

CITY OF NORTON, KANSAS
Norton, Kansas
Financial Statement and Regulatory-Required
Supplementary Information with Independent Auditor's Report
For the Year Ended December 31, 2022

MAPES & MILLER LLP
Certified Public Accountants
Norton, Kansas

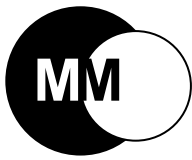
CITY OF NORTON, KANSAS
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For the Year Ended December 31, 2022

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INDEPENDENT AUDITOR'S REPORT

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

Adverse and Unmodified Opinions

We have audited the accompanying summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances of the City of Norton, Norton, Kansas, a Municipal Financial Reporting Entity as of and for the year ended December 31, 2022, and the related notes to the financial statement.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the “Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles” paragraph, the financial statement referred to above does not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the City of Norton, Kansas, as of December 31, 2022, or changes in financial position and cash flows thereof for the year then ended.

Unmodified Opinion on Regulatory Basis of Accounting

In our opinion, the financial statement referred to above presents fairly, in all material respects, the aggregate cash and unencumbered cash balance of the City of Norton, Kansas, as of December 31, 2022, and the aggregate receipts and expenditures for the year then ended in accordance with the financial reporting provisions of the *Kansas Municipal Audit and Accounting Guide* described in Note 1.

Basis for Adverse and Unmodified Opinions

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

Matter Giving Rise to Adverse Opinion on U.S. Generally Accepted Accounting Principles

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

Responsibilities of Management for the Financial Statement

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

In preparing the financial statement, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City of Norton’s ability to continue as

a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor’s Responsibilities for the Audit of the Financial Statement

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

In performing an audit in accordance with GAAS, we

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

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

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances (basic financial statement) as a whole. The summary of regulatory basis expenditures-actual and budget, individual fund schedules of regulatory basis receipts and expenditures-actual and budget, schedule of regulatory basis summary of receipts and expenditures-agency funds (Schedules 1, 2 and 3 as listed in the table of contents) are presented for purposes of additional analysis and are not a required part of the basic financial statement, however are required to be presented under the provisions of the *Kansas Municipal Audit and Accounting Guide*. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statement. The information has been subjected to the auditing procedures applied in the audit of the basic financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statement or to the basic financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statement as a whole, on the basis of accounting described in Note 1.

Mapes & Miller LLP

Certified Public Accountants

Norton, Kansas
May 17, 2023

CITY OF NORTON, KANSAS
 Summary Statement of Receipts, Expenditures and Unencumbered Cash
 Regulatory Basis
For the Year Ended December 31, 2022

STATEMENT 1
 Page 1

Funds	Beginning Unencumbered Cash Balance	Prior Year Cancelled Encumbrances	Receipts	Expenditures	Ending Unencumbered Cash Balance	Add Encumbrances and Accounts Payable	Ending Cash Balance
General Funds							
General	\$ 527,801	0	1,917,290	1,909,767	535,324	55,268	590,592
Special Purpose Funds							
Employee Benefits	15,538	0	151,080	166,618	0	0	0
Special Highway	269,359	0	137,318	260,239	146,438	0	146,438
Special Parks	48,249	0	10,032	54,633	3,648	0	3,648
Industrial Development	136,404	0	4,397	0	140,801	0	140,801
Tourism and Convention	0	0	54,904	54,904	0	0	0
Library	0	0	112,744	112,744	0	0	0
Library Employee Benefits	0	0	38,855	38,855	0	0	0
Special Health Insurance	98,580	0	431,558	504,098	26,040	0	26,040
Police Donation	0	0	176	0	176	0	176
Animal Pound Donation	71,573	0	0	9,472	62,101	0	62,101
Cemetery Donation	14,058	0	0	0	14,058	0	14,058
Special Pool Sales Tax	561,504	0	449,716	404,741	606,479	0	606,479
Municipalities Fighting Addiction	0	0	666	0	666	0	666
Police Forfeiture	1,286	0	375	0	1,661	0	1,661
City Land Bank	689	0	0	0	689	0	689
Equipment Reserve	111,546	0	94,719	92,986	113,279	0	113,279
Capital Improvement	184,734	0	18,000	46,610	156,124	0	156,124
Bond and Interest Funds							
Bond and Interest	64,950	0	42,617	66,915	40,652	0	40,652
Highway 36 Bond	0	0	9,085	9,085	0	0	0
Water/Wastewater Debt Service	11,554	0	537,702	537,702	11,554	0	11,554
Business Funds							
Electric	1,230,078	0	3,333,822	3,584,349	979,551	124,667	1,104,218
Electric Deposits	0	0	25,261	25,261	0	84,931	84,931
Electric Replacement Reserve	480,200	0	102,050	120,144	462,106	0	462,106
Refuse	263,446	0	354,835	338,396	279,885	5,534	285,419
Refuse Replacement Reserve	135,790	0	12,600	0	148,390	0	148,390
Water	564,957	0	1,139,054	1,091,118	612,893	6,074	618,967
Water Deposits	0	0	6,892	6,892	0	25,610	25,610

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

CITY OF NORTON, KANSAS
Summary Statement of Receipts, Expenditures and Unencumbered Cash
Regulatory Basis
For the Year Ended December 31, 2022

STATEMENT 1
Page 2

Funds	Beginning Unencumbered Cash Balance	Prior Year Cancelled Encumbrances	Receipts	Expenditures	Ending Unencumbered Cash Balance	Add Encumbrances and Accounts Payable	Ending Cash Balance
Business Funds (Continued)							
Water Replacement Reserve	\$ 34,186	0	10,200	0	44,386	0	44,386
Sewer Service	146,686	0	696,911	754,027	89,570	1,313	90,883
Sewer Replacement Reserve	129,317	0	10,200	1,770	137,747	0	137,747
Capital Project Funds							
Highway 36 Project	0	0	960,000	946,292	13,708	0	13,708
Trust Funds							
Revolving Loan	59,629	0	13,512	0	73,141	0	73,141
Total Primary Government	<u>5,162,114</u>	<u>0</u>	<u>10,676,571</u>	<u>11,137,618</u>	<u>4,701,067</u>	<u>303,397</u>	<u>5,004,464</u>
Related Municipal Entities:							
Norton Public Library							
General	57,186	0	390,808	181,279	266,715	0	266,715
State Grant	0	0	776	776	0	0	0
Friends	1,018	0	1,292	898	1,412	0	1,412
Art Club	3,969	0	3,198	920	6,247	0	6,247
Special Project and Donation	75,712	0	8,000	35,000	48,712	0	48,712
Capital Improvement	20,362	0	0	0	20,362	0	20,362
Public Building Commission							
Pool Bond & Interest Reserve	314,227	0	304,748	303,740	315,235	0	315,235
Total Related Municipal Entities	<u>472,474</u>	<u>0</u>	<u>708,822</u>	<u>522,613</u>	<u>658,683</u>	<u>0</u>	<u>658,683</u>
Total Reporting Entity (Excluding Agency Funds)	<u>\$ 5,634,588</u>	<u>0</u>	<u>11,385,393</u>	<u>11,660,231</u>	<u>5,359,750</u>	<u>303,397</u>	<u>5,663,147</u>

