,789,817)	
Less general obligation bonds, net at December 31, 2022		(2,048,871)	
Lease liability at December 31, 2022		(6,628)	
Less deferred inflows - OPEB at December 31, 2022		(7,846)	
Less deferred inflows - pension at December 31, 2022		(6,909)	
Plus encumbrances outstanding at December 31, 2022		186,017	
Fund balance on the basis of GAAP		9,149,175	
Fund balances for non-budgeted funds included with the Waterworks Fund on GAAP basis financials:			
Waterworks Special Reserve Fund		5,233,152	
		$ 14,382,327	

CITY OF NEWTON, KANSAS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL
SANITATION FUND
Year Ended December 31, 2022

	Original and Final Budgeted Amounts	Actual	Variance with Final Budget
Revenues and other sources:			
Refuse collection	$ 2,181,701	$ 2,239,717	$ 58,016
Other	29,000	26,323	(2,677)
Total revenues and other sources	2,210,701	2,266,040	55,339
Expenditures and other uses:			
Personnel services	1,082,573	994,659	(87,914)
Contractual services	503,389	578,912	75,523
Commodities	62,075	22,692	(39,383)
Vehicle operating	248,298	261,684	13,386
Transfers out	494,810	422,579	(72,231)
Total expenditures and other uses	2,391,145	2,280,526	(110,619)
Excess (deficiency) of revenues and other sources over (under) expenditures and other uses	(180,444)	(14,486)	165,958
Fund balances, beginning of year	1,095,299	1,628,434	533,135
Fund balances, end of year	$ 914,855	1,613,948	$ 699,093
Reconciliation to GAAP:			
Plus capital assets, net of accumulated depreciation at December 31, 2022		457,404	
Plus deferred outflows - OPEB at December 31, 2022		14,854	
Plus deferred outflows - pension at December 31, 2022		246,904	
Less compensated absences at December 31, 2022		(26,342)	
Less total OPEB liability at December 31, 2022		(32,995)	
Less net pension liability at December 31, 2022		(676,555)	
Less deferred inflows - OPEB at December 31, 2022		(1,993)	
Less deferred inflows - pension at December 31, 2022		(3,515)	
Plus encumbrances outstanding at December 31, 2022		1,592	
Fund balance on the basis of GAAP		1,593,302	
Fund balances for non-budgeted funds included with the Sanitation Fund on GAAP basis financials:			
Solid Waste Special Reserve Fund		630,835	
		$ 2,224,137	

CITY OF NEWTON, KANSAS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL
GOLF COURSE FUND
Year Ended December 31, 2022

	Budgeted Amounts			Variance with Final
	Original	Final	Actual	Budget
Revenues and other sources:				
Golf course revenue	$ 1,295,304	$ 1,395,304	$ 1,562,544	$ 167,240
Interest	-	-	10,027	10,027
Other	-	-	13,102	13,102
Total revenues and other sources	1,295,304	1,395,304	1,585,673	190,369
Expenditures and other uses:				
Personnel services	678,152	678,152	667,507	(10,645)
Contractual services	260,021	260,021	332,948	72,927
Commodities	359,210	399,210	350,323	(48,887)
Capital outlay	-	60,000	93,411	33,411
Total expenditures and other uses	1,297,383	1,397,383	1,444,189	46,806
Excess (deficiency) of revenues and other sources over (under) expenditures and other uses	(2,079)	(2,079)	141,484	143,563
Fund balances, beginning of year	46,462	46,462	530,894	484,432
Fund balances, end of year	$ 44,383	$ 44,383	672,378	$ 627,995
Reconciliation to GAAP:				
Plus capital assets, net of accumulated depreciation at December 31, 2022			6,351,770	
Less advances to other funds at December 31, 2022			(1,538,400)	
Fund balance on the basis of GAAP			5,485,748	
Fund balances for non-budgeted funds included with the Golf Course Fund on GAAP basis financials:				
Golf Course Special Reserve Fund			178,145	
			$ 5,663,893	

CITY OF NEWTON, KANSAS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL
MERIDIAN CENTER FUND
Year Ended December 31, 2022

	Original and Final Budgeted Amounts	Actual	Variance with Final Budget
Revenues and other sources:			
Meridian Center revenues	$ 524,129	$ 296,301	$ (227,828)
Other	-	1	1
Transfers in	-	150,000	150,000
Total revenues and other sources	524,129	446,302	(77,827)
Expenditures and other uses:			
Personnel services	338,634	306,593	(32,041)
Contractual services	110,865	63,974	(46,891)
Commodities	73,605	74,584	979
Total expenditures and other uses	523,104	445,151	(77,953)
Excess (deficiency) of revenues and other sources over (under) expenditures and other uses	1,025	1,151	126
Fund balances, beginning of year	7,173	81,111	73,938
Fund balances, end of year	$ 8,198	82,262	$ 74,064
Reconciliation to GAAP:			
Plus capital assets, net of accumulated depreciation at December 31, 2022		2,595,804	
Plus deferred outflows - pension at December 31, 2022		73,996	
Less compensated absences at December 31, 2022		(6,632)	
Less net pension liability at December 31, 2022		(202,760)	
Less deferred inflows - OPEB at December 31, 2022		(1,053)	
Fund balance on the basis of GAAP - Meridian Center Fund only		2,541,617	
Fund balances for non-budgeted funds included with the Meridian Center Fund on GAAP basis financials:			
Meridian Center Special Reserve Fund		169,275	
		$ 2,710,892	

CITY OF NEWTON, KANSAS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL
STORES AND MAINTENANCE FUND
Year Ended December 31, 2022

	Original and Final Budgeted Amounts	Actual	Variance with Final Budget
Revenues and other sources:			
Stores and maintenance revenues	$ 933,741	$ 979,081	$ 45,340
Other	-	548	548
Transfers in	-	176,619	176,619
Total revenues and other sources	933,741	1,156,248	222,507
Expenditures and other uses:			
Personnel services	230,844	252,947	22,103
Contractual services	58,329	57,735	(594)
Commodities	501,627	622,229	120,602
Vehicle operating expense	46,379	29,210	(17,169)
Transfer out	86,000	86,000	-
Total expenditures and other uses	923,179	1,048,121	124,942
Excess (deficiency) of revenues and other sources over (under) expenditures and other uses	10,562	108,127	97,565
Fund balances, beginning of year	78,995	252,610	173,615
Fund balances, end of year	$ 89,557	360,737	$ 271,180
Reconciliation to GAAP:			
Plus capital assets, net of accumulated depreciation at December 31, 2022		601,312	
Less compensated absences at December 31, 2022		(6,994)	
Fund balance on the basis of GAAP - Stores and Maintenance Fund only		955,055	
Fund balances for non-budgeted funds included with the Stores and Maintenance Fund on GAAP basis financials:			
Stores and Maintenance Special Reserve Fund		720,227	
		$ 1,675,282	

CITY OF NEWTON, KANSAS
COMPONENT UNIT FUND FINANCIAL STATEMENTS -
NEWTON PUBLIC LIBRARY
BALANCE SHEET
December 31, 2022

Assets:		
Cash	$	2,214,606
Liabilities:		
Accounts payable	$	338
Fund balance:		
Assigned for library services		2,214,268
	$	2,214,606

CITY OF NEWTON, KANSAS
COMPONENT UNIT FUND FINANCIAL STATEMENTS -
NEWTON PUBLIC LIBRARY
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
Year Ended December 31, 2022

Revenues:		
Taxes	$	821,826
Intergovernmental		80,616
Fines and fees		12,119
Interest		20,091
Other		58,031
Total revenues		992,683
Expenditures:		
Personnel services		533,248
Contractual services		60,453
Commodities		220,659
Capital outlay		105,629
Total expenditures		919,989
Revenues over expenditures		72,694
Fund balances, beginning		2,141,574
Fund balances, ending	$	2,214,268

STATISTICAL SECTION

This part of the City of Newton annual comprehensive financial report presents detailed information as a context for understanding what the information in the financial statements and note disclosures says about the City's overall financial health.

