



# Comprehensive Annual Financial Report

For the Fiscal Year Ended  
December 31, 2021



## City of Newton, Kansas



**ANNUAL COMPREHENSIVE FINANCIAL REPORT**  
**CITY OF NEWTON, KANSAS**  
**FOR THE FISCAL YEAR ENDED DECEMBER 31, 2021**

**MAYOR**

**Clint McBroom**

**VICE MAYOR**

**Leroy Koehn**

**COMMISSIONERS**

**Kathy Valentine**

**Rod Kreie**

**Rich Stinnett**

**CITY MANAGER**

**Kelly McElroy**

**FINANCE DIRECTOR**

**Donna Pickman**

**Prepared by the Finance Office**

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CITY OF NEWTON, KANSAS  
ANNUAL COMPREHENSIVE  
FINANCIAL REPORT  
Year Ended December 31, 2021

TABLE OF CONTENTS

	<u>Page</u>
<b>INTRODUCTORY SECTION:</b>	
Letter of Transmittal	i - x
Organizational Structure	xi
List of Principal Officials	xii
Certificate of Achievement for Excellence in Financial Reporting	xiii
<b>FINANCIAL SECTION:</b>	
Independent Auditors' Report	1 - 3
Management's Discussion and Analysis	4 - 13
<b>Basic Financial Statements:</b>	
<b>Government-Wide Financial Statements:</b>	
Statement of Net Position	14
Statement of Activities	15
<b>Fund Financial Statements:</b>	
Balance Sheet – Governmental Funds	16
Reconciliation of the Balance Sheet of the Governmental Funds to the Statement of Net Position	17
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds	18
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of the Governmental Funds to the Statement of Activities	19
Statement of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – Funds Included in the General Fund:	
General Fund	20
RHID Fund	21
RHID 2 Fund	22
Statement of Net Position – Proprietary Funds	23 - 24
Statement of Revenues, Expenses and Changes in Net Position – Proprietary Funds	25 - 26
Statement of Cash Flows – Proprietary Funds	27 - 30
Notes to Basic Financial Statements	31 - 73
<b>Required Supplementary Information:</b>	
Schedule of the City's Proportionate Share of the Collective Net Pension Liability – Kansas Public Employees Retirement System	74
Schedule of the Library's Proportionate Share of the Collective Net Pension Liability – Kansas Public Employees Retirement System	75
Schedule of the Housing Authority's Proportionate Share of the Collective Net Pension Liability – Kansas Public Employees Retirement System	76
Schedule of the City's Contributions – Kansas Public Employees Retirement System	77
Schedule of the Library's Contributions – Kansas Public Employees Retirement System	78

CITY OF NEWTON, KANSAS  
ANNUAL COMPREHENSIVE  
FINANCIAL REPORT  
Year Ended December 31, 2021

TABLE OF CONTENTS  
(Continued)

	<u>Page</u>
Schedule of the Housing Authority’s Contributions – Kansas Public Employees Retirement System	79
Schedule of Changes in the City’s Total OPEB Liability and Related Ratios – Health Insurance	80
Schedule of Changes in the City’s Total OPEB Liability and Related Ratios – Disability Benefits and Life Insurance	81
Schedule of Changes in the Library’s Total OPEB Liability and Related Ratios – Disability Benefits and Life Insurance	82
 Other Supplementary Information:	
Combining Balance Sheet – General Fund	83
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – General Fund	84
Combining Balance Sheet – Nonmajor Governmental Funds	85 - 86
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Governmental Funds	87 - 88
Schedules of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual:	
Airport Fund	89
Special Alcohol Program Fund	90
Special Highway Fund	91
Special Liability Fund	92
Special Parks & Recreation Fund	93
Tourism & Convention Promotion Fund	94
Special Law Enforcement Fund	95
Library Fund	96
Community Improvement District Sales Tax Fund	97
Cemetery & Mausoleum Fund	98
Bond & Interest Fund	99
Sewer Fund	100 - 101
Sanitation Fund	102
Waterworks Fund	103
Golf Course Fund	104
Meridian Center Fund	105
Stores and Maintenance Fund	106
Combining Statement of Net Position – Internal Service Funds	107
Combining Statement of Revenues, Expenses and Changes in Net Position – Internal Service Funds	108
Combining Statement of Cash Flows – Internal Service Funds	109 - 110
Component Unit Fund Financial Statements – Newton Public Library Balance Sheet	111
Component Unit Fund Financial Statements – Newton Public Library Statement of Revenues, Expenditures and Changes in Fund Balances	112

CITY OF NEWTON, KANSAS  
ANNUAL COMPREHENSIVE  
FINANCIAL REPORT  
Year Ended December 31, 2021

TABLE OF CONTENTS  
(Continued)

	<u>Page</u>
 STATISTICAL SECTION:	
Net Position by Component	113 - 114
Changes in Net Position	115 - 118
Fund Balances, Governmental Funds	119 - 120
Changes in Fund Balances, Governmental Funds	121 - 122
Tax Revenues by Source, Governmental Funds	123
Assessed Value and Estimated Actual Value of Taxable Property	124
Property Tax Levies and Collections	124
Direct and Overlapping Property Tax Rates	125
Principal Property Tax Payers	126
Legal Debt Margin Information	127
Ratios of Outstanding Debt by Type	128
Ratios of General Bonded Debt Outstanding	129
Direct and Overlapping Governmental Activities Debt	130
Pledged-Revenue Coverage	131
Schedule of Bonded Indebtedness by Category	132
Schedule of Industrial Revenue Bonds by Obligee	133
Demographic and Economic Statistics	134
Principal Employers	135
Full-Time Equivalent City Government Employees by Function/Program	136
Operating Indicators by Function/Program	137
Capital Asset Statistics by Function/Program	138
City Data Report	139 - 141
 OTHER:	
Schedule of Expenditures of Federal Awards	142
Notes to Schedule of Expenditures of Federal Awards	143
Schedule of Findings and Questioned Costs	144 - 145
Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	146 - 147
Independent Auditors' Report on Compliance for each Major Federal Program and Report on Internal Control over Compliance	148 - 150

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# Introductory Section





**Kelly McElroy**  
*City Manager*

June 28, 2022

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p: 316-284-6001  
201 E. Sixth St.  
P.O. Box 426  
Newton, Kansas 67114-0426

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

Dear Commissioners,

City administration is pleased to present to you the City of Newton, Kansas Annual Comprehensive Financial Report for the period ended December 31, 2021. This Annual Comprehensive Report is a review of what occurred financially over the course of the 2021 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. We are pleased to report we have closed out another fiscal year in improved, sound financial shape.

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 have a fantastic team and express our appreciation for their efforts and service, and for your trust in our team.

Sincerely,

Kelly McElroy  
City Manager

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**Donna Pickman**  
*Finance Director*

June 28, 2022

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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, 2021. 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, a private, 99-bed, not-for-profit hospital, serves the community. The medical center is a major employer in Harvey County with 105 active medical staff and 670 full time employees. NMC Health is one of The Chartis Center for Rural Health's Top 100 Rural and Community Hospitals in the United States. This designation is based on iVantage's Hospital Strength INDEX®, the industry's most comprehensive rating of rural and Critical Access Hospitals. NMC Health has been recognized by Healthgrades® for the fourth consecutive year for outstanding patient experience. This distinction places NMC Health among the top 15 percent of hospitals nationwide for patient experience. For the fifth consecutive year, NMC Health has been named one of America's 100 Great Community Hospitals by Becker's Hospital Review.

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 800 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 fiscal and service restraints due to COVID-19. We have seen revenue declines in interest earned on investments and other charges and fees. Fortunately, we have not seen a decline in sales tax or property tax revenues. The City received various grants for COVID expenses in 2021 including \$1,439,181 in American Rescue Plan Act: State and Local Fiscal Recovery Funds.

## Economic Condition and Outlook

Newton, with a 2021 US Census bureau population estimate of 18,744 is located in the Wichita, Kansas, Metropolitan Area, approximately 20 miles north of Wichita itself. Newton is the 23<sup>rd</sup> largest city in Kansas. 526 building permits were issued in 2021 for \$15.3 million compared to \$14.9 million in 2020. Thirteen of these permits were for residential homes with a value of \$3.3 million, up from nine in 2020 with a value of \$2.6 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 is expected to be 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.

### **1<sup>st</sup> 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 1<sup>st</sup> 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 is planned to be completed in 2023.

### **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 will 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 is expected to be completed in 2022.

### **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. The letter of intent is a good-faith statement to negotiate a formal sales arrangement. New Jersey-based GAF is the largest roofing materials manufacturer in North America, with more than two dozen manufacturing plants in the United States.

### **Summer Crossing Addition**

The City Commission approved a public infrastructure project in June 2021 that will open up 24 addition single-family residential lots in Summer Crossing. Petitions were approved for improvements funded through special assessments paid by the property owner. This is Newton's first residential petition project in several years. Summer Crossing is just west of Old Main, between U.S. 50 and Southwest 24<sup>th</sup> Street.

### **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 will begin construction in 2022.

### **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.

Expenditures are authorized by a budget approved by the City Commission as required by Kansas statutes. 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.

#### 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, 2021, illustrating the concept noted above.

**GENERAL OBLIGATION BOND DEBT SERVICE REQUIREMENTS  
DECEMBER 31, 2021**

<b>Year</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2022	\$ 3,915,000	\$ 1,258,421	\$ 5,173,421
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	\$ -	\$ -	\$ -

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 \$1,561 and net bonded debt represents 25% of assessed value. It has been possible to finance improvements without jeopardizing these common indicators.

**TABLE II  
CITY OF NEWTON  
SELECTED DEBT RATIOS**

<b>Year End 12-31</b>	<b>Net Direct Bonded Debt</b>	<b>Ratio of Net Bonded Debt to Assessed Value</b>	<b>Ratio of Net Bonded Debt to Estimated Actual Market Value</b>	<b>Net Bonded Debt Per Capita</b>
2012	\$ 27,441,332	23.87%	3.24%	\$ 1,427
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	\$ 29,266,166	22.55%	2.99%	\$ 1,561

## 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 roughly 12% 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 and recycling collection 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 and recyclable materials 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 and recycling 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. Recyclables are delivered to the Harvey County Recycling Center for processing.

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.

### 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 will be completed in 2022. The federal government is planning to fund \$7,691,372 of the project, with the remaining \$854,597 to be 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, 2021 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, 2020. 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 annual comprehensive 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-one consecutive years (fiscal years ended 1989-2020). 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.

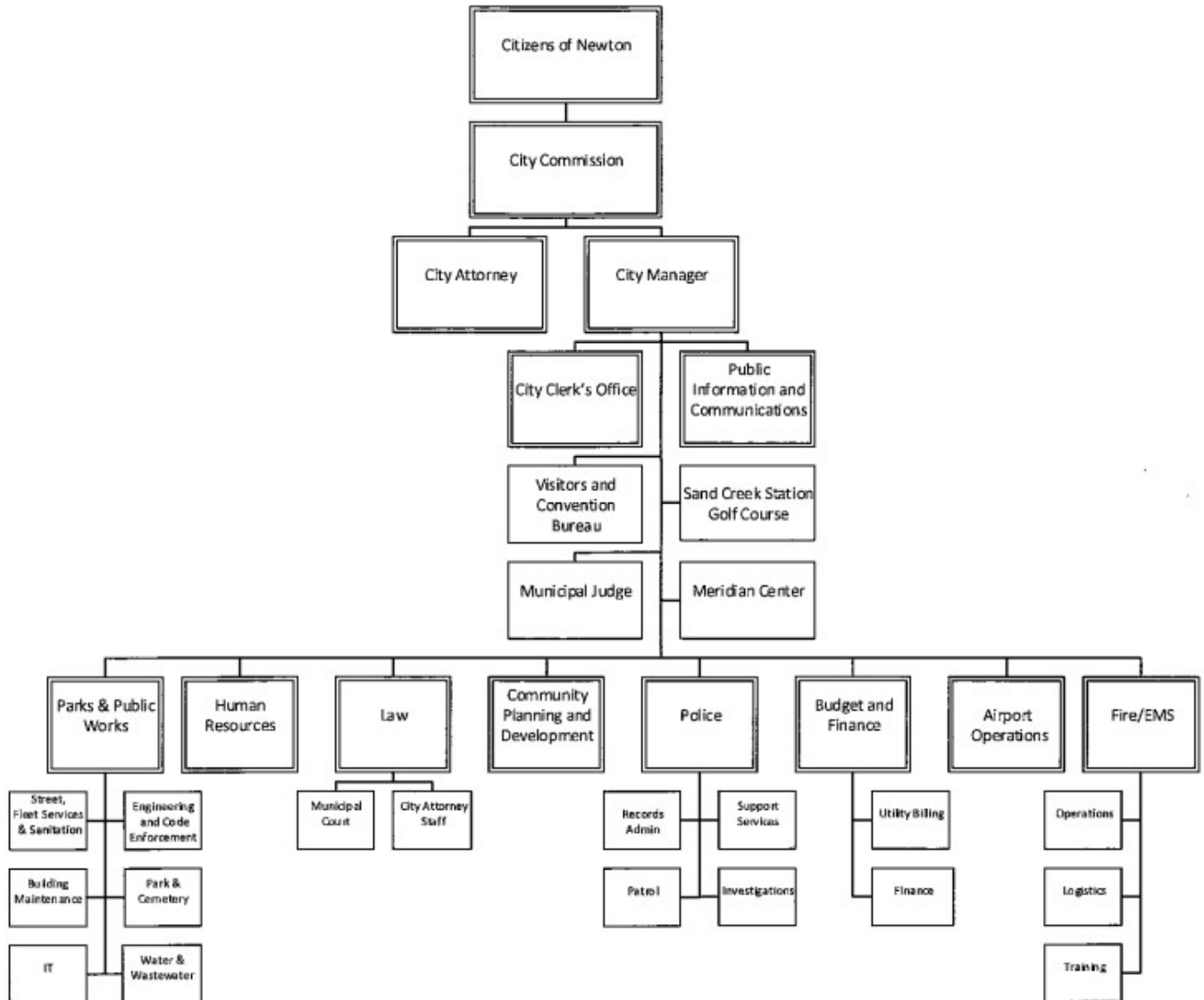
I express special appreciation to the City Commissioners and City Manager Kelly McElroy, for their unfailing support for maintaining the highest standards of professionalism in the management of the City of Newton's finances.

Respectfully,

A handwritten signature in blue ink that reads "Donna Pickman". The signature is written in a cursive, flowing style.

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**

<u>Name</u>	<u>Position</u>	<u>Term of Office</u>
Clint McBroom	Mayor	December 2021 – December 2022
	Commissioner	December 2019 – December 2023
Leroy Koehn	Vice Mayor	December 2021 – December 2022
	Commissioner	April 2013 – December 2025
Rod Kreie	Commissioner	April 2018 – December 2025
Kathy Valentine	Commissioner	April 2015 – December 2023
Richard Stinnett	Commissioner	December 2019 – December 2023

**ADMINISTRATIVE OFFICIALS**

<u>Name</u>	<u>Office</u>
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

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Achievement  
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in Financial  
Reporting

Presented to

**City of Newton  
Kansas**

For its Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

December 31, 2020

*Christopher P. Morrill*

Executive Director/CEO

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# Financial Section

## Basic Financial Statements





## **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 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, 2021, 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, 2021, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the general 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 represent 55% and 57%, respectively, of the assets and revenues of the aggregate discretely presented component units as of December 31, 2021, and the respective changes in financial position, and where applicable, cash flows thereof for the year then ended. 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); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; 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. The financial statements of the Newton Public Library were not audited in accordance with *Government Auditing Standards*.

#### ***Emphasis-of-Matter***

As described in Note 17 to the financial statements, the December 31, 2020 financial statements have been restated to correct a misstatement. Our opinion is not modified with respect to this matter.

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.

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

## ***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 and *Government Auditing Standards* 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 and *Government Auditing Standards*, 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 have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, 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, including the schedule of expenditures of federal awards as required by Title 2 U. S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), 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.

### ***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated June 28, 2022, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

BT + Co., P.A.

Topeka, Kansas  
June 28, 2022

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## 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, 2021. 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 \$103,031,893. Of this amount \$27,674,724 (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 9.00% to \$103.0 million and unrestricted net position decreased 9.73% to \$27.6 million as a result of this year's operations.
- At the end of 2021, the combined unassigned and assigned fund balance for the General Fund was \$13,172,426 or 72.69% of General Fund expenditures net of transfers. This is compared to \$11,811,353 or 68.65% of General Fund expenditures in 2020. The increase in the combined unassigned and assigned fund balance is due to the City's conscience 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 \$4,840,000 during 2021 to \$41,470,000.

#### 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 \$103,031,893 at the close of 2021, the most recent fiscal year. This represents an increase of 9.00% as compared to the close of 2020.

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, 2021**

	Governmental Activities		Business-Type Activities		Total	
	2021	2020	2021	2020	2021	2020
<b>Current and other assets</b>	\$ 33,440,767	\$ 33,778,295	\$ 22,505,619	\$ 24,123,138	\$ 55,946,386	\$ 57,901,433
<b>Capital assets, non-depreciable</b>	13,363,442	7,598,311	2,281,193	1,379,979	15,644,635	8,978,290
<b>Capital assets, net of depreciation</b>	54,155,484	59,102,767	62,110,278	60,296,250	116,265,762	119,399,017
<b>Total Assets</b>	<u>100,959,693</u>	<u>100,479,373</u>	<u>86,897,090</u>	<u>85,799,367</u>	<u>187,856,783</u>	<u>186,278,740</u>
<b>Deferred Outflows of Resources</b>	4,661,348	5,010,757	1,190,471	1,301,831	5,851,819	6,312,588
<b>Long-term liabilities outstanding</b>	45,075,968	52,006,635	30,779,364	35,886,274	75,855,332	87,892,909
<b>Other liabilities</b>	1,715,353	1,201,097	648,604	628,467	2,363,957	1,829,564
<b>Total Liabilities</b>	<u>46,791,321</u>	<u>53,207,732</u>	<u>31,427,968</u>	<u>36,514,741</u>	<u>78,219,289</u>	<u>89,722,473</u>
<b>Deferred Inflows of Resources</b>	<u>11,685,427</u>	<u>8,260,736</u>	<u>771,993</u>	<u>144,376</u>	<u>12,457,420</u>	<u>8,405,112</u>
<b>Net Position:</b>						
<b>Net Investment in Capital Assets</b>	36,511,227	32,670,298	36,215,736	29,137,494	72,726,963	61,807,792
<b>Restricted</b>	2,630,206	1,997,395	-	-	2,630,206	1,997,395
<b>Unrestricted</b>	8,002,860	9,353,969	19,671,864	21,304,587	27,674,724	30,658,556
<b>Total Net Position</b>	<u>\$ 47,144,293</u>	<u>\$ 44,021,662</u>	<u>\$ 55,887,600</u>	<u>\$ 50,442,081</u>	<u>\$ 103,031,893</u>	<u>\$ 94,463,743</u>

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 City's balance of unrestricted net position of \$27,674,724 may be used to meet the government's ongoing obligations to citizens and creditors. The unrestricted net position decreased by \$2,983,832 or 9.73%.

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, 2021**

	Governmental		Business-Type		Total	
	Activities		Activities			
	2021	2020	2021	2020	2021	2020
<b>Revenues</b>						
<u>Program Revenues</u>						
Charges for services	\$ 4,321,983	\$ 3,985,554	\$ 16,802,156	\$ 16,273,815	\$ 21,124,139	\$ 20,259,369
Operating grants and contributions	1,761,940	161,641	-	-	1,761,940	161,641
Capital grants and contributions	5,527,136	3,225,926	342,372	21,000	5,869,508	3,246,926
<u>General Revenues</u>						
Property taxes and special assessments	8,835,761	8,767,116	142,240	133,941	8,978,001	8,901,057
Sales taxes	6,221,635	5,526,871	-	-	6,221,635	5,526,871
Franchise taxes	1,519,599	1,468,435	-	-	1,519,599	1,468,435
Excise Taxes	316,027	188,022	-	-	316,027	188,022
Gain on disposal of capital assets	-	54,424	-	500	-	54,924
Interest income	4,056	202,942	3,962	5,872	8,018	208,814
Other	730,551	1,138,762	60,105	-	790,656	1,138,762
<b>Total Revenues</b>	<b>29,238,688</b>	<b>24,719,693</b>	<b>17,350,835</b>	<b>16,435,128</b>	<b>46,589,523</b>	<b>41,154,821</b>
<b>Expenses</b>						
General government	5,385,546	5,681,133	-	-	5,385,546	5,681,133
Public safety	11,050,615	11,427,887	-	-	11,050,615	11,427,887
Highway and streets	4,404,305	3,773,794	-	-	4,404,305	3,773,794
Culture and recreation	1,300,417	1,347,875	-	-	1,300,417	1,347,875
Airport	1,606,844	1,042,403	-	-	1,606,844	1,042,403
Interest and fiscal charges	1,073,799	1,461,697	-	-	1,073,799	1,461,697
Sewer	-	-	5,308,781	5,206,266	5,308,781	5,206,266
Sanitation	-	-	1,752,106	1,773,244	1,752,106	1,773,244
Waterworks	-	-	3,633,023	3,497,672	3,633,023	3,497,672
Golf Course	-	-	1,566,644	1,456,132	1,566,644	1,456,132
Public Building Commission	-	-	449,532	569,091	449,532	569,091
Meridian Center	-	-	548,489	-	548,489	-
<b>Total Expenses</b>	<b>24,821,526</b>	<b>24,734,789</b>	<b>13,258,575</b>	<b>12,502,405</b>	<b>38,080,101</b>	<b>37,237,194</b>
Excess (Deficiency) before transfers	4,417,162	(15,096)	4,092,260	3,932,723	8,509,422	3,917,627
Transfers	(1,160,492)	4,080,892	1,160,492	(4,080,892)	-	-
Change in Net Assets	3,256,670	4,065,796	5,252,752	(148,169)	8,509,422	3,917,627
Net Position, Beginning of the Year as previously stated	43,887,623	39,955,866	50,576,122	50,590,250	94,463,745	90,546,116
Prior Period adjustment	-	-	58,726	-	58,726	-
Net position, beginning of year as restated	43,887,623	39,955,866	50,634,848	50,590,250	94,522,471	90,546,116
Net Position, End of the Year	<b>\$ 47,144,293</b>	<b>\$ 44,021,662</b>	<b>\$ 55,887,600</b>	<b>\$ 50,442,081</b>	<b>\$ 103,031,893</b>	<b>\$ 94,463,743</b>

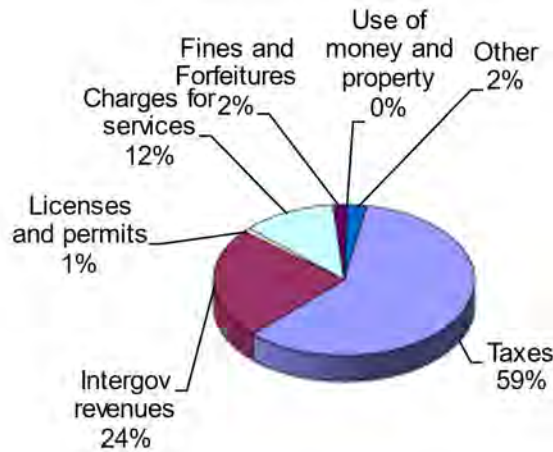
### Governmental Activities

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**

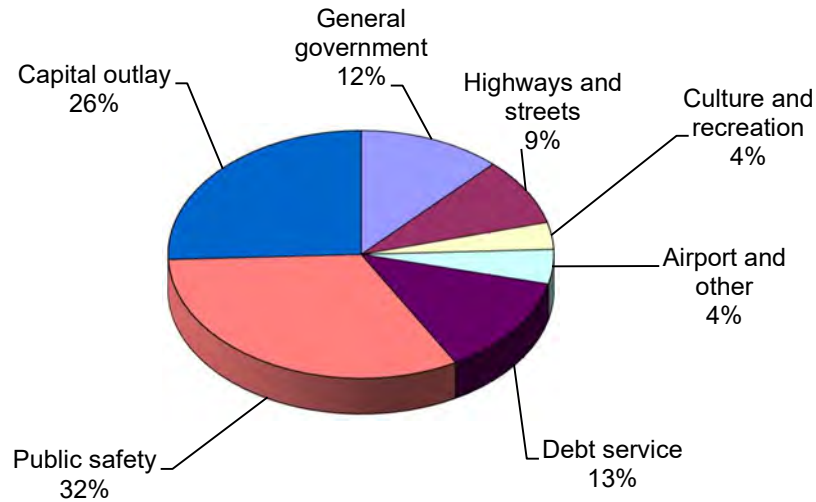
	<b>Total Cost of Services</b>	<b>Net Cost of Services</b>
General government	\$ 5,385,546	\$ 3,037,589
Public safety	11,050,615	8,406,478
Highway & streets and public works	4,404,305	2,978,384
Culture and recreation	1,300,417	1,280,948
<b>Totals</b>	<b>\$ 22,140,883</b>	<b>\$ 15,703,399</b>

**Source of Revenue**



- Property tax revenue increased \$76,944 or 0.86% for the year 2021 as compared to 2020. The increase is due to an increase in the City’s 2021 assessed valuation.
- The City saw an increase in Intergovernmental, Charges for Services, Fines and Forfeitures, and Use of Money as the economy comes out of the coronavirus (COVID-19) pandemic.