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

CITY OF NORTON, KANSAS
Composition of Cash
Regulatory Basis
For the Year Ended December 31, 2022

STATEMENT 1
Page 3

Primary Government:	
Cash on Hand	\$ 100
First State Bank, Norton, Kansas	
NOW Accounts	4,343,717
Money Market Account	73,141
Checking Accounts	26,070
Solutions North Bank, Norton, Kansas	
Certificates of Deposit	595,000
The Bank, Norton, Kansas	
Checking Account	<u>2,000</u>
Total Cash and Investments	5,040,028
Less: Agency Funds - Schedule 3	<u>(35,564)</u>
Total Primary Government	<u>5,004,464</u>
Related Municipal Entities:	
Norton Public Library Board	
Solutions North Bank, Norton, Kansas	
NOW Account	110,045
Certificate of Deposit	222,847
First State Bank, Norton, Kansas	
Certificate of Deposit	10,556
Public Building Commission	
First State Bank, Norton, Kansas	
Money Market Account	<u>315,235</u>
Total Related Municipal Entities	<u>658,683</u>
Total Reporting Entity per Statement 1, Page 2	<u>\$ 5,663,147</u>

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

CITY OF NORTON, KANSAS

Notes to the Financial Statement

December 31, 2022

1. Summary of Significant Accounting Policies

Municipal Financial Reporting Entity

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

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

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

Regulatory Basis Fund Types

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

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

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

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

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

Capital Project fund – used to account for the debt proceeds and other financial resources to be used for acquisition or construction of major capital facilities or equipment.

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

Basis of Accounting

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

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

Budgetary Information

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

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

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

The statutes allow for the governing body to increase the originally adopted budget for previously unbudgeted increases in regulatory receipts other than ad valorem property taxes. To do this, a notice of public hearing to amend the budget must be published in the local newspaper. At least ten days after publication the hearing may be held and the governing body may amend the budget at that time. There were no such budget amendments this year.

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

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

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

- Special Purpose Funds:
 - Special Parks
 - Tourism & Convention
 - Special Health Insurance
 - Special Pool Sales Tax
 - Municipalities Fighting Addiction
 - Police Donation
 - Animal Pound Donation
 - Cemetery Donation
 - Police Forfeiture
 - City Land Bank
 - Equipment Reserve
 - Capital Improvement
- Bond and Interest Funds:
 - Highway 36 Bond
 - Water/Wastewater Debt Service
- Business Funds:
 - Electric Replacement Reserve
 - Electric Deposits
 - Refuse Replacement Reserve
 - Water Replacement Reserve
 - Water Deposits
 - Sewer Replacement Reserve

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

2. **Stewardship, Compliance and Accountability**

No statute violations were noted during 2022.

3. **Deposits and Investments**

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

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

Concentration of Credit Risk. State statutes place no limit on the amount the City, the Library, and the Public Building Commission may invest in any one issuer as long as the investments are adequately secured under K.S.A. 9-1402 and 9-1405.

Custodial Credit Risk – Deposits. Custodial credit risk is the risk that in the event of a bank failure, the City's, Library's, and Public Building Commission's deposits may not be returned to them. State statutes require the City's, Library's, and Public Building Commission's deposits in financial institutions to be entirely covered by federal depository insurance or by collateral held under a joint custody receipt issued by a bank within the State of Kansas, the Federal Reserve Bank of Kansas City, or the Federal Home Loan Bank of Topeka, except during designated "peak periods" when required coverage is 50%. The City, Library, and Public Building Commission have not designated any "peak periods" with eligible depositories. All deposits were legally secured at December 31, 2022.

At December 31, 2022, the City's carrying amount of deposits was \$5,039,928 and the bank balance was \$5,198,145. The bank balance was held by two banks resulting in a concentration of credit risk. Of the bank balance, \$591,663 was covered by federal depository insurance, and \$4,606,482 was collateralized with securities held by the pledging financial institutions' agents in the City's name.

At December 31, 2022, the Library's carrying amount of deposits was \$343,448 and the bank balance was \$357,292. The bank balance was held by two banks resulting in a concentration of credit risk. Of the bank balance, \$260,556 was covered by federal depository insurance, and \$96,736 was collateralized with securities held by the pledging financial institutions' agents in the Library's name.

At December 31, 2022, the Public Building Commission's carrying amount of deposits was \$315,235 and the bank balance was \$315,235. The bank balance was held by one bank resulting in a concentration of credit risk. Of the bank balance, \$250,000 was covered by federal depository insurance, and \$65,235 was collateralized with securities held by the pledging financial institutions' agents in the Commission's name.

Custodial Credit Risk – Investments. For an investment, this is the risk that, in the event of the failure of the issuer or counterparty, the Municipality will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. State statutes require investments to be adequately secured. At December 31, 2022, the City, Library and Public Building Commission held no investments except for certificates of deposit which are considered as a component of deposits.

4. **Defined Benefit Pension Plan**

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

Contributions. K.S.A. 74-4919 and K.S.A. 74-49,210 establish the KPERS member-employee contribution rates. KPERS has multiple benefit structures and contribution rates depending on whether the employee is a KPERS 1, KPERS 2 or KPERS 3 member. KPERS 1 members are active and contributing members hired before July 1, 2009. KPERS 2 members were first employed in a covered position on or after July 1, 2009, and KPERS 3 members were first employed in a covered position on or after January 1, 2015. Effective January 1, 2015, Kansas law established the KPERS member-employee contribution rate at 6% of covered salary for KPERS 1, KPERS 2 and KPERS 3 members. Member contributions are withheld by their employer and paid to KPERS according to the provisions of Section 414(h) of the Internal Revenue Code.

State law provides that the employer contribution rates for KPERS 1 and KPERS 2 and KPERS 3 be determined based on the results of each annual actuarial valuation. Kansas law sets a limitation on annual increases in the employer contribution rates. The actuarially determined employer contribution rate (not including the 1% contribution rate for the Death and Disability Program) and the statutory contribution rate was 8.90% for the fiscal year ended December 31, 2022. Contributions to the pension plan from the City of Norton were \$164,388 for the year ended December 31, 2022.