Contents	Page
Financial Trends These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	118
Revenue Capacity These schedules contain information to help the reader assess the City's most significant local revenue source, property tax.	124
Debt Capacity These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.	127
Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.	134
Operating Information These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the government provides and the activities it performs.	136

Sources: Unless otherwise noted, the information in these schedules is derived from the annual comprehensive financial reports for the relevant year.

City of Newton, Kansas
Net Position by Component
Last Ten Fiscal Years
(accrual basis of accounting)

	Fiscal Year									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Governmental Activities										
Net Investment in capital assets	$ 26,838,054	$ 29,883,633	$ 36,686,376	$ 38,764,600	$ 39,761,637	$ 31,214,458	$ 33,431,937	$ 32,670,298	$ 36,511,227	$ 36,895,067
Restricted	1,536,715	1,362,548	1,439,323	1,933,865	1,500,683	1,346,578	1,830,999	1,997,395	2,630,206	3,430,486
Unrestricted	17,093,475	16,219,976	13,795,417	6,823,532	7,429,172	9,713,861	4,692,930	9,353,969	8,002,860	6,562,953
Total Governmental Activities Net Position	45,468,244	47,466,157	51,921,116	47,521,997	48,691,492	42,274,897	39,955,866	44,021,662	47,144,293	46,888,506
Business-Type Activities										
Net Investment in capital assets	24,448,242	27,620,849	20,602,178	22,489,495	24,173,466	25,953,239	29,671,394	29,137,494	36,215,736	34,218,081
Restricted	434,960	434,960	-	-	-	-	-	-	-	-
Unrestricted	14,308,166	14,007,071	13,789,024	18,016,978	18,787,380	19,680,498	20,918,856	21,304,587	19,671,864	23,990,121
Total Business-Type Activities Net Position	39,191,368	42,062,880	34,391,202	40,506,473	42,960,846	45,633,737	50,590,250	50,442,081	55,887,600	58,208,202
Primary Government										
Net Investment in capital assets	51,286,296	57,504,482	57,288,554	61,254,095	63,935,103	57,167,697	63,103,331	61,807,792	72,726,963	71,113,148
Restricted	1,971,675	1,797,508	1,439,323	1,933,865	1,500,683	1,346,578	1,830,999	1,997,395	2,630,206	3,430,486
Unrestricted	31,401,641	30,227,047	27,584,441	24,840,510	26,216,552	29,394,359	25,611,786	30,658,556	27,674,724	30,553,074
Total Primary Government Net Position	$ 84,659,612	$ 89,529,037	$ 86,312,318	$ 88,028,470	$ 91,652,338	$ 87,908,634	$ 90,546,116	$ 94,463,743	$ 103,031,893	$ 105,096,708

City of Newton, Kansas
Changes in Net Position
Last Ten Fiscal Years
(accrual basis of accounting)

	Fiscal Year									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Expenses										
Governmental Activities:										
General Government	$ 2,288,726	$ 2,748,317	$ 5,174,403	$ 5,783,528	$ 5,620,468	$ 12,778,534	$ 7,559,081	$ 5,681,133	$ 5,385,546	$ 9,108,702
Public Safety	8,646,918	9,091,977	9,303,375	9,505,060	10,088,286	10,116,200	10,805,239	11,427,887	11,050,615	12,688,665
Highway and streets	3,032,939	3,123,553	3,648,390	4,282,409	3,800,765	5,093,585	4,970,201	3,773,794	4,404,305	5,459,269
Culture and recreation	3,419,439	3,301,952	1,579,483	1,234,521	1,171,821	1,174,557	1,215,667	1,347,875	1,300,417	1,463,514
Airport	1,552,477	2,037,345	1,087,037	1,102,985	1,206,993	1,232,950	1,173,152	1,042,403	1,606,844	1,513,020
Public works	1,864,153	1,768,709	-	-	-	-	-	-	-	-
Interest and fiscal charges	1,538,070	1,455,266	1,132,419	1,105,739	1,013,907	1,132,291	1,335,809	1,461,697	1,073,799	846,320
Total Governmental Activities Expenses	22,342,722	23,527,119	21,925,107	23,014,242	22,902,240	31,528,117	27,059,149	24,734,789	24,821,526	31,079,490
Business-Type Activities:										
Sewer	4,281,556	4,497,867	4,637,153	4,998,558	5,324,984	4,501,081	4,523,468	5,206,266	5,308,781	5,690,790
Sanitation	1,712,657	1,719,060	1,513,093	1,527,086	1,554,284	1,374,701	1,362,051	1,773,244	1,752,106	1,805,788
Waterworks	3,337,612	3,626,523	3,508,579	3,391,266	3,120,146	2,942,407	2,857,374	3,497,672	3,633,023	3,968,995
Golf Course	1,567,606	1,810,959	1,528,489	1,473,942	1,426,127	1,470,516	1,400,571	1,456,132	1,566,644	1,819,318
Public Building Commission	-	-	562,527	368,853	324,963	347,820	340,555	569,091	449,532	498,967
Meridian Center	-	-	-	-	-	-	-	-	548,489	576,506
Total Business-Type Activities Expenses	10,899,431	11,654,409	11,749,841	11,759,705	11,750,504	10,636,525	10,484,019	12,502,405	13,258,575	14,360,364
Total Primary Government Expenses	$ 33,242,153	$ 35,181,528	$ 33,674,948	$ 34,773,947	$ 34,652,744	$ 42,164,642	$ 37,543,168	$ 37,237,194	$ 38,080,101	$ 45,439,854
Program Revenues										
Governmental Activities										
Charges for Services:										
General Government	$ 363,047	$ 309,320	$ 2,368,777	$ 2,705,182	$ 2,942,043	$ 2,821,681	$ 2,880,710	$ 2,471,425	$ 362,792	$ 655,017
Public Safety	1,918,658	1,839,673	747,634	741,231	563,183	623,596	612,601	470,104	2,644,137	2,546,044
Highway and streets	16,460	17,054	239,518	74,030	77,080	61,000	44,500	39,417	-	-
Culture and recreation	325,775	363,347	-	-	-	-	-	-	-	-
Airport	1,461,068	1,782,788	1,209,220	1,239,584	1,334,896	1,215,993	1,112,107	1,004,608	1,315,054	1,573,297
Operating Grants and Contributions	642,795	632,319	322,763	174,911	163,944	164,488	178,704	161,641	1,761,940	176,676
Capital Grants and Contributions	5,828,963	2,586,491	897,434	930,216	2,231,945	1,544,643	2,587,110	3,225,926	5,527,136	5,258,644
Total Governmental Activities Program Revenues	10,556,766	7,530,992	5,785,346	5,865,154	7,313,091	6,431,401	7,415,732	7,373,121	11,611,059	10,209,678
Business-Type Activities:										
Charges for Services:										
Sewer	5,728,875	8,253,518	8,423,449	7,884,133	7,793,529	7,806,912	7,852,401	7,799,368	7,795,384	7,763,348
Sanitation	1,758,369	1,886,439	1,951,091	1,960,966	2,050,712	2,086,312	2,106,863	2,184,475	2,239,112	2,266,770
Waterworks	4,719,479	4,866,859	4,891,503	4,591,259	4,738,762	4,641,193	4,524,748	4,661,008	4,728,560	4,839,083
Golf Course	1,158,457	1,212,284	1,169,398	1,059,336	1,023,682	1,071,171	1,086,254	1,232,184	1,474,491	1,575,646
Public Building Commission	-	-	336,594	345,633	349,530	353,909	358,476	396,780	404,641	482,834
Meridian Center	-	-	-	-	-	-	-	-	159,968	296,302
Capital Grants and Contributions	889,233	669,107	21,000	21,000	21,000	21,000	21,000	21,000	342,372	-
Total Business-Type Activities Program Revenues	14,254,413	16,888,207	16,793,035	15,862,327	15,977,215	15,980,497	15,949,742	16,294,815	17,144,528	17,223,983
Total Primary Government Program Revenues	$ 24,811,179	$ 24,419,199	$ 22,578,381	$ 21,727,481	$ 23,290,306	$ 22,411,898	$ 23,365,474	$ 23,667,936	$ 28,755,587	$ 27,433,661