**Functional Expenses**



**Business-type Activities**

Business-type activities increased the City’s net position by \$5,252,752 to \$55,887,600 during 2021. Part of this increase was due to bringing the Meridian Center inhouse as an enterprise fund. 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**

	<b>Total Cost of Activity</b>	<b>Net Revenue from Activity</b>
Sewer	\$ 5,308,781	\$ 2,824,284
Sanitation	1,752,106	487,006
Waterworks	3,633,023	1,100,228
Golf Course	1,566,644	(92,153)
Public Building Commission	449,532	(44,891)
Meridian Center	548,489	(388,521)
Totals	<u>\$ 13,258,575</u>	<u>\$ 3,885,953</u>

- 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, 2021, an extra \$4,400,000, raised by this upgrade fee, has been paid toward the principal to reduce the debt service.

- The 2021-2026 Capital Improvement Plan is approximately \$34.7 million. The CIP is funded through a combination of City, State and Federal funds.

## **FINANCIAL ANALYSIS OF THE CITY'S FUNDS**

On December 31, 2021, the City's governmental funds reported combined fund balance of \$13,030,986, a \$133,942 increase from 2020.

- The General Fund is the major operating and taxing fund for the City of Newton. The beginning total fund balance was \$11,820,605. In 2021 the ending balance was \$13,543,251 a \$1,722,646 or 14.57% increase over 2020. In 2021, expenditures exceeded revenues by \$502,262, 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 \$596,221. The Debt Service Fund balance at year end 2021 was \$1,252,910. 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 (\$3,830,366). This is compared to the 2020 balance of (\$1,342,703), 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 2022.
- In Other Governmental Funds, the ending fund balance is \$2,065,191, an increase of \$302,738 or 17.18%.

### **General Fund Budgetary Highlights**

The General Fund actual revenues did not meet budgeted revenues by \$634,298 for 2021. The lower than budgeted revenue received for interest earned on investments, franchise fees, and charges for services were due to the ongoing coronavirus (COVID-19) pandemic.

- General Fund tax revenues, actual vs. budget, reflected a positive variance of \$791,890. This increase was due to higher sales tax collections.
- General Fund expenditures in 2021 were \$20,299,443 compared to \$19,992,532 in 2020. This reflects a \$306,911 expenditure increase. The rising costs of goods that the City needs to maintain services had a detrimental effect on the expenditure budget.



## CAPITAL ASSET AND DEBT ADMINISTRATION

### Capital Assets

At the end of 2021, the City had \$131,910,397 (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 increase (including additions and deletions) of \$3,533,090. Construction in progress increased \$6,666,345, this increase is a result of several major street, utility and airport construction projects which increased general infrastructure. Building and Improvements decreased (\$1,701,198). Machinery and Equipment decreased (\$458,834). Utility Service Lines increased \$418,855. General Infrastructure had a net decrease of (\$1,392,078). Additional information of the City of Newton's capital assets can be found in Note 5, of the Notes to Financial Statements, on pages 44-47.

The City's five-year Capital Improvement Plan reflects appropriations for construction, improvements to, or acquisition of an additional \$34.7 million worth of capital assets for fiscal 2021 through 2026. 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	
	2021	2020	2021	2020	2021	2020
Land	\$ 6,057,650	\$ 6,608,676	\$ 1,633,605	\$ 1,082,579	\$ 7,691,255	\$ 7,691,255
Buildings and improvements	15,625,611	18,752,374	35,536,301	34,110,736	51,161,912	52,863,110
Machinery and equipment	3,468,263	3,896,705	2,626,408	2,656,800	6,094,671	6,553,505
General infrastructure	35,061,610	36,453,688	-	-	35,061,610	36,453,688
Utility service lines	-	-	23,947,569	23,528,714	23,947,569	23,528,714
Construction in progress	7,305,792	989,635	647,588	297,400	7,953,380	1,287,035
Total capital assets	<u>\$ 67,518,926</u>	<u>\$ 66,701,078</u>	<u>\$ 64,391,471</u>	<u>\$ 61,676,229</u>	<u>\$ 131,910,397</u>	<u>\$ 128,377,307</u>

### Debt

On December 31, 2021, the City had total general obligation debt outstanding of \$41,470,000 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 \$13,324,822 of state revolving fund loans secured solely by specified revenue sources. Total City indebtedness as of December 31, 2021, is \$57,979,822.

The City has taken advantage of the current interest rate environment by refunding bond issues in 2020 and 2021, realizing savings due to reduced interest costs. In 2021, the City refunded Series 2013-A which originally financed various improvement projects. The savings in interest for refunding these bonds is estimated to result in future value savings of approximately \$536,000 for the City.

Additional information of the City of Newton's long-term debt can be found in Note 10, of the Notes to Financial Statements, on pages 65-69.

## **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 2021 population was 647,919. The Harvey County 2021 population of 33,817 had a per capita personal income (PCPI) of \$46,698. This PCPI was 78% of the state average, \$59,324, and 70% of the national average, \$66,735. The 2021 PCPI reflected an increase of 5% from 2020. The Harvey County Civilian Labor Force was 17,144 with an unemployment rate of 1.8%.

## **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 6<sup>th</sup> Street, Newton, Kansas 67114.

CITY OF NEWTON, KANSAS  
STATEMENT OF NET POSITION  
December 31, 2021

	Primary Government			Component Units	
	Governmental Activities	Business-Type Activities	Total	Public Library	Housing Authority
Assets:					
Cash and investments	\$ 12,461,119	\$ 22,018,175	\$ 34,479,294	\$ 2,141,597	\$ 507,882
Receivables:					
Property tax	7,707,086	-	7,707,086	-	-
Special assessment tax	7,774,271	-	7,774,271	-	-
Sales tax	1,114,294	-	1,114,294	-	-
Franchise tax	149,526	-	149,526	-	-
Accounts	565,610	2,005,451	2,571,061	-	2,603
Due from other governments	59,901	-	59,901	-	22,212
Other	490,698	-	490,698	-	-
Internal balances	2,439,576	(2,439,576)	-	-	-
Prepaid items	390,825	31,126	421,951	-	46,638
Inventory	143,053	157,017	300,070	-	11,076
Restricted assets:					
Cash and investments	144,808	733,426	878,234	-	57,689
Capital assets:					
Capital assets not being depreciated	13,363,442	2,281,193	15,644,635	-	374,836
Other capital assets, net of depreciation	54,155,484	62,110,278	116,265,762	119,456	1,821,558
Total assets	<u>100,959,693</u>	<u>86,897,090</u>	<u>187,856,783</u>	<u>2,261,053</u>	<u>2,844,494</u>
Deferred outflows of resources:					
Deferred charge on refunding	477,082	525,960	1,003,042	-	-
Deferred outflows - OPEB	406,451	23,770	430,221	361	-
Deferred outflows - pension	3,777,815	640,741	4,418,556	78,091	60,726
Total deferred outflows of resources	<u>4,661,348</u>	<u>1,190,471</u>	<u>5,851,819</u>	<u>78,452</u>	<u>60,726</u>
Liabilities:					
Accounts payable	813,229	208,414	1,021,643	23	100,613
Accrued expenses	229,728	81,218	310,946	-	14,267
Accrued interest payable	299,013	263,800	562,813	-	-
Claims payable	151,249	-	151,249	-	-
Unearned revenues	222,134	95,172	317,306	-	24,628
Noncurrent liabilities:					
Due within one year	3,353,709	3,184,182	6,537,891	19,842	15,867
Due in more than one year	41,722,259	27,595,182	69,317,441	232,366	210,032
Total liabilities	<u>46,791,321</u>	<u>31,427,968</u>	<u>78,219,289</u>	<u>252,231</u>	<u>365,407</u>
Deferred inflows of resources:					
Deferred receivable - property taxes	7,707,086	-	7,707,086	-	-
Deferred inflows - OPEB	410,619	31,641	442,260	2,985	-
Deferred inflows - pension	3,567,722	740,352	4,308,074	91,649	23,811
Total deferred inflows of resources	<u>11,685,427</u>	<u>771,993</u>	<u>12,457,420</u>	<u>94,634</u>	<u>23,811</u>
Net position:					
Net investment in capital assets	36,511,227	36,215,736	72,726,963	119,456	2,196,394
Restricted for:					
Community development	617,775	-	617,775	-	-
Cemetery perpetual care - nonexpendable	418,216	-	418,216	-	-
Debt service	953,897	-	953,897	-	-
Airport	140,466	-	140,466	-	-
Law enforcement	276,521	-	276,521	-	-
Other	223,331	-	223,331	-	-
Unrestricted	8,002,860	19,671,864	27,674,724	1,873,184	319,608
Total net position	<u>\$ 47,144,293</u>	<u>\$ 55,887,600</u>	<u>\$ 103,031,893</u>	<u>\$ 1,992,640</u>	<u>\$ 2,516,002</u>

See accompanying notes to basic financial statements.

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CITY OF NEWTON, KANSAS  
STATEMENT OF ACTIVITIES  
Year Ended December 31, 2021

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position				
		Charges for Services	Operating	Capital	Primary Government			Component Units	
			Grants and Contributions	Grants and Contributions	Governmental Activities	Business-Type Activities	Total	Newton Public Library	Housing Authority
Primary government:									
Governmental activities:									
General government	\$ 5,385,546	\$ 362,792	\$ 1,652,471	\$ 332,694	\$ (3,037,589)	\$ -	\$ (3,037,589)	\$ -	\$ -
Public safety	11,050,615	2,644,137	-	-	(8,406,478)	-	(8,406,478)	-	-
Highway and streets	4,404,305	-	-	1,425,921	(2,978,384)	-	(2,978,384)	-	-
Culture and recreation	1,300,417	-	19,469	-	(1,280,948)	-	(1,280,948)	-	-
Airport	1,606,844	1,315,054	90,000	3,768,521	3,566,731	-	3,566,731	-	-
Interest and fiscal charges	1,073,799	-	-	-	(1,073,799)	-	(1,073,799)	-	-
Total governmental activities	<u>24,821,526</u>	<u>4,321,983</u>	<u>1,761,940</u>	<u>5,527,136</u>	<u>(13,210,467)</u>	<u>-</u>	<u>(13,210,467)</u>	<u>-</u>	<u>-</u>
Business-type activities:									
Sewer	5,308,781	7,795,384	-	337,681	-	2,824,284	2,824,284	-	-
Sanitation	1,752,106	2,239,112	-	-	-	487,006	487,006	-	-
Waterworks	3,633,023	4,728,560	-	4,691	-	1,100,228	1,100,228	-	-
Golf course	1,566,644	1,474,491	-	-	-	(92,153)	(92,153)	-	-
Public building commission	449,532	404,641	-	-	-	(44,891)	(44,891)	-	-
Meridian Center	548,489	159,968	-	-	-	(388,521)	(388,521)	-	-
Total business-type activities	<u>13,258,575</u>	<u>16,802,156</u>	<u>-</u>	<u>342,372</u>	<u>-</u>	<u>3,885,953</u>	<u>3,885,953</u>	<u>-</u>	<u>-</u>
Total primary government	<u>\$ 38,080,101</u>	<u>\$ 21,124,139</u>	<u>\$ 1,761,940</u>	<u>\$ 5,869,508</u>	<u>(13,210,467)</u>	<u>3,885,953</u>	<u>(9,324,514)</u>	<u>-</u>	<u>-</u>
Component units:									
Newton Public Library	\$ 904,592	\$ 13,475	\$ 117,918	\$ -				(773,199)	-
Housing Authority	1,272,195	424,452	602,741	202,964				-	(42,038)
Total component units	<u>\$ 2,176,787</u>	<u>\$ 437,927</u>	<u>\$ 720,659</u>	<u>\$ 202,964</u>				<u>(773,199)</u>	<u>(42,038)</u>
General revenues:									
Taxes:									
Property taxes					8,835,761	142,240	8,978,001	803,787	-
Sales taxes					6,221,635	-	6,221,635	-	-
Franchise taxes					1,519,599	-	1,519,599	-	-
Excise taxes					316,027	-	316,027	-	-
Investment earnings					4,056	3,962	8,018	3,122	1,240
Other					730,551	-	730,551	-	-
Gain on disposals of capital assets					-	60,105	60,105	-	-
Transfers					(1,160,492)	1,160,492	-	-	-
Total general revenues and transfers					<u>16,467,137</u>	<u>1,366,799</u>	<u>17,833,936</u>	<u>806,909</u>	<u>1,240</u>
Change in net position					<u>3,256,670</u>	<u>5,252,752</u>	<u>8,509,422</u>	<u>33,710</u>	<u>(40,798)</u>
Net position, beginning of year as previously stated					43,887,623	50,576,122	94,463,745	1,958,930	2,556,800
Prior period adjustment					-	58,726	58,726	-	-
Net position, beginning of year as restated					<u>43,887,623</u>	<u>50,634,848</u>	<u>94,522,471</u>	<u>1,958,930</u>	<u>2,556,800</u>
Net position, end of year					<u>\$ 47,144,293</u>	<u>\$ 55,887,600</u>	<u>\$ 103,031,893</u>	<u>\$ 1,992,640</u>	<u>\$ 2,516,002</u>

See accompanying notes to basic financial statements.

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CITY OF NEWTON, KANSAS  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
December 31, 2021

	Major Funds			Total Nonmajor Funds	Total Governmental Funds
	General*	Bond & Interest	Capital Projects		
<b>Assets:</b>					
Cash and investments	\$ 6,116,776	\$ 1,252,910	\$ -	\$ 1,446,400	\$ 8,816,086
Due from other funds	6,185,463	-	2,529,423	-	8,714,886
<b>Receivables:</b>					
Property tax	5,648,079	1,241,193	-	817,814	7,707,086
Special assessment tax	-	7,774,271	-	-	7,774,271
Sales tax	1,114,294	-	-	-	1,114,294
Franchise tax	149,526	-	-	-	149,526
Accounts	394,399	-	-	171,211	565,610
Due from other governments	-	-	39,287	20,614	59,901
Other	109,226	-	-	381,472	490,698
Prepaid items	370,825	-	-	-	370,825
Inventory	-	-	-	44,747	44,747
<b>Restricted assets:</b>					
Cash and investments	-	-	-	144,808	144,808
<b>Total assets</b>	<b>\$ 20,088,588</b>	<b>\$ 10,268,374</b>	<b>\$ 2,568,710</b>	<b>\$ 3,027,066</b>	<b>\$ 35,952,738</b>
<b>Liabilities:</b>					
Accounts payable	\$ 569,170	\$ -	\$ 213,613	\$ 23,345	\$ 806,128
Accrued expenses	218,468	-	-	8,202	226,670
Due to other funds	-	-	6,185,463	-	6,185,463
Unearned revenues	109,620	-	-	112,514	222,134
<b>Total liabilities</b>	<b>897,258</b>	<b>-</b>	<b>6,399,076</b>	<b>144,061</b>	<b>7,440,395</b>
<b>Deferred inflows of resources:</b>					
Unavailable revenue - property and special assessment taxes	5,648,079	9,015,464	-	817,814	15,481,357
<b>Total deferred inflows of resources</b>	<b>5,648,079</b>	<b>9,015,464</b>	<b>-</b>	<b>817,814</b>	<b>15,481,357</b>
<b>Fund balances (deficit):</b>					
<b>Nonspendable:</b>					
Prepaid items	370,825	-	-	-	370,825
Inventory	-	-	-	44,747	44,747
<b>Restricted:</b>					
Airport	-	-	-	140,466	140,466
Debt service	-	1,252,910	-	-	1,252,910
Community development	-	-	-	617,775	617,775
Perpetual care	-	-	-	418,216	418,216
Law enforcement	-	-	-	276,521	276,521
Other purposes	-	-	-	223,331	223,331
<b>Assigned:</b>					
Capital asset acquisition	6,186,917	-	-	344,135	6,531,052
Other purposes	61,401	-	-	-	61,401
Unassigned	6,924,108	-	(3,830,366)	-	3,093,742
<b>Total fund balances</b>	<b>13,543,251</b>	<b>1,252,910</b>	<b>(3,830,366)</b>	<b>2,065,191</b>	<b>13,030,986</b>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<b>\$ 20,088,588</b>	<b>\$ 10,268,374</b>	<b>\$ 2,568,710</b>	<b>\$ 3,027,066</b>	<b>\$ 35,952,738</b>

\* See the General Fund Combining Balance Sheet on page 83.

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, 2021

Total fund balances in Governmental Funds Balance Sheet		\$ 13,030,986
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.		67,518,926
Other long-term assets are not available to pay for current-period expenditures and therefore are reported as unavailable revenue in the funds.		7,774,271
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	\$ 477,082	
Deferred OPEB outflow	406,451	
Deferred pension outflow	<u>3,777,815</u>	4,661,348
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore, not reported as liabilities in the funds.		(45,374,981)
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 OPEB inflow	(410,619)	
Deferred pension inflow	<u>(3,567,722)</u>	(3,978,341)
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.		<u>3,512,084</u>
Net position of governmental activities		<u><u>\$ 47,144,293</u></u>

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, 2021

	Major Funds			Total Nonmajor Funds	Total Governmental Funds
	General*	Bond & Interest	Capital Projects		
Revenues:					
Taxes:					
Property taxes	\$ 6,151,760	\$ 1,782,833	\$ -	\$ 901,168	\$ 8,835,761
Sales taxes	6,141,365	-	-	80,270	6,221,635
Franchise taxes	1,519,599	-	-	-	1,519,599
Excise taxes	-	-	-	316,027	316,027
Special assessments	-	1,179,814	-	-	1,179,814
Intergovernmental	711,689	151,547	3,870,743	2,477,571	7,211,550
Licenses and permits	268,673	-	-	-	268,673
Charges for services	2,192,573	-	-	1,344,807	3,537,380
Fines, forfeitures and penalties	515,930	-	-	-	515,930
Interest	4,039	-	-	17	4,056
Other	114,520	900	571,983	43,148	730,551
<b>Total revenues</b>	<b>17,620,148</b>	<b>3,115,094</b>	<b>4,442,726</b>	<b>5,163,008</b>	<b>30,340,976</b>
Expenditures:					
Current:					
General government	2,662,085	-	-	1,212,826	3,874,911
Public safety	10,419,040	-	-	68,068	10,487,108
Highway and streets	2,852,039	-	-	-	2,852,039
Culture and recreation	1,136,918	-	-	-	1,136,918
Airport	-	-	-	1,451,698	1,451,698
Capital outlay	1,052,328	-	7,197,374	37,085	8,286,787
Debt service:					
Principal	-	3,114,212	-	-	3,114,212
Interest	-	984,137	101,047	-	1,085,184
<b>Total expenditures</b>	<b>18,122,410</b>	<b>4,098,349</b>	<b>7,298,421</b>	<b>2,769,677</b>	<b>32,288,857</b>
Excess (deficiency) of revenues over (under) expenditures	(502,262)	(983,255)	(2,855,695)	2,393,331	(1,947,881)
Other financing sources (uses):					
Transfers in	4,495,238	3,164,177	502,846	58,300	8,220,561
Transfers out	(2,348,573)	(1,584,701)	(210,923)	(2,172,968)	(6,317,165)
General obligation bonds issued	-	-	3,369,009	-	3,369,009
Premium on general obligation bonds	-	-	350,187	-	350,187
Payment to refunded bond escrow agent	-	-	(3,643,087)	-	(3,643,087)
Sale of capital assets	78,243	-	-	24,075	102,318
<b>Total other financing sources (uses)</b>	<b>2,224,908</b>	<b>1,579,476</b>	<b>368,032</b>	<b>(2,090,593)</b>	<b>2,081,823</b>
Net change in fund balances	1,722,646	596,221	(2,487,663)	302,738	133,942
Fund balances, beginning of year	11,820,605	656,689	(1,342,703)	1,762,453	12,897,044
<b>Fund balances, end of year</b>	<b>\$ 13,543,251</b>	<b>\$ 1,252,910</b>	<b>\$ (3,830,366)</b>	<b>\$ 2,065,191</b>	<b>\$ 13,030,986</b>

\* See the General Fund Combining Statement of Revenues, Expenditures and Changes in Fund Balances on page 84.

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, 2021

Net change in fund balances - total governmental funds	\$	133,942
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.		3,822,821
The net effect of various miscellaneous transactions involving capital assets (i.e. sales, trade-ins, disposals, donations) is to decrease net position.		(3,004,973)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		(1,102,285)
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.		3,023,081
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.		259,560
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.		124,524
Change in net position of governmental activities	\$	3,256,670

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, 2021

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues and other sources:				
Property tax	\$ 5,945,215	\$ 5,945,215	\$ 5,926,141	\$ (19,074)
Sales tax	5,250,000	5,250,000	6,141,365	891,365
Franchise tax	1,600,000	1,600,000	1,519,599	(80,401)
PILOT	642,634	642,634	625,634	(17,000)
Intergovernmental	273,000	273,000	646,588	373,588
Licenses and permits	200,550	200,550	268,673	68,123
Charges for services	2,337,500	2,337,500	2,192,573	(144,927)
Fines and fees	506,740	506,740	515,930	9,190
Interest	400,000	400,000	4,039	(395,961)
Other	47,500	47,500	29,567	(17,933)
Transfers in	1,684,476	3,123,657	3,090,985	(32,672)
Total revenues and other sources	<u>18,887,615</u>	<u>20,326,796</u>	<u>20,961,094</u>	<u>634,298</u>
Expenditures and other uses:				
Current:				
General government	2,787,748	2,787,748	2,493,278	(294,470)
Public safety	10,671,433	10,671,433	10,423,136	(248,297)
Highway and streets	2,442,058	2,442,058	2,305,825	(136,233)
Parks and cemeteries	1,398,292	1,398,292	1,136,918	(261,374)
Capital outlay	39,289	39,289	72,514	33,225
Transfers out	2,985,200	2,985,200	3,867,772	882,572
Total expenditures and other uses	<u>20,324,020</u>	<u>20,324,020</u>	<u>20,299,443</u>	<u>(24,577)</u>
Revenues (expenditures) not subject to budget:				
Transfers in - stormwater reimbursement	-	-	554,612	554,612
Reimbursed expenses	-	-	(554,612)	(554,612)
Total revenues (expenditures) not subject to budget	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues and other sources over (under) expenditures and other uses	(1,436,405)	2,776	661,651	658,875
Fund balances, beginning of year	1,436,405	1,436,405	5,688,229	4,251,824
Fund balances, end of year	<u>\$ -</u>	<u>\$ 1,439,181</u>	<u>6,349,880</u>	<u>\$ 4,910,699</u>
Reconciliation to GAAP:				
Plus encumbrances outstanding at December 31, 2021			61,401	
Fund balance on the basis of GAAP - General Fund only			<u>6,411,281</u>	
Fund balances for non-budgeted funds included with the General Fund on GAAP basis financials:				
Capital Improvement Reserve			2,959,553	
Admin Contingency			945,053	
Municipal Equipment Reserve			3,227,364	
			<u>\$ 13,543,251</u>	

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, 2021

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues and other sources:				
Property taxes	\$ 40,000	\$ 55,000	\$ 50,612	\$ (4,388)
Expenditures and other uses:				
Expense reimbursement	40,000	55,000	50,612	(4,388)
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, 2021

	Original and Final Budgeted Amounts	Actual	Variance with Final Budget
Revenues and other sources:			
Property taxes	\$ 50,000	\$ 45,194	\$ (4,806)
Expenditures and other uses:			
Expense reimbursement	50,000	45,194	(4,806)
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 NET POSITION - PROPRIETARY FUNDS  
December 31, 2021

	Business-Type Activities			
	Sewer	Sanitation	Waterworks	Golf Course
<b>Assets:</b>				
Current assets:				
Cash and investments	\$ 11,786,506	\$ 1,724,001	\$ 7,514,511	\$ 783,666
Accounts receivable (net of allowance for uncollectibles)	1,115,474	324,389	562,918	2,670
Prepaid items	-	-	-	31,126
Inventory	-	-	97,943	49,406
Total current assets	<u>12,901,980</u>	<u>2,048,390</u>	<u>8,175,372</u>	<u>866,868</u>
Noncurrent assets:				
Restricted cash	-	-	-	-
Advances from other funds	-	-	-	-
Capital assets:				
Capital assets, net of accumulated depreciation	39,835,062	483,922	10,194,164	6,582,419
Total noncurrent assets	<u>39,835,062</u>	<u>483,922</u>	<u>10,194,164</u>	<u>6,582,419</u>
Total assets	<u>52,737,042</u>	<u>2,532,312</u>	<u>18,369,536</u>	<u>7,449,287</u>
<b>Deferred outflows of resources:</b>				
Deferred charge on refunding	299,008	-	15,312	-
Deferred outflows - OPEB	12,991	2,158	8,621	-
Deferred outflows - pension	229,270	136,055	242,096	-
Total deferred outflows of resources	<u>541,269</u>	<u>138,213</u>	<u>266,029</u>	<u>-</u>
<b>Liabilities:</b>				
Current liabilities:				
Accounts payable	50,278	26,661	123,319	5,607
Accrued expenses	23,565	13,789	25,299	14,570
Due to other funds	-	-	-	-
Compensated absences	16,446	23,186	41,053	-
Unreported claims payable	-	-	-	-
Unearned revenue	-	-	-	93,172
Current portion of long-term debt	1,913,250	-	333,012	-
Accrued interest payable	200,873	-	31,259	-
Total current liabilities	<u>2,204,412</u>	<u>63,636</u>	<u>553,942</u>	<u>113,349</u>
Noncurrent liabilities:				
Total OPEB liability	10,978	19,805	33,164	-
Net pension liability	689,092	408,925	727,640	-
State revolving fund loans payable	11,226,248	-	988,962	-
Advances to other funds	-	-	-	2,138,400
General obligation bonds, net	9,005,242	-	2,049,981	-
Total noncurrent liabilities	<u>20,931,560</u>	<u>428,730</u>	<u>3,799,747</u>	<u>2,138,400</u>
Total liabilities	<u>23,135,972</u>	<u>492,366</u>	<u>4,353,689</u>	<u>2,251,749</u>
<b>Deferred inflows of resources:</b>				
Deferred inflows - OPEB	18,516	3,218	9,907	-
Deferred inflows - pension	264,913	157,206	279,733	-
Total deferred inflows of resources	<u>283,429</u>	<u>160,424</u>	<u>289,640</u>	<u>-</u>
<b>Net position:</b>				
Net investment in capital assets	17,989,330	483,922	6,837,521	6,582,419
Unrestricted	11,869,580	1,533,813	7,154,715	(1,384,881)
Total net position	<u>\$ 29,858,910</u>	<u>\$ 2,017,735</u>	<u>\$ 13,992,236</u>	<u>\$ 5,197,538</u>