Net Pension Liability

At December 31, 2022, the City's proportionate share of the collective net pension liability reported by KPERS was \$1,601,588. The net pension liability was measured as of June 30, 2022 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2021, which was rolled forward to June 30, 2022. The City's proportion of the net pension liability was based on the ratio of the city's contributions to KPERS, relative to the total employer and non-employer contributions of the Local subgroup within KPERS. Since the KMAAG regulatory basis of accounting does not recognize long-term debt, this liability is not reported in these financial statements.

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

5. Other Long-Term Obligations from Operations

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

Under the Consolidated Omnibus Budget Reconciliation Act (COBRA), the City makes health care benefits available to eligible former employees and eligible dependents. Certain requirements are outlined by the federal government for this coverage. The premium is paid in full by the insured.

Death and Disability Other Post Employment Benefits. As provided by K.S.A. 74-4927, disabled members in the Kansas Public Employees Retirement System (KPERS) receive long-term disability benefits and life insurance benefits. The plan is administered through a trust held by KPERS that is funded to pay annual benefit payments. The employer contribution rate is set at 1% for the year ended December 31, 2021.

Compensated Absences

City of Norton

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

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

Comp Time. The City's employees eligible to receive overtime have the option to be compensated for overtime by accumulating compensatory time, comp time, at a rate of one and one-half times the overtime worked. Non-exempt police officers may accumulate up to 480 hours of comp time. All other employees may accumulate up to 240 hours.

Norton Public Library

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

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

6. Operating Lease

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

7. Interfund Transactions

Operating transfers were as follows:

From	To	Regulatory Authority	Amount
General	Employee Benefits	K.S.A. 12-101a	\$ 5,971
Electric	Electric Replacement	K.S.A. 12-825d	102,000
Electric	Equipment Reserve	K.S.A. 12-825d	30,000
Electric	Capital Improvement	K.S.A. 12-825d	10,000
Water	Water/Wastewater Debt Service	K.S.A. 12-825d	258,097
Water	Water Replacement	K.S.A. 12-825d	10,200
Water	Equipment Reserve	K.S.A. 12-825d	10,000
Sewer	Water/Wastewater Debt Service	K.S.A. 12-825d	279,605
Sewer	Sewer Replacement Reserve	K.S.A. 12-825d	10,200
Refuse	Refuse Replacement	K.S.A. 12-825d	12,600
Refuse	Capital Improvement	K.S.A. 12-825d	8,000
Refuse	Equipment Reserve	K.S.A. 12-825d	20,000
Special Highway	Highway 36 Bond	K.S.A. 68-416	9,085
Special Highway	Highway 36 Project	K.S.A. 68-416	130,000

8. Risk Management

The City, Library, and Public Building Commission are exposed to various risks of loss related to torts; theft of, damage to and destruction of assets, errors and omissions; injuries to employees; and natural disasters for which the City, Library and Public Building Commission purchase commercial insurance. During the year ended December 31, 2022 neither the City, the Library, nor the Public Building Commission reduced insurance coverage from levels in place during the prior year. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

9. **Claims and Judgments**

The City participates in federal, state and county programs that are fully or partially funded by grants received from other governmental units. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grant program regulations, the City may be required to reimburse the grantor government. As of the date of this report, the grant expenditures have not been audited, but the City believes that disallowed expenditures, if any, based on subsequent audits will not have a material effect of any of the individual government funds or the overall financial position of the City. During the ordinary course of its operations the City is a party to various claims, legal actions, and complaints. It is the opinion of the City's management and legal counsel that these matters are not anticipated to have a material financial impact on the City.

10. **Special Items**

Revolving Loan Fund. The City of Norton received a \$106,100 grant from the Kansas Small Cities Program Community Development Block Grant in 1988 for the purpose of establishing a Revolving Loan Fund to provide loans to businesses in and around the City of Norton for which the loan proceeds would result in the creation and/or retention of jobs. Norton Development Corporation administers this fund under the supervision of the City Council. The balance of the outstanding loans as of December 31, 2022 was \$4,410.

11. **Subsequent Events**

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

12. Long-term Debt

Changes in long-term liabilities for the City of Norton, Kansas for the year ended December 31, 2022, were as follows:

<u>Issue</u>	<u>Interest Rates</u>	<u>Date of Issue</u>	<u>Amount of Issue</u>	<u>Date of Final Maturity</u>	<u>Balance Beginning of Year</u>	<u>Additions</u>	<u>Reductions/ Payments</u>	<u>Balance End of Year</u>	<u>Interest Paid</u>
General Obligation Bonds:									
Series 2022 Highway Improvement	4.33%	06/30/22	830,000	10/01/37	0	830,000	0	830,000	9,085
Series 2019 Street Improvement	2.5-3.75%	04/24/19	815,000	04/01/34	735,000	0	45,000	690,000	21,915
Series 2021 Water/Wastewater Refunding	.75%-3.00%	01/26/21	5,035,000	08/01/48	4,540,000	0	455,000	4,085,000	82,703
Total General Obligation Bonds					<u>5,275,000</u>	<u>830,000</u>	<u>500,000</u>	<u>5,605,000</u>	<u>113,703</u>
Capital Leases:									
Pumper Truck	4.48%	08/02/19	340,000	03/01/29	278,270	0	29,692	248,578	12,466
Ford Police Interceptors	5.65%	04/30/20	72,097	04/30/22	24,008	0	24,008	0	1,356
Wastewater Equipment	5.00%	03/02/21	185,307	08/15/25	147,831	0	34,299	113,532	7,392
Water Equipment	5.00%	03/02/21	320,129	08/15/25	255,387	0	59,253	196,134	12,769
Total Capital Leases					<u>705,496</u>	<u>0</u>	<u>147,252</u>	<u>558,244</u>	<u>33,983</u>
Other									
City Utility Low-Interest Loan	0.25%	3/22/2021	572,741	06/01/24	477,811	0	190,766	287,045	976
Public Building Commission									
Revenue Refunding Bond, Series 2020	1.30-2.75%	5/27/2020	3,410,000	08/01/33	3,195,000	0	235,000	2,960,000	68,740
Total Contractual Indebtedness					<u>9,653,307</u>	<u>830,000</u>	<u>1,073,018</u>	<u>9,410,289</u>	<u>217,402</u>