City of Newton, Kansas
Changes in Net Position
Last Ten Fiscal Years (Continued)
(accrual basis of accounting)

	Fiscal Year									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Net (Expense) Revenue										
Governmental Activities	$(11,785,956)	$(15,996,127)	$(16,139,761)	$(17,149,088)	$(15,589,149)	$(25,096,716)	$(19,643,417)	$(17,361,668)	$(13,210,467)	$(20,869,812)
Business-Type Activities:	3,354,982	5,233,798	5,043,194	4,102,622	4,226,711	5,343,972	5,465,723	3,792,410	3,885,953	2,863,619
Total Primary Government Net Expense	$ (8,430,974)	$(10,762,329)	$(11,096,567)	$(13,046,466)	$(11,362,438)	$(19,752,744)	$(14,177,694)	$(13,569,258)	$ (9,324,514)	$(18,006,193)
General revenues:										
Governmental Activities:										
Taxes										
Property taxes and special assessments	$ 7,896,230	$ 7,010,541	$ 6,937,340	$ 6,971,421	$ 7,493,054	$ 8,126,788	$ 8,268,042	$ 8,767,116	$ 8,835,761	$ 8,746,742
Sales tax	4,822,064	5,084,012	5,122,782	5,209,627	5,106,324	5,099,402	5,355,924	5,526,871	6,221,635	6,715,797
Franchise taxes	1,533,637	1,641,767	1,533,036	1,549,594	1,551,793	1,615,724	1,566,090	1,468,435	1,519,599	1,775,707
Excise taxes	-	-	333,362	229,487	295,187	261,630	288,752	188,022	316,027	337,277
Other	907,779	1,050,347	1,142,945	568,864	788,044	-	-	-	-	-
Intergovernmental, not restricted						-	-	-	-	-
to specific programs	630,322	643,094	-	-	-	-	-	-	-	-
Investment earnings	8,873	7,665	8,664	31,836	158,132	387,944	592,968	202,942	4,056	487,475
Gain (Loss) on sale of property	-	-	-	-	-	-	-	54,424	-	-
Other	436,256	194,311	-	-	-	601,400	585,095	1,138,762	730,551	1,820,415
Transfers in (out)	1,887,870	2,362,303	6,518,537	2,232,376	1,931,491	2,805,431	667,515	4,080,892	(1,160,492)	730,612
Total governmental activities	18,123,031	17,994,040	21,596,666	16,793,205	17,324,025	18,898,319	17,324,386	21,427,464	16,467,137	20,614,025
Business-Type Activities										
Property Taxes	-	-	21,030	88,918	150,452	118,927	126,910	133,941	142,240	149,018
Investment earnings	39	17	743	968	2,043	4,423	5,245	5,872	3,962	32,178
Gain (Loss) on sale of property	-	-	-	55,810	50,079	11,000	26,150	500	60,105	6,399
Other	-	-	-	-	-	-	-	-	-	-
Transfers in (out)	(1,887,870)	(2,362,303)	(6,518,537)	(2,232,376)	(1,931,491)	(2,805,431)	(667,515)	(4,080,892)	1,160,492	(730,612)
Total Business-Type Activities	(1,887,831)	(2,362,286)	(6,496,764)	(2,086,680)	(1,728,917)	(2,671,081)	(509,210)	(3,940,579)	1,366,799	(543,017)
Total Primary Government	$ 16,235,200	$ 15,631,754	$ 15,099,902	$ 14,706,525	$ 15,595,108	$ 16,227,238	$ 16,815,176	$ 17,486,885	$ 17,833,936	$ 20,071,008
Change in Net Position										
Governmental Activities:	$ 6,337,075	$ 1,997,913	$ 5,456,905	$ (355,883)	$ 1,734,876	$ (6,198,397)	$ (2,319,031)	$ 4,065,796	$ 3,256,670	$ (255,787)
Business-Type Activities	1,467,151	2,871,512	(1,453,570)	2,015,942	2,497,794	2,672,891	4,956,513	(148,169)	5,252,752	2,320,602
Total Primary Government	$ 7,804,226	$ 4,869,425	$ 4,003,335	$ 1,660,059	$ 4,232,670	$ (3,525,506)	$ 2,637,482	$ 3,917,627	$ 8,509,422	$ 2,064,815

City of Newton, Kansas
Fund Balances, Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

	Fiscal Year									
	2013	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**
General Fund										
Nonspendable	$ 474,245	$ 469,527	$ 81,134	$ 378,184	$ 400,497	$ 400,438	$ 172,758	$ 143,293	$ 370,825	$ 400,675
Restricted	-	-	-	-	-	-	-	-	-	-
Committed	-	-	-	-	-	-	-	-	-	-
Assigned	4,116,323	4,186,079	2,648,047	2,956,891	3,776,145	3,845,686	4,799,804	5,316,609	6,248,318	8,885,950
Unassigned	2,273,622	2,669,488	4,618,705	4,086,247	5,087,304	5,912,102	6,806,108	6,494,744	6,924,108	6,344,757
Total General Fund	$ 6,864,190	$ 7,325,094	$ 7,347,886	$ 7,421,322	$ 9,263,946	$ 10,158,226	$ 11,778,670	$ 11,954,646	$ 13,543,251	$ 15,631,382
All Other Governmental Funds										
Nonspendable	64,971	70,986	2,580,236	2,346,965	2,161,678	82,228	59,402	31,981	44,747	92,207
Restricted	1,536,715	1,362,548	1,634,223	1,933,865	1,809,478	3,869,877	2,096,600	2,322,815	2,929,219	3,712,705
Committed	-	-	-	-	-	-	-	-	-	-
Assigned	787,481	736,906	529,656	489,123	464,797	438,279	354,337	315,448	344,135	418,683
Unassigned	(6,521,063)	(7,904,689)	(110,924)	(5,769,877)	(5,086,357)	(2,864,526)	(6,514,042)	(1,593,805)	(3,830,366)	(6,081,659)
Total all other governmental funds	$ (4,131,896)	$ (5,734,249)	$ 4,633,191	$ (999,924)	$ (650,404)	$ 1,525,858	$ (4,003,703)	$ 1,076,439	$ (512,265)	$ (1,858,064)

NOTE: The City implemented presenting fund balance classifications in aggregate for Year(s) 2011 and forward.