(Continued)

CITY OF NEWTON, KANSAS  
STATEMENT OF NET POSITION - PROPRIETARY FUNDS  
(Continued)  
December 31, 2021

	Business-Type Activities			Governmental Activities
	Public Building Commission	Meridian Center	Total	Internal Service Funds
<b>Assets:</b>				
Current assets:				
Cash and investments	\$ -	\$ 209,491	\$ 22,018,175	\$ 3,645,033
Accounts receivable (net of allowance for uncollectibles)	-	-	2,005,451	-
Prepaid items	-	-	31,126	20,000
Inventory	-	9,668	157,017	98,306
Total current assets	<u>-</u>	<u>219,159</u>	<u>24,211,769</u>	<u>3,763,339</u>
Noncurrent assets:				
Restricted cash	733,426	-	733,426	-
Advances from other funds	2,138,400	-	2,138,400	-
Capital assets:				
Capital assets, net of accumulated depreciation	4,598,982	2,696,922	64,391,471	561,726
Total noncurrent assets	<u>7,470,808</u>	<u>2,696,922</u>	<u>67,263,297</u>	<u>561,726</u>
Total assets	<u>7,470,808</u>	<u>2,916,081</u>	<u>91,475,066</u>	<u>4,325,065</u>
<b>Deferred outflows of resources:</b>				
Deferred charge on refunding	211,640	-	525,960	-
Deferred outflows - OPEB	-	-	23,770	-
Deferred outflows - pension	-	33,320	640,741	-
Total deferred outflows of resources	<u>211,640</u>	<u>33,320</u>	<u>1,190,471</u>	<u>-</u>
<b>Liabilities:</b>				
Current liabilities:				
Accounts payable	-	2,549	208,414	7,101
Accrued expenses	-	3,995	81,218	3,058
Due to other funds	2,529,423	-	2,529,423	-
Compensated absences	-	7,235	87,920	6,994
Unreported claims payable	-	-	-	151,249
Unearned revenue	-	2,000	95,172	-
Current portion of long-term debt	850,000	-	3,096,262	-
Accrued interest payable	31,668	-	263,800	-
Total current liabilities	<u>3,411,091</u>	<u>15,779</u>	<u>6,362,209</u>	<u>168,402</u>
Noncurrent liabilities:				
Total OPEB liability	-	-	63,947	-
Net pension liability	-	100,145	1,925,802	-
State revolving fund loans payable	-	-	12,215,210	-
Advances to other funds	-	-	2,138,400	-
General obligation bonds, net	2,335,000	-	13,390,223	-
Total noncurrent liabilities	<u>2,335,000</u>	<u>100,145</u>	<u>29,733,582</u>	<u>-</u>
Total liabilities	<u>5,746,091</u>	<u>115,924</u>	<u>36,095,791</u>	<u>168,402</u>
<b>Deferred inflows of resources:</b>				
Deferred inflows - OPEB	-	-	31,641	-
Deferred inflows - pension	-	38,500	740,352	-
Total deferred inflows of resources	<u>-</u>	<u>38,500</u>	<u>771,993</u>	<u>-</u>
<b>Net position:</b>				
Net investment in capital assets	1,625,622	2,696,922	36,215,736	561,726
Unrestricted	310,735	98,055	19,582,017	3,594,937
Total net position	<u>\$ 1,936,357</u>	<u>\$ 2,794,977</u>	<u>55,797,753</u>	<u>\$ 4,156,663</u>
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.			89,847	
Net position of business-type activities			<u>\$ 55,887,600</u>	

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, 2021

	Business-Type Activities			
	Sewer	Sanitation	Waterworks	Golf Course
Operating revenues:				
Charges for sales and services	\$ 7,764,505	\$ 2,210,092	\$ 4,682,049	\$ 1,460,077
Miscellaneous	30,879	29,020	46,511	14,414
Total operating revenues	<u>7,795,384</u>	<u>2,239,112</u>	<u>4,728,560</u>	<u>1,474,491</u>
Operating expenses:				
Personnel services	1,547,914	952,145	1,630,444	614,641
Contractual services	671,046	424,955	1,263,215	299,127
Commodities	178,215	49,660	146,339	323,185
Vehicle operating	78,995	214,470	63,105	-
Depreciation and amortization	2,215,468	101,477	451,040	288,660
Total operating expenses	<u>4,691,638</u>	<u>1,742,707</u>	<u>3,554,143</u>	<u>1,525,613</u>
Operating income (loss)	<u>3,103,746</u>	<u>496,405</u>	<u>1,174,417</u>	<u>(51,122)</u>
Nonoperating revenues (expenses):				
Gain on disposal of property	43,105	17,000	-	-
Taxes	-	-	-	-
Grants	337,681	-	4,691	-
Other	(46,946)	-	(23,434)	-
Interest income	-	-	3,532	162
Interest and fiscal charges	(563,254)	-	(47,652)	(41,031)
Total nonoperating revenues (expenses)	<u>(229,414)</u>	<u>17,000</u>	<u>(62,863)</u>	<u>(40,869)</u>
Income (loss) before capital contributions and transfers	2,874,332	513,405	1,111,554	(91,991)
Capital contributions	47,143	-	158,460	200,000
Transfers in	1,392,023	-	410,601	700,000
Transfers out	(2,897,845)	(293,572)	(1,706,222)	-
Change in net position	<u>1,415,653</u>	<u>219,833</u>	<u>(25,607)</u>	<u>808,009</u>
Net position, beginning of year as previously stated	28,443,257	1,797,902	14,017,843	4,389,529
Prior period adjustment	-	-	-	-
Net position, beginning of year as restated	<u>28,443,257</u>	<u>1,797,902</u>	<u>14,017,843</u>	<u>4,389,529</u>
Net position, end of year	<u>\$ 29,858,910</u>	<u>\$ 2,017,735</u>	<u>\$ 13,992,236</u>	<u>\$ 5,197,538</u>

(Continued)



CITY OF NEWTON, KANSAS  
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION  
PROPRIETARY FUNDS  
(Continued)  
Year Ended December 31, 2021

	Business-Type Activities			Governmental Activities
	Public Building Commission	Meridian Center	Total	Internal Service Funds
Operating revenues:				
Charges for sales and services	\$ 404,641	\$ 152,683	\$ 16,674,047	\$ 3,848,518
Miscellaneous	-	7,285	128,109	31,338
Total operating revenues	<u>404,641</u>	<u>159,968</u>	<u>16,802,156</u>	<u>3,879,856</u>
Operating expenses:				
Personnel services	-	348,776	5,093,920	3,146,923
Contractual services	2,855	53,364	2,714,562	289,107
Commodities	122,400	43,821	863,620	443,012
Vehicle operating	-	-	356,570	28,294
Depreciation and amortization	181,456	102,035	3,340,136	58,827
Total operating expenses	<u>306,711</u>	<u>547,996</u>	<u>12,368,808</u>	<u>3,966,163</u>
Operating income (loss)	<u>97,930</u>	<u>(388,028)</u>	<u>4,433,348</u>	<u>(86,307)</u>
Nonoperating revenues (expenses):				
Gain on disposal of property	-	-	60,105	-
Taxes	142,240	-	142,240	-
Grants	-	-	342,372	-
Other	-	-	(70,380)	-
Interest income	261	7	3,962	-
Interest and fiscal charges	(142,821)	-	(794,758)	-
Total nonoperating revenues (expenses)	<u>(320)</u>	<u>7</u>	<u>(316,459)</u>	<u>-</u>
Income (loss) before capital contributions and transfers	97,610	(388,021)	4,116,889	(86,307)
Capital contributions	100,947	2,798,957	3,305,507	-
Transfers in	-	250,000	2,752,624	241,619
Transfers out	-	-	(4,897,639)	-
Change in net position	<u>198,557</u>	<u>2,660,936</u>	<u>5,277,381</u>	<u>155,312</u>
Net position, beginning of year as previously stated	1,679,074	134,041	50,461,646	4,001,351
Prior period adjustment	58,726	-	58,726	-
Net position, beginning of year as restated	<u>1,737,800</u>	<u>134,041</u>	<u>50,520,372</u>	<u>4,001,351</u>
Net position, end of year	<u>\$ 1,936,357</u>	<u>\$ 2,794,977</u>	<u>\$ 55,797,753</u>	<u>\$ 4,156,663</u>
Change in net position			\$ 5,277,381	
Adjustment for the net effect of the current year activity between the internal service funds and the enterprise funds.			<u>(24,629)</u>	
Change in net position of business-type activities			<u>\$ 5,252,752</u>	

See accompanying notes to basic financial statements.

CITY OF NEWTON, KANSAS  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
Year Ended December 31, 2021

	Business-Type Activities			
	Sewer	Sanitation	Waterworks	Golf Course
Cash flows from operating activities:				
Receipts from customers	\$ 7,751,490	\$ 2,216,177	\$ 4,682,342	\$ 1,487,925
Payments to suppliers for goods and services	(937,142)	(689,205)	(1,430,381)	(667,269)
Payments to employees for services	(1,636,136)	(996,683)	(1,727,995)	(612,843)
Payments for health benefits	-	-	-	-
Net cash from operating activities	<u>5,178,212</u>	<u>530,289</u>	<u>1,523,966</u>	<u>207,813</u>
Cash flows from noncapital financing activities:				
Transfers in	1,392,023	-	410,601	700,000
Transfers out	(2,897,845)	(293,572)	(1,706,222)	-
Net cash from noncapital financing activities	<u>(1,505,822)</u>	<u>(293,572)</u>	<u>(1,295,621)</u>	<u>700,000</u>
Cash flows from capital and related financing activities:				
Proceeds from capital grants	337,681	-	4,691	-
Proceeds from sales of capital assets	43,105	17,000	-	-
Proceeds from taxes	-	-	-	-
Payments for capital assets	(23,143)	(19,964)	(118,615)	-
G.O. bond principal payments	(1,022,576)	-	(218,212)	-
Payment for defeasance of bonds	(1,184,810)	-	(1,622,103)	-
Revolving loan principal payments	(2,018,176)	-	(121,277)	-
Receipts (payments) on advances to/from other funds	-	-	-	(600,000)
Other receipts (payments)	(46,946)	-	(23,434)	-
Interest and fees paid on capital debt	(637,375)	-	(108,980)	(41,031)
Proceeds from general obligation bonds	1,094,698	-	1,501,293	-
Proceeds from general obligation bond premiums	113,183	-	156,807	-
Net cash from capital and related financing activities	<u>(3,344,359)</u>	<u>(2,964)</u>	<u>(549,830)</u>	<u>(641,031)</u>
Cash flows from investing activities:				
Interest received	-	-	3,532	162
Net change in cash and cash equivalents	328,031	233,753	(317,953)	266,944
Cash and cash equivalents, beginning of year	<u>11,458,475</u>	<u>1,490,248</u>	<u>7,832,464</u>	<u>516,722</u>
Cash and cash equivalents, end of year	<u>\$ 11,786,506</u>	<u>\$ 1,724,001</u>	<u>\$ 7,514,511</u>	<u>\$ 783,666</u>

(Continued)

CITY OF NEWTON, KANSAS  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
(Continued)  
Year Ended December 31, 2021

	Business-Type Activities			Governmental Activities
	Public Building Commission	Meridian Center	Total	Internal Service Funds
Cash flows from operating activities:				
Receipts from customers	\$ 429,662	\$ 180,086	\$ 16,747,682	\$ 3,879,856
Payments to suppliers for goods and services	(125,255)	(122,206)	(3,971,458)	(784,885)
Payments to employees for services	-	(232,221)	(5,205,878)	(218,395)
Payments for health benefits	-	-	-	(2,891,082)
Net cash from operating activities	<u>304,407</u>	<u>(174,341)</u>	<u>7,570,346</u>	<u>(14,506)</u>
Cash flows from noncapital financing activities:				
Transfers in	-	250,000	2,752,624	241,619
Transfers out	-	-	(4,897,639)	-
Net cash from noncapital financing activities	<u>-</u>	<u>250,000</u>	<u>(2,145,015)</u>	<u>241,619</u>
Cash flows from capital and related financing activities:				
Proceeds from capital grants	-	-	342,372	-
Proceeds from sales of capital assets	-	-	60,105	-
Proceeds from taxes	142,240	-	142,240	-
Payments for capital assets	(2,529,423)	-	(2,691,145)	(114,242)
G.O. bond principal payments	(855,000)	-	(2,095,788)	-
Payment for defeasance of bonds	-	-	(2,806,913)	-
Revolving loan principal payments	-	-	(2,139,453)	-
Receipts (payments) on advances to/from other funds	3,007,023	-	2,407,023	-
Other receipts (payments)	-	-	(70,380)	-
Interest and fees paid on capital debt	(98,077)	-	(885,463)	-
Proceeds from general obligation bonds	-	-	2,595,991	-
Proceeds from general obligation bond premiums	-	-	269,990	-
Net cash from capital and related financing activities	<u>(333,237)</u>	<u>-</u>	<u>(4,871,421)</u>	<u>(114,242)</u>
Cash flows from investing activities:				
Interest received	261	7	3,962	-
Net change in cash and cash equivalents	<u>(28,569)</u>	<u>75,666</u>	<u>557,872</u>	<u>112,871</u>
Cash and cash equivalents, beginning of year	<u>761,995</u>	<u>133,825</u>	<u>22,193,729</u>	<u>3,532,162</u>
Cash and cash equivalents, end of year	<u>\$ 733,426</u>	<u>\$ 209,491</u>	<u>\$ 22,751,601</u>	<u>\$ 3,645,033</u>

(Continued)

CITY OF NEWTON, KANSAS  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
(Continued)  
Year Ended December 31, 2021

	Business-Type Activities			
	Sewer	Sanitation	Waterworks	Golf Course
Reconciliation of operating income (loss) to net cash from operating activities:				
Operating income (loss)	\$ 3,103,746	\$ 496,405	\$ 1,174,417	\$ (51,122)
Adjustments to reconcile operating income (loss) to net cash from operating activities:				
Depreciation and amortization	2,215,468	101,477	451,040	288,660
Changes in:				
Accounts receivable (net of allowance for uncollectibles)	(43,894)	(22,935)	(46,218)	9,996
Inventory	-	-	(5,724)	33
Prepaid items	-	-	-	(29,047)
Accounts payable	(8,886)	(120)	48,002	(15,943)
Accrued expenses	3,293	(34)	6,323	1,798
Compensated absences	(4,916)	73	2,840	-
Total OPEB liability	(9,440)	1,690	(2,096)	-
Net pension liability	(318,587)	(186,728)	(362,218)	-
Deferred outflows - pension	20,140	11,375	27,654	-
Deferred outflows - OPEB	(8,434)	1,510	(1,873)	-
Deferred inflows - pension	218,259	129,628	229,274	-
Deferred inflows - OPEB	11,463	(2,052)	2,545	-
Unearned revenue	-	-	-	3,438
Unreported claims payable	-	-	-	-
Net cash from operating activities	<u>\$ 5,178,212</u>	<u>\$ 530,289</u>	<u>\$ 1,523,966</u>	<u>\$ 207,813</u>

Noncash capital financing activities:

Contributions of capital assets of \$ 47,143, \$ 158,460, and \$ 200,000 were received in the sewer fund, waterworks fund, and golf course fund, respectively, from other governmental funds.

(Continued)

CITY OF NEWTON, KANSAS  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
(Continued)  
Year Ended December 31, 2021

	Business-Type Activities			Governmental Activities
	Public Building Commission	Meridian Center	Total	Internal Service Funds
Reconciliation of operating income (loss) to net cash from operating activities:				
Operating income (loss)	\$ 97,930	\$ (388,028)	\$ 4,433,348	\$ (86,307)
Adjustments to reconcile operating income (loss) to net cash from operating activities:				
Depreciation and amortization	181,456	102,035	3,340,136	58,827
Changes in:				
Accounts receivable (net of allowance for uncollectibles)	25,021	22,268	(55,762)	-
Inventory	-	(4,913)	(10,604)	(23,512)
Prepaid items	-	-	(29,047)	-
Accounts payable	-	(20,108)	2,945	(1,967)
Accrued expenses	-	3,995	15,375	428
Compensated absences	-	7,235	5,232	-
Total OPEB liability	-	-	(9,846)	-
Net pension liability	-	-	(867,533)	-
Deferred outflows - pension	-	(33,320)	25,849	-
Deferred outflows - OPEB	-	-	(8,797)	-
Deferred inflows - pension	-	138,645	715,806	-
Deferred inflows - OPEB	-	-	11,956	-
Unearned revenue	-	(2,150)	1,288	-
Unreported claims payable	-	-	-	38,025
Net cash from operating activities	<u>\$ 304,407</u>	<u>\$ (174,341)</u>	<u>\$ 7,570,346</u>	<u>\$ (14,506)</u>

Noncash capital financing activities:

Contributions of capital assets of \$ 100,947 and \$ 2,798,957 were received in the public building commission fund and the Meridian Center fund, respectively, from other governmental funds.

See accompanying notes to basic financial statements.

CITY OF NEWTON, KANSAS  
NOTES TO BASIC FINANCIAL STATEMENTS  
December 31, 2021

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. 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.

CITY OF NEWTON, KANSAS  
NOTES TO BASIC FINANCIAL STATEMENTS  
(Continued)

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.

CITY OF NEWTON, KANSAS  
NOTES TO BASIC FINANCIAL STATEMENTS  
(Continued)

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 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 sanitation fund accounts for the operations of the City's trash collection and recycling utility.

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

The golf course fund accounts for the activities of the Sand Creek Station Golf Course.

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.

The Meridian Center fund accounts for the activities of the Meridian Center, an event center under the operations of 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 account 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.



CITY OF NEWTON, KANSAS  
NOTES TO BASIC FINANCIAL STATEMENTS  
(Continued)

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, 2021, 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:

CITY OF NEWTON, KANSAS  
 NOTES TO BASIC FINANCIAL STATEMENTS  
 (Continued)

General fund property tax receivable	\$ 5,648,079
Bond and interest fund property tax receivable	1,241,193
Bond and interest fund special assessments receivable	7,774,271
Nonmajor governmental fund property tax receivable	817,814
	\$ 15,481,357

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.

CITY OF NEWTON, KANSAS  
NOTES TO BASIC FINANCIAL STATEMENTS  
(Continued)

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 position 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 are deferred outflows for pension and other postemployment benefits (OPEB) reported in the government-wide and proprietary fund statements of net position. See Notes 6 and 8 for more information on the deferred outflows for the pension and OPEB.

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 position 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 three items that qualify for reporting in this category. One item, unavailable revenue/deferred receivable, is reported in the governmental funds balance sheet and the governmental activities in the government-wide statement of net position. The governmental funds report unavailable revenues from two sources: property taxes and special assessments. Governmental activities report a deferred receivable only from property taxes. The other two items are deferred inflows for pension and other postemployment benefits (OPEB). See Notes 6 and 8 for more information on the deferred inflows for the pension and OPEB.

CITY OF NEWTON, KANSAS  
NOTES TO BASIC FINANCIAL STATEMENTS  
(Continued)

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, 2021, 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.

CITY OF NEWTON, KANSAS  
NOTES TO BASIC FINANCIAL STATEMENTS  
(Continued)

*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.

Pending Governmental Accounting Standards Board Statements

At December 31, 2021, the Governmental Accounting Standards Board (GASB) had issued several statements not yet implemented by the City. The statements that might impact the City are as follows:

GASB Statement No. 87, *Leases*, requires recognition of certain lease assets and liabilities for leases that were previously classified as operating leases and recognized as inflows of resources or outflows of

CITY OF NEWTON, KANSAS  
NOTES TO BASIC FINANCIAL STATEMENTS  
(Continued)

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. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. The requirements of this Statement are effective for reporting periods beginning after June 15, 2021.

GASB Statement No. 91, *Conduit Debt Obligations*, eliminates diversity in practice associated with government issuers' financial reporting of conduit debt obligations. The Statement achieves that objective by clarifying the existing definition of a conduit debt obligation, establishing that a conduit debt obligation is not a liability of the issuer, establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations, and improving required note disclosures. The requirements for this Statement are effective for periods beginning after December 15, 2021.

GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, provides guidance for the financial reporting of public-private and public-public partnerships and availability payment arrangements. The requirements of this Statement are effective for periods beginning after June 15, 2022.

GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*, provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users. This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset - an intangible asset - and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. The requirements of this Statement are effective for periods beginning after June 15, 2022.

GASB Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans*, requires that for purposes of determining whether a primary government is financially accountable for a potential component unit, except for a potential component unit that is a defined contribution pension plan, a defined contribution OPEB plan, or an other employee benefit plan, the absence of a governing board should be treated the same as the appointment of a voting majority of a governing board if the primary government performs the duties that a governing board typically would perform. This Statement also requires that the financial burden criterion in paragraph 7 of Statement No. 84, *Fiduciary Activities*, be applicable to only defined benefit pension plans and defined benefit OPEB plans that are administered through trusts that meet the criteria in paragraph 3 of Statement No. 67, *Financial Reporting for Pension Plans*, or paragraph 3 of Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*. Finally, the Statement requires that a Section 457 plan be classified as either a pension plan or an other employee benefit plan depending on whether the plan meets the definition of a pension plan and clarifies that Statement 84, as amended, should be applied to all arrangements organized under IRC Section 457 to determine whether those arrangements should be reported as fiduciary activities. The requirements for this Statement are effective immediately except for the requirements that are related to the accounting and financial reporting for Section 457 plans, which are effective for fiscal years beginning after June 15, 2021.

CITY OF NEWTON, KANSAS  
 NOTES TO BASIC FINANCIAL STATEMENTS  
 (Continued)

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 \$ (45,374,981) difference are as follows:

General obligation bonds payable	\$ (30,028,614)
Plus: Issuance premiums	(1,456,167)
Accrued interest payable	(299,013)
Compensated absences	(575,359)
Total OPEB liability	(970,981)
Net pension liability	<u>(12,044,847)</u>
Net adjustment to decrease fund balances - total governmental funds to arrive at net position - governmental activities	<u><u>\$ (45,374,981)</u></u>

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 \$ 3,822,821 difference are as follows:

Capital outlay	\$ 6,909,047
Depreciation expense	<u>(3,086,226)</u>
Net adjustment to increase net change in fund balances - total governmental funds to arrive at change in net position of governmental activities	<u><u>\$ 3,822,821</u></u>

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 \$ 3,023,081 difference are as follows:

CITY OF NEWTON, KANSAS  
NOTES TO BASIC FINANCIAL STATEMENTS  
(Continued)

Principal repayments:	
General obligation bonds	\$ 6,757,299
Amortization of deferred charge on refunding	(264,431)
Amortization of issuance premiums	249,409
Debt issued:	
General obligation bonds	(3,369,009)
Issuance premiums	(350,187)
Net adjustment to increase net change in fund balances - total governmental funds to arrive at change in net position of governmental activities	\$ 3,023,081

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 \$ 259,560 difference are as follows:

Compensated absences	\$ (14,426)
Accrued interest payable	26,407
Total OPEB liability	64,358
Pension contributions	183,221
Net adjustment to increase net changes in fund balances - total governmental funds to arrive at change in net position of governmental activities	\$ 259,560

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 1<sup>st</sup>.
- b. Publication in a local newspaper of the proposed budget and notice of public hearing on the budget on or before August 5<sup>th</sup>.



CITY OF NEWTON, KANSAS  
NOTES TO BASIC FINANCIAL STATEMENTS  
(Continued)

- 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 25<sup>th</sup>.

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 20<sup>th</sup>. The City did hold a revenue neutral rate hearing for this 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 2021: general fund, RHID fund, bond & interest fund, community improvement district sales tax fund, and golf course fund.

The capital projects fund had a deficit net fund balance of \$ 3,830,366 at December 31, 2021.

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 market 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 \$ 4,475,429 and the bank balance totaled \$ 4,872,199. Of the bank balance, \$ 250,000 was secured by federal deposit insurance and \$ 4,622,199 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.

CITY OF NEWTON, KANSAS  
 NOTES TO BASIC FINANCIAL STATEMENTS  
 (Continued)

Investments

As of December 31, 2021, the City had the following investments:

Investment Type	Fair Value	Maturity <u>&lt; 1 year</u>	Rating
Kansas Municipal Investment Pool	\$30,882,099	\$ 30,882,099	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, 2021 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, 2021, the City has invested \$ 30,882,099 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, 2021.

*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.