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

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

	2023	2024	2025	2026	2027	2028-2032	2033-2037	2038-2042	2043-2047	2048-2052	Total
PRINCIPAL											
General Obligation Bonds:											
Series 2022 Highway Improvement	40,000	45,000	45,000	45,000	50,000	275,000	330,000	0	0	0	830,000
Series 2019 Street Improvement	45,000	50,000	50,000	50,000	55,000	305,000	135,000	0	0	0	690,000
Series 2021 Water/Wastewater Refunding	460,000	465,000	470,000	335,000	200,000	475,000	465,000	530,000	615,000	70,000	4,085,000
Total General Obligation Bonds	545,000	560,000	565,000	430,000	305,000	1,055,000	930,000	530,000	615,000	70,000	5,605,000
Capital Leases:											
Pumper Truck	31,022	32,385	33,863	35,380	36,965	78,963	0	0	0	0	248,578
Ford Police Interceptors	0	0	0	0	0	0	0	0	0	0	0
Wastewater Equipment	36,013	37,814	39,705	0	0	0	0	0	0	0	113,532
Water Equipment	62,216	65,326	68,592	0	0	0	0	0	0	0	196,134
Total Capital Leases	129,251	135,525	142,160	35,380	36,965	78,963	0	0	0	0	558,244
Other											
City Utility Low-Interest Loan	191,244	95,801	0	0	0	0	0	0	0	0	287,045
Public Building Commission											
Revenue Refunding Bond, Series 2020	240,000	245,000	250,000	255,000	260,000	1,405,000	305,000	0	0	0	2,960,000
TOTAL PRINCIPAL	1,105,495	1,036,326	957,160	720,380	601,965	2,538,963	1,235,000	530,000	615,000	70,000	9,410,289
INTEREST											
General Obligation Bonds:											
Series 2022 Highway Improvement	35,939	34,207	32,258	30,310	28,362	108,034	43,949	0	0	0	313,059
Series 2019 Street Improvement	20,340	18,765	17,265	16,015	14,715	49,220	6,355	0	0	0	142,675
Series 2021 Water/Wastewater Refunding	78,608	74,007	68,892	63,252	58,898	263,487	215,900	150,425	66,900	2,100	1,042,469
Total General Obligation Bonds	134,887	126,979	118,415	109,577	101,975	420,741	266,204	150,425	66,900	2,100	1,498,203
Capital Leases:											
Pumper Truck	11,136	9,773	8,296	6,779	5,194	5,355	0	0	0	0	46,533
Ford Police Interceptors	0	0	0	0	0	0	0	0	0	0	0
Wastewater Equipment	5,677	3,876	1,985	0	0	0	0	0	0	0	11,538
Water Equipment	9,807	6,696	3,430	0	0	0	0	0	0	0	19,933
Total Capital Leases	26,620	20,345	13,711	6,779	5,194	5,355	0	0	0	0	78,004
Other											
City Utility Low-Interest Loan	499	70	0	0	0	0	0	0	0	0	569
Public Building Commission											
Revenue Refunding Bond, Series 2020	65,450	61,610	57,445	52,945	48,100	150,838	8,387	0	0	0	444,775
TOTAL INTEREST	227,456	209,004	189,571	169,301	155,269	576,934	274,591	150,425	66,900	2,100	2,021,551
TOTAL PRINCIPAL AND INTEREST	\$ 1,332,951	1,245,330	1,146,731	889,681	757,234	3,115,897	1,509,591	680,425	681,900	72,100	11,431,840

CITY OF NORTON, KANSAS
REGULATORY-REQUIRED
SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2022

CITY OF NORTON, KANSAS
 Summary of Expenditures - Actual and Budget
 Regulatory Basis
For the Year Ended December 31, 2022

SCHEDULE 1

Funds	Certified Budget	Adjustment for Qualifying Budget Credits	Total Budget for Comparison	Expenditures Chargeable to Current Year	Variance Over (Under)
General Funds					
General	\$ 2,050,690	44,603	2,095,293	1,909,767	(185,526)
Special Purpose Funds					
Employee Benefits	167,000	0	167,000	166,618	(382)
Special Highway	290,735	63,379	354,114	260,239	(93,875)
Industrial Development	100,000	0	100,000	0	(100,000)
Library	115,522	0	115,522	112,744	(2,778)
Library Employee Benefits	39,882	0	39,882	38,855	(1,027)
Bond and Interest Funds					
Bond and Interest	96,965	0	96,965	66,915	(30,050)
Business Funds					
Electric	4,724,019	14,123	4,738,142	3,584,349	(1,153,793)
Electric Deposits	80,000	0	80,000	25,261	*
Refuse	497,699	0	497,699	338,396	(159,303)
Water	1,509,992	0	1,509,992	1,091,118	(418,874)
Water Deposits	8,000	0	8,000	6,892	*
Sewer Service	974,268	0	974,268	754,027	(220,241)

* Exempt from the Budget Law

CITY OF NORTON, KANSAS
GENERAL FUND
Schedule of Receipts and Expenditures- Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2022

	Actual	Budget	Variance Over (Under)
Receipts:			
Taxes:			
Ad Valorem Property	\$ 625,051	646,517	(21,466)
Delinquent	20,208	0	20,208
Motor Vehicle	109,974	116,745	(6,771)
Recreational Vehicle	2,358	2,260	98
16/20M Vehicle	978	1,574	(596)
Watercraft	1,023	1,010	13
Commerical Vehicle	3,017	2,877	140
In Lieu of Taxes (IRB)	10,203	7,000	3,203
Intergovernmental:			
County/City Sales Tax	538,094	440,000	98,094
Local Alcoholic Liquor Tax	5,188	5,500	(312)
Licenses, Fees, Fines and Permits:			
Court Fees and Fines	33,482	52,000	(18,518)
Franchise Fees	228,288	225,000	3,288
Licenses and Permits	8,713	6,600	2,113
Charges for Services:			
Cemetery	9,950	12,000	(2,050)
Kennel Charges	110	200	(90)
Swimming Pool	45,569	35,000	10,569
Other:			
Interest on Idle Funds	2,643	12,000	(9,357)
Rent	23,646	20,000	3,646
Miscellaneous	4,894	1,000	3,894
Refunds	28,107	2,000	26,107
Reimbursed Expenses	46,603	2,000	44,603
Photo Copy Receipts	90	100	(10)
County Payment for Inmate Crew	29,400	20,000	9,400
County Payment for Rescue Services	10,000	10,000	0
Sale of City Property	27,800	1,500	26,300
Reimbursement from Special Pool Sales Tax	101,901	40,000	61,901
	1,917,290	1,662,883	254,407

(Continued)

**CITY OF NORTON, KANSAS
GENERAL FUND**

SCHEDULE 2

Page 2

Schedule of Receipts and Expenditures- Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2022