City of Newton, Kansas
Changes in Fund Balances, Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

	Fiscal Year									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Revenues:										
Taxes and special assessments	$ 14,429,226	$ 15,540,667	$ 15,007,865	$ 15,052,285	$ 15,480,760	$ 16,170,614	$ 16,561,690	$ 16,885,494	$ 18,072,836	$ 18,621,359
Intergovernmental	7,102,080	3,197,923	1,005,734	1,111,259	2,359,315	1,420,014	1,740,253	2,503,891	7,211,550	5,519,339
Licenses and permits	156,468	174,173	218,416	188,896	268,272	211,191	179,581	246,223	268,673	384,405
Charges for services	1,660,051	1,454,223	3,599,100	4,015,948	4,135,203	3,936,825	3,895,673	3,273,780	3,537,380	3,969,301
Fines, forfeitures and penalties	534,836	592,416	747,634	555,184	513,727	574,254	574,664	465,551	515,930	420,652
Use of money and property	885,909	924,512	8,664	31,836	158,132	387,944	592,969	202,942	4,056	487,475
Other	1,371,728	1,392,824	1,142,945	568,866	788,043	601,403	585,097	1,138,759	730,551	1,473,377
Total revenues	26,140,298	23,276,738	21,730,358	21,524,274	23,703,452	23,302,245	24,129,927	24,716,640	30,340,976	30,875,908
Expenditures:										
Current:										
General government	2,167,088	2,582,772	3,806,879	4,611,452	4,345,450	5,265,340	5,030,510	4,382,359	3,874,911	3,835,810
Public safety	8,471,230	8,710,352	9,163,587	8,967,108	9,030,689	9,531,363	9,586,393	10,028,895	10,487,108	11,126,098
Highway and streets	2,170,059	2,161,912	2,363,275	2,573,365	2,366,007	2,894,550	3,239,675	2,512,205	2,852,039	3,041,819
Culture and recreation	3,065,122	2,898,249	1,124,950	1,035,743	966,463	987,674	1,044,970	1,129,287	1,136,918	1,346,090
Airport	1,260,621	1,542,993	1,087,037	1,102,985	1,206,993	1,232,950	1,173,152	1,042,403	1,451,698	1,520,678
Capital outlay	6,900,796	5,066,359	15,525,043	5,090,535	2,402,131	4,298,181	5,873,290	5,744,279	8,286,787	11,758,745
Debt service:										
Principal	2,165,351	2,319,928	1,964,548	2,131,737	2,435,808	2,548,882	4,201,125	13,010,189	3,114,212	2,814,513
Interest	1,474,474	1,496,978	1,156,818	1,034,633	1,010,773	994,140	1,340,904	1,083,516	1,085,184	919,167
Fees and commissions	1,185	947	109,385	109,560	179	114,048	-	-	-	-
Total expenditures	27,675,926	26,780,490	36,301,522	26,657,118	23,764,493	27,867,128	31,490,019	38,933,133	32,288,857	36,362,920
Excess (deficiency) of revenues over (under) expenditures	(1,535,628)	(3,503,752)	(14,571,164)	(5,132,844)	(61,041)	(4,564,883)	(7,360,092)	(14,216,493)	(1,947,881)	(5,487,012)
Other financing sources (uses):										
General obligation bonds issued	2,635,553	-	5,407,691	-	-	3,615,000	-	14,802,434	-	-
Refunding bonds issued	5,225,000	-	-	7,259,704	-	-	-	-	(3,643,087)	-
Sales of capital assets	-	-	90,000	58,405	62,705	175,750	117,681	107,940	102,318	2,249,737
Transfers in	4,902,531	4,537,230	19,955,741	7,404,021	6,394,896	7,671,491	7,339,662	9,063,480	8,220,561	8,768,579
Issuance of lease obligation	-	-	-	-	-	-	-	-	-	10,464
Premium on general obligation bonds issued	-	-	-	565,412	-	64,026	-	-	3,369,009	-
Payment to refunding bond escrow agent	(5,243,764)	-	-	(7,735,899)	-	-	-	(341,190)	350,187	-
Transfers out	(3,014,661)	(2,174,927)	(4,313,221)	(3,935,242)	(4,204,416)	(3,890,842)	(4,006,368)	(4,160,053)	(6,317,165)	(4,799,436)
Total other financing sources (uses)	4,504,659	2,362,303	21,140,211	3,616,401	2,253,185	7,635,425	3,450,975	19,472,611	2,081,823	6,229,344
Net change in fund balances	$ 2,969,031	$ (1,141,449)	$ 6,569,047	$ (1,516,443)	$ 2,192,144	$ 3,070,542	$ (3,909,117)	$ 5,256,118	$ 133,942	$ 742,332
Debt service as a percentage of noncapital expenditures	16.08%	16.25%	10.08%	13.47%	15.55%	13.78%	18.22%	40.66%	16.55%	12.40%

City of Newton, Kansas
Tax Revenues by Source, Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

Fiscal Year	Property Tax	Motor Vehicle Tax	Sales Tax	Transient Guest Tax	Franchise Taxes	Special Assessments	Total
2013	$ 5,180,522	$ 698,981	$ 4,846,036	$ 222,327	$ 1,555,840	$ 1,174,714	$ 13,678,420
2014	5,783,604	715,810	5,084,012	219,953	1,663,360	1,220,746	14,687,485
2015	6,117,926	819,414	5,122,782	333,362	1,533,036	1,081,345	15,007,865
2016	6,129,332	842,089	5,209,627	229,487	1,549,594	1,092,156	15,052,285
2017	6,654,191	838,864	5,106,324	295,189	1,551,793	1,034,403	15,480,764
2018	7,184,820	941,968	5,099,402	261,630	1,615,724	1,067,070	16,170,614
2019	7,277,400	990,642	5,355,924	288,752	1,566,090	1,082,882	16,561,690
2020	7,728,410	1,038,706	5,526,871	188,022	1,468,435	935,050	16,885,494
2021	7,749,480	1,086,281	6,221,634	316,028	1,519,599	1,179,813	18,072,835
2022	7,712,268	1,034,474	6,715,797	337,277	1,775,707	1,045,836	18,621,359
Change 2013-2022	48.9%	48.0%	38.6%	51.7%	14.1%	-11.0%	36.1%

City of Newton, Kansas

Assessed Value and Estimated Actual Value of Taxable Property
Last Ten Fiscal Years

Fiscal Year	Real Property	Personal Property	Motor Vehicle	Total	Total Direct Tax Rate	Estimated Actual Value	Assessed Value as a Percentage of Actual Value
2013	$ 106,607,455	$ 9,516,129	$ 16,974,048	$ 133,097,632	51.114	$ 851,446,896	15.63%
2014	108,681,175	8,459,719	17,144,189	134,285,083	52.096	861,683,717	15.58%
2015	109,184,983	8,918,542	17,557,227	135,660,752	52.091	870,900,047	15.58%
2016	110,136,068	8,797,562	17,745,559	136,679,189	57.121	881,164,701	15.51%
2017	111,244,972	8,766,296	17,682,215	137,693,483	60.326	885,807,281	15.54%
2018	111,511,358	9,124,296	18,180,252	138,815,906	62.509	893,278,237	15.54%
2019	115,857,340	9,336,794	18,592,793	143,786,927	62.470	923,963,971	15.56%
2020	118,204,379	9,852,038	18,909,615	146,966,032	62.535	945,971,580	15.54%
2021	120,463,231	9,333,541	19,455,107	149,251,879	62.506	978,287,548	15.26%
2022	128,424,743	10,539,938	18,489,880	157,454,561	70.383	958,857,327	16.42%

Source: *Harvey County Clerk*

The assessed value of each class is calculated by varying percentages of appraised or market value. The range varies from 11.5% for residential to 33% for public utilities.

n/a: Information not available.