CITY OF NEWTON, KANSAS  
NOTES TO BASIC FINANCIAL STATEMENTS  
(Continued)

*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 - Capital Assets

Capital asset activity of the primary government for the year ended December 31, 2021 was as follows:

	Beginning Balance	Increase	Decrease	Transfers	Ending Balance
<b>Governmental activities:</b>					
Capital assets not being depreciated:					
Land	\$ 6,608,676	\$ -	\$ -	\$ (551,026)	\$ 6,057,650
Construction in progress	989,635	6,316,157	-	-	7,305,792
Total capital assets not being depreciated	7,598,311	6,316,157	-	(551,026)	13,363,442
Capital assets being depreciated:					
Buildings and structures	31,055,066	15,000	(534,220)	(3,374,250)	27,161,596
General infrastructure	56,825,909	-	-	-	56,825,909
Equipment	13,579,403	577,890	(504,824)	71,260	13,723,729
Total capital assets being depreciated	101,460,378	592,890	(1,039,044)	(3,302,990)	97,711,234
Less accumulated depreciation for:					
Buildings and structures	(12,302,692)	(717,079)	349,724	1,134,062	(11,535,985)
General infrastructure	(20,372,221)	(1,392,078)	-	-	(21,764,299)
Equipment	(9,682,698)	(977,069)	483,302	(79,001)	(10,255,466)
Total accumulated depreciation	(42,357,611)	(3,086,226)	833,026	1,055,061	(43,555,750)
Total capital assets being depreciated, net	59,102,767	(2,493,336)	(206,018)	(2,247,929)	54,155,484
Governmental activities capital assets, net	\$ 66,701,078	\$ 3,822,821	\$ (206,018)	\$ (2,798,955)	\$ 67,518,926

CITY OF NEWTON, KANSAS  
NOTES TO BASIC FINANCIAL STATEMENTS  
(Continued)

	Beginning Balance	Increase	Decrease	Transfers	Ending Balance
<b>Business-type activities:</b>					
Capital assets not being depreciated:					
Land	\$ 1,082,579	\$ -	\$ -	\$ 551,026	\$ 1,633,605
Construction in progress	297,400	350,488	(300)	-	647,588
Total capital assets not being depreciated	<u>1,379,979</u>	<u>350,488</u>	<u>(300)</u>	<u>551,026</u>	<u>2,281,193</u>
Capital assets being depreciated:					
Buildings and improvements	50,191,150	2,587,346	(2,696)	1,309,761	54,085,561
Equipment	10,743,182	318,889	(625,484)	378,706	10,815,293
Utility service lines and infrastructure	49,477,830	-	-	1,614,523	51,092,353
Total capital assets being depreciated	<u>110,412,162</u>	<u>2,906,235</u>	<u>(628,180)</u>	<u>3,302,990</u>	<u>115,993,207</u>
Less accumulated depreciation for:					
Buildings and improvements	(16,080,414)	(1,625,024)	2,696	(846,518)	(18,549,260)
Equipment	(8,086,382)	(519,444)	625,484	(208,543)	(8,188,885)
Utility service lines and infrastructure	(25,949,116)	(1,195,668)	-	-	(27,144,784)
Total accumulated depreciation	<u>(50,115,912)</u>	<u>(3,340,136)</u>	<u>628,180</u>	<u>(1,055,061)</u>	<u>(53,882,929)</u>
Total capital assets being depreciated, net	<u>60,296,250</u>	<u>(433,901)</u>	<u>-</u>	<u>2,247,929</u>	<u>62,110,278</u>
Business-type activities capital assets, net	<u>\$ 61,676,229</u>	<u>\$ (83,413)</u>	<u>\$ (300)</u>	<u>\$ 2,798,955</u>	<u>\$ 64,391,471</u>

CITY OF NEWTON, KANSAS  
NOTES TO BASIC FINANCIAL STATEMENTS  
(Continued)

Capital asset activity of the discretely presented component units for the year ended December 31, 2021 was as follows:

	Beginning Balance	Increase	Decrease	Transfers	Ending Balance
<b>Newton Public Library:</b>					
Capital assets being depreciated:					
Equipment	\$ 640,956	\$ 90,137	\$ (149,795)	\$ -	\$ 581,298
Less accumulated depreciation	(501,448)	(110,189)	149,795	-	(461,842)
Library capital assets, net	<u>\$ 139,508</u>	<u>\$ (20,052)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 119,456</u>
<b>Housing Authority:</b>					
Capital assets not being depreciated:					
Land	\$ 119,300	\$ -	\$ -	\$ -	\$ 119,300
Construction in progress	80,953	174,583	-	-	255,536
Total capital assets not being depreciated	<u>200,253</u>	<u>174,583</u>	<u>-</u>	<u>-</u>	<u>374,836</u>
Capital assets being depreciated:					
Buildings	8,124,087	13,943	-	-	8,138,030
Equipment - dwelling	453,274	7,121	-	-	460,395
Equipment - administration	223,662	13,576	-	-	237,238
Total capital assets being depreciated	<u>8,801,023</u>	<u>34,640</u>	<u>-</u>	<u>-</u>	<u>8,835,663</u>
Less accumulated depreciation for:					
Buildings	(6,117,730)	(209,804)	-	-	(6,327,534)
Equipment - dwelling	(454,110)	(742)	-	-	(454,852)
Equipment - administration	(180,490)	(51,229)	-	-	(231,719)
Total accumulated depreciation	<u>(6,752,330)</u>	<u>(261,775)</u>	<u>-</u>	<u>-</u>	<u>(7,014,105)</u>
Total capital assets being depreciated, net	<u>2,048,693</u>	<u>(227,135)</u>	<u>-</u>	<u>-</u>	<u>1,821,558</u>
Housing Authority capital assets, net	<u>\$ 2,248,946</u>	<u>\$ (52,552)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,196,394</u>

CITY OF NEWTON, KANSAS  
 NOTES TO BASIC FINANCIAL STATEMENTS  
 (Continued)

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

Governmental activities:	
General government	\$ 970,520
Public safety	723,417
Highway and streets	1,241,037
Culture and recreation	151,252
	_____
Total depreciation expense - governmental activities	\$ 3,086,226
Business-type activities:	
Sewer	\$ 2,215,468
Sanitation	101,477
Waterworks	451,040
Golf course	288,660
Meridian Center	102,035
Public building commission	181,456
	_____
Total depreciation expense - business-type activities	\$ 3,340,136
Component units:	
Newton Public Library	\$ 110,189
Housing Authority	\$ 261,775

6 - 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.

CITY OF NEWTON, KANSAS  
NOTES TO BASIC FINANCIAL STATEMENTS  
(Continued)

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](http://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.

CITY OF NEWTON, KANSAS  
NOTES TO BASIC FINANCIAL STATEMENTS  
(Continued)

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, 2021.

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 8.87% for KPERS and 22.80% for KP&F for the year ended December 31, 2021. Contributions to the Pension Plan from the City were \$ 557,997 for KPERS and \$ 1,312,456 for KP&F for the year ended December 31, 2021. Contributions from the Library for KPERS were \$ 31,807 for the year ended December 31, 2021. Contributions from the Housing Authority for KPERS were \$ 20,062 for the year ended June 30, 2021.

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

At December 31, 2021, the City reported a total net pension liability of \$ 13,970,649 (\$ 3,974,003 for KPERS and \$ 9,996,646 for KP&F), and the Library reported a liability of \$ 226,528 for KPERS for their 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.

At June 30, 2021, the Housing Authority reported a liability of \$ 210,032 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, 2020, and the total pension liability used to calculate the collective net pension liability was determined by an actuarial valuation as of December 31, 2019, which was rolled forward to June 30, 2020.

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



CITY OF NEWTON, KANSAS  
NOTES TO BASIC FINANCIAL STATEMENTS  
(Continued)

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, 2021. The contributions used exclude contributions made for prior service, excess benefits and irregular payments. At June 30, 2021, the City's proportion for KPERS was 0.331179%, which was an increase of 0.004269% from its proportion measured as of June 30, 2020. At June 30, 2021, the City's proportion for KP&F was 1.047598%, which was an increase of 0.028021% from its proportion measured as of June 30, 2020. At June 30, 2021, the Library's proportion for KPERS was 0.018878%, which is a decrease of 0.000397% from its proportion measured as of June 30, 2020.

At June 30, 2020, the Housing Authority's proportion for KPERS was 0.012115%, which was a decrease of 0.000807% from its proportion measured as of June 30, 2019.

For the year ended December 31, 2021, the City recognized total pension expense of \$ 247,985 for KPERS and \$ 1,423,187 for KP&F, and \$ 19,096 for the Library. For the year ended June 30, 2021, the Housing Authority recognized pension expense of \$ 19,362. At December 31, 2021, 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	\$ 945,673	\$ 35,983
Net difference between projected and actual earnings on pension plan investments	-	4,033,790
Changes of assumptions	2,053,874	-
Changes in proportionate share	319,584	238,301
City contributions subsequent to measurement date	1,099,425	-
Total	\$ 4,418,556	\$ 4,308,074

CITY OF NEWTON, KANSAS  
NOTES TO BASIC FINANCIAL STATEMENTS  
(Continued)

Library	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 8,942	\$ 2,051
Net difference between projected and actual earnings on pension plan investments	-	80,439
Changes of assumptions	44,592	-
Changes in proportionate share	9,773	9,159
Library contributions subsequent to measurement date	14,784	-
Total	\$ 78,091	\$ 91,649

At June 30, 2021, 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	\$ 3,507	\$ 2,700
Net difference between projected and actual earnings on pension plan investments	24,506	-
Changes of assumptions	12,651	-
Changes in proportionate share	-	21,111
Housing Authority contributions subsequent to measurement date	20,062	-
Total	\$ 60,726	\$ 23,811

The \$ 1,099,425 for the City, \$ 14,784 for the Library, and \$ 20,062 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, 2022 for the City and the Library and the year ended June 30, 2022 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:

CITY OF NEWTON, KANSAS  
NOTES TO BASIC FINANCIAL STATEMENTS  
(Continued)

	Year Ended December 31		Year Ended June 30
	City	Library	Housing Authority
2022	\$ 3,703	\$ (3,187)	\$ 216
2023	(53,473)	(3,119)	3,668
2024	(174,343)	(3,822)	5,946
2025	(860,152)	(19,605)	6,901
2026	95,322	1,391	122
	\$ (988,943)	\$ (28,342)	\$ 16,853

*Actuarial assumptions.* The total pension liability for KPERS in the December 31, 2020 and 2019 actuarial valuations were determined using the following actuarial assumptions, applied to all periods included in the measurement:

	2020	2019
Price inflation	2.75 percent	2.75 percent
Wage inflation	2.75 percent	2.75 percent
Salary increases, including price inflation	3.50 to 12.00 percent	3.25 to 11.75 percent
Long-term rate of return net of investment expense, and including price inflation	7.25 percent	7.50 percent

Changes in actuarial assumptions and methods in the December 31, 2020 actuarial valuation were as follows:

Both Groups

- Investment return assumption was lowered from 7.50% to 7.25%.

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, 2020 and December 31, 2019 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

CITY OF NEWTON, KANSAS  
NOTES TO BASIC FINANCIAL STATEMENTS  
(Continued)

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 tables:

Asset Class	December 31, 2020	
	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%	

Asset Class	December 31, 2019	
	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%
Short Term Investments	4.00%	0.25%
Total	100%	

*Discount rate.* The discount rate used by KPERS to measure the total pension liability was 7.25%. 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

CITY OF NEWTON, KANSAS  
 NOTES TO BASIC FINANCIAL STATEMENTS  
 (Continued)

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 7.25% 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%)
City's KPERS proportionate share of the collective net pension liability	\$ 6,536,849	\$ 3,974,003	\$ 1,824,732
City's KP&F proportionate share of the collective net pension liability	15,004,009	9,996,646	5,807,985
Library's KPERS proportionate share of the collective net pension liability	372,616	226,528	104,014

The following presents the Housing Authority's proportionate share of the collective net pension liability calculated using the discount rate of 7.50% 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 (6.50%) or 1-percentage-point higher (8.50%) than the current rate:

	1% Decrease (6.50%)	Current Discount Rate (7.50%)	1% Increase (8.50%)
Housing Authority's KPERS proportionate share of the collective net pension liability	\$ 295,599	\$ 210,032	\$ 138,093

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

7 - 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.

CITY OF NEWTON, KANSAS  
 NOTES TO BASIC FINANCIAL STATEMENTS  
 (Continued)

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.

8 - 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 2021, retired plan members receiving benefits contributed \$ 91,062 to the plan and the City contributed \$ 208,709.

Employees Covered by Benefit Terms. At December 31, 2021, 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 \$ 836,188 was measured as of December 31, 2021 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:

CITY OF NEWTON, KANSAS  
NOTES TO BASIC FINANCIAL STATEMENTS  
(Continued)

Discount rate	2.04 percent
Salary increases	2.00 percent per year
Healthcare cost trend rates	6.00 percent for 2021, 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

	<u>Total OPEB Liability</u>
Balance at December 31, 2020	\$ 1,004,582
Changes for the year:	
Service cost	70,434
Interest	19,025
Differences between actual and expected experience	188,908
Changes in assumptions or other inputs	(238,052)
Benefit payments	(208,709)
Net changes	<u>(168,394)</u>
Balance at December 31, 2021	<u>\$ 836,188</u>

Changes of assumptions and other inputs reflect a change in the discount rate from 1.96 percent in 2020 to 2.04 percent in 2021. Additionally, the census data was updated from January 1, 2019 to January 1, 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 (1.04 percent) or 1-percentage-point higher (3.04 percent) than the current discount rate:

CITY OF NEWTON, KANSAS  
NOTES TO BASIC FINANCIAL STATEMENTS  
(Continued)

	1% Decrease (1.04%)	Discount Rate (2.04%)	1% Increase (3.04%)
Total OPEB liability	\$ 938,077	\$ 836,188	\$ 746,119

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	\$ 722,266	\$ 836,188	\$ 975,703

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

For the year ended December 31, 2021, the City recognized OPEB expense of \$ 94,351. At December 31, 2021, 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	\$ 195,353	\$ 372,385
Differences between expected and actual experience	222,939	-
	\$ 418,292	\$ 372,385

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

Year Ended December 31,	
2022	\$ 4,892
2023	4,892
2024	4,892
2025	4,892
2026	4,892
2027 and Therafter	21,447
	\$ 45,907



CITY OF NEWTON, KANSAS  
NOTES TO BASIC FINANCIAL STATEMENTS  
(Continued)

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, 2021 totaled \$ 11,466 and \$ 0 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, 66 $\frac{2}{3}$  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 65<sup>th</sup> 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, 2020, the following employees were covered by the benefit terms.

CITY OF NEWTON, KANSAS  
NOTES TO BASIC FINANCIAL STATEMENTS  
(Continued)

<u>City</u>	
Active plan members	113
Inactive employees or beneficiary currently receiving benefits	<u>1</u>
	<u>114</u>

<u>Library</u>	
Active plan members	8
Inactive employees or beneficiary currently receiving benefits	<u>0</u>
	<u>8</u>

Total OPEB Liability

The total OPEB liability for the City and the Library of \$ 198,740 and \$ 5,838, respectively, was measured as of June 30, 2021 and was determined by an actuarial valuation performed as of December 31, 2020.

	<u>Total OPEB Liability</u>	
	<u>City</u>	<u>Library</u>
Balance at December 31, 2020	\$ 195,541	\$ 5,148
Changes for the year:		
Service cost	24,733	1,144
Interest	4,742	139
Differences between actual and expected experience	(15,110)	(603)
Changes in assumptions or other inputs	300	10
Benefit payments	<u>(11,466)</u>	<u>-</u>
Net changes	<u>3,199</u>	<u>690</u>
Balance at December 31, 2021	<u>\$ 198,740</u>	<u>\$ 5,838</u>

Actuarial Assumptions and Other Inputs. The total OPEB liability in the December 31, 2020 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

CITY OF NEWTON, KANSAS  
NOTES TO BASIC FINANCIAL STATEMENTS  
(Continued)

Discount rate	2.16 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, 2020 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 (1.16 percent) or 1-percentage-point higher (3.16 percent) than the current discount rate:

	City		
	1% Decrease (1.16%)	Discount Rate (2.16%)	1% Increase (3.16%)
Total OPEB liability	\$ 204,037	\$ 198,740	\$ 192,217
	Library		
	1% Decrease (1.16%)	Discount Rate (2.16%)	1% Increase (3.16%)
Total OPEB liability	\$ 6,044	\$ 5,838	\$ 5,599

CITY OF NEWTON, KANSAS  
 NOTES TO BASIC FINANCIAL STATEMENTS  
 (Continued)

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	\$ 198,740	\$ 198,740	\$ 198,740

	Library		
	1% Decrease	Healthcare Cost Trend Rates	1% Increase
Total OPEB liability	\$ 5,838	\$ 5,838	\$ 5,838

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

For the year ended December 31, 2021, the City and the Library recognized OPEB expense of \$ 20,709 and \$ 895, respectively. At December 31, 2021, the City and the Library reported deferred outflows and inflows of resources related to OPEB from the following sources:

CITY OF NEWTON, KANSAS  
NOTES TO BASIC FINANCIAL STATEMENTS  
(Continued)

	City	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in assumptions or other inputs	\$ 11,929	\$ 3,712
Differences between expected and actual experience	-	66,163
	\$ 11,929	\$ 69,875

	Library	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in assumptions or other inputs	\$ 361	\$ 157
Differences between expected and actual experience	-	2,828
	\$ 361	\$ 2,985

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

Year Ended December 31,	City
2022	\$ (8,766)
2023	(8,766)
2024	(8,766)
2025	(8,766)
2026	(8,597)
2027 and Therafter	(14,285)
	\$ (57,946)

CITY OF NEWTON, KANSAS  
NOTES TO BASIC FINANCIAL STATEMENTS  
(Continued)

Year Ended December 31,	Library
2022	\$ (388)
2023	(388)
2024	(388)
2025	(388)
2026	(385)
2027 and Therafter	(687)
	\$ (2,624)

Aggregate OPEB Information

	Balances at December 31, 2021		
	Disability Benefits and Life Insurance	Health Insurance	Total
Total OPEB Liability	\$ (198,740)	\$ (836,188)	\$ (1,034,928)
Deferred outflows of resources	11,929	418,292	430,221
Deferred inflows of resources	(69,875)	(372,385)	(442,260)
OPEB expense	20,709	94,351	115,060

9 - 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.

CITY OF NEWTON, KANSAS  
NOTES TO BASIC FINANCIAL STATEMENTS  
(Continued)

Employee Health Care Benefits

During the year ended December 31, 2021, 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 Benefit 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 2021 and 2020:

	2021	2020
Liability balance, beginning	\$ 113,222	\$ 161,824
Health benefit claims incurred	2,928,100	2,445,027
Add premiums and fees	224,533	203,961
Total costs incurred	3,265,855	2,810,812
Less claims paid	(2,890,073)	(2,493,629)
Less premiums and fees paid	(224,533)	(203,961)
Liability balance, ending	\$ 151,249	\$ 113,222

CITY OF NEWTON, KANSAS  
NOTES TO BASIC FINANCIAL STATEMENTS  
(Continued)

10 - Long-Term Debt

The following is a summary of changes in long-term debt of the City for the year ended December 31, 2021:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
<b>Governmental activities:</b>					
General obligation bonds	\$ 33,416,904	\$ 3,369,009	\$ 6,757,299	\$ 30,028,614	\$ 2,778,350
Plus deferred amounts:					
Issuance premiums	1,355,389	350,187	249,409	1,456,167	-
Compensated absences	560,933	575,359	560,933	575,359	575,359
Total OPEB liability	1,126,330	41,157	196,506	970,981	-
Net pension liability	15,547,079	-	3,502,232	12,044,847	-
Governmental activities long-term liabilities	<u>\$ 52,006,635</u>	<u>\$ 4,335,712</u>	<u>\$ 11,266,379</u>	<u>\$ 45,075,968</u>	<u>\$ 3,353,709</u>
	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
<b>Business-type activities:</b>					
General obligation bonds	\$ 12,893,096	\$ 2,595,991	\$ 4,047,701	\$ 11,441,386	\$ 1,136,650
NPBC revenue bonds - direct borrowing	4,040,000	-	855,000	3,185,000	850,000
Plus deferred amounts:					
Issuance premiums	639,232	269,990	158,735	750,487	-
KDHE revolving loans payable - direct borrowing	15,464,275	-	2,139,453	13,324,822	1,109,612
Compensated absences	82,688	87,920	82,688	87,920	87,920
Total OPEB liability	73,793	2,357	12,203	63,947	-
Net pension liability	2,693,190	-	767,388	1,925,802	-
Business-type activities long-term liabilities	<u>\$ 35,886,274</u>	<u>\$ 2,956,258</u>	<u>\$ 8,063,168</u>	<u>\$ 30,779,364</u>	<u>\$ 3,184,182</u>



CITY OF NEWTON, KANSAS  
NOTES TO BASIC FINANCIAL STATEMENTS  
(Continued)

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
<b>Newton Public Library:</b>					
Compensated absences	\$ 11,782	\$ 19,842	\$ 11,782	\$ 19,842	\$ 19,842
Net pension liability	334,162	-	107,634	226,528	-
Total OPEB liability	5,148	1,283	593	5,838	-
Newton Public Library long-term liabilities	<u>\$ 351,092</u>	<u>\$ 21,125</u>	<u>\$ 120,009</u>	<u>\$ 252,208</u>	<u>\$ 19,842</u>
	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
<b>Housing Authority:</b>					
Compensated absences	\$ 14,398	\$ 15,867	\$ 14,398	\$ 15,867	\$ 15,867
Net pension liability	180,568	29,464	-	210,032	-
Housing Authority long-term liabilities	<u>\$ 194,966</u>	<u>\$ 45,331</u>	<u>\$ 14,398</u>	<u>\$ 225,899</u>	<u>\$ 15,867</u>

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, 2021, the outstanding general obligation bonds consisted of the following:

	Interest Rates	Outstanding December 31, 2021	Original Amount
Airport refunding, 2004-B	5.250-6.000%	\$ 125,000	\$ 515,000
GO refunding, 2012-A	2.000-2.100	1,115,000	3,570,000
Internal improvements, 2015-B	2.000-3.100	600,000	1,130,000
Internal improvements, 2015-C	3.000	2,570,000	2,570,000
Internal improvements, 2015-D	2.000-3.000	1,445,000	2,500,000
GO refunding, 2016-A	1.500-4.000	10,445,000	13,425,000
Internal improvements, 2018-A	3.000-4.000	1,945,000	2,125,000
Taxable GO bonds, 2018-B	3.000-4.100	1,240,000	1,490,000
Taxable GO refunding and improvement, 2020-A	3.000-3.450	5,740,000	6,015,000
GO refunding and improvement, 2020-B	2.000-3.500	8,655,000	9,575,000
GO tax increment financing refunding, 2020-C	2.000-3.000	1,625,000	1,790,000
GO refunding, 2021-A	1.750-4.000	5,965,000	5,965,000
		<u>\$ 41,470,000</u>	

CITY OF NEWTON, KANSAS  
NOTES TO BASIC FINANCIAL STATEMENTS  
(Continued)

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
2022	\$ 2,778,350	\$ 918,745	\$ 1,136,650	\$ 339,676
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
2027-2031	8,965,276	1,738,230	3,189,724	486,055
2032-2036	5,590,086	683,269	1,564,914	177,393
2037-2040	1,425,000	77,825	745,000	38,550
	\$ 30,028,614	\$ 6,245,663	\$ 11,441,386	\$ 2,044,939

During the year ended December 31, 2021, the City issued \$ 5,965,000 of general obligation refunding bonds (series 2021-A) to currently refund \$ 6,450,000 of series 2013-A general obligation refunding and improvements bond. The refunding transaction resulted in an economic gain of approximately \$ 536,000 and a decrease in the future debt service payments of approximately \$ 532,000.

Water Fund Revolving Loans

The City has two 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, 2021
2009	3.37%	20 years	\$ 832,196
2009	3.75%	20 years	282,288
			\$ 1,114,484

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, 2021, there have been no draw downs on the loan or associated project costs.

CITY OF NEWTON, KANSAS  
 NOTES TO BASIC FINANCIAL STATEMENTS  
 (Continued)

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

2022	\$	125,522
2023		129,917
2024		134,465
2025		139,174
2026		144,047
2027-2029		441,359
		441,359
	\$	1,114,484

Sewer Fund Revolving Loans

The City has three 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, 2021
2002	3.03%	20 years	\$ 72,418
2008	2.85%	20 years	3,300,636
2014	2.83%	20 years	8,837,284
			8,837,284
			\$ 12,210,338

Future principal payments on these loans are scheduled as follows:

2022	\$	984,090
2023		945,543
2024		972,569
2025		1,000,368
2026		1,028,961
2027-2031		4,654,457
2032-2035		2,624,350
		2,624,350
	\$	12,210,338

CITY OF NEWTON, KANSAS  
NOTES TO BASIC FINANCIAL STATEMENTS  
(Continued)

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, 2021, the outstanding NPBC revenue bonds consisted of the following:

	<u>Interest Rates</u>	<u>Outstanding December 31, 2021</u>	<u>Original Amount</u>
Series 2004	4.36%	\$ 730,000	\$ 2,685,000
2012 refunding	2.00-2.40%	<u>2,455,000</u>	5,915,000
		<u>\$ 3,185,000</u>	

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

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 850,000	\$ 75,581	\$ 925,581
2023	855,000	52,062	907,062
2024	865,000	27,385	892,385
2025	<u>615,000</u>	<u>7,380</u>	<u>622,380</u>
	<u>\$ 3,185,000</u>	<u>\$ 162,408</u>	<u>\$ 3,347,408</u>

11 - 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, 2021, the City had the following encumbrances:

CITY OF NEWTON, KANSAS  
 NOTES TO BASIC FINANCIAL STATEMENTS  
 (Continued)

General	\$	61,401
Sewer		18,755
Sanitation		1,820
Waterworks		36,189
		36,189
	\$	118,165

12 - 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, 2021, two City-issued Industrial Revenue bond issues were outstanding with a total balance of \$ 5,755,000.

13 - 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).