	Actual	Budget	Variance Over (Under)
(Continued)			
Expenditures:			
Finance and Administration:			
Personal Services	\$ 61,615	44,000	17,615
Contractual Services	119,485	268,550	(149,065)
Commodities	4,855	11,500	(6,645)
Capital Outlay	480	62,000	(61,520)
Transfer to Employee Benefits	5,971	0	5,971
	<u>192,406</u>	<u>386,050</u>	<u>(193,644)</u>
Total Finance and Administration			
Police:			
Personal Services	525,001	527,960	(2,959)
Contractual Services	172,169	171,300	869
Commodities	25,698	28,500	(2,802)
Capital Outlay	65,461	83,240	(17,779)
	<u>788,329</u>	<u>811,000</u>	<u>(22,671)</u>
Total Police			
Fire:			
Personal Services	20,490	35,000	(14,510)
Contractual Services	19,444	26,200	(6,756)
Commodities	7,070	5,500	1,570
Capital Outlay	71,034	17,500	53,534
	<u>118,038</u>	<u>84,200</u>	<u>33,838</u>
Total Fire			
Rescue:			
Personal Services	9,750	8,000	1,750
Contractual Services	1,598	5,930	(4,332)
Commodities	393	300	93
Capital Outlay	9,211	20,250	(11,039)
	<u>20,952</u>	<u>34,480</u>	<u>(13,528)</u>
Total Rescue			
Street and Alley:			
Personal Services	113,627	145,580	(31,953)
Contractual Services	26,128	33,000	(6,872)
Commodities	41,361	49,000	(7,639)
Capital Outlay	39,646	100,000	(60,354)
	<u>220,762</u>	<u>327,580</u>	<u>(106,818)</u>
Total Street and Alley			

(Continued)

**CITY OF NORTON, KANSAS
GENERAL FUND**

Schedule of Receipts and Expenditures- Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2022

	Actual	Budget	Variance Over (Under)
(Continued)			
Expenditures:			
Park:			
Personal Services	166,553	154,480	12,073
Contractual Services	46,605	29,900	16,705
Commodities	42,534	31,000	11,534
Capital Outlay	12,530	18,200	(5,670)
Total Park	268,222	233,580	34,642
Swimming Pool:			
Personal Services	76,502	64,000	12,502
Contractual Services	8,482	11,000	(2,518)
Commodities	58,570	42,100	16,470
Capital Outlay	3,639	2,000	1,639
Total Swimming Pool	147,193	119,100	28,093
Civic Building:			
Contractual Services	31,721	44,700	(12,979)
Commodities	9,844	10,000	(156)
Total Civic Building	41,565	54,700	(13,135)
Economic Development Appropriations	56,000	0	56,000
Airport Appropriations	56,300	0	56,300
Adjustments for Qualifying Budget Credits:			
Reimbursed Expenses	0	44,603	(44,603)
Total Expenditures	1,909,767	2,095,293	(185,526)
Receipts Over (Under) Expenditures	7,523		
Prior Year Cancelled Encumbrances	0		
Unencumbered Cash, Beginning	527,801		
Unencumbered Cash, Ending	\$ 535,324		

**CITY OF NORTON, KANSAS
EMPLOYEE BENEFITS FUND**

Schedule of Receipts and Expenditures- Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2022

	<u>Actual</u>	<u>Budget</u>	<u>Variance Over (Under)</u>
Receipts:			
Taxes:			
Ad Valorem Property	\$ 122,190	126,381	(4,191)
Delinquent	3,421	0	3,421
Motor Vehicle	18,277	19,868	(1,591)
Recreational Vehicle	394	384	10
16/20M Vehicle	140	268	(128)
Watercraft	174	172	2
Commerical Vehicle	513	490	23
Transfer from General	<u>5,971</u>	<u>0</u>	<u>5,971</u>
Total Receipts	<u>151,080</u>	<u>147,563</u>	<u>3,517</u>
Expenditures:			
Personal Services	<u>166,618</u>	<u>167,000</u>	<u>(382)</u>
Receipts Over (Under) Expenditures	(15,538)		
Unencumbered Cash, Beginning	<u>15,538</u>		
Unencumbered Cash, Ending	\$ <u><u>0</u></u>		

CITY OF NORTON, KANSAS
SPECIAL HIGHWAY FUND
Schedule of Receipts and Expenditures- Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2022

	Actual	Budget	Variance Over (Under)
Receipts:			
Intergovernmental:			
State Gas Tax	\$ 73,939	70,000	3,939
Special Street Assessment	0	1,000	(1,000)
Reimbursed Expense	63,379	0	63,379
Total Receipts	137,318	71,000	66,318
Expenditures:			
Personal Services	2,925	5,400	(2,475)
Commodities	24,350	67,000	(42,650)
Capital Outlay	93,879	218,335	(124,456)
Transfer to Highway 36 Bond	9,085	0	9,085
Transfer to Highway 36 Project	130,000	0	130,000
Adjustments for Qualifying Budget Credits:			
Reimbursed Expenses	0	63,379	(63,379)
Total Expenditures	260,239	354,114	(93,875)
Receipts Over (Under) Expenditures	(122,921)		
Unencumbered Cash, Beginning	269,359		
Unencumbered Cash, Ending	\$ 146,438		

CITY OF NORTON, KANSAS
INDUSTRIAL DEVELOPMENT FUND
Schedule of Receipts and Expenditures- Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2022

	<u>Actual</u>	<u>Budget</u>	<u>Variance Over (Under)</u>
Receipts:			
Taxes:			
Ad Valorem Property	\$ 3,142	3,252	(110)
Delinquent	309	0	309
Motor Vehicle	870	570	300
Recreational Vehicle	17	11	6
16/20M Vehicle	25	8	17
Watercraft	5	5	0
Commerical Vehicle	15	14	1
Interest on Idle Funds	<u>14</u>	<u>300</u>	<u>(286)</u>
Total Receipts	<u>4,397</u>	<u>4,160</u>	<u>237</u>
Expenditures:			
Public Improvements	<u>0</u>	<u>100,000</u>	<u>(100,000)</u>
Receipts Over (Under) Expenditures	4,397		
Unencumbered Cash, Beginning	<u>136,404</u>		
Unencumbered Cash, Ending	\$ <u><u>140,801</u></u>		

CITY OF NORTON, KANSAS

LIBRARY FUND

Schedule of Receipts and Expenditures- Actual and Budget

Regulatory Basis

For the Year Ended December 31, 2022

	<u>Actual</u>	<u>Budget</u>	<u>Variance Over (Under)</u>
Receipts:			
Taxes:			
Ad Valorem Property	\$ 92,324	95,494	(3,170)
Delinquent	3,143	0	3,143
Motor Vehicle	16,190	17,021	(831)
Recreational Vehicle	346	329	17
16/20M Vehicle	152	229	(77)
Watercraft	149	147	2
Commercial Vehicle	440	419	21
	<u>112,744</u>	<u>113,639</u>	<u>(895)</u>
Total Receipts			
Expenditures:			
Appropriations	<u>112,744</u>	<u>115,522</u>	<u>(2,778)</u>
Total Expenditures	<u>112,744</u>	<u>115,522</u>	<u>(2,778)</u>
Receipts Over (Under) Expenditures	0		
Unencumbered Cash, Beginning	<u>0</u>		
Unencumbered Cash, Ending	\$ <u><u>0</u></u>		