Property Tax Levies and Collections
Last Ten Fiscal Years

Fiscal Year	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2013	6,488,404	6,163,075	94.99%	133,053	6,296,128	97.04%
2014	7,194,203	6,850,152	95.22%	131,899	6,982,051	97.05%
2015	7,451,137	7,102,109	95.32%	139,512	7,241,621	97.19%
2016	7,503,461	7,163,158	95.46%	213,316	7,376,474	98.31%
2017	8,127,835	7,912,242	97.35%	195,124	8,107,366	99.75%
2018	8,613,339	8,184,191	95.02%	164,911	8,349,102	96.93%
2019	8,945,655	8,419,984	94.12%	252,583	8,672,567	96.95%
2020	9,229,361	8,730,488	94.59%	91,107	8,821,595	95.58%
2021	9,425,425	8,925,316	94.69%	10,074	8,935,390	94.80%
2022	9,471,046	8,971,192	94.72%	0	8,971,192	94.72%

Source: *Harvey County Clerk & City Financial's*

** Fiscal year refers to Budget year. Tax levy is set in November of prior year.*

City of Newton, Kansas

Direct and Overlapping Property Tax Rates
(Per $1,000 of assessed value)
Last Ten Fiscal Years

	City of Newton						Other Overlapping Governments				
Tax Year	General Fund	Airport Fund	Library	Bond and Interest	Special Liability	Total	School District No 373	Harvey County	State of Kansas	Sand Creek Watershed District	Grand Total
2013	42.704	0.656	5.674	1.843	0.237	**51.114**	65.005	35.586	1.500	0.254	**153.459**
2014	43.739	0.647	5.708	1.873	0.129	**52.096**	60.478	36.238	1.500	0.257	**150.569**
2015	41.849	0.647	5.675	3.920	-	**52.091**	63.061	38.817	1.500	0.256	**155.725**
2016	45.622	0.698	5.809	4.833	0.159	**57.121**	62.786	41.358	1.500	0.256	**163.021**
2017	47.615	0.593	5.758	6.173	0.187	**60.326**	63.139	41.937	1.500	0.259	**167.161**
2018	48.467	0.605	5.934	7.312	0.191	**62.509**	63.820	42.275	1.500	0.264	**170.368**
2019	43.355	0.670	5.195	13.058	0.192	**62.470**	61.127	42.356	1.500	0.261	**167.714**
2020	42.828	0.671	5.773	13.071	0.192	**62.535**	61.116	42.649	1.500	0.260	**168.060**
2021	45.806	0.671	5.580	10.066	0.383	**62.506**	62.671	42.629	1.500	0.262	**169.568**
2022	53.711	0.670	5.570	10.049	0.383	**70.383**	62.844	43.604	1.500	0.265	**178.596**

Note: *Tax Year is year in which tax is levied. Collections are received in the year following.*

Source: *Harvey County Clerk*

City of Newton, Kansas
Principal Property Taxpayers
Current Year and Nine Years Ago

	2022			2013		
Taxpayer	**Taxable Assessed Value**	**Rank**	**Percentage of Total Taxable Assessed Value**	**Taxable Assessed Value**	**Rank**	**Percentage of Total Taxable Assessed Value**
Evergy Kansas South, Inc	3,409,145	1	2.45%	1,912,820	2	1.65%
Park Aircraft Tech Corp	2,305,265	2	1.66%			
Burlington Northern	2,108,385	3	1.52%	953,517	7	0.82%
Walmart Realty Company	2,044,928	4	1.47%	2,126,360	1	1.83%
Kansas Gas Service, Div of One Gas	2,021,543	5	1.45%	1,489,017	4	1.28%
Future Foam Inc	1,087,907	6	0.78%			
Ardent Mills, LLC	1,000,152	7	0.72%			
Norcraft Companies LLC	990,238	8	0.71%	817,023	8	0.70%
Dillon Companies Inc	907,685	9	0.65%	998,606	5	0.86%
Dillon Real Estate Co Inc	744,581	10	0.54%	721,111	10	0.62%
Cargill, Inc				1,735,865	3	1.49%
Newton Healthcare Corp				971,830	6	0.84%
Broadway Hospitality				752,017	9	0.65%
Total	$ 16,619,829		11.95%	$ 12,478,166		10.74%
Total Assessed Value	$ 138,964,681			$ 116,123,584		

Source: *Harvey County Clerk*

City of Newton, Kansas
Legal Debt Margin Information
Last Ten Fiscal years

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Debt Limit	$ 40,097,806	$ 40,234,483	$ 40,574,314	$ 41,003,757	$ 41,561,162	$ 41,495,361	$ 43,136,078	$ 43,552,083	$ 44,534,451	$ 45,161,947
Total net debt applicable to limit	27,884,239	26,437,566	25,870,675	28,420,839	26,369,868	28,000,395	24,248,566	32,443,785	29,268,166	26,587,247
Legal debt margin	$ 12,213,567	$ 13,796,917	$ 14,703,639	$ 12,582,918	$ 15,191,294	$ 13,494,966	$ 18,887,512	$ 11,108,298	$ 15,266,285	$ 18,574,700
Total net debt applicable to the limit as a percentage of debt limit	69.54%	65.71%	63.76%	69.31%	63.45%	67.48%	56.21%	74.49%	65.72%	58.87%

Legal Debt Margin Calculation for Fiscal Year 2022

Total assessed value		$ 150,539,822
Debt limit (30% of total assessed value)		$ 45,161,947
Debt applicable to limit:		
General obligation bonds	27,849,759	
Less: Amount set aside for repayment of general obligation debt	1,262,512	
Total net debt applicable to limit		26,587,247
Legal debt margin		$ 18,574,700

Note: *Per Kansas Statutes Annotated ("K.S.A") Section 10-308, "The authorized and outstanding bonded indebtedness of any city shall not exceed 30% of the assessed valuation of the city." K.S.A. Section 10-309 allows for certain exceptions to calculating the legal debt limit.*

City of Newton, Kansas

Ratios of Outstanding Debt by Type

Last Ten Fiscal Years

	Governmental Activities					Business-Type Activities						
Fiscal Year	General Obligation Bonds	KDOT Revolving Loan	Lease Obligations	Guarantee/ Industrial Revenue Bonds	Special Assessment Bonds	General Obligation Bonds	Revenue Bonds	Revolving Loans	Lease Obligations	Total Primary Government [d]	Percentage of Personal Income [c]	Per Capita [b]
2013	$ 26,269,353	$ 378,885	$ -	$ -	$ 12,644,120	$ 8,275,286	$ 7,115,000	$ 9,815,108	$ -	$ 64,497,752	8.25%	$ 3,361
2014	24,752,345	280,223	197,077	-	11,890,120	7,746,553	6,660,000	15,606,145	-	67,132,463	8.31%	3,511
2015	21,643,264	177,783	169,669	-	11,859,320	14,319,440	7,966,150	25,337,587	-	81,473,213	9.65%	4,240
2016	21,493,800	71,419	138,958	-	10,761,033	14,121,030	7,225,575	24,180,652	-	77,992,467	10.64%	4,082
2017	20,092,917	-	107,349	-	9,763,204	13,174,922	6,500,000	21,825,431	-	71,463,823	9.87%	3,787
2018	22,289,104	-	-	6,339,995	8,771,526	12,254,170	5,710,000	19,715,760	-	75,080,555	9.88%	4,005
2019	18,080,634	-	-	6,132,099	8,917,442	11,313,520	4,895,000	17,673,098	174,829	67,186,622	8.47%	3,562
2020	25,895,737	-	-	-	8,876,556	13,532,328	4,040,000	15,464,275	-	67,808,896	7.99%	3,550
2021	23,710,510	-	-	-	7,774,271	12,191,873	3,185,000	13,324,822	-	60,186,476	6.88%	3,211
2022	21,887,089	-	84,013	-	6,644,416	11,126,318	6,335,000	11,816,066	414,361	58,307,263	6.37%	3,163

Note: *Details regarding the City's outstanding debt can be found in the Notes on pages 67 - 72 and in the Statistical Section on pages 127 - 133.*

[a] See Page 124 for taxable property value data.

[b] Per Capita is based on net general obligation bonds.

[c] See page 134 for personal income and poplulation data.

[d] Includes general bonded debt, other governmental activities debt, and business-type activites debt.