CITY OF NEWTON, KANSAS  
NOTES TO BASIC FINANCIAL STATEMENTS  
(Continued)

14 - 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. During 2021 there were also transfers from the ARPA fund to the General fund to reimburse eligible expenditures related to the ARPA grant. Transfers for the year were as follows:

Transfers out	Transfers in				
	General	Bond & Interest	Capital Projects	Nonmajor Governmental	Sewer
General	\$ -	\$ 1,298,573	\$ 100,000	\$ -	\$ -
Bond & Interest	-	-	-	-	1,294,911
Capital Projects	-	-	-	-	90,112
Nonmajor Governmental	2,044,992	120,976	-	-	7,000
Sewer	1,429,352	1,354,928	23,045	21,000	-
Waterworks	829,901	389,700	379,801	37,300	-
Sanitation	190,993	-	-	-	-
	<u>\$ 4,495,238</u>	<u>\$ 3,164,177</u>	<u>\$ 502,846</u>	<u>\$ 58,300</u>	<u>\$ 1,392,023</u>

Transfers out	Transfers in				Total
	Waterworks	Golf Course	Meridian Center	Internal Service Funds	
General	\$ -	\$ 700,000	\$ 250,000	\$ -	\$ 2,348,573
Bond & Interest	289,790	-	-	-	1,584,701
Capital Projects	120,811	-	-	-	210,923
Nonmajor Governmental	-	-	-	-	2,172,968
Sewer	-	-	-	69,520	2,897,845
Waterworks	-	-	-	69,520	1,706,222
Sanitation	-	-	-	102,579	293,572
	<u>\$ 410,601</u>	<u>\$ 700,000</u>	<u>\$ 250,000</u>	<u>\$ 241,619</u>	<u>\$ 11,214,804</u>

15 - 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:

CITY OF NEWTON, KANSAS  
NOTES TO BASIC FINANCIAL STATEMENTS  
(Continued)

	\$	673,658
2022		645,385
2023		626,718
2024		622,380
2025		622,380
		2,568,141
Less portion attributed to interest		(429,741)
	\$	2,138,400

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. An additional due to/from was established to record the short-term borrowing in the public building commission fund. At December 31, 2021, the interfund balances consisted of the following:

	Due from Other Funds	Due to Other Funds
General fund	\$ 6,185,463	\$ -
Capital projects	2,529,423	(6,185,463)
Public Building Commission	-	(2,529,423)
	\$ 8,714,886	\$ (8,714,886)

16 - 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, 2021, abated property taxes that impacted the City totaled \$ 546,213, 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 \$ 81,223.
- A property tax abatement for the City of Newton, Kansas on an Industrial Revenue Bond. The City's portion of the abatement amounted to \$ 73,579.
- A property tax abatement to a foam manufacturer. The City's portion of the abatement amounted to \$ 67,261.
- 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 \$ 324,150.

CITY OF NEWTON, KANSAS  
NOTES TO BASIC FINANCIAL STATEMENTS  
(Continued)

17 - Prior Period Adjustment

For the year ended December 31, 2021, beginning net position for the Public Building Commission Fund on the proprietary fund financial statements and for the business-type activities on the government-wide financial statements was restated in the amount of \$ 58,726 to capitalize a project. There was no effect on current or prior year revenues or expenditures as a result of this adjustment.





# Financial Section

## Supplemental Information



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 Eight Fiscal Years\*

	2021	2020	2019	2018	2017	2016	2015	2014
City's proportion of the collective net pension liability								
KPERS	0.331179%	0.326910%	0.327595%	0.334374%	0.332957%	0.367572%	0.364582%	0.361789%
KP&F	1.047598%	1.019577%	1.027745%	1.051132%	1.029023%	1.083101%	1.102692%	1.097784%
City's proportionate share of the collective net pension liability	\$13,970,649	\$18,240,269	\$14,979,741	\$14,774,481	\$14,472,812	\$15,745,894	\$12,793,964	\$11,652,675
City's covered payroll	\$12,261,157	\$11,745,411	\$11,535,439	\$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	114%	155%	130%	130%	131%	138%	115%	108%
Plan fiduciary net position as a percentage of the total pension liability	76.40%	66.30%	69.88%	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 Eight Fiscal Years\*

	2021	2020	2019	2018	2017	2016	2015	2014
Library's proportion of the collective net pension liability KPERs	0.018878%	0.019275%	0.018345%	0.018949%	0.018307%	0.019479%	0.018471%	0.018727%
Library's proportionate share of the collective net pension liability	\$ 226,528	\$ 334,162	\$ 256,348	\$ 264,109	\$ 265,169	\$ 301,346	\$ 242,532	\$ 230,494
Library's covered payroll	\$ 364,131	\$ 363,873	\$ 339,475	\$ 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	62%	92%	76%	78%	82%	90%	79%	75%
Plan fiduciary net position as a percentage of the total pension liability	76.40%	66.30%	69.88%	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 Seven Fiscal Years\*

	2021	2020	2019	2018	2017	2016	2015
Housing Authority's proportion of the collective net pension liability KPERs	0.012115%	0.012922%	0.013601%	0.014371%	0.014975%	0.014994%	0.154300%
Housing Authority's proportionate share of the collective net pension liability	\$ 210,032	\$ 180,568	\$ 189,569	\$ 208,158	\$ 231,668	\$ 196,878	\$ 189,914
Housing Authority's covered payroll	\$ 228,597	\$ 239,840	\$ 243,398	\$ 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	92%	75%	78%	82%	90%	79%	75%
Plan fiduciary net position as a percentage of the total pension liability	66.30%	69.88%	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 2015.

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

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
KPERS contractually required contributions	\$ 557,997	\$ 540,157	\$ 531,381	\$ 504,211	\$ 520,799
KP&F contractually required contributions	1,312,456	1,243,313	1,167,096	1,045,685	1,014,326
Contributions in relation to the contractually required contribution	<u>(1,870,453)</u>	<u>(1,783,470)</u>	<u>(1,698,477)</u>	<u>(1,549,896)</u>	<u>(1,535,125)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered payroll	\$ 12,751,615	\$ 12,446,094	\$ 11,584,455	\$ 11,396,824	\$ 11,186,375
Contributions as a percentage of covered payroll	14.7%	14.3%	14.7%	13.6%	13.7%
	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
KPERS contractually required contributions	\$ 580,045	\$ 587,308	\$ 527,224	\$ 465,230	\$ 406,455
KP&F contractually required contributions	1,050,678	1,097,368	996,198	847,528	772,158
Contributions in relation to the contractually required contribution	<u>(1,630,723)</u>	<u>(1,684,676)</u>	<u>(1,523,424)</u>	<u>(1,312,756)</u>	<u>(1,178,735)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (2)</u>	<u>\$ 2</u>	<u>\$ (122)</u>
City's covered payroll	\$ 11,297,360	\$ 11,284,441	\$ 10,912,626	\$ 10,670,233	\$ 10,158,147
Contributions as a percentage of covered payroll	14.4%	14.9%	14.0%	12.3%	11.6%

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

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Contractually required contributions	\$ 31,807	\$ 31,848	\$ 29,304	\$ 28,573	\$ 28,049
Contributions in relation to the contractually required contribution	<u>(31,807)</u>	<u>(31,848)</u>	<u>(29,304)</u>	<u>(28,573)</u>	<u>(28,049)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Library's covered payroll	\$ 341,622	\$ 367,797	\$ 349,752	\$ 342,698	\$ 331,552
Contributions as a percentage of covered payroll	9.3%	8.7%	8.4%	8.3%	8.5%
	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Contractually required contributions	\$ 29,496	\$ 31,136	\$ 27,191	\$ 23,944	\$ 21,752
Contributions in relation to the contractually required contribution	<u>(29,496)</u>	<u>(31,136)</u>	<u>(27,191)</u>	<u>(23,944)</u>	<u>(21,752)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Library's covered payroll	\$ 322,340	\$ 328,439	\$ 307,591	\$ 301,556	\$ 296,349
Contributions as a percentage of covered payroll	9.2%	9.5%	8.8%	7.9%	7.3%



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

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually required contributions	\$ 20,062	\$ 20,017	\$ 20,725	\$ 20,509	\$ 22,478	\$ 23,954	\$ 22,930
Contributions in relation to the contractually required contribution	<u>(20,062)</u>	<u>(20,017)</u>	<u>(20,725)</u>	<u>(20,509)</u>	<u>(22,478)</u>	<u>(23,954)</u>	<u>(22,930)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Housing Authority's covered payroll	\$ 229,493	\$ 228,597	\$ 239,840	\$ 243,398	\$ 254,966	\$ 256,721	\$ 250,357
Contributions as a percentage of covered payroll	8.7%	8.8%	8.6%	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 Five Fiscal Years\*

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Total OPEB liability:					
Service cost	\$ 70,434	\$ 52,089	\$ 56,591	\$ 56,079	\$ 48,339
Interest	19,025	25,448	37,367	31,141	32,745
Differences between expected and actual experience	188,908	17,655	43,709	-	-
Changes of assumptions	(238,052)	177,306	(198,437)	24,688	46,595
Benefit payments	<u>(208,709)</u>	<u>(128,189)</u>	<u>(75,545)</u>	<u>(40,740)</u>	<u>(49,613)</u>
Net change in total OPEB liability	(168,394)	144,309	(136,315)	71,168	78,066
Total OPEB liability, beginning	<u>1,004,582</u>	<u>860,273</u>	<u>996,588</u>	<u>925,420</u>	<u>847,354</u>
Total OPEB liability, ending	<u>\$ 836,188</u>	<u>\$ 1,004,582</u>	<u>\$ 860,273</u>	<u>\$ 996,588</u>	<u>\$ 925,420</u>
Covered employee payroll	\$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	7.13%	9.58%	8.20%	9.44%	8.77%

Notes to Schedule:

Changes of assumptions:

- The census data was updated from January 1, 2019 to January 1, 2022.
- The mortality assumption was changed from Society of Actuaries Scale MP-2020 Full Generational Improvement to the Scale MP-2021.
- The discount rate was changed from 1.96% to 2.04% for the end of year measurement.
- Per capita costs, fixed costs, and retiree contributions were updated along with assumed trend as part of the evaluation.

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 Five Fiscal Years\*

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Total OPEB liability:					
Service cost	\$ 24,733	\$ 22,865	\$ 22,702	\$ 22,512	\$ 23,703
Interest	4,742	6,906	8,024	8,134	6,215
Changes of economic/demographic gains or losses	(15,110)	(15,470)	(30,409)	(32,663)	-
Changes of assumptions	300	12,569	2,358	(2,009)	(5,231)
Benefit payments	<u>(11,466)</u>	<u>(11,466)</u>	<u>(14,195)</u>	<u>(17,824)</u>	<u>(10,958)</u>
Net change in total OPEB liability	3,199	15,404	(11,520)	(21,850)	13,729
Total OPEB liability, beginning	<u>195,541</u>	<u>180,137</u>	<u>191,657</u>	<u>213,507</u>	<u>199,778</u>
Total OPEB liability, ending	<u>\$ 198,740</u>	<u>\$ 195,541</u>	<u>\$ 180,137</u>	<u>\$ 191,657</u>	<u>\$ 213,507</u>
Covered employee payroll	\$ 5,627,920	\$ 5,627,920	\$ 5,572,068	\$ 5,784,433	\$ 5,665,109
City's total OPEB liability as a percentage of covered employee payroll	3.53%	3.47%	3.23%	3.31%	3.77%

Notes to Schedule:

*Changes of assumptions:*

- The discount rate was decreased from 2.21% to 2.16% 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 Five Fiscal Years\*

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

Notes to Schedule:

*Changes of assumptions:*

- The discount rate was decreased from 2.21% to 2.16% 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  
 COMBINING BALANCE SHEET  
 GENERAL FUND  
 December 31, 2021

	General	Capital Improvement Reserve	Admin Contingency	Municipal Equipment Reserve	RHID	RHID 2	Total General Fund
<b>Assets:</b>							
Cash and investments	\$ 1,845,253	\$ -	\$ 945,053	\$ 3,326,470	\$ -	\$ -	\$ 6,116,776
Due from other funds	3,224,000	2,961,463	-	-	-	-	6,185,463
<b>Receivables:</b>							
Property tax	5,648,079	-	-	-	-	-	5,648,079
Sales tax	1,114,294	-	-	-	-	-	1,114,294
Franchise tax	149,526	-	-	-	-	-	149,526
Accounts	394,399	-	-	-	-	-	394,399
Other	109,226	-	-	-	-	-	109,226
Prepaid items	370,825	-	-	-	-	-	370,825
<b>Total assets</b>	<b>\$ 12,855,602</b>	<b>\$ 2,961,463</b>	<b>\$ 945,053</b>	<b>\$ 3,326,470</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 20,088,588</b>
<b>Liabilities:</b>							
Accounts payable	\$ 468,154	\$ 1,910	\$ -	\$ 99,106	\$ -	\$ -	\$ 569,170
Accrued expenses	218,468	-	-	-	-	-	218,468
Unearned revenues	109,620	-	-	-	-	-	109,620
<b>Total liabilities</b>	<b>796,242</b>	<b>1,910</b>	<b>-</b>	<b>99,106</b>	<b>-</b>	<b>-</b>	<b>897,258</b>
<b>Deferred inflows of resources:</b>							
Unavailable revenue - property and special assessment taxes	5,648,079	-	-	-	-	-	5,648,079
<b>Total deferred inflows of resources</b>	<b>5,648,079</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>5,648,079</b>
<b>Fund balances:</b>							
<b>Nonspendable:</b>							
Prepaid items	370,825	-	-	-	-	-	370,825
<b>Assigned:</b>							
Capital asset acquisition	-	2,959,553	-	3,227,364	-	-	6,186,917
Other purposes	61,401	-	-	-	-	-	61,401
Unassigned	5,979,055	-	945,053	-	-	-	6,924,108
<b>Total fund balances</b>	<b>6,411,281</b>	<b>2,959,553</b>	<b>945,053</b>	<b>3,227,364</b>	<b>-</b>	<b>-</b>	<b>13,543,251</b>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<b>\$ 12,855,602</b>	<b>\$ 2,961,463</b>	<b>\$ 945,053</b>	<b>\$ 3,326,470</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 20,088,588</b>

CITY OF NEWTON, KANSAS  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES  
 AND CHANGES IN FUND BALANCES - GENERAL FUND  
 Year Ended December 31, 2021

	General	Capital Improvement Reserve	Admin Contingency	Municipal Equipment Reserve	RHID	RHID 2	Eliminations	Total General Fund
Revenues:								
Taxes:								
Property taxes	\$ 5,926,141	\$ 129,813	\$ -	\$ -	\$ 50,612	\$ 45,194	\$ -	\$ 6,151,760
Sales taxes	6,141,365	-	-	-	-	-	-	6,141,365
Franchise taxes	1,519,599	-	-	-	-	-	-	1,519,599
Intergovernmental	646,588	39,151	-	25,950	-	-	-	711,689
Licenses and permits	268,673	-	-	-	-	-	-	268,673
Charges for services	2,192,573	-	-	-	-	-	-	2,192,573
Fines, forfeitures and penalties	515,930	-	-	-	-	-	-	515,930
Interest	4,039	-	-	-	-	-	-	4,039
Other	29,567	39,333	-	45,620	-	-	-	114,520
<b>Total revenues</b>	<b>17,244,475</b>	<b>208,297</b>	<b>-</b>	<b>71,570</b>	<b>50,612</b>	<b>45,194</b>	<b>-</b>	<b>17,620,148</b>
Expenditures:								
Current:								
General government	2,444,371	117,167	-	4,741	50,612	45,194	-	2,662,085
Public safety	10,419,040	-	-	-	-	-	-	10,419,040
Highway and streets	2,852,039	-	-	-	-	-	-	2,852,039
Culture and recreation	1,136,918	-	-	-	-	-	-	1,136,918
Capital outlay	72,514	301,049	-	678,765	-	-	-	1,052,328
<b>Total expenditures</b>	<b>16,924,882</b>	<b>418,216</b>	<b>-</b>	<b>683,506</b>	<b>50,612</b>	<b>45,194</b>	<b>-</b>	<b>18,122,410</b>
Excess (deficiency) of revenues over (under) expenditures	319,593	(209,919)	-	(611,936)	-	-	-	(502,262)
Other financing sources (uses):								
Transfers in	4,271,231	2,067,996	-	1,303,783	-	-	(3,147,772)	4,495,238
Transfers out	(3,867,772)	(1,598,573)	-	(30,000)	-	-	3,147,772	(2,348,573)
Sale of capital assets	-	-	-	78,243	-	-	-	78,243
<b>Total other financing sources (uses)</b>	<b>403,459</b>	<b>469,423</b>	<b>-</b>	<b>1,352,026</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,224,908</b>
<b>Net change in fund balances</b>	<b>723,052</b>	<b>259,504</b>	<b>-</b>	<b>740,090</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,722,646</b>
Fund balances, beginning of year	5,688,229	2,700,049	945,053	2,487,274	-	-	-	11,820,605
<b>Fund balances, end of year</b>	<b>\$ 6,411,281</b>	<b>\$ 2,959,553</b>	<b>\$ 945,053</b>	<b>\$ 3,227,364</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 13,543,251</b>

CITY OF NEWTON, KANSAS  
 COMBINING BALANCE SHEET  
 NONMAJOR GOVERNMENTAL FUNDS  
 December 31, 2021

	Special Revenue Funds							
	Airport	Community Development	Special Alcohol Program	Special Highway	Grants	Special Liability	Special Parks & Recreation	Tourism & Convention Promotion
<b>Assets:</b>								
Cash and investments	\$ 34,379	\$ -	\$ -	\$ 133,431	\$ 44,602	\$ 32,897	\$ -	\$ 93,840
<b>Receivables:</b>								
Property tax	82,675	-	-	-	-	47,142	-	-
Accounts	171,211	-	-	-	-	-	-	-
Due from other governments	-	-	-	-	20,614	-	-	-
Other	-	381,472	-	-	-	-	-	-
Inventory	44,747	-	-	-	-	-	-	-
<b>Restricted assets:</b>								
Cash and investments	-	144,808	-	-	-	-	-	-
<b>Total assets</b>	<b>\$ 333,012</b>	<b>\$ 526,280</b>	<b>\$ -</b>	<b>\$ 133,431</b>	<b>\$ 65,216</b>	<b>\$ 80,039</b>	<b>\$ -</b>	<b>\$ 93,840</b>
<b>Liabilities:</b>								
Accounts payable	\$ 6,673	\$ -	\$ -	\$ -	\$ 40	\$ -	\$ -	\$ 1,302
Accrued expenses	7,159	-	-	-	-	-	-	1,043
Unearned revenues	51,292	-	-	-	61,222	-	-	-
<b>Total liabilities</b>	<b>65,124</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>61,262</b>	<b>-</b>	<b>-</b>	<b>2,345</b>
<b>Deferred inflows of resources:</b>								
Unavailable revenue - property and special assessment taxes	82,675	-	-	-	-	47,142	-	-
<b>Total deferred inflows of resources</b>	<b>82,675</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>47,142</b>	<b>-</b>	<b>-</b>
<b>Fund balances:</b>								
<b>Nonspendable:</b>								
Inventory	44,747	-	-	-	-	-	-	-
<b>Restricted:</b>								
Airport	140,466	-	-	-	-	-	-	-
Community development	-	526,280	-	-	-	-	-	91,495
Perpetual care	-	-	-	-	-	-	-	-
Law enforcement	-	-	-	-	-	-	-	-
Other purposes	-	-	-	133,431	3,954	32,897	-	-
<b>Assigned:</b>								
Capital asset acquisition	-	-	-	-	-	-	-	-
<b>Total fund balances</b>	<b>185,213</b>	<b>526,280</b>	<b>-</b>	<b>133,431</b>	<b>3,954</b>	<b>32,897</b>	<b>-</b>	<b>91,495</b>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<b>\$ 333,012</b>	<b>\$ 526,280</b>	<b>\$ -</b>	<b>\$ 133,431</b>	<b>\$ 65,216</b>	<b>\$ 80,039</b>	<b>\$ -</b>	<b>\$ 93,840</b>

(Continued)

CITY OF NEWTON, KANSAS  
 COMBINING BALANCE SHEET  
 NONMAJOR GOVERNMENTAL FUNDS  
 (Continued)  
 December 31, 2021

	Special Revenue Funds					Permanent Fund		Total
	Airport/Library Capital Improvement	Airport/Library Municipal Equipment Reserve	Special Law Enforcement	Library	ARPA	Community Improvement District Sales Tax	Cemetery & Mausoleum	
<b>Assets:</b>								
Cash and investments	\$ 76,574	\$ 267,561	\$ 276,521	\$ 53,049	\$ -	\$ 13,566	\$ 419,980	\$ 1,446,400
Receivables:								
Property tax	-	-	-	687,997	-	-	-	817,814
Accounts	-	-	-	-	-	-	-	171,211
Due from other governments	-	-	-	-	-	-	-	20,614
Other	-	-	-	-	-	-	-	381,472
Inventory	-	-	-	-	-	-	-	44,747
Restricted assets:								
Cash and investments	-	-	-	-	-	-	-	144,808
<b>Total assets</b>	<b>\$ 76,574</b>	<b>\$ 267,561</b>	<b>\$ 276,521</b>	<b>\$ 741,046</b>	<b>\$ -</b>	<b>\$ 13,566</b>	<b>\$ 419,980</b>	<b>\$ 3,027,066</b>
<b>Liabilities:</b>								
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 13,566	\$ 1,764	\$ 23,345
Accrued expenses	-	-	-	-	-	-	-	8,202
Unearned revenues	-	-	-	-	-	-	-	112,514
<b>Total liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>13,566</b>	<b>1,764</b>	<b>144,061</b>
Deferred inflows of resources:								
Unavailable revenue - property and special assessment taxes	-	-	-	687,997	-	-	-	817,814
<b>Total deferred inflows of resources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>687,997</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>817,814</b>
<b>Fund balances:</b>								
Nonspendable:								
Inventory	-	-	-	-	-	-	-	44,747
Restricted:								
Airport	-	-	-	-	-	-	-	140,466
Community development	-	-	-	-	-	-	-	617,775
Perpetual care	-	-	-	-	-	-	418,216	418,216
Law enforcement	-	-	276,521	-	-	-	-	276,521
Other purposes	-	-	-	53,049	-	-	-	223,331
Assigned:								
Capital asset acquisition	76,574	267,561	-	-	-	-	-	344,135
<b>Total fund balances</b>	<b>76,574</b>	<b>267,561</b>	<b>276,521</b>	<b>53,049</b>	<b>-</b>	<b>-</b>	<b>418,216</b>	<b>2,065,191</b>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<b>\$ 76,574</b>	<b>\$ 267,561</b>	<b>\$ 276,521</b>	<b>\$ 741,046</b>	<b>\$ -</b>	<b>\$ 13,566</b>	<b>\$ 419,980</b>	<b>\$ 3,027,066</b>



CITY OF NEWTON, KANSAS  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES  
 IN FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS  
 Year Ended December 31, 2021

	Special Revenue Funds							Tourism & Convention Promotion
	Airport	Community Development	Special Alcohol Program	Special Highway	Grants	Special Liability	Special Parks & Recreation	
Revenues:								
Taxes:								
Property taxes	\$ 92,035	\$ -	\$ -	\$ -	\$ -	\$ 26,367	\$ -	\$ -
Excise taxes	-	-	-	-	-	-	-	316,027
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	118,364	150,000	19,469	545,766	137,636	1,535	19,469	-
Charges for services	1,315,054	-	-	-	-	-	-	-
Interest	-	2	-	-	-	-	-	-
Other	889	-	-	-	-	-	-	10
<b>Total revenues</b>	<b>1,526,342</b>	<b>150,002</b>	<b>19,469</b>	<b>545,766</b>	<b>137,636</b>	<b>27,902</b>	<b>19,469</b>	<b>316,037</b>
Expenditures:								
Current:								
General government	-	160,052	19,469	-	-	60,748	-	86,367
Public safety	-	-	-	-	66,845	-	-	-
Airport	1,346,542	-	-	-	105,156	-	-	-
Capital outlay	-	-	-	-	-	-	-	-
<b>Total expenditures</b>	<b>1,346,542</b>	<b>160,052</b>	<b>19,469</b>	<b>-</b>	<b>172,001</b>	<b>60,748</b>	<b>-</b>	<b>86,367</b>
Excess (deficiency) of revenues over (under) expenditures	179,800	(10,050)	-	545,766	(34,365)	(32,846)	19,469	229,670
Other financing sources (uses):								
Transfers in	-	-	-	-	-	58,300	-	-
Transfers out	(168,459)	-	-	(412,335)	-	-	(19,469)	(174,007)
Sale of assets	-	-	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>(168,459)</b>	<b>-</b>	<b>-</b>	<b>(412,335)</b>	<b>-</b>	<b>58,300</b>	<b>(19,469)</b>	<b>(174,007)</b>
Net change in fund balances	11,341	(10,050)	-	133,431	(34,365)	25,454	-	55,663
Fund balances, beginning of year	173,872	536,330	-	-	38,319	7,443	-	35,832
Fund balances, end of year	\$ 185,213	\$ 526,280	\$ -	\$ 133,431	\$ 3,954	\$ 32,897	\$ -	\$ 91,495

(Continued)

CITY OF NEWTON, KANSAS  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES  
 IN FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS  
 (Continued)  
 Year Ended December 31, 2021