CITY OF NORTON, KANSAS
LIBRARY EMPLOYEE BENEFITS FUND
Schedule of Receipts and Expenditures- Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2022

	<u>Actual</u>	<u>Budget</u>	Variance Over (Under)
Receipts:			
Taxes:			
Ad Valorem Property	\$ 32,052	33,141	(1,089)
Delinquent	1,026	0	1,026
Motor Vehicle	5,414	5,725	(311)
Recreational Vehicle	116	111	5
16/20M Vehicle	49	77	(28)
Watercraft	50	50	0
Commercial Vehicle	<u>148</u>	<u>141</u>	<u>7</u>
Total Receipts	<u>38,855</u>	<u>39,245</u>	<u>(390)</u>
Expenditures:			
Appropriations	<u>38,855</u>	<u>39,882</u>	<u>(1,027)</u>
Receipts Over (Under) Expenditures	0		
Unencumbered Cash, Beginning	<u>0</u>		
Unencumbered Cash, Ending	\$ <u><u>0</u></u>		

**CITY OF NORTON, KANSAS
BOND AND INTEREST FUND**

SCHEDULE 2

Page 9

Schedule of Receipts and Expenditures- Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2022

	Actual	Budget	Variance Over (Under)
Receipts:			
Taxes:			
Ad Valorem Property	\$ 30,679	31,722	(1,043)
Delinquent	970	0	970
Motor Vehicle	1,425	736	689
Recreational Vehicle	27	14	13
16/20M Vehicle	50	10	40
Watercraft	6	6	0
Commercial Vehicle	19	18	1
Special Street Assessment	9,441	0	9,441
Total Receipts	42,617	32,506	10,111
Expenditures:			
Principal	45,000	45,000	0
Interest	21,915	21,915	0
Commission	0	50	(50)
Cash Basis Reserve	0	30,000	(30,000)
Total Expenditures	66,915	96,965	(30,050)
Receipts Over (Under) Expenditures	(24,298)		
Unencumbered Cash, Beginning	64,950		
Unencumbered Cash, Ending	\$ 40,652		

CITY OF NORTON, KANSAS

SCHEDULE 2

ELECTRIC FUND

Page 10

Schedule of Receipts and Expenditures- Actual and Budget
Regulatory Basis

For the Year Ended December 31, 2022

	<u>Actual</u>	<u>Budget</u>	<u>Variance Over (Under)</u>
Receipts:			
Charges for Services	\$ 3,287,519	3,642,500	(354,981)
Miscellaneous	17,976	6,000	11,976
Refunds	0	3,000	(3,000)
Reimbursed Expenses	19,123	5,000	14,123
Sales of City Property	<u>9,204</u>	<u>2,000</u>	<u>7,204</u>
 Total Receipts	 <u>3,333,822</u>	 <u>3,658,500</u>	 <u>(324,678)</u>
Expenditures:			
General and Administrative:			
Personal Services	579,875	687,150	(107,275)
Contractual Services	168,199	253,100	(84,901)
Commodities	13,495	24,500	(11,005)
Capital Outlay	<u>85,888</u>	<u>117,127</u>	<u>(31,239)</u>
 Total General and Administrative	 <u>847,457</u>	 <u>1,081,877</u>	 <u>(234,420)</u>
Production and Acquisitions:			
Personal Services	62,508	75,150	(12,642)
Contractual Services	19,132	23,100	(3,968)
Commodities	1,970,546	32,650	1,937,896
Capital Outlay	<u>0</u>	<u>2,843,742</u>	<u>(2,843,742)</u>
 Total Production and Acquisitions	 <u>2,052,186</u>	 <u>2,974,642</u>	 <u>(922,456)</u>
Transmission and Distribution:			
Personal Services	218,216	229,000	(10,784)
Contractual Services	53,994	38,800	15,194
Commodities	112,095	94,500	17,595
Capital Outlay	<u>158,401</u>	<u>145,200</u>	<u>13,201</u>
 Total Transmission and Distribution	 <u>542,706</u>	 <u>507,500</u>	 <u>35,206</u>
Transfers:			
To Electric Replacement Reserve	102,000	110,000	(8,000)
To Equipment Reserve	30,000	25,000	5,000
To Capital Improvement	<u>10,000</u>	<u>25,000</u>	<u>(15,000)</u>
 Total Transfers	 <u>142,000</u>	 <u>160,000</u>	 <u>(18,000)</u>
Adjustments for Qualifying Budget Credits:			
Reimbursed Expenses	<u>0</u>	<u>14,123</u>	<u>(14,123)</u>
 Total Expenditures	 <u>3,584,349</u>	 <u>4,738,142</u>	 <u>(1,153,793)</u>
Receipts Over (Under) Expenditures	(250,527)		
Unencumbered Cash, Beginning	<u>1,230,078</u>		
Unencumbered Cash, Ending	\$ <u>979,551</u>		

CITY OF NORTON, KANSAS
ELECTRIC DEPOSITS FUND
Schedule of Receipts and Expenditures- Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2022

	Actual	*Budget	Variance Over (Under)
Receipts:			
Consumer Deposits	\$ 25,261	20,000	5,261
Expenditures:			
Deposit Refunds	25,261	80,000	(54,739)
Receipts Over (Under) Expenditures	0		
Unencumbered Cash, Beginning	0		
Unencumbered Cash, Ending	\$ 0		

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

CITY OF NORTON, KANSAS

REFUSE FUND

Schedule of Receipts and Expenditures- Actual and Budget
Regulatory Basis

For the Year Ended December 31, 2022

	<u>Actual</u>	<u>Budget</u>	<u>Variance Over (Under)</u>
Receipts:			
Charges for Services	\$ 350,846	353,500	(2,654)
Miscellaneous	770	1,000	(230)
Reimbursed Expenses	<u>3,219</u>	<u>500</u>	<u>2,719</u>
Total Receipts	<u>354,835</u>	<u>355,000</u>	<u>(165)</u>
Expenditures:			
Personal Services	185,042	248,990	(63,948)
Contractual Services	96,686	105,800	(9,114)
Commodities	16,068	18,000	(1,932)
Capital Outlay	0	84,909	(84,909)
Transfers:			
To Refuse Replacement Reserve	12,600	12,000	600
To Equipment Reserve	20,000	14,000	6,000
To Capital Improvement	<u>8,000</u>	<u>14,000</u>	<u>(6,000)</u>
Total Transfers	<u>40,600</u>	<u>40,000</u>	<u>600</u>
Total Expenditures	<u>338,396</u>	<u>497,699</u>	<u>(159,303)</u>
Receipts Over (Under) Expenditures	16,439		
Unencumbered Cash, Beginning	<u>263,446</u>		
Unencumbered Cash, Ending	\$ <u>279,885</u>		