City of Newton, Kansas
Ratios of General Bonded Debt Outstanding
Last Ten Fiscal Years

Fiscal Year	General Obligation Bonds	Resources Restricted for Debt Service	Net General Obligation Bonds	Taxable Value	Percentage of Estimated Actual Taxable Value of Property	Per Capita
2013	$ 34,544,639	$ 763,775	$ 33,780,864	$ 851,446,896	3.97%	$ 1,800
2014	32,498,898	528,849	31,970,049	861,683,717	3.71%	1,700
2015	35,962,704	376,705	35,585,999	870,900,047	4.09%	1,871
2016	35,614,830	574,253	35,040,577	881,164,701	3.98%	1,864
2017	33,267,839	149,807	33,118,032	885,807,281	3.74%	1,763
2018	34,543,274	51,905	34,491,369	893,278,237	3.86%	1,843
2019	29,394,154	65,883	29,328,271	923,963,971	3.17%	1,558
2020	39,428,065	459,971	38,968,094	945,971,580	4.12%	2,064
2021	35,902,383	953,897	34,948,486	978,287,548	3.57%	1,915
2022	33,013,407	1,262,512	31,750,895	958,857,327	3.31%	1,791

City of Newton, Kansas
Direct and Overlapping Governmental Activities Debt
As of December 31, 2022

	Debt Outstanding	Estimated Percentage Applicable	Estimated Share of Overlapping Debt
Unified School District No. 373	$ 14,305,000	74.90%	$ 10,714,445
Harvey County	2,025,000	40.18%	813,645
	16,330,000		11,528,090
Direct debt, City of Newton: *			
General obligation bonds	37,555,000	100.00%	37,555,000
Total direct and overlapping debt	$ 53,885,000	91.09%	$ 49,083,090

Source: Harvey Co Clerk, *Notes to Financial Statements under Long-Term Debt*
**Direct Debt is related to General Obligation bonds & loans payable from Governmental Activites.*

Note: *Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the city. This schedule estimates the portion of the outstanding debt of those overlapping governments.The percentage applicable is estimated by determining the portion of another governmental unit's taxable assessed value that is within the boundaries of the city and divide this by each unit's total taxable assessed value.*

City of Newton, Kansas
Pledged-Revenue Coverage
Last Ten Fiscal Years

Fiscal Year	Utility Service Charges	Less: Expenses[1]	Net Available Revenue	Water & Sewer Revenue Bonds Debt Service (Next Fiscal Year) Principal	Interest	Coverage[2]	KDHE Revolving Loans Debt Service (Next Fiscal Year) Principal	Interest	Total Revenue Coverage[2]	Special Assessment Bonds Special Assessment Collections	Debt Service (Next Fiscal Year) Principal	Interest	Coverage[2]
2013	$ 10,448,371	$ 5,317,554	$ 5,130,817	$ 115,000	$ 6,900	42.09	$ 653,112	$ 304,865	4.75	$ 1,174,714	$ 754,000	$ 487,108	0.95
2014	13,120,387	5,609,635	7,510,752	-	-	n/a	675,270	282,707	7.84	1,220,746	749,500	444,276	1.02
2015	13,314,952	5,136,897	8,178,055	-	-	n/a	698,202	236,377	8.75	1,081,345	772,000	421,762	0.91
2016	12,475,392	5,212,188	7,263,204	-	-	n/a	2,355,221	617,608	2.44	1,092,156	683,753	254,328	1.16
2017	12,532,291	4,850,505	7,681,786	-	-	n/a	1,408,680	568,861	3.88	1,034,403	703,562	229,347	1.11
2018	12,448,105	3,950,335	8,497,770	-	-	n/a	1,342,662	510,596	4.59	1,067,070	700,711	209,361	1.17
2019	12,377,149	3,964,996	8,412,153	-	-	n/a	1,208,825	459,720	5.04	1,082,882	766,315	188,871	1.13
2020	12,460,376	5,307,601	7,152,775	-	-	n/a	1,139,452	404,168	4.63	935,050	832,357	201,503	0.90
2021	12,523,944	5,579,273	6,944,671	-	-	n/a	1,109,612	350,307	4.76	1,179,813	776,528	206,365	1.20
2022	12,602,431	6,364,768	6,237,663	-	-	n/a	987,609	290,141	4.88	1,045,836	944,221	199,020	0.91

Note: *Details regarding the city's outstanding debt can be found in the notes on pages 67 - 72 and pages 127 - 133.*

1 - Expenses do not include depreciation.

2 - The City maintains Net Revenues in the Combined Utility in an amount which will be not less than 125% of the amount required to be paid for debt service, on bonds or Permitted Loans, by the City in the next succeeding fiscal year.

City of Newton, Kansas
Schedule of Bonded Indebtedness by Category
As of December 31, 2022

Type of Debt	Date of Issue	Final Maturity	Interest Rates %	Original Principal Amount	Principal Outstanding 1/1/2022	Issued	Retired	Refunded	Principal Outstanding 12/31/2022
General Obligation:									
Airport Improvements	09-01-04	09-01-24	5.25-6.00	$ 515,000	$ 125,000	$ -	$ 40,000	$ -	$ 85,000
Int Imp/Water/Sewer/Refunding	09-01-12	09-01-24	2.00-2.10	3,570,000	1,115,000	-	365,000	-	750,000
Improvements/Land Purchase	10-30-15	09-01-26	2.00-3.10	1,130,000	600,000	-	115,000	-	485,000
Int Imp/Airport/Street/Water	12-18-15	09-01-36	3.00	2,570,000	2,570,000	-	-	-	2,570,000
Internal Improvements	12-30-15	09-01-27	2.00-3.00	2,500,000	1,445,000	-	225,000	-	1,220,000
Int Imp/Refunding	08-25-16	09-01-29	2.00-2.50	13,425,000	10,445,000	-	1,295,000	-	9,150,000
Internal Improvements	12-05-18	09-01-38	3.00-4.00	2,125,000	1,945,000	-	55,000	-	1,890,000
Internal Improvements	12-05-18	09-01-33	3.00-4.00	1,490,000	1,240,000	-	85,000	-	1,155,000
Int Impr/IRB Refunding	06-11-20	09-01-36	3.00-3.45	6,015,000	5,740,000	-	315,000	-	5,425,000
Int Imp/Water/Sewer/Refunding	12-07-20	09-01-40	2.00-3.50	9,575,000	8,655,000	-	450,000	-	8,205,000
Int Impr/Conf Center Refunding	12-07-20	09-01-30	2.00-3.00	1,790,000	1,625,000	-	160,000	-	1,465,000
Int Imp/Water/Sewer/Refunding	11-04-21	09-01-33	1.50-4.00	5,965,000	5,965,000	-	810,000	-	5,155,000
Total General Obligation Bonds				60,265,000	41,470,000	-	3,915,000	-	37,555,000
Other:									
Kansas Water Pollution Control	11-09-01	09-01-20	3.03	1,207,034	72,418	-	72,418	-	-
Kansas Water Pollution Control	09-30-08	03-01-30	2.85	9,000,000	3,300,636	-	372,889	-	2,927,747
Kansas Public Water Supply	08-01-09	08-01-29	3.75	651,533	282,288	-	33,252	-	249,036
Kansas Public Water Supply	08-17-09	02-01-30	3.37	2,011,842	832,195	-	92,271	-	739,924
Kansas Water Pollution Control	11-01-13	03-01-35	2.83	16,850,860	8,837,285	-	1,738,782	-	7,098,503
Kansas Water Pollution Control	11-08-21	08-01-43	1.26	5,200,000	-	800,856	-	-	800,856
Total Other				34,921,269	13,324,822	800,856	2,309,612	-	11,816,066
Total Indebtedness				$ 95,186,269	$ 54,794,822	$ 800,856	$ 6,224,612	$ -	$ 49,371,066