	Special Revenue Funds					Permanent Fund		Eliminations	Total
	Airport/Library		Special Law Enforcement	Library	ARPA	Community Improvement District Sales Tax	Cemetery & Mausoleum		
	Airport/Library Capital Improvement	Municipal Equipment Reserve							
	Improvement	Reserve	Enforcement	Library	ARPA	Sales Tax	Mausoleum		
Revenues:									
Taxes:									
Property taxes	\$ -	\$ -	\$ -	\$ 782,766	\$ -	\$ -	\$ -	\$ -	\$ 901,168
Excise taxes	-	-	-	-	-	-	-	-	316,027
Sales taxes	-	-	-	-	-	80,270	-	-	80,270
Intergovernmental	-	-	-	46,151	1,439,181	-	-	-	2,477,571
Charges for services	-	-	29,753	-	-	-	-	-	1,344,807
Interest	-	-	-	-	-	-	15	-	17
Other	9,260	7,885	-	-	-	-	25,104	-	43,148
Total revenues	9,260	7,885	29,753	828,917	1,439,181	80,270	25,119	-	5,163,008
Expenditures:									
Current:									
General government	-	-	2,132	803,788	-	80,270	-	-	1,212,826
Public safety	-	-	1,223	-	-	-	-	-	68,068
Airport	-	-	-	-	-	-	-	-	1,451,698
Capital outlay	13,403	11,693	11,989	-	-	-	-	-	37,085
Total expenditures	13,403	11,693	15,344	803,788	-	80,270	-	-	2,769,677
Excess (deficiency) of revenues over (under) expenditures	(4,143)	(3,808)	14,409	25,129	1,439,181	-	25,119	-	2,393,331
Other financing sources (uses):									
Transfers in	15,983	24,500	-	-	-	-	-	(40,483)	58,300
Transfers out	-	-	-	-	(1,439,181)	-	-	40,483	(2,172,968)
Sale of assets	-	24,075	-	-	-	-	-	-	24,075
Total other financing sources (uses)	15,983	48,575	-	-	(1,439,181)	-	-	-	(2,090,593)
Net change in fund balances	11,840	44,767	14,409	25,129	-	-	25,119	-	302,738
Fund balances, beginning of year	64,734	222,794	262,112	27,920	-	-	393,097	-	1,762,453
Fund balances, end of year	\$ 76,574	\$ 267,561	\$ 276,521	\$ 53,049	\$ -	\$ -	\$ 418,216	\$ -	\$ 2,065,191

CITY OF NEWTON, KANSAS  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCES - BUDGET AND ACTUAL  
AIRPORT FUND  
Year Ended December 31, 2021

	Original and Final Budgeted Amounts	Actual	Variance with Final Budget
Revenues and other sources:			
Property taxes	\$ 94,779	\$ 92,035	\$ (2,744)
Intergovernmental	90,000	118,364	28,364
Fuel sales and rentals	1,331,114	1,315,054	(16,060)
Other	25,000	889	(24,111)
	<u>1,540,893</u>	<u>1,526,342</u>	<u>(14,551)</u>
Total revenues and other sources			
Expenditures and other uses:			
Personnel services	561,184	526,647	(34,537)
Contractual services	314,048	268,357	(45,691)
Commodities	436,750	515,090	78,340
Vehicle operating	28,500	21,638	(6,862)
Capital outlay	10,600	14,810	4,210
Transfers out	197,376	168,459	(28,917)
	<u>1,548,458</u>	<u>1,515,001</u>	<u>(33,457)</u>
Total expenditures and other uses			
Excess (deficiency) of revenues and other sources over (under) expenditures and other uses	(7,565)	11,341	18,906
Fund balances, beginning of year	<u>7,565</u>	<u>173,872</u>	<u>166,307</u>
Fund balances, end of year	<u>\$ -</u>	<u>\$ 185,213</u>	<u>\$ 185,213</u>

CITY OF NEWTON, KANSAS  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCES - BUDGET AND ACTUAL  
SPECIAL ALCOHOL PROGRAM FUND  
Year Ended December 31, 2021

	Original and Final Budgeted Amounts	Actual	Variance with Final Budget
Revenues and other sources:			
Liquor tax	\$ 30,000	\$ 19,469	\$ (10,531)
Expenditures and other uses:			
Contractual services	30,000	19,469	(10,531)
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, 2021

	Original and Final Budgeted Amounts	Actual	Variance with Final Budget
Revenues and other sources:			
Intergovernmental	\$ 426,490	\$ 545,766	\$ 119,276
Expenditures and other uses:			
Transfers out	426,490	412,335	(14,155)
Excess (deficiency) of revenues and other sources over (under) expenditures and other uses	-	133,431	133,431
Fund balances, beginning of year	-	-	-
Fund balances, end of year	\$ -	\$ 133,431	\$ 133,431

CITY OF NEWTON, KANSAS  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCES - BUDGET AND ACTUAL  
SPECIAL LIABILITY FUND  
Year Ended December 31, 2021

	Original and Final Budgeted Amounts	Actual	Variance with Final Budget
Revenues and other sources:			
Property taxes	\$ 26,800	\$ 26,367	\$ (433)
Intergovernmental	-	1,535	1,535
Transfers in	58,200	58,300	100
Total revenues and other sources	85,000	86,202	1,202
Expenditures and other uses:			
Contractual services	85,000	60,748	(24,252)
Excess (deficiency) of revenues and other sources over (under) expenditures and other uses	-	25,454	25,454
Fund balances, beginning of year	-	7,443	7,443
Fund balances, end of year	\$ -	\$ 32,897	\$ 32,897

CITY OF NEWTON, KANSAS  
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
 IN FUND BALANCES - BUDGET AND ACTUAL  
 SPECIAL PARKS & RECREATION FUND  
 Year Ended December 31, 2021

	Original and Final Budgeted Amounts	Actual	Variance with Final Budget
Revenues and other sources:			
Liquor tax	\$ 30,000	\$ 19,469	\$ (10,531)
Expenditures and other uses:			
Transfers out	30,000	19,469	(10,531)
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, 2021

	Original and Final Budgeted Amounts	Actual	Variance with Final Budget
Revenues and other sources:			
Transient guest tax	\$ 290,000	\$ 316,027	\$ 26,027
Other	-	10	10
Total revenues and other sources	<u>290,000</u>	<u>316,037</u>	<u>26,037</u>
Expenditures and other uses:			
Tourism/conventions	100,952	86,367	(14,585)
Transfers out	187,671	174,007	(13,664)
Total expenditures and other uses	<u>288,623</u>	<u>260,374</u>	<u>(28,249)</u>
Excess (deficiency) of revenues and other sources over (under) expenditures and other uses	1,377	55,663	54,286
Fund balances, beginning of year	<u>2,788</u>	<u>35,832</u>	<u>33,044</u>
Fund balances, end of year	<u>\$ 4,165</u>	<u>\$ 91,495</u>	<u>\$ 87,330</u>



CITY OF NEWTON, KANSAS  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCES - BUDGET AND ACTUAL  
SPECIAL LAW ENFORCEMENT FUND  
Year Ended December 31, 2021

	Original and Final Budgeted Amounts	Actual	Variance with Final Budget
Revenues and other sources:			
Forfeitures and other	\$ 70,000	\$ 29,753	\$ (40,247)
Expenditures and other uses:			
Commodities and other	90,000	3,355	(86,645)
Capital outlay	25,000	11,989	(13,011)
Total expenditures and other uses	115,000	15,344	(99,656)
Excess (deficiency) of revenues and other sources over (under) expenditures and other uses	(45,000)	14,409	59,409
Fund balances, beginning of year	266,600	262,112	(4,488)
Fund balances, end of year	\$ 221,600	\$ 276,521	\$ 54,921

CITY OF NEWTON, KANSAS  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCES - BUDGET AND ACTUAL  
LIBRARY FUND  
Year Ended December 31, 2021

	Original and Final Budgeted Amounts	Actual	Variance with Final Budget
Revenues and other sources:			
Property taxes	\$ 803,336	\$ 782,766	\$ (20,570)
Intergovernmental	-	46,151	46,151
Total revenues and other sources	803,336	828,917	25,581
Expenditures and other uses:			
Appropriations to Library	803,788	803,788	-
Excess (deficiency) of revenues and other sources over (under) expenditures and other uses	(452)	25,129	25,581
Fund balances, beginning of year	452	27,920	27,468
Fund balances, end of year	\$ -	\$ 53,049	\$ 53,049

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, 2021

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues and other sources:				
Sales tax	\$ 50,000	\$ 90,000	\$ 80,270	\$ (9,730)
Expenditures and other uses:				
Expense reimbursements	50,000	90,000	80,270	(9,730)
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, 2021

	Original and Final Budgeted Amounts	Actual	Variance with Final Budget
Revenues and other sources:			
Sale of cemetery lots	\$ 10,500	\$ 25,104	\$ 14,604
Investment earnings	4,500	15	(4,485)
Total revenues and other sources	15,000	25,119	10,119
Expenditures and other uses:			
Capital outlay	20,000	-	(20,000)
Excess (deficiency) of revenues and other sources over (under) expenditures and other uses	(5,000)	25,119	30,119
Fund balances, beginning of year	89,397	393,097	303,700
Fund balances, end of year	\$ 84,397	\$ 418,216	\$ 333,819

CITY OF NEWTON, KANSAS  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCES - BUDGET AND ACTUAL  
BOND & INTEREST FUND  
Year Ended December 31, 2021

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues and other sources:				
Property taxes	\$ 1,823,044	\$ 1,823,044	\$ 1,782,833	\$ (40,211)
Special assessments	1,062,877	1,062,877	1,179,814	116,937
Intergovernmental	-	-	151,547	151,547
Bond refunding	-	6,625,000	-	(6,625,000)
Other	1,358,084	1,358,084	900	(1,357,184)
Transfers in	1,865,604	1,865,604	3,164,177	1,298,573
Total revenues and other sources	<u>6,109,609</u>	<u>12,734,609</u>	<u>6,279,271</u>	<u>(6,455,338)</u>
Expenditures and other uses:				
Debt service:				
Principal	4,050,000	4,050,000	3,114,212	(935,788)
Interest	1,405,843	1,405,843	984,137	(421,706)
Projected future debt	658,556	658,556	-	(658,556)
Bond refunding	-	6,625,000	-	(6,625,000)
Transfers out	-	-	1,584,701	1,584,701
Total expenditures and other uses	<u>6,114,399</u>	<u>12,739,399</u>	<u>5,683,050</u>	<u>(7,056,349)</u>
Excess (deficiency) of revenues and other sources over (under) expenditures and other uses	(4,790)	(4,790)	596,221	601,011
Fund balances, beginning of year	<u>4,790</u>	<u>4,790</u>	<u>656,689</u>	<u>651,899</u>
Fund balances, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,252,910</u>	<u>\$ 1,252,910</u>

CITY OF NEWTON, KANSAS  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCES - BUDGET AND ACTUAL  
SEWER FUND  
Year Ended December 31, 2021

	Original and Final Budgeted Amounts	Actual	Variance with Final Budget
Revenues and other sources:			
Service fees	\$ 7,868,000	\$ 7,764,495	\$ (103,505)
Capital grants	21,000	337,681	316,681
Transfers in	2,545,387	3,627,993	1,082,606
Other	22,000	30,229	8,229
	<u>10,456,387</u>	<u>11,760,398</u>	<u>1,304,011</u>
Expenditures and other uses:			
Personnel services	1,874,337	1,639,429	(234,908)
Contractual services	937,564	967,307	29,743
Commodities	116,700	68,220	(48,480)
Vehicle operating	48,000	52,542	4,542
Capital outlay	163,000	26,452	(136,548)
Projected debt service	2,466,897	3,678,127	1,211,230
Other	37,401	35,429	(1,972)
Transfers out	6,242,346	4,764,750	(1,477,596)
	<u>11,886,245</u>	<u>11,232,256</u>	<u>(653,989)</u>
Revenues (expenditures) not subject to budget:			
General obligation bond proceeds	-	1,094,699	1,094,699
Premium on bonds issued	-	113,184	113,184
Transfer in for debt service payments	-	2,018,175	2,018,175
Transfer out for debt service payments	-	(2,018,175)	(2,018,175)
Transfer bond proceeds to capital projects	-	(1,094,699)	(1,094,699)
Debt service - payments for defeasance of bonds	-	(1,184,811)	(1,184,811)
	<u>-</u>	<u>(1,071,627)</u>	<u>(1,071,627)</u>
Excess (deficiency) of revenues and other sources over (under) expenditures and other uses	(1,429,858)	(543,485)	886,373
Fund balances, beginning of year	<u>6,469,309</u>	<u>8,287,430</u>	<u>1,818,121</u>
Fund balances, end of year	<u>\$ 5,039,451</u>	<u>7,743,945</u>	<u>\$ 2,704,494</u>

(Continued)

CITY OF NEWTON, KANSAS  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCES - BUDGET AND ACTUAL  
SEWER FUND  
(Continued)  
Year Ended December 31, 2021

Reconciliation to GAAP:	
Plus capital assets, net of accumulated depreciation at December 31, 2021	39,835,062
Plus deferred charges on refunding at December 31, 2021	299,008
Plus deferred outflows - OPEB at December 31, 2021	12,991
Plus deferred outflows - pension at December 31, 2021	229,270
Less compensated absences at December 31, 2021	(16,446)
Less accrued interest payable at December 31, 2021	(200,873)
Less total OPEB liability at December 31, 2021	(10,978)
Less net pension liability at December 31, 2021	(689,092)
Less state revolving fund loans payable at December 31, 2021	(12,210,338)
Less general obligation bonds, net at December 31, 2021	(9,934,402)
Less deferred inflows - OPEB at December 31, 2021	(18,516)
Less deferred inflows - pension at December 31, 2021	(264,913)
Plus encumbrances outstanding at December 31, 2021	<u>18,755</u>
Fund balance on the basis of GAAP	24,793,473
Fund balances for non-budgeted funds included with the Sewer Fund on GAAP basis financials:	
Sewer Special Reserve Fund	<u>5,065,437</u>
	<u>\$ 29,858,910</u>

CITY OF NEWTON, KANSAS  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCES - BUDGET AND ACTUAL  
SANITATION FUND  
Year Ended December 31, 2021

	Original and Final Budgeted Amounts	Actual	Variance with Final Budget
Revenues and other sources:			
Refuse collection	\$ 2,145,701	\$ 2,210,092	\$ 64,391
Other	56,000	29,020	(26,980)
Total revenues and other sources	<u>2,201,701</u>	<u>2,239,112</u>	<u>37,411</u>
Expenditures and other uses:			
Personnel services	1,030,779	996,649	(34,130)
Contractual services	423,004	424,955	1,951
Commodities	61,075	19,024	(42,051)
Vehicle operating	242,389	216,290	(26,099)
Transfers out	474,810	513,572	38,762
Total expenditures and other uses	<u>2,232,057</u>	<u>2,170,490</u>	<u>(61,567)</u>
Excess (deficiency) of revenues and other sources over (under) expenditures and other uses	(30,356)	68,622	98,978
Fund balances, beginning of year	<u>1,125,655</u>	<u>1,559,812</u>	<u>434,157</u>
Fund balances, end of year	<u>\$ 1,095,299</u>	<u>1,628,434</u>	<u>\$ 533,135</u>
Reconciliation to GAAP:			
Plus capital assets, net of accumulated depreciation at December 31, 2021		483,922	
Plus deferred outflows - OPEB at December 31, 2021		2,158	
Plus deferred outflows - pension at December 31, 2021		136,055	
Less compensated absences at December 31, 2021		(23,186)	
Less total OPEB liability at December 31, 2021		(19,805)	
Less net pension liability at December 31, 2021		(408,925)	
Less deferred inflows - OPEB at December 31, 2021		(3,218)	
Less deferred inflows - pension at December 31, 2021		(157,206)	
Plus encumbrances outstanding at December 31, 2021		<u>1,820</u>	
Fund balance on the basis of GAAP		1,640,049	
Fund balances for non-budgeted funds included with the Sanitation Fund on GAAP basis financials:			
Solid Waste Special Reserve Fund		<u>377,686</u>	
		<u>\$ 2,017,735</u>	



CITY OF NEWTON, KANSAS  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCES - BUDGET AND ACTUAL  
WATERWORKS FUND  
Year Ended December 31, 2021

	Original and Final Budgeted Amounts	Actual	Variance with Final Budget
Revenues and other sources:			
Service fees	\$ 4,672,000	\$ 4,682,049	\$ 10,049
Interest	-	3,532	3,532
Other	43,000	51,201	8,201
Transfers in	463,073	694,950	231,877
Total revenues and other sources	<u>5,178,073</u>	<u>5,431,732</u>	<u>253,659</u>
Expenditures and other uses:			
Personnel services	1,908,888	1,734,318	(174,570)
Contractual services	1,432,098	1,297,588	(134,510)
Commodities	178,570	119,862	(58,708)
Vehicle operating	75,000	63,105	(11,895)
Capital outlay	85,000	21,876	(63,124)
Projected debt service	758,853	448,467	(310,386)
Other	4,220	23,433	19,213
Transfers out	1,821,907	1,967,557	145,650
Total expenditures and other uses	<u>6,264,536</u>	<u>5,676,206</u>	<u>(588,330)</u>
Revenues (expenditures) not subject to budget:			
General obligation bond proceeds	-	1,501,293	1,501,293
Premium on bonds issued	-	156,805	156,805
Debt service - payments for defeasance of bonds	-	(1,622,103)	(1,622,103)
Total revenues (expenditures) not subject to budget:	<u>-</u>	<u>35,995</u>	<u>35,995</u>
Excess (deficiency) of revenues and other sources over (under) expenditures and other uses	(1,086,463)	(208,479)	877,984
Fund balances, beginning of year	2,031,026	3,271,866	1,240,840
Fund balances, end of year	<u>\$ 944,563</u>	<u>3,063,387</u>	<u>\$ 2,118,824</u>
Reconciliation to GAAP:			
Plus capital assets, net of accumulated depreciation at December 31, 2021		10,194,164	
Plus deferred charges on refunding at December 31, 2021		15,312	
Plus deferred outflows - OPEB at December 31, 2021		8,621	
Plus deferred outflows - pension at December 31, 2021		242,096	
Less compensated absences at December 31, 2021		(41,053)	
Less accrued interest payable at December 31, 2021		(31,259)	
Less total OPEB liability at December 31, 2021		(33,164)	
Less net pension liability at December 31, 2021		(727,640)	
Less state revolving fund loans payable at December 31, 2021		(1,114,484)	
Less general obligation bonds, net at December 31, 2021		(2,257,471)	
Less deferred inflows - OPEB at December 31, 2021		(9,907)	
Less deferred inflows - pension at December 31, 2021		(279,733)	
Plus encumbrances outstanding at December 31, 2021		<u>36,189</u>	
Fund balance on the basis of GAAP		9,065,058	
Fund balances for non-budgeted funds included with the Waterworks Fund on GAAP basis financials:			
Waterworks Special Reserve Fund		<u>4,927,178</u>	
		<u>\$ 13,992,236</u>	

CITY OF NEWTON, KANSAS  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCES - BUDGET AND ACTUAL  
GOLF COURSE FUND  
Year Ended December 31, 2021

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues and other sources:				
Golf course revenue	\$ 1,126,950	\$ 1,226,950	\$ 1,460,077	\$ 233,127
Interest	-	-	162	162
Other	-	-	14,414	14,414
Total revenues and other sources	<u>1,126,950</u>	<u>1,226,950</u>	<u>1,474,653</u>	<u>247,703</u>
Expenditures and other uses:				
Personnel services	634,469	634,469	614,641	(19,828)
Contractual services	226,735	226,735	299,127	72,392
Commodities	320,593	420,593	302,652	(117,941)
Total expenditures and other uses	<u>1,181,797</u>	<u>1,281,797</u>	<u>1,216,420</u>	<u>(65,377)</u>
Excess (deficiency) of revenues and other sources over (under) expenditures and other uses	(54,847)	(54,847)	258,233	313,080
Fund balances, beginning of year	<u>101,309</u>	<u>101,309</u>	<u>272,661</u>	<u>171,352</u>
Fund balances, end of year	<u>\$ 46,462</u>	<u>\$ 46,462</u>	530,894	<u>\$ 484,432</u>
Reconciliation to GAAP:				
Plus capital assets, net of accumulated depreciation at December 31, 2021			6,582,419	
Less advances to other funds at December 31, 2021			<u>(2,138,400)</u>	
Fund balance on the basis of GAAP			4,974,913	
Fund balances for non-budgeted funds included with the Golf Course Fund on GAAP basis financials:				
Golf Course Special Reserve Fund			<u>222,625</u>	
			<u>\$ 5,197,538</u>	

CITY OF NEWTON, KANSAS  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCES - BUDGET AND ACTUAL  
MERIDIAN CENTER FUND  
Year Ended December 31, 2021

	Original and Final Budgeted Amounts	Actual	Variance with Final Budget
Revenues and other sources:			
Meridian Center revenues	\$ 514,039	\$ 152,683	\$ (361,356)
Interest	-	7	7
Other	-	2,285	2,285
Transfers in	-	200,000	200,000
Total revenues and other sources	<u>514,039</u>	<u>354,975</u>	<u>(159,064)</u>
Expenditures and other uses:			
Personnel services	289,533	236,213	(53,320)
Contractual services	187,767	53,364	(134,403)
Commodities	66,221	41,903	(24,318)
Total expenditures and other uses	<u>543,521</u>	<u>331,480</u>	<u>(212,041)</u>
Excess (deficiency) of revenues and other sources over (under) expenditures and other uses	(29,482)	23,495	52,977
Fund balances, beginning of year	<u>36,655</u>	<u>57,616</u>	<u>20,961</u>
Fund balances, end of year	<u>\$ 7,173</u>	<u>81,111</u>	<u>\$ 73,938</u>
Reconciliation to GAAP:			
Plus capital assets, net of accumulated depreciation at December 31, 2021		2,696,922	
Plus deferred outflows - pension at December 31, 2021		33,320	
Less compensated absences at December 31, 2021		(7,235)	
Less net pension liability at December 31, 2021		(100,145)	
Less deferred inflows - OPEB at December 31, 2021		<u>(38,500)</u>	
Fund balance on the basis of GAAP - Meridian Center Fund only		2,665,473	
Fund balances for non-budgeted funds included with the Meridian Center Fund on GAAP basis financials:			
Meridian Center Special Reserve Fund		<u>129,504</u>	
		<u>\$ 2,794,977</u>	

CITY OF NEWTON, KANSAS  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCES - BUDGET AND ACTUAL  
STORES AND MAINTENANCE FUND  
Year Ended December 31, 2021

	Original and Final Budgeted Amounts	Actual	Variance with Final Budget
Revenues and other sources:			
Stores and maintenance revenue	\$ 927,693	\$ 753,835	\$ (173,858)
Other	-	2,509	2,509
Transfers in	-	176,619	176,619
	<u>927,693</u>	<u>932,963</u>	<u>5,270</u>
Expenditures and other uses:			
Personnel services	222,448	218,823	(3,625)
Contractual services	57,738	58,350	612
Commodities	490,329	449,460	(40,869)
Vehicle operating expense	45,303	28,294	(17,009)
Transfer out	106,000	106,000	-
	<u>921,818</u>	<u>860,927</u>	<u>(60,891)</u>
Excess (deficiency) of revenues and other sources over (under) expenditures and other uses	5,875	72,036	66,161
Fund balances, beginning of year	<u>73,120</u>	<u>180,574</u>	<u>107,454</u>
Fund balances, end of year	<u>\$ 78,995</u>	<u>252,610</u>	<u>\$ 173,615</u>
Reconciliation to GAAP:			
Plus capital assets, net of accumulated depreciation at December 31, 2021		561,726	
Less compensated absences at December 31, 2021		<u>(6,994)</u>	
Fund balance on the basis of GAAP - Stores and Maintenance Fund only		807,342	
Fund balances for non-budgeted funds included with the Stores and Maintenance Fund on GAAP basis financials:			
Stores and Maintenance Special Reserve Fund		<u>742,973</u>	
		<u>\$ 1,550,315</u>	

CITY OF NEWTON, KANSAS  
 COMBINING STATEMENT OF NET POSITION - INTERNAL SERVICE FUNDS  
 December 31, 2021

	Health Benefits Risk Management	Stores and Maintenance	Total
Assets:			
Current assets:			
Cash and investments	\$ 2,738,887	\$ 906,146	\$ 3,645,033
Prepaid items	20,000	-	20,000
Inventory	-	98,306	98,306
	<u>2,758,887</u>	<u>1,004,452</u>	<u>3,763,339</u>
Total current assets	2,758,887	1,004,452	3,763,339
Capital assets:			
Capital assets, net of accumulated depreciation	-	561,726	561,726
	<u>-</u>	<u>561,726</u>	<u>561,726</u>
Total assets	<u>2,758,887</u>	<u>1,566,178</u>	<u>4,325,065</u>
Liabilities:			
Current liabilities:			
Accounts payable	1,290	5,811	7,101
Accrued expenses	-	3,058	3,058
Compensated absences	-	6,994	6,994
Unreported claims payable	151,249	-	151,249
	<u>152,539</u>	<u>15,863</u>	<u>168,402</u>
Total current liabilities	152,539	15,863	168,402
Net position:			
Net investment in capital assets	-	561,726	561,726
Unrestricted	2,606,348	988,589	3,594,937
	<u>2,606,348</u>	<u>988,589</u>	<u>3,594,937</u>
Total net position	<u>\$ 2,606,348</u>	<u>\$ 1,550,315</u>	<u>\$ 4,156,663</u>

CITY OF NEWTON, KANSAS  
 COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN  
 NET POSITION - INTERNAL SERVICE FUNDS  
 Year Ended December 31, 2021

	Health Benefits Risk Management	Stores and Maintenance	Total
Operating revenues:			
Charges for sales and services	\$ 3,094,683	\$ 753,835	\$ 3,848,518
Miscellaneous	-	31,338	31,338
Total operating revenues	<u>3,094,683</u>	<u>785,173</u>	<u>3,879,856</u>
Operating expenses:			
Personnel services	2,928,100	218,823	3,146,923
Contractual services	224,533	64,574	289,107
Commodities	-	443,012	443,012
Vehicle operating	-	28,294	28,294
Depreciation and amortization	-	58,827	58,827
Total expenses	<u>3,152,633</u>	<u>813,530</u>	<u>3,966,163</u>
Operating loss	(57,950)	(28,357)	(86,307)
Transfers:			
Transfers in	-	455,412	455,412
Transfers out	-	(213,793)	(213,793)
Change in net position	(57,950)	213,262	155,312
Net position, beginning of year	<u>2,664,298</u>	<u>1,337,053</u>	<u>4,001,351</u>
Net position, end of year	<u><u>\$ 2,606,348</u></u>	<u><u>\$ 1,550,315</u></u>	<u><u>\$ 4,156,663</u></u>