CITY OF NORTON, KANSAS

WATER FUND

Schedule of Receipts and Expenditures- Actual and Budget
Regulatory Basis

For the Year Ended December 31, 2022

	Actual	Budget	Variance Over (Under)
Receipts:			
Charges for Services	\$ 1,005,971	1,106,950	(100,979)
Miscellaneous	12,580	600	11,980
Water Tap	5,250	0	5,250
Reimbursed Expenses	11,402	1,000	10,402
Reimbursement from ARPA Fund	103,851	103,236	615
Rent	0	5,400	(5,400)
Total Receipts	1,139,054	1,217,186	(78,132)
Expenditures:			
General and Administrative:			
Personal Services	92,573	157,260	(64,687)
Contractual Services	36,984	39,200	(2,216)
Commodities	3,113	3,000	113
Capital Outlay	123,404	363,793	(240,389)
Total General and Administrative	256,074	563,253	(307,179)
Production and Treatment:			
Personal Services	80,364	93,500	(13,136)
Contractual Services	141,578	62,950	78,628
Commodities	139,494	116,950	22,544
Capital Outlay	0	360,000	(360,000)
Total Production and Treatment	361,436	633,400	(271,964)
Transmission and Distribution:			
Personal Services	93,572	136,510	(42,938)
Contractual Services	15,799	29,200	(13,401)
Commodities	22,474	24,200	(1,726)
Capital Outlay	63,466	106,429	(42,963)
Total Transmission and Distribution	195,311	296,339	(101,028)
Transfers:			
To Water Replacement Reserve	10,200	6,000	4,200
To Water/Wastewater Debt Service	258,097	0	258,097
To Equipment Reserve	10,000	5,500	4,500
To Capital Improvement	0	5,500	(5,500)
Total Transfers	278,297	17,000	261,297
Total Expenditures	1,091,118	1,509,992	(418,874)
Receipts Over (Under) Expenditures	47,936		
Unencumbered Cash, Beginning	564,957		
Unencumbered Cash, Ending	\$ 612,893		

CITY OF NORTON, KANSAS

WATER DEPOSITS FUND

Schedule of Receipts and Expenditures- Actual and Budget

Regulatory Basis

For the Year Ended December 31, 2022

	<u>Actual</u>	<u>*Budget</u>	Variance Over (Under)
Receipts:			
Customer Deposits	\$ <u>6,892</u>	<u>7,500</u>	<u>(608)</u>
Expenditures:			
Deposit Refunds	<u>6,892</u>	<u>8,000</u>	<u>(1,108)</u>
Revenues Over (Under) Expenditures	0		
Unencumbered Cash, Beginning	<u>0</u>		
Unencumbered Cash, Ending	\$ <u>0</u>		

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

CITY OF NORTON, KANSAS

SEWER SERVICE FUND

Schedule of Receipts and Expenditures- Actual and Budget
Regulatory Basis

For the Year Ended December 31, 2022

	<u>Actual</u>	<u>Budget</u>	<u>Variance Over (Under)</u>
Receipts:			
Charges for Services	\$ 589,992	637,040	(47,048)
Miscellaneous	2,857	1,000	1,857
Reimbursement from ARPA Fund	103,851	103,236	615
Reimbursed Expenses	<u>211</u>	<u>500</u>	<u>(289)</u>
Total Receipts	<u>696,911</u>	<u>741,776</u>	<u>(44,865)</u>
Expenditures:			
General and Administrative:			
Personal Services	68,181	94,580	(26,399)
Contractual Services	5,240	3,900	1,340
Capital Outlay	<u>0</u>	<u>380,382</u>	<u>(380,382)</u>
Total General and Administrative	<u>73,421</u>	<u>478,862</u>	<u>(405,441)</u>
Sewer Plant:			
Personal Services	75,788	95,500	(19,712)
Contractual Services	107,238	94,900	12,338
Commodities	14,741	20,700	(5,959)
Capital Outlay	<u>73,994</u>	<u>66,690</u>	<u>7,304</u>
Total Sewer Plant	<u>271,761</u>	<u>277,790</u>	<u>(6,029)</u>
Sewer Collections:			
Personal Services	104,373	101,500	2,873
Contractual Services	295	4,000	(3,705)
Commodities	4,091	13,500	(9,409)
Capital Outlay	<u>281</u>	<u>31,416</u>	<u>(31,135)</u>
Total Sewer Collections	<u>109,040</u>	<u>150,416</u>	<u>(41,376)</u>
Transfers:			
To Sewer Replacement Reserve	10,200	37,200	(27,000)
To Water/Wastewater Refunding	279,605	0	279,605
To Equipment Reserve	10,000	15,000	(5,000)
To Capital Improvement	<u>0</u>	<u>15,000</u>	<u>(15,000)</u>
Total Transfers	<u>299,805</u>	<u>67,200</u>	<u>232,605</u>
Total Expenditures	<u>754,027</u>	<u>974,268</u>	<u>(220,241)</u>
Receipts Over (Under) Expenditures	(57,116)		
Unencumbered Cash, Beginning	<u>146,686</u>		
Unencumbered Cash, Ending	\$ <u>89,570</u>		

CITY OF NORTON, KANSAS
 Any Nonbudgeted Fund
 Schedule of Receipts and Expenditures
 Regulatory Basis
For the Year Ended December 31, 2022

	Special Parks	Tourism & Convention	Special Health Insurance	Special Pool Sales Tax	Municipalities Fighting Addiction
Receipts:					
Grants	\$ 0	16,000	10	0	666
Liquor Tax	5,188	0	0	0	0
Head Tax	400	0	0	0	0
Transient Guest Tax	0	38,904	0	0	0
Donations	4,444	0	0	0	0
Reimbursed Expenses	0	0	431,548	0	0
Sales Tax	0	0	0	449,716	0
Total Receipts	<u>10,032</u>	<u>54,904</u>	<u>431,558</u>	<u>449,716</u>	<u>666</u>
Expenditures:					
Lease Payment	0	0	0	302,840	0
Reimbursement to General	0	0	0	101,901	0
Personal Services	0	0	504,098	0	0
Contractual	2,600	54,904	0	0	0
Capital Outlay	52,033	0	0	0	0
Total Expenditures	<u>54,633</u>	<u>54,904</u>	<u>504,098</u>	<u>404,741</u>	<u>0</u>
Receipts Over (Under) Expenditures	(44,601)	0	(72,540)	44,975	666
Unencumbered Cash, Beginning	48,249	0	98,580	561,504	0
Unencumbered Cash, Ending	<u>\$ 3,648</u>	<u>0</u>	<u>26,040</u>	<u>606,479</u>	<u>666</u>