City of Newton, Kansas

Schedule of Industrial Revenue Bonds by Obligee *

As of December 31, 2022

Obligated Entity or Purpose	Series	Issue Date	Final Maturity	Original Principal Amount	Principal Outstanding 1/1/2022	Issued	Retired	Principal Outstanding 12/31/2022
Newton Healthcare Corp.	2008	08/21/08	11/15/24	$ 11,385,000	$ 2,755,000	$ -	$ 880,000	$ 1,875,000
YMCA	2015	06/04/15	06/30/22	16,000,000	3,000,000	-	3,000,000	-
Park Aerospace	2022	06/01/22		18,500,000	-	18,500,000	18,500,000	-
				$ 27,385,000	$ 5,755,000	$ -	$ 3,880,000	$ 1,875,000

Note:

** Issuance of these industrial revenue bonds is authorized by KSA 12 - 1740 et seq. KSA 12 - 1743 states in pertinent part "…The principal and interest of said bonds shall be payable solely and only from the special fund herein provided for such payments, and said bonds shall not in any respect be a general obligation of such city, nor shall they be payable in any manner by taxation…".*

City of Newton, Kansas
Demographic and Economic Statistics
Last Ten Fiscal Years

Fiscal Year	Population (1)	Personal Income (2)	Per Capita Personal Income (2)	School District 373 Enrollment (3)	Unemployment Rate % (4)
2013	19,189	$ 782,182,018	$ 40,762	3,746	4.10%
2014	19,120	808,317,120	42,276	3,749	3.70%
2015	19,216	844,658,496	43,956	3,700	3.70%
2016	19,105	733,039,745	38,369	3,646	4.40%
2017	18,869	723,890,316	38,364	3,539	3.40%
2018	18,746	759,606,666	40,521	3,497	2.80%
2019	18,861	793,237,077	42,057	3,546	2.60%
2020	19,099	848,301,184	44,416	3,506	4.00%
2021	18,744	875,307,312	46,698	3,267	2.00%
2022	18,433	915,050,986	49,642	3,225	2.40%

Sources:

(1) Population estimates are taken from the Kansas Division of the Budget.

(2) Bureau of Economic Analysis, for Harvey County, Kansas

(3) School District 373 enrollment only. Private schools are not included.

(4) Harvey County Economic Development Council, Inc.

City of Newton, Kansas
Principal Employers
Current Year and Nine Years Ago

	2022			2013		
Employer *	**Employees**	**Rank**	**Percentage of Total Employment**	**Employees**	**Rank**	**Percentage of Total Employment**
NMC Health	875	1	5.2%	560	2	3.5%
Unified School District #373	852	2	5.1%	847	1	5.2%
BNSF Railway Company	380	3	2.3%	380	4	2.4%
Wal-Mart	271	4	1.6%	275	5	1.7%
Prairie View Hospital	252	5	1.5%	258	6	1.6%
Dillons Stores	243	6	1.4%	213	7	1.3%
ResCare Kansas	209	7	1.2%	209	8	1.3%
City of Newton	209	8	1.2%	206	9	1.3%
Asbury Park	205	9	1.2%			
Harvey County	175	10	1.0%	182	10	1.1%
Masterbrand				400	3	2.5%
Total	3,671		21.8%	3,530		21.9%

Source:
Harvey County Economic Development Council, Inc.

City of Newton, Kansas

Full-time Equivalent City Government Employees by Function/Program
Last Ten Fiscal Years

Function/Program	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
General Government										
Administration	19	17	17	16	17	15	17	19	17	16
Park and Cemetery	13	12	14	13	13	13	13	13	12	12
Law Department	4	4	4	2	2	2	2	3	3	3
Municipal Court	5	5	5	5	5	5	5	5	5	5
Information Technology	-	2	2	2	1	1	1	1	1	1
Historic Preservation Planner	-	1	1	-	-	-	-	-	-	-
Convention Visitors Bureau	1	1	1	1	1	1	1	1	1	1
Public Safety										
Fire/EMS	48	49	49	48	50	51	51	51	52	50
Police	37	38	38	40	42	41	40	41	43	44
Public Works										
Engineering	8	9	8	8	8	9	7	7	8	8
Facility Operations	2	2	3	4	4	4	4	4	4	5
Street Division	16	17	16	17	17	15	18	18	18	16
Shop Services	4	4	3	3	3	3	3	3	3	4
Water	14	14	13	13	13	13	14	14	14	16
Wastewater	11	10	10	12	12	11	11	10	9	10
Sanitation	10	8	8	8	7	8	8	9	8	8
Airport	5	5	6	5	6	6	6	6	6	7
Meridian Center	-	-	-	-	-	-	-	-	4	3
Total	197	198	198	197	201	198	201	205	208	209

Source: *City of Newton Human Resource Department*

City of Newton, Kansas
Operating Indicators by Function/Program
Last Ten Fiscal Years

Function/Program	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Fire										
Emergency Medical Service calls	2,923	3,095	3,081	3,198	3,211	3,189	3,197	3,157	3,505	3,743
Fire calls	555	562	567	586	535	477	436	433	635	537
Fire inspections	823	807	763	39	826	811	810	761	649	730
Police										
Total calls	40,588	41,905	41,234	33,283	27,475	25,971	25,585	22,063	23,152	21,886
Reported crimes	1,510	1,163	1,449	1,430	1,444	1,356	1,098	970	1,104	895
Adult arrests	2,107	1,951	2,071	1,660	1,911	1,874	1,745	1,214	1,454	1,295
Juvenile arrests	169	216	239	249	341	342	301	151	192	169
Engineering Division										
New dwelling starts	16	12	17	21	116	11	9	15	13	20
Environmental caseload	869	1,211	1,103	913	930	1,077	1,062	1,060	896	983
Water										
Number of customers	7,706	7,719	7,760	7,756	7,764	7,854	7,866	7,876	7,902	7,903
Annual Consumption *(thousands of cubic feet)*	87,394	86,695	82,834	73,892	75,079	79,940	72,388	78,064	78,169	82,023
Street										
Miles of streets overlayed or resurfaced	2.91	1.95	0.91	1.07	1.15	0.25	1.50	2.75	1.81	1.02
Square yards of streets sealed	117,055	132,440	190,767	202,256	129,399	155,091	117,370	10,170	149,876	296,966
Sanitation										
Tonnage landfilled	4,598	4,583	4,778	4,881	4,806	4,837	5,031	6,731	6,924	6,869
Tonnage recycled	1,750	1,691	1,636	1,590	1,537	1,535	1,510	402	310	98

Source: *Various city departments*

City of Newton, Kansas

Capital Asset Statistics by Function/Program
Last Ten Fiscal Years

Function/Program	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Area of City *(acres)*	9,131.28	9,134.42	9,312.37	9,343.62	9,346.71	9,385.01	9,385.78	9,503.92	9,517.95	9,533.70
Fire/EMS										
Stations	3	3	3	3	3	3	3	3	3	3
Firefighter/EMTs	45	46	46	45	45	44	45	45	45	44
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Police officers	31	32	32	35	35	35	35	36	36	37
Street Division										
Miles of City streets - paved	28.13	28.16	28.89	29.51	29.85	29.85	29.97	29.97	29.97	30.47
Miles of City streets - blacktop	93.65	93.64	93.05	92.49	92.49	92.60	92.60	92.60	92.60	92.60
Miles of City streets - gravel	9.32	9.32	9.32	9.32	9.32	9.21	9.21	9.21	9.21	9.21
Miles of City streets - unimproved	14.21	14.18	14.04	14.75	14.41	14.53	14.53	14.53	14.53	14.03
Street employees	16	17	16	17	17	15	18	18	18	16
Water										
Water mains *(miles)*	156.12	156.24	156.82	156.98	157.37	157.37	159.18	160.76	160.97	162.16
Wastewater										
Sanitary sewer *(miles)*	121.10	121.26	121.63	121.70	122.35	122.78	122.93	122.93	122.93	123.60
Storm water sewer *(miles)*	19.72	19.72	20.12	20.59	20.92	20.96	21.08	21.08	21.08	21.35