CITY OF NEWTON, KANSAS  
 COMBINING STATEMENT OF CASH FLOWS - INTERNAL SERVICE FUNDS  
 Year Ended December 31, 2021

	Health Benefits Risk Management	Stores and Maintenance	Total
Cash flows from operating activities:			
Cash received from customers	\$ 3,094,683	\$ 785,173	\$ 3,879,856
Cash payments to suppliers for goods and services	(224,533)	(560,352)	(784,885)
Cash payments to employees for services	-	(218,395)	(218,395)
Cash payments for employee health benefits	(2,891,082)	-	(2,891,082)
Net cash flows from operating activities	<u>(20,932)</u>	<u>6,426</u>	<u>(14,506)</u>
Cash flows from non-capital financing activities:			
Transfers in	-	455,412	455,412
Transfers out	-	(213,793)	(213,793)
Net cash flows from non-capital financing activities	<u>-</u>	<u>241,619</u>	<u>241,619</u>
Cash flows from capital and related financing activities:			
Payments for capital assets	<u>-</u>	<u>(114,242)</u>	<u>(114,242)</u>
Net change in cash	(20,932)	133,803	112,871
Cash, beginning of year	<u>2,759,819</u>	<u>772,343</u>	<u>3,532,162</u>
Cash, end of year	<u>\$ 2,738,887</u>	<u>\$ 906,146</u>	<u>\$ 3,645,033</u>

(Continued)

CITY OF NEWTON, KANSAS  
 COMBINING STATEMENT OF CASH FLOWS - INTERNAL SERVICE FUNDS  
 (Continued)  
 Year Ended December 31, 2021

	Health Benefits Risk Management	Stores and Maintenance	Total
Reconciliation of operating loss to net cash from operating activities:			
Operating loss	\$ (57,950)	\$ (28,357)	\$ (86,307)
Adjustments to reconcile operating loss to net cash flows from operating activities:			
Depreciation and amortization	-	58,827	58,827
Changes in operating assets and liabilities:			
Inventory	-	(23,512)	(23,512)
Accounts payable	(1,007)	(960)	(1,967)
Accrued expenses	-	428	428
Unreported claims payable	38,025	-	38,025
Net cash flows from operating activities	\$ (20,932)	\$ 6,426	\$ (14,506)



CITY OF NEWTON, KANSAS  
COMPONENT UNIT FUND FINANCIAL STATEMENTS - NEWTON PUBLIC LIBRARY  
BALANCE SHEET  
December 31, 2021

Assets:		
Cash		<u>\$ 2,141,597</u>
Liabilities:		
Accounts payable		\$ 23
Fund balance:		
Assigned for library services		<u>2,141,574</u>
		<u>\$ 2,141,597</u>

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, 2021

Revenues:	
Taxes	\$ 803,788
Intergovernmental	89,707
Fines and fees	13,475
Interest	3,122
Other	28,211
	938,303
Expenditures:	
Personnel services	493,243
Contractual services	58,316
Commodities	161,857
Capital outlay	171,540
	884,956
Revenues over expenditures	53,347
Fund balances, beginning	2,088,227
Fund balances, ending	\$ 2,141,574



# Statistical Section



## 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.

<b>Contents</b>	<b>Page</b>
<b>Financial Trends</b>	
These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	113
<b>Revenue Capacity</b>	
These schedules contain information to help the reader assess the City's most significant local revenue source, property tax.	124
<b>Debt Capacity</b>	
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
<b>Demographic and Economic Information</b>	
These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.	134
<b>Operating Information</b>	
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)**

	<b>Fiscal Year</b>		
	<b>2012</b>	<b>2013</b>	<b>2014</b>
Governmental Activities			
Net Investment in capital assets	\$ 24,482,456	\$ 26,838,054	\$ 29,883,633
Restricted	1,404,089	1,536,715	1,362,548
Unrestricted	13,844,191	17,093,475	16,219,976
Total Governmental Activities Net Position	<u>39,730,736</u>	<u>45,468,244</u>	<u>47,466,157</u>
Business-Type Activities			
Net Investment in capital assets	25,496,054	24,448,242	27,620,849
Restricted	434,960	434,960	434,960
Unrestricted	11,793,203	14,308,166	14,007,071
Total Business-Type Activities Net Position	<u>37,724,217</u>	<u>39,191,368</u>	<u>42,062,880</u>
Primary Government			
Net Investment in capital assets	49,978,510	51,286,296	57,504,482
Restricted	1,839,049	1,971,675	1,797,508
Unrestricted	25,637,394	31,401,641	30,227,047
Total Primary Government Net Position	<u>\$ 77,454,953</u>	<u>\$ 84,659,612</u>	<u>\$ 89,529,037</u>

<b>Fiscal Year</b>						
<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>
\$ 36,686,376	\$ 38,764,600	\$ 39,761,637	\$ 31,214,458	\$ 33,431,937	\$ 32,670,298	\$ 36,511,227
1,439,323	1,933,865	1,500,683	1,346,578	1,830,999	1,997,395	2,630,206
13,795,417	6,823,532	7,429,172	9,713,861	4,692,930	9,353,969	8,002,860
<u>51,921,116</u>	<u>47,521,997</u>	<u>48,691,492</u>	<u>42,274,897</u>	<u>39,955,866</u>	<u>44,021,662</u>	<u>47,144,293</u>
20,602,178	22,489,495	24,173,466	25,953,239	29,671,394	29,137,494	36,215,736
-	-	-	-	-	-	-
<u>13,789,024</u>	<u>18,016,978</u>	<u>18,787,380</u>	<u>19,680,498</u>	<u>20,918,856</u>	<u>21,304,587</u>	<u>19,671,864</u>
<u>34,391,202</u>	<u>40,506,473</u>	<u>42,960,846</u>	<u>45,633,737</u>	<u>50,590,250</u>	<u>50,442,081</u>	<u>55,887,600</u>
57,288,554	61,254,095	63,935,103	57,167,697	63,103,331	61,807,792	72,726,963
1,439,323	1,933,865	1,500,683	1,346,578	1,830,999	1,997,395	2,630,206
<u>27,584,441</u>	<u>24,840,510</u>	<u>26,216,552</u>	<u>29,394,359</u>	<u>25,611,786</u>	<u>30,658,556</u>	<u>27,674,724</u>
<u>\$ 86,312,318</u>	<u>\$ 88,028,470</u>	<u>\$ 91,652,338</u>	<u>\$ 87,908,634</u>	<u>\$ 90,546,116</u>	<u>\$ 94,463,743</u>	<u>\$ 103,031,893</u>

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

	Fiscal Year		
	2012	2013	2014
<b>Expenses</b>			
Governmental Activities:			
General Government	\$ 2,281,149	\$ 2,288,726	\$ 2,748,317
Public Safety	8,400,567	8,646,918	9,091,977
Highway and streets	2,862,971	3,032,939	3,123,553
Culture and recreation	3,232,179	3,419,439	3,301,952
Airport	1,596,306	1,552,477	2,037,345
Public works	981,461	1,864,153	1,768,709
Interest and fiscal charges	1,576,424	1,538,070	1,455,266
Total Governmental Activities Expenses	<u>20,931,057</u>	<u>22,342,722</u>	<u>23,527,119</u>
Business-Type Activities:			
Sewer	4,203,694	4,281,556	4,497,867
Sanitation	1,754,844	1,712,657	1,719,060
Waterworks	3,453,805	3,337,612	3,626,523
Golf Course	1,640,913	1,567,606	1,810,959
Public Building Commission	-	-	-
Meridian Center	-	-	-
Total Business-Type Activities Expenses	<u>11,053,256</u>	<u>10,899,431</u>	<u>11,654,409</u>
Total Primary Government Expenses	<u>\$ 31,984,313</u>	<u>\$ 33,242,153</u>	<u>\$ 35,181,528</u>
<b>Program Revenues</b>			
Governmental Activities			
Charges for Services:			
General Government	\$ 360,625	\$ 363,047	\$ 309,320
Public Safety	1,875,450	1,918,658	1,839,673
Highway and streets	2,744	16,460	17,054
Culture and recreation	371,008	325,775	363,347
Airport	1,527,578	1,461,068	1,782,788
Operating Grants and Contributions	593,861	642,795	632,319
Capital Grants and Contributions	4,369,812	5,828,963	2,586,491
Total Governmental Activities	<u>9,101,078</u>	<u>10,556,766</u>	<u>7,530,992</u>
Business-Type Activities:			
Charges for Services:			
Sewer	5,358,722	5,728,875	8,253,518
Sanitation	1,702,587	1,758,369	1,886,439
Waterworks	5,375,672	4,719,479	4,866,859
Golf Course	1,302,271	1,158,457	1,212,284
Public Building Commission	-	-	-
Meridian Center	-	-	-
Capital Grants and Contributions	145,000	889,233	669,107
Total Business-Type Activities	<u>13,884,252</u>	<u>14,254,413</u>	<u>16,888,207</u>
Total Primary Government Program Revenues	<u>\$ 22,985,330</u>	<u>\$ 24,811,179</u>	<u>\$ 24,419,199</u>



Fiscal Year						
2015	2016	2017	2018	2019	2020	2021
\$ 5,174,403	\$ 5,783,528	\$ 5,620,468	\$ 12,778,534	\$ 7,559,081	\$ 5,681,133	\$ 5,385,546
9,303,375	9,505,060	10,088,286	10,116,200	10,805,239	11,427,887	11,050,615
3,648,390	4,282,409	3,800,765	5,093,585	4,970,201	3,773,794	4,404,305
1,579,483	1,234,521	1,171,821	1,174,557	1,215,667	1,347,875	1,300,417
1,087,037	1,102,985	1,206,993	1,232,950	1,173,152	1,042,403	1,606,844
-	-	-	-	-	-	-
1,132,419	1,105,739	1,013,907	1,132,291	1,335,809	1,461,697	1,073,799
<u>21,925,107</u>	<u>23,014,242</u>	<u>22,902,240</u>	<u>31,528,117</u>	<u>27,059,149</u>	<u>24,734,789</u>	<u>24,821,526</u>
4,637,153	4,998,558	5,324,984	4,501,081	4,523,468	5,206,266	5,308,781
1,513,093	1,527,086	1,554,284	1,374,701	1,362,051	1,773,244	1,752,106
3,508,579	3,391,266	3,120,146	2,942,407	2,857,374	3,497,672	3,633,023
1,528,489	1,473,942	1,426,127	1,470,516	1,400,571	1,456,132	1,566,644
562,527	368,853	324,963	347,820	340,555	569,091	449,532
-	-	-	-	-	-	548,489
<u>11,749,841</u>	<u>11,759,705</u>	<u>11,750,504</u>	<u>10,636,525</u>	<u>10,484,019</u>	<u>12,502,405</u>	<u>13,258,575</u>
<u>\$ 33,674,948</u>	<u>\$ 34,773,947</u>	<u>\$ 34,652,744</u>	<u>\$ 42,164,642</u>	<u>\$ 37,543,168</u>	<u>\$ 37,237,194</u>	<u>\$ 38,080,101</u>
\$ 2,368,777	\$ 2,705,182	\$ 2,942,043	\$ 2,821,681	\$ 2,880,710	\$ 2,471,425	\$ 362,792
747,634	741,231	563,183	623,596	612,601	470,104	2,644,137
239,518	74,030	77,080	61,000	44,500	39,417	-
-	-	-	-	-	-	-
1,209,220	1,239,584	1,334,896	1,215,993	1,112,107	1,004,608	1,315,054
322,763	174,911	163,944	164,488	178,704	161,641	1,761,940
897,434	930,216	2,231,945	1,544,643	2,587,110	3,225,926	5,527,136
<u>5,785,346</u>	<u>5,865,154</u>	<u>7,313,091</u>	<u>6,431,401</u>	<u>7,415,732</u>	<u>7,373,121</u>	<u>11,611,059</u>
8,423,449	7,884,133	7,793,529	7,806,912	7,852,401	7,799,368	7,795,384
1,951,091	1,960,966	2,050,712	2,086,312	2,106,863	2,184,475	2,239,112
4,891,503	4,591,259	4,738,762	4,641,193	4,524,748	4,661,008	4,728,560
1,169,398	1,059,336	1,023,682	1,071,171	1,086,254	1,232,184	1,474,491
336,594	345,633	349,530	353,909	358,476	396,780	404,641
-	-	-	-	-	-	159,968
21,000	21,000	21,000	21,000	21,000	21,000	342,372
<u>16,793,035</u>	<u>15,862,327</u>	<u>15,977,215</u>	<u>15,980,497</u>	<u>15,949,742</u>	<u>16,294,815</u>	<u>17,144,528</u>
<u>\$ 22,578,381</u>	<u>\$ 21,727,481</u>	<u>\$ 23,290,306</u>	<u>\$ 22,411,898</u>	<u>\$ 23,365,474</u>	<u>\$ 23,667,936</u>	<u>\$ 28,755,587</u>

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

	Fiscal Year		
	2012	2013	2014
<b>Net (Expense) Revenue</b>			
Governmental Activities	\$(11,829,979)	\$(11,785,956)	\$(15,996,127)
Business-Type Activities:	<u>2,830,996</u>	<u>3,354,982</u>	<u>5,233,798</u>
Total Primary Government Net Expense	<u>\$ (8,998,983)</u>	<u>\$ (8,430,974)</u>	<u>\$ (10,762,329)</u>
<b>General revenues:</b>			
Governmental Activities:			
Taxes			
Property taxes and special assessments	\$ 6,012,857	\$ 7,896,230	\$ 7,010,541
Sales tax	4,766,390	4,822,064	5,084,012
Franchise taxes	1,409,419	1,533,637	1,641,767
Excise taxes	-	-	-
Other	917,411	907,779	1,050,347
Intergovernmental, not restricted to specific programs	653,629	630,322	643,094
Investment earnings	9,952	8,873	7,665
Gain (Loss) on sale of property	-	-	-
Other	186,558	436,256	194,311
Transfers in (out)	<u>2,112,029</u>	<u>1,887,870</u>	<u>2,362,303</u>
Total governmental activities	<u>16,068,245</u>	<u>18,123,031</u>	<u>17,994,040</u>
Business-Type Activities			
Property Taxes	-	-	-
Investment earnings	77	39	17
Gain (Loss) on sale of property	-	-	-
Other	16,782	-	-
Transfers in (out)	<u>(2,112,029)</u>	<u>(1,887,870)</u>	<u>(2,362,303)</u>
Total Business-Type Activities	<u>(2,095,170)</u>	<u>(1,887,831)</u>	<u>(2,362,286)</u>
Total Primary Government	<u>\$ 13,973,075</u>	<u>\$ 16,235,200</u>	<u>\$ 15,631,754</u>
<b>Change in Net Position</b>			
Governmental Activities:	\$ 4,238,266	\$ 6,337,075	\$ 1,997,913
Business-Type Activities	<u>735,826</u>	<u>1,467,151</u>	<u>2,871,512</u>
Total Primary Government	<u>\$ 4,974,092</u>	<u>\$ 7,804,226</u>	<u>\$ 4,869,425</u>

Fiscal Year						
2015	2016	2017	2018	2019	2020	2021
\$(16,139,761)	\$(17,149,088)	\$(15,589,149)	\$(25,096,716)	\$(19,643,417)	\$(17,361,668)	\$(13,210,467)
5,043,194	4,102,622	4,226,711	5,343,972	5,465,723	3,792,410	3,885,953
<u>\$(11,096,567)</u>	<u>\$(13,046,466)</u>	<u>\$(11,362,438)</u>	<u>\$(19,752,744)</u>	<u>\$(14,177,694)</u>	<u>\$(13,569,258)</u>	<u>\$(9,324,514)</u>
\$ 6,937,340	\$ 6,971,421	\$ 7,493,054	\$ 8,126,788	\$ 8,268,042	\$ 8,767,116	\$ 8,835,761
5,122,782	5,209,627	5,106,324	5,099,402	5,355,924	5,526,871	6,221,635
1,533,036	1,549,594	1,551,793	1,615,724	1,566,090	1,468,435	1,519,599
333,362	229,487	295,187	261,630	288,752	188,022	316,027
1,142,945	568,864	788,044	-	-	-	-
-	-	-	-	-	-	-
8,664	31,836	158,132	387,944	592,968	202,942	4,056
-	-	-	-	-	54,424	-
-	-	-	601,400	585,095	1,138,762	730,551
6,518,537	2,232,376	1,931,491	2,805,431	667,515	4,080,892	(1,160,492)
<u>21,596,666</u>	<u>16,793,205</u>	<u>17,324,025</u>	<u>18,898,319</u>	<u>17,324,386</u>	<u>21,427,464</u>	<u>16,467,137</u>
21,030	88,918	150,452	118,927	126,910	133,941	142,240
743	968	2,043	4,423	5,245	5,872	3,962
-	55,810	50,079	11,000	26,150	500	60,105
-	-	-	-	-	-	-
<u>(6,518,537)</u>	<u>(2,232,376)</u>	<u>(1,931,491)</u>	<u>(2,805,431)</u>	<u>(667,515)</u>	<u>(4,080,892)</u>	<u>1,160,492</u>
<u>(6,496,764)</u>	<u>(2,086,680)</u>	<u>(1,728,917)</u>	<u>(2,671,081)</u>	<u>(509,210)</u>	<u>(3,940,579)</u>	<u>1,366,799</u>
<u>\$ 15,099,902</u>	<u>\$ 14,706,525</u>	<u>\$ 15,595,108</u>	<u>\$ 16,227,238</u>	<u>\$ 16,815,176</u>	<u>\$ 17,486,885</u>	<u>\$ 17,833,936</u>
\$ 5,456,905	\$ (355,883)	\$ 1,734,876	\$ (6,198,397)	\$ (2,319,031)	\$ 4,065,796	\$ 3,256,670
(1,453,570)	2,015,942	2,497,794	2,672,891	4,956,513	(148,169)	5,252,752
<u>\$ 4,003,335</u>	<u>\$ 1,660,059</u>	<u>\$ 4,232,670</u>	<u>\$ (3,525,506)</u>	<u>\$ 2,637,482</u>	<u>\$ 3,917,627</u>	<u>\$ 8,509,422</u>

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

	Fiscal Year			
	2012	2013	2014	2015
<b>General Fund</b>				
Nonspendable	\$ 18,044	\$ 474,245	\$ 469,527	\$ 81,134
Restricted	-	-	-	-
Committed	-	-	-	-
Assigned	1,133,753	4,116,323	4,186,079	2,648,047
Unassigned	3,329,547	2,273,622	2,669,488	4,618,705
Total General Fund	<u>\$ 4,481,344</u>	<u>\$ 6,864,190</u>	<u>\$ 7,325,094</u>	<u>\$ 7,347,886</u>
<b>All Other Governmental Funds</b>				
Nonspendable	\$ 79,067	\$ 64,971	\$ 70,986	\$ 2,580,236
Restricted	1,404,089	1,536,715	1,362,548	1,634,223
Committed	-	-	-	-
Assigned	3,586,875	787,481	736,906	529,656
Unassigned	(9,788,112)	(6,521,063)	(7,904,689)	(110,924)
Total all other governmental funds	<u>\$ (4,718,081)</u>	<u>\$ (4,131,896)</u>	<u>\$ (5,734,249)</u>	<u>\$ 4,633,191</u>

Fiscal Year					
2016	2017	2018	2019	2020	2021
\$ 378,184	\$ 400,497	\$ 400,438	\$ 172,758	\$ 143,293	\$ 370,825
-	-	-	-	-	-
-	-	-	-	-	-
2,956,891	3,776,145	3,845,686	4,799,804	5,316,609	6,248,318
4,086,247	5,087,304	5,912,102	6,806,108	6,494,744	6,924,108
<u>\$ 7,421,322</u>	<u>\$ 9,263,946</u>	<u>\$ 10,158,226</u>	<u>\$ 11,778,670</u>	<u>\$ 11,954,646</u>	<u>\$ 13,543,251</u>
\$ 2,346,965	\$ 2,161,678	\$ 82,228	\$ 59,402	\$ 31,981	\$ 44,747
1,933,865	1,809,478	3,869,877	2,096,600	2,322,815	2,929,219
-	-	-	-	-	-
489,123	464,797	438,279	354,337	315,448	344,135
<u>(5,769,877)</u>	<u>(5,086,357)</u>	<u>(2,864,526)</u>	<u>(6,514,042)</u>	<u>(1,593,805)</u>	<u>(3,830,366)</u>
<u>\$ (999,924)</u>	<u>\$ (650,404)</u>	<u>\$ 1,525,858</u>	<u>\$ (4,003,703)</u>	<u>\$ 1,076,439</u>	<u>\$ (512,265)</u>

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

	<b>Fiscal Year</b>		
	<b>2012</b>	<b>2013</b>	<b>2014</b>
<b>Revenues:</b>			
Taxes and special assessments	\$ 13,778,577	\$ 14,429,226	\$ 15,540,667
Intergovernmental	5,617,302	7,102,080	3,197,923
Licenses and permits	198,712	156,468	174,173
Charges for services	1,557,363	1,660,051	1,454,223
Fines, forfeitures and penalties	536,584	534,836	592,416
Use of money and property	614,326	885,909	924,512
Other	1,533,700	1,371,728	1,392,824
	<u>23,836,564</u>	<u>26,140,298</u>	<u>23,276,738</u>
Total revenues			
<b>Expenditures:</b>			
Current:			
General government	2,146,861	2,167,088	2,582,772
Public safety	8,007,610	8,471,230	8,710,352
Highway and streets	1,992,332	2,170,059	2,161,912
Culture and recreation	2,856,180	3,065,122	2,898,249
Airport	1,282,929	1,260,621	1,542,993
Capital outlay	8,533,381	6,900,796	5,066,359
Debt service:			
Principal	1,942,355	2,165,351	2,319,928
Interest	1,573,325	1,474,474	1,496,978
Fees and commissions	65,689	1,185	947
	<u>28,400,662</u>	<u>27,675,926</u>	<u>26,780,490</u>
Total expenditures			
Excess (deficiency) of revenues over (under) expenditures	<u>(4,564,098)</u>	<u>(1,535,628)</u>	<u>(3,503,752)</u>
<b>Other financing sources (uses):</b>			
General obligation bonds issued	-	2,635,553	-
Refunding bonds issued	3,570,000	5,225,000	-
Sales of capital assets	-	-	-
Transfers in	6,821,972	4,902,531	4,537,230
Premium on general obligation bonds issued	-	-	-
Payment to refunding bond escrow agent	(3,577,286)	(5,243,764)	-
Transfers out	(4,709,943)	(3,014,661)	(2,174,927)
	<u>2,104,743</u>	<u>4,504,659</u>	<u>2,362,303</u>
Total other financing sources (uses)			
Net change in fund balances	<u>\$ (2,459,355)</u>	<u>\$ 2,969,031</u>	<u>\$ (1,141,449)</u>
<b>Debt service as a percentage of noncapital expenditures</b>			
	16.86%	16.08%	16.25%

Fiscal Year						
2015	2016	2017	2018	2019	2020	2021
\$ 15,007,865	\$ 15,052,285	\$ 15,480,760	\$ 16,170,614	\$ 16,561,690	\$ 16,885,494	\$ 18,072,836
1,005,734	1,111,259	2,359,315	1,420,014	1,740,253	2,503,891	7,211,550
218,416	188,896	268,272	211,191	179,581	246,223	268,673
3,599,100	4,015,948	4,135,203	3,936,825	3,895,673	3,273,780	3,537,380
747,634	555,184	513,727	574,254	574,664	465,551	515,930
8,664	31,836	158,132	387,944	592,969	202,942	4,056
1,142,945	568,866	788,043	601,403	585,097	1,138,759	730,551
<u>21,730,358</u>	<u>21,524,274</u>	<u>23,703,452</u>	<u>23,302,245</u>	<u>24,129,927</u>	<u>24,716,640</u>	<u>30,340,976</u>
3,806,879	4,611,452	4,345,450	5,265,340	5,030,510	4,382,359	3,874,911
9,163,587	8,967,108	9,030,689	9,531,363	9,586,393	10,028,895	10,487,108
2,363,275	2,573,365	2,366,007	2,894,550	3,239,675	2,512,205	2,852,039
1,124,950	1,035,743	966,463	987,674	1,044,970	1,129,287	1,136,918
1,087,037	1,102,985	1,206,993	1,232,950	1,173,152	1,042,403	1,451,698
15,525,043	5,090,535	2,402,131	4,298,181	5,873,290	5,744,279	8,286,787
1,964,548	2,131,737	2,435,808	2,548,882	4,201,125	13,010,189	3,114,212
1,156,818	1,034,633	1,010,773	994,140	1,340,904	1,083,516	1,085,184
109,385	109,560	179	114,048	-	-	-
<u>36,301,522</u>	<u>26,657,118</u>	<u>23,764,493</u>	<u>27,867,128</u>	<u>31,490,019</u>	<u>38,933,133</u>	<u>32,288,857</u>
<u>(14,571,164)</u>	<u>(5,132,844)</u>	<u>(61,041)</u>	<u>(4,564,883)</u>	<u>(7,360,092)</u>	<u>(14,216,493)</u>	<u>(1,947,881)</u>
5,407,691	-	-	3,615,000	-	14,802,434	-
-	7,259,704	-	-	-	-	(3,643,087)
90,000	58,405	62,705	175,750	117,681	107,940	102,318
19,955,741	7,404,021	6,394,896	7,671,491	7,339,662	9,063,480	8,220,561
-	565,412	-	64,026	-	-	3,369,009
-	(7,735,899)	-	-	-	(341,190)	350,187
<u>(4,313,221)</u>	<u>(3,935,242)</u>	<u>(4,204,416)</u>	<u>(3,890,842)</u>	<u>(4,006,368)</u>	<u>(4,160,053)</u>	<u>(6,317,165)</u>
<u>21,140,211</u>	<u>3,616,401</u>	<u>2,253,185</u>	<u>7,635,425</u>	<u>3,450,975</u>	<u>19,472,611</u>	<u>2,081,823</u>
<u>\$ 6,569,047</u>	<u>\$ (1,516,443)</u>	<u>\$ 2,192,144</u>	<u>\$ 3,070,542</u>	<u>\$ (3,909,117)</u>	<u>\$ 5,256,118</u>	<u>\$ 133,942</u>
10.08%	13.47%	15.55%	13.78%	18.22%	40.66%	16.55%

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

<b><u>Fiscal Year</u></b>	<b><u>Property Tax</u></b>	<b><u>Motor Vehicle Tax</u></b>	<b><u>Sales Tax</u></b>	<b><u>Transient Guest Tax</u></b>	<b><u>Franchise Taxes</u></b>	<b><u>Special Assessments</u></b>	<b><u>Total</u></b>
2012	\$ 4,944,986	\$ 665,351	\$ 4,766,389	\$ 198,593	\$ 1,431,604	\$ 1,090,213	\$ 13,097,136
2013	5,180,522	698,981	4,846,036	222,327	1,555,840	1,174,714	13,678,421
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	15,052,286
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	16,885,493
2021	7,749,479	1,086,282	6,221,635	316,027	1,519,599	1,179,814	18,072,836
Change 2012-2021	56.7%	63.3%	30.5%	59.1%	6.1%	8.2%	38.0%



**City of Newton, Kansas**  
**Assessed Value and Estimated Actual Value of Taxable Property**  
**Last Ten Fiscal Years**

<b>Fiscal Year</b>	<b>Real Property</b>	<b>Personal Property</b>	<b>Motor Vehicle</b>	<b>Total</b>	<b>Total Direct Tax Rate</b>	<b>Estimated Actual Value</b>	<b>Assessed Value as a Percentage of Actual Value</b>
2011	\$ 105,090,889	\$ 9,866,440	\$ 16,765,853	\$ 131,723,182	\$ 45.540	\$ 837,160,394	15.73%
2012	105,430,488	9,548,769	16,685,086	131,664,343	45.849	847,031,257	15.54%
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%

**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**

<b>Fiscal Year</b>	<b>Taxes Levied for the Fiscal Year</b>	<b>Collected within the Fiscal Year</b>		<b>Collections in Subsequent Years</b>	<b>Total Collections to Date</b>	
		<b>Amount</b>	<b>Percentage of Levy</b>		<b>Amount</b>	<b>Percentage of Levy</b>
2012	6,436,611	5,949,668	92.43%	203,558	6,153,226	95.60%
2013	6,488,404	6,163,075	94.99%	133,053	6,296,127	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%	211,101	7,374,260	98.28%
2017	8,127,835	7,912,242	97.35%	182,705	8,094,947	99.60%
2018	8,613,339	8,184,191	95.02%	149,426	8,333,617	96.75%
2019	8,945,655	8,419,984	94.12%	229,568	8,649,552	96.69%
2020	9,229,361	8,730,488	94.59%	29,120	8,759,608	94.91%
2021	9,425,425	8,925,316	94.69%	0	8,925,316	94.69%

**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**

<u>Tax Year</u>	<u>City of Newton</u>						<u>Other Overlapping Governments</u>				<u>Grand Total</u>
	<u>General Fund</u>	<u>Airport Fund</u>	<u>Library</u>	<u>Bond and Interest</u>	<u>Special Liability</u>	<u>Total</u>	<u>School District No 373</u>	<u>Harvey County</u>	<u>State of Kansas</u>	<u>Sand Creek Watershed District</u>	
2012	34.793	0.731	5.646	4.443	0.236	<b>45.849</b>	65.407	31.449	1.500	0.255	<b>144.460</b>
2013	42.704	0.656	5.674	1.843	0.237	<b>51.114</b>	65.005	35.586	1.500	0.254	<b>153.459</b>
2014	43.739	0.647	5.708	1.873	0.129	<b>52.096</b>	60.478	36.238	1.500	0.257	<b>150.569</b>
2015	41.849	0.647	5.675	3.920	-	<b>52.091</b>	63.061	38.817	1.500	0.256	<b>155.725</b>
2016	45.622	0.698	5.809	4.833	0.159	<b>57.121</b>	62.786	41.358	1.500	0.256	<b>163.021</b>
2017	47.615	0.593	5.758	6.173	0.187	<b>60.326</b>	63.139	41.937	1.500	0.259	<b>167.161</b>
2018	48.467	0.605	5.934	7.312	0.191	<b>62.509</b>	63.820	42.275	1.500	0.264	<b>170.368</b>
2019	43.355	0.670	5.195	13.058	0.192	<b>62.470</b>	61.127	42.356	1.500	0.261	<b>167.714</b>
2020	42.828	0.671	5.773	13.071	0.192	<b>62.535</b>	61.116	42.649	1.500	0.260	<b>168.060</b>
2021	45.806	0.671	5.580	10.066	0.383	<b>62.506</b>	62.671	42.629	1.500	0.262	<b>169.568</b>

**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**

	2021			2012		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Evergy Kansas South, Inc	3,375,709	1	2.60%	1,794,770	4	1.56%
EHC Newton Realty, Inc	2,375,981	2	1.83%			
Walmart Realty Company	2,078,640	3	1.60%	2,126,360	1	1.85%
Kansas Gas Service, Div of One Gas	1,714,936	4	1.32%	1,394,580	6	1.21%
Burlington Northern	1,337,397	5	1.03%	1,001,029	8	0.87%
Future Foam Inc	1,126,369	6	0.87%			
Norcraft Companies LLC	1,010,148	7	0.78%	1,069,988	7	0.93%
Park Aircraft Tech Corp	977,223	8	0.75%			
Cargill, Inc	945,957	9	0.73%	1,577,335	5	1.37%
Dillon Companies Inc	901,386	10	0.69%	1,851,052	3	1.61%
Southwestern Bell				853,635	9	0.74%
Newton Healthcare Corp				1,953,483	2	1.70%
Broadway Hospitality				844,240	10	0.73%
<b>Total</b>	<u>\$ 15,843,746</u>		<u>12.21%</u>	<u>\$ 14,466,472</u>		<u>12.59%</u>
<b>Total Assessed Value</b>	<u>\$ 129,796,772</u>			<u>\$ 114,979,257</u>		

**Source:** Harvey County Clerk

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

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Debt Limit	\$ 39,499,303	\$ 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
Total net debt applicable to limit	<u>27,441,332</u>	<u>27,884,239</u>	<u>26,437,566</u>	<u>25,870,675</u>	<u>28,420,839</u>	<u>26,369,868</u>	<u>28,000,395</u>	<u>24,248,566</u>	<u>32,443,785</u>	<u>29,268,166</u>
Legal debt margin	<u>\$ 12,057,971</u>	<u>\$ 12,213,567</u>	<u>\$ 13,796,917</u>	<u>\$ 14,703,639</u>	<u>\$ 12,582,918</u>	<u>\$ 15,191,294</u>	<u>\$ 13,494,966</u>	<u>\$ 18,887,512</u>	<u>\$ 11,108,298</u>	<u>\$ 15,266,285</u>
Total net debt applicable to the limit as a percentage of debt limit	<u>69.47%</u>	<u>69.54%</u>	<u>65.71%</u>	<u>63.76%</u>	<u>69.31%</u>	<u>63.45%</u>	<u>67.48%</u>	<u>56.21%</u>	<u>74.49%</u>	<u>65.72%</u>

**Legal Debt Margin Calculation for Fiscal Year 2021**

Total assessed value	<u>\$ 148,448,170</u>
Debt limit (30% of total assessed value)	\$ 44,534,451
Debt applicable to limit:	
General obligation bonds	30,222,063
Less: Amount set aside for repayment of general obligation debt	<u>953,897</u>
Total net debt applicable to limit	<u>29,268,166</u>
Legal debt margin	<u>\$ 15,266,285</u>

**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**

Fiscal Year	Governmental Activities					Business-Type Activities				Total Primary Government <sup>d</sup>	Percentage of Personal Income <sup>c</sup>	Per Capita <sup>b</sup>
	General Obligation Bonds	KDOT Revolving Loan	Capital Leases	Guarantee/Industrial Bonds	Special Assessment Bonds	General Obligation Bonds	Revenue Bonds	Revolving Loans	Capital Leases			
2012	\$ 25,797,095	\$ 473,907	\$ -	\$ -	\$ 11,913,638	\$ 6,718,122	\$ 6,822,800	\$ 10,446,809	\$ -	\$ 62,172,371	8.45%	\$ 3,233
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

**Note:** Details regarding the City's outstanding debt can be found in the Notes on pages 65 - 69 and in the Statistical Section on pages 127 - 132.

<sup>a</sup>See Page 124 for taxable property value data.

<sup>b</sup>Per Capita is based on net general obligation bonds.

<sup>c</sup>See page 134 for personal income and population data.

<sup>d</sup>Includes general bonded debt, other governmental activities debt, and business-type activities debt.

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

<b>Fiscal Year</b>	<b>General Obligation Bonds</b>	<b>Resources Restricted for Debt Service</b>	<b>Net General Obligation Bonds</b>	<b>Taxable Value</b>	<b>Percentage of Estimated Actual Taxable Value of Property</b>	<b>Per Capita</b>
2012	\$ 32,515,217	\$ 653,013	\$ 31,862,204	\$ 847,031,257	3.76%	\$ 1,691
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

**City of Newton, Kansas**  
**Direct and Overlapping Governmental Activities Debt**  
**As of December 31, 2021**

	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated Share of Overlapping Debt</u>
Unified School District No. 373	\$ 18,270,000	74.07%	\$ 13,532,589
Harvey County	<u>2,320,000</u>	<u>39.61%</u>	<u>918,952</u>
	20,590,000		14,451,541
Direct debt, City of Newton: *			
General obligation bonds	<u>31,484,781</u>	<u>100.00%</u>	<u>31,484,781</u>
<b>Total direct and overlapping debt</b>	<u><u>\$ 52,074,781</u></u>	<u><u>88.21%</u></u>	<u><u>\$ 45,936,322</u></u>

**Source: Harvey Co Clerk, Notes to Financial Statements under Long-Term Debt**

*\*Direct Debt is related to General Obligation bonds & loans payable from Governmental Activities.*

**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	Water & Sewer Revenue Bonds						KDHE Revolving Loans			Total Revenue Coverage <sup>2</sup>	Special Assessment Bonds		
	Utility Service Charges	Less: Expenses <sup>1</sup>	Net Available Revenue	Debt Service (Next Fiscal Year)			Debt Service (Next Fiscal Year)		Special Assessment Collections		Debt Service (Next Fiscal Year)		
				Principal	Interest	Coverage <sup>2</sup>	Principal	Interest			Principal	Interest	
													Coverage <sup>2</sup>
2012	\$ 10,734,426	\$ 5,284,176	\$ 5,450,250	\$ 110,000	\$ 13,500	44.13	\$ 631,701	\$ 326,276	5.04	\$ 1,090,213	\$ 682,500	\$ 428,397	0.98
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	6,499,615	5,877,534	-	-	n/a	1,208,825	459,720	3.52	1,082,882	766,315	188,871	1.13
2020	12,460,376	7,931,518	4,528,858	-	-	n/a	1,139,452	404,168	2.93	935,050	832,357	201,503	0.90
2021	12,523,944	8,245,781	4,278,163	-	-	n/a	1,109,612	350,307	2.93	1,179,814	776,528	206,365	1.20

**Note:** Details regarding the city's outstanding debt can be found in the notes on pages 65 - 69 and pages 127 - 132.

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, 2021**

Type of Debt	Date of <u>Issue</u>	Final Maturity	Interest Rates %	Original Principal Amount	Principal Outstanding 1/1/2021	<u>Issued</u>	<u>Retired</u>	<u>Refunded</u>	Principal Outstanding 12/31/2021
<b>General Obligation:</b>									
Airport Improvements	09-01-04	09-01-24	5.25-6.00	\$ 515,000	\$ 160,000	\$ -	\$ 35,000	\$ -	\$ 125,000
Int Imp/Water/Sewer/Refunding	09-01-12	09-01-24	2.00-2.10	3,570,000	1,475,000	-	360,000	-	1,115,000
Int Imp/Water/Sewer/Refunding	03-26-13	09-01-33	2.00-2.10	9,595,000	7,320,000	-	870,000	6,450,000	-
Improvements/Land Purchase	10-30-15	09-01-26	2.00-3.10	1,130,000	710,000	-	110,000	-	600,000
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	1,665,000	-	220,000	-	1,445,000
Int Imp/Refunding	08-25-16	09-01-29	2.00-2.50	13,425,000	11,710,000	-	1,265,000	-	10,445,000
Internal Improvements	12-05-18	09-01-38	3.00-4.00	2,125,000	2,000,000	-	55,000	-	1,945,000
Internal Improvements	12-05-18	09-01-33	3.00-4.00	1,490,000	1,320,000	-	80,000	-	1,240,000
Int Impr/IRB Refunding	06-11-20	09-01-36	3.00-3.45	6,015,000	6,015,000	-	275,000	-	5,740,000
Int Imp/Water/Sewer/Refunding	12-07-20	09-01-40	2.00-3.50	9,575,000	9,575,000	-	920,000	-	8,655,000
Int Impr/Conf Center Refunding	12-07-20	09-01-30	2.00-3.00	1,790,000	1,790,000	-	165,000	-	1,625,000
Int Imp/Water/Sewer/Refunding	11-04-21	09-01-33	1.50-4.00	5,965,000	-	5,965,000	-	-	5,965,000
<b>Total General Obligation Bonds</b>				<u>60,265,000</u>	<u>46,310,000</u>	<u>5,965,000</u>	<u>4,355,000</u>	<u>6,450,000</u>	<u>41,470,000</u>
<b>Other:</b>									
Kansas Water Pollution Control	11-09-01	09-01-20	3.03	1,207,034	142,690	-	70,272	-	72,418
Kansas Water Pollution Control	09-30-08	03-01-30	2.85	9,000,000	3,663,121	-	362,485	-	3,300,636
Kansas Public Water Supply	08-01-09	08-01-29	3.75	651,533	314,326	-	32,038	-	282,288
Kansas Public Water Supply	08-17-09	02-01-30	3.37	2,011,842	921,434	-	89,238	-	832,196
Kansas Water Pollution Control	11-01-13	03-01-35	2.83	16,850,860	10,422,703	-	1,585,419	-	8,837,284
<b>Total Other</b>				<u>29,721,269</u>	<u>15,464,274</u>	<u>-</u>	<u>2,139,452</u>	<u>-</u>	<u>13,324,822</u>
<b>Total Indebtedness</b>				<u>\$ 89,986,269</u>	<u>\$ 61,774,274</u>	<u>\$ 5,965,000</u>	<u>\$ 6,494,452</u>	<u>\$ 6,450,000</u>	<u>\$ 54,794,822</u>

**City of Newton, Kansas**  
**Schedule of Industrial Revenue Bonds by Obligee \***  
**As of December 31, 2021**

<b>Obligated Entity or Purpose</b>	<b>Series</b>	<b>Issue Date</b>	<b>Final Maturity</b>	<b>Original Principal Amount</b>	<b>Principal Outstanding 1/1/2021</b>	<b>Issued</b>	<b>Retired</b>	<b>Principal Outstanding 12/31/2021</b>
Newton Healthcare Corp.	2008	08/21/08	11/15/24	\$ 11,385,000	\$ 3,600,000	\$ -	\$ 845,000	\$ 2,755,000
JRW Investment L.L.C.	2011	07/08/11	12/31/21	800,000	99,707	-	99,707	-
YMCA	2015	06/04/15	06/30/22	16,000,000	6,000,000	-	3,000,000	3,000,000
				<u>\$ 28,185,000</u>	<u>9,699,707</u>	<u>\$ -</u>	<u>\$ 3,944,707</u>	<u>\$ 5,755,000</u>

**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**

<b>Fiscal Year</b>	<b>Population (1)</b>	<b>Personal Income (2)</b>	<b>Per Capita Personal Income (2)</b>	<b>School District 373 Enrollment (3)</b>	<b>Unemployment Rate % (4)</b>
2012	19,230	\$ 735,624,420	\$ 38,254	3,770	4.80%
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%

**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**

<b>Employer *</b>	<b>2021</b>			<b>2012</b>		
	<b>Employees</b>	<b>Rank</b>	<b>Percentage of Total Employment</b>	<b>Employees</b>	<b>Rank</b>	<b>Percentage of Total Employment</b>
NMC Health	875	1	5.2%	850	1	5.2%
Unified School District #373	852	2	5.1%	690	2	4.2%
Masterbrand	615	3	3.7%	271	5	1.6%
BNSF Railway Company	380	4	2.3%	328	4	2.0%
Wal-Mart	271	5	1.6%	336	3	2.0%
Prairie View Hospital	252	6	1.5%			
Dillons Stores	243	7	1.4%	267	6	1.6%
ResCare Kansas	209	8	1.2%	224	7	1.4%
City of Newton	206	9	1.2%	200	8	1.2%
Asbury Park	205	10	1.2%			
Harvey County				200	9	1.2%
Bunting Magnetics				179	10	1.1%
<b>Total</b>	<b>4,108</b>		<b>24.4%</b>	<b>3,545</b>		<b>21.5%</b>

**Source:**

*Harvey County Economic Development Council, Inc.*

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

<b><u>Function/Program</u></b>	<b><u>2012</u></b>	<b><u>2013</u></b>	<b><u>2014</u></b>	<b><u>2015</u></b>	<b><u>2016</u></b>	<b><u>2017</u></b>	<b><u>2018</u></b>	<b><u>2019</u></b>	<b><u>2020</u></b>	<b><u>2021</u></b>
Fire										
Emergency Medical Service calls	2,828	2,923	3,095	3,081	3,198	3,211	3,189	3,197	3,157	3,505
Fire calls	605	555	562	567	586	535	477	436	433	635
Fire inspections	701	823	807	763	39	826	811	810	761	649
Police										
Total calls	42,023	40,588	41,905	41,234	33,283	27,475	25,971	25,585	22,063	23,152
Reported crimes	1,339	1,510	1,163	1,449	1,430	1,444	1,356	1,098	970	1,104
Adult arrests	1,793	2,107	1,951	2,071	1,660	1,911	1,874	1,745	1,214	1,454
Juvenile arrests	190	169	216	239	249	341	342	301	151	192
Engineering Division										
New dwelling starts	24	16	12	17	21	116	11	9	15	13
Environmental caseload	1,046	869	1,211	1,103	913	930	1,077	1,062	1,060	896
Water										
Number of customers	7,704	7,706	7,719	7,760	7,756	7,764	7,854	7,866	7,876	7,902
Annual Consumption ( <i>thousands of cubic feet</i> )	105,994	87,394	86,695	82,834	73,892	75,079	79,940	72,388	78,064	78,169
Street										
Miles of streets overlayed or resurfaced	1.75	2.91	1.95	0.91	1.07	1.15	0.25	1.50	2.75	1.81
Square yards of streets sealed	159,821	117,055	132,440	190,767	202,256	129,399	155,091	117,370	10,170	149,876
Sanitation										
Tonnage landfilled	4,521	4,598	4,583	4,778	4,881	4,806	4,837	5,031	6,731	6,924
Tonnage recycled ( <i>Recycling began in 2001</i> )	1,786	1,750	1,691	1,636	1,590	1,537	1,535	1,510	402	310

**Source:** Various city departments

**City of Newton, Kansas**  
**Capital Asset Statistics by Function/Program**  
**Last Ten Fiscal Years**

<u>Function/Program</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Area of City ( <i>acres</i> )	9,131.28	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
Fire/EMS										
Stations	3	3	3	3	3	3	3	3	3	3
Firefighter/EMTs	45	45	46	46	45	45	44	45	45	45
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Police officers	31	31	32	32	35	35	35	35	36	36
Street Division										
Miles of City streets - paved	28.13	28.13	28.16	28.89	29.51	29.85	29.85	29.97	29.97	29.97
Miles of City streets - blacktop	93.64	93.65	93.64	93.05	92.49	92.49	92.60	92.60	92.60	92.60
Miles of City streets - gravel	9.32	9.32	9.32	9.32	9.32	9.32	9.21	9.21	9.21	9.21
Miles of City streets - unimproved	14.21	14.21	14.18	14.04	14.75	14.41	14.53	14.53	14.53	14.53
Street employees	18	16	17	16	17	17	15	18	18	18
Water										
Water mains ( <i>miles</i> )	155.17	156.12	156.24	156.82	156.98	157.37	157.37	159.18	160.76	160.97
Wastewater										
Sanitary sewer ( <i>miles</i> )	120.26	121.10	121.26	121.63	121.70	122.35	122.78	122.93	122.93	122.93
Storm water sewer ( <i>miles</i> )	19.72	19.72	19.72	20.12	20.59	20.92	20.96	21.08	21.08	21.08

**Source:** Various city departments



**CITY DATA REPORT  
NEWTON, KANSAS**

For Year Ending: 12/31/2021

**1. STREETS**

A. Total miles of streets (center line), as of December 31, 2021	146.31 miles
B. Miles of streets paved, curbed & guttered in 2021	0.00 miles
C. Streets annexed in 2021	0.00 miles
D. Miles of different types of street surface	
1. Paved (concrete)	29.97 miles
2. Blacktop (various types of bases)	92.60 miles
3. Gravel / Sand	9.21 miles
4. Unimproved	14.53 miles

**2. STREET MAINTENANCE**

A. Miles of streets overlaid or resurfaced in 2021	1.81 miles
B. Square Yards of streets sealed in 2021	149,876 SY

**3. SANITARY SEWER**

A. Total miles of Sanitary Sewer, as of December 31, 2021	122.93 miles
B. Miles of Sanitary Sewer constructed in 2021	0.00 miles
C. Total Sanitary Sewer Manholes as of December 31, 2021	2,448
D. Sanitary Sewer Manholes constructed in 2021	1

**4. STORM WATER SEWER**

A. Total miles of Storm Water Sewer, as of December 31, 2021	21.08 miles
B. Miles of Storm Water Sewer constructed in 2021	0.00 miles

**5. WATER LINES**

A. Total miles of Water lines, as of December 31, 2021	160.97 miles
B. Miles of Water Transmission lines, as of December 31, 2021	19.76 miles
C. Miles of Water Distribution lines, as of December 31, 2021	141.21 miles
D. Miles of Water lines constructed in 2021	0.21 miles
E. Miles of Water lines acquired in 2021	0.00 miles
F. Total Fire Hydrants as of December 31, 2021	907
G. Fire Hydrants constructed in 2021	2

**6. AREA OF CITY OF NEWTON**

A. Total acres, as of December 31, 2021	9,517.95 acres
B. Acres annexed in 2021	14.03 acres
C. Acres de-annexed in 2021	0.00 acres

**7. SUBDIVISIONS**

A. Plat or PUD	
1. KDOT 522 Addition	
2. Newton Prestress Addition	
3. Sand Creek Station 4th Addition	
B. New Subdivision Development (Construction)	
1. KDOT Water Main Extension on SW 14th	
C. New Phase of Existing Subdivision	
1. none	



**CITY DATA REPORT  
NEWTON, KANSAS**

For Year Ending: 12/31/2021

**7. SUBDIVISIONS (cont.)**

**D. Capital Improvement Projects**

1. Sewer Replacement NW of Girl Scout House
2. Storm Sewer Emergency Repair - 100 Block of SE 14th
3. North Newton Sewer Junction Box
4. Broadway Roundabout Paving
5. Oliver Rd Culvert Replacement

**E. Miscellaneous Projects**

1. Law Enforcement Center Remodel
2. Shooting Range at LEC
3. Airport Painting - Hangars C&D
4. Airport Roofing - Hangars J&K
5. Public Swimming Pool

**8. BUILDING CONSTRUCTION PERMITS**

A. Total new single residence permits 2021	13	\$ 3,376,616
B. Multiple dwelling units		
1. Total number of dwelling units	0	\$ -
C. Total single and multiple dwelling units	13	\$ 3,376,616
D. Total permits issued in 2021	526	\$ 15,385,836

**9. PARKS**

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

<u>Park</u>	<u>Location</u>	<u>Type</u>	<u>Acreeage</u>	<u>Year Established</u>
1. Themian	7 <sup>th</sup> & Poplar	School	3.71	1875
2. Military	Broadway & Oak	Community	3.71	1871
3. Athletic	1 <sup>st</sup> & 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 5 <sup>th</sup> & Pine, N Side Creek	Linear	1.68	1941
6. Havens	12 <sup>th</sup> & Oak	Neighborhood	0.88	1950
7. Park Place	W. Side Sand Creek (between 5 <sup>th</sup> & Broadway)	Linear	0.64	1950
8. Blaine	East 4 <sup>th</sup> - Cemetery (both sides creek to Blaine)	Linear	1.33	1959
9. Greenwood Cemetery	Between 1 <sup>st</sup> & 5 <sup>th</sup> , Sherman & 1-135	Community	62.00	1871
10. Rodeo Grounds	West 1 <sup>st</sup> 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	10 <sup>th</sup> & Ash	Neighborhood	4.55	1964
13. Bi-Centennial	NE Corner