CITY OF NORTON, KANSAS
 Any Nonbudgeted Fund
 Schedule of Receipts and Expenditures
 Regulatory Basis
For the Year Ended December 31, 2022

	Police Donation	Animal Pound Donation	Cemetery Donation	Electric Replacement Reserve	Refuse Replacement Reserve
Receipts:					
Interest on Idle Funds	\$ 0	0	0	50	0
Transfer from Electric Donations	0	0	0	102,000	0
Transfer from Refuse	176	0	0	0	0
	0	0	0	0	12,600
Total Receipts	176	0	0	102,050	12,600
Expenditures:					
Contractual	0	0	0	0	0
Capital Outlay	0	9,472	0	120,144	0
	0	9,472	0	120,144	0
Total Expenditures	0	9,472	0	120,144	0
Receipts Over (Under) Expenditures	176	(9,472)	0	(18,094)	12,600
Unencumbered Cash, Beginning	0	71,573	14,058	480,200	135,790
Unencumbered Cash, Ending	\$ 176	62,101	14,058	462,106	148,390

CITY OF NORTON, KANSAS
 Any Nonbudgeted Fund
 Schedule of Receipts and Expenditures
 Regulatory Basis
 For the Year Ended December 31, 2022

	Water Replacement Reserve	Police Forfeiture	Sewer Replacement Reserve	City Land Bank	Highway 36 Bond
Receipts:					
Forfeiture Proceeds	\$ 0	375	0	0	0
Transfer from Special Highway	0	0	0	0	9,085
Transfer from Water	10,200	0	0	0	0
Transfer from Sewer	0	0	10,200	0	0
Total Receipts	10,200	375	10,200	0	9,085
Expenditures:					
Contractual	0	0	1,770	0	0
Capital Outlay	0	0	1,770	0	0
Bond Principal	0	0	0	0	0
Bond Interest	0	0	0	0	9,085
Total Expenditures	0	0	1,770	0	9,085
Receipts Over (Under) Expenditures					
	10,200	375	8,430	0	0
Unencumbered Cash, Beginning	34,186	1,286	129,317	689	0
Unencumbered Cash, Ending	44,386	1,661	137,747	689	0

CITY OF NORTON, KANSAS
 Any Nonbudgeted Fund
 Schedule of Receipts and Expenditures
 Regulatory Basis
For the Year Ended December 31, 2022

SCHEDULE 2
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	Equipment Reserve	Capital Improvement	Water/ Wastewater Debt Service	Highway 36 Project	Revolving Loan
Receipts:					
Sale of Equipment	\$ 24,719	0	0	0	0
Loan Repayments	0	0	0	0	13,351
Interest on Idle Funds	0	0	0	0	161
Bond Proceeds	0	0	0	830,000	0
Transfer from General	0	0	0	0	0
Transfer from Electric	30,000	10,000	0	0	0
Transfer from Refuse	20,000	8,000	0	0	0
Transfer from Special Highway	0	0	0	130,000	0
Transfer from Water	10,000	0	258,097	0	0
Transfer from Sewer	10,000	0	279,605	0	0
Total Receipts	94,719	18,000	537,702	960,000	13,512
Expenditures:					
Capital Outlay	92,986	46,610	0	917,000	0
Bond Principal	0	0	455,000	0	0
Bond Interest	0	0	82,702	0	0
Cost of Issuance	0	0	0	29,292	0
Total Expenditures	92,986	46,610	537,702	946,292	0
Receipts Over (Under) Expenditures	1,733	(28,610)	0	13,708	13,512
Unencumbered Cash, Beginning	111,546	184,734	11,554	0	59,629
Unencumbered Cash, Ending	\$ 113,279	156,124	11,554	13,708	73,141

CITY OF NORTON, KANSAS
 Related Municipal Entities
 Schedule of Receipts and Expenditures
 Regulatory Basis
 For the Year Ended December 31, 2022

Norton Public Library

	General	State Grant	Friends	Art Club	Special Project and Donation	Capital Improvement
Receipts:						
Appropriation from City	\$ 151,599	0	0	0	0	0
Memorials and Donations	181,095	0	0	0	0	0
Fines and Fees	5,499	0	0	0	0	0
Interest on Idle Funds	3,011	0	0	0	0	0
Grants	5,500	0	0	0	0	0
Donations	7,890	0	1,292	3,198	8,000	0
Miscellaneous	1,214	0	0	0	0	0
State Aid	0	776	0	0	0	0
Transfer from Special Project and Donation	35,000	0	0	0	0	0
Total Receipts	390,808	776	1,292	3,198	8,000	0
Expenditures						
Personal Services	142,572	0	0	0	0	0
Books and Periodicals	11,198	776	0	0	0	0
Contractual Services	5,581	0	0	0	0	0
Facilities and Equipment	450	0	0	0	0	0
Miscellaneous	2,174	0	34	0	0	0
Printing & Copying	2,909	0	0	0	0	0
Supplies	11,148	0	864	880	0	0
Technology	4,189	0	0	40	0	0
Utilities	1,058	0	0	0	0	0
Transfer to General	0	0	0	0	35,000	0
Total Expenditures	181,279	776	898	920	35,000	0
Receipts Over (Under) Expenditures	209,529	0	394	2,278	(27,000)	0
Unencumbered Cash, Beginning	57,186	0	1,018	3,969	75,712	20,362
Unencumbered Cash, Ending	\$ 266,715	0	1,412	6,247	48,712	20,362

CITY OF NORTON, KANSAS
 Related Municipal Entities
 Schedule of Receipts and Expenditures
 Regulatory Basis
For the Year Ended December 31, 2022

	PBC
	Pool Bond & Interest
Receipts:	
Lease Income	302,840
Interest on Idle Funds	1,908
Total Receipts	304,748
Expenditures	
Principal	215,000
Interest	88,740
Total Expenditures	303,740
Receipts Over (Under) Expenditures	1,008
Unencumbered Cash, Beginning	314,227
Unencumbered Cash, Ending	315,235

CITY OF NORTON, KANSAS
 Agency Funds
 Summary of Receipts and Disbursements
 Regulatory Basis
For the Year Ended December 31, 2022

SCHEDULE 3

	Beginning Cash Balance	Receipts	Disburse- ments	Ending Cash Balance
Payroll Clearing	\$ 13,077	2,095,095	2,094,813	13,359
Utility Trust	23,843	48,011	49,649	22,205
Total Agency Funds	\$ 36,920	2,143,106	2,144,462	35,564