Source: *Various city departments*

CITY DATA REPORT
NEWTON, KANSAS
For Year Ending: 12/31/2022

1.	***STREETS***		
	A. Total miles of streets (center line), as of December 31, 2022	146.31	miles
	B. Miles of streets paved, curbed & guttered in 2022	0.00	miles
	C. Streets annexed in 2022	0.00	miles
	D. Miles of different types of street surface		
	1. Paved (concrete)	30.47	miles
	2. Blacktop (various types of bases)	92.60	miles
	3. Gravel / Sand	9.21	miles
	4. Unimproved	14.03	miles
2.	***STREET MAINTENANCE***		
	A. Miles of streets overlayed or resurfaced in 2022	1.02	miles
	B. Square Yards of streets sealed in 2022	296,966	SY
3.	***SANITARY SEWER***		
	A. Total miles of Sanitary Sewer, as of December 31, 2022	123.60	miles
	B. Miles of Sanitary Sewer constructed in 2022	0.67	miles
	C. Total Sanitary Sewer Manholes as of December 31, 2022	2,465	
	D. Sanitary Sewer Manholes constructed in 2022	17	
4.	***STORM WATER SEWER***		
	A. Total miles of Storm Water Sewer, as of December 31, 2022	21.35	miles
	B. Miles of Storm Water Sewer constructed in 2022	0.27	miles
5.	***WATER LINES***		
	A. Total miles of Water lines, as of December 31,2022	162.16	miles
	B. Miles of Water Transmission lines, as of December 31, 2022	19.76	miles
	C. Miles of Water Distribution lines, as of December 31, 2022	142.40	miles
	D. Miles of Water lines constructed in 2022	1.19	miles
	E. Miles of Water lines acquired in 2022	0.00	miles
	F. Total Fire Hydrants as of December 31, 2022	921	
	G. Fire Hydrants constructed in 2022	14	
6.	***AREA OF CITY OF NEWTON***		
	A. Total acres, as of December 31, 2022	9,533.70	acres
	B. Acres annexed in 2022	15.75	acres
	C. Acres de-annexed in 2022	0.00	acres

7. ***SUBDIVISIONS***

A. Plat or PUD
1. The Enclave of SE 14th Addition
2. Interruban 2nd Addition
3. New Hope Addition
4. Replat of Lot 1, Block 1, TFDM Addition

B. New Subdivision Development (Construction)
1. NDV Addition Water Main Extension on Wheatridge
2. NDV Addition Paving on Wheatridge and Paddington
3. Interruban 2nd Addition Stormwater/Drainage
4. Interruban 2nd Addition Sanitary Sewer
5. Interruban 2nd Addition Waterline
6. SW 14th (KDOT) Water Main Extension
7. Starbucks Water Main Extension

C. New Phase of Existing Subdivision (Construction)
1. Summer Crossing Phase 3 Sanitary Sewer
2. Summer Crossing Phase 3 Waterline
3. Summer Crossing Phase 3 Paving/Drainage
4. Sand Creek Station 4th Addition Sanitary Sewer
5. Sand Creek Station 4th Addition Waterline

7. ***SUBDIVISIONS*** *(cont.)*
   D. Capital Improvement Projects
      1. Centennial Park Ball Fields
      2. 2022 CCLIP K-15 Mill and Overlay
      3. Sanitary Sewer Rehabilitation 2022
      4. 2022 Annual Overlay
   E. Miscellaneous Projects
      1. Tree Pruning Area 6

8. ***BUILDING CONSTRUCTION PERMITS***

A. Total new single-family residence unites and value for 2022	20	$ 5,335,970
B. Multiple-family dwelling units		
1. Total number of dwelling units and value for 2022	17	$ 6,362,000
C. Total new residential dwelling units and value for 2022	37	$ 11,697,970
D. Total building permits issued in 2022	564	$ 29,550,639

9. ***PARKS***
   A. Total acres of Parks in City of Newton — 291.99 acres
   B. Individual Parks (Name, Area, Date acquired)

Park	Location	Type	Acreage	Year Established
1. Themian	7th & Poplar	School	3.71	1875
2. Military	Broadway & Oak	Community	3.71	1871
3. Athletic	1st & W. Side Sand Creek	Community	38.99	1897
	Lot 5 & 6, Moore Addition	Community	0.13	1963
4. Washington	Pine & Washington Road (@ Slate Creek)	Community	9.43	1937
5. Parkview Heights	NE Side 5th & Pine, N Side Creek	Linear	1.68	1941
6. Havens	12th & Oak	Neighborhood	0.88	1950
7. Park Place	W. Side Sand Creek (between 5th & Broadway)	Linear	0.64	1950
8. Blaine	East 4th - Cemetery (both sides creek to Blaine)	Linear	1.33	1959
9. Greenwood Cemetery	Between 1st & 5th, Sherman & 1-135	Community	62.00	1871
10. Rodeo Grounds	West 1st to Sand Creek (Creek to Grandview)	Community	13.00	1960
	Lots 1 & 3, BL. 5 Fairfield Distr.	Community	0.43	1961
11. Caperland	In Housing Addition (E. of 1-135, N. of Broadway) West 380 feet	Neighborhood	1.79	1963
12. Ash Street	10th & Ash	Neighborhood	4.55	1964
13. Bi-Centennial	NE Corner 14th & Kansas	Community	59.35	1971
14. East Centennial	Area E. of Centennial Park	Community	51.60	1979
15. West Centennial	W. Side of Kansas, Sledding Hill	Community	5.45	
16. Okerberg	W. part B1.44 @ Rec Center	Neighborhood	3.71	1974
17. Mid-town Arboretum	NW Corner 8th & Main	Neighborhood	1.38	1977
18. Depot Park	SE Corner 5th & Main	Pocket	0.18	1978
19. Plum-Brook	Plum & Brookside, N. of Cherry Hills	Neighborhood	2.10	1981
20. Quail Creek	Block 2, Quail Creek Estates 3rd Addition	Neighborhood	1.78	1985

9. ***PARKS*** *(cont.)*

B. Individual Parks (Name, Area, Date acquired) (cont.)

Park	Location	Type	Acreage	Year Established
21. Veazey	N. of 14th @ Oak, side Sand Creek	Pocket	1.35	1987
22. Sherman	SE Corner 12th & Sherman	Neighborhood	2.75	1981
23. Roosevelt	SE Corner Broadway & Magnolia	Neighborhood	2.15	2007
24. Lincoln Park	Elm & West 6th Streets	Neighborhood	0.63	2002
25. Springlake	110 Springlake Dr	Neighborhood	12.00	2009

C. Total miles of Bike-Hike Path 6.96 miles
Miles of Bike-Hike Path constructed in 2022 0.00 miles

10. ***ELEVATIONS AT VARIOUS POINTS***

A. At the south side of the Main Street entrance to the old Post Office Building, and in the stone step, a standard disk, "X21 1934" , Elevation 1451.710.

B. In the stone base of the West wall of the Atchinson, Topeka and Santa Fe Railway Station, 17 1/2 feet north of the southwest corner of the building, and 14 inches above the Main Street sidewalk. A standard disk, stamped "Newton 1934", elevation 1447.976.

C. Newton Municipal Airport - highest point of runway 8-26 1533.46.

11. ***GEODETIC LOCATION***

A. Service Center
Latitude 38 degrees 01' 53.2"
Longitude 97 degrees 20' 08"

B. Newton Municipal Airport
Latitude 38 degrees 03' 19.2"
Longitude 97 degrees 16' 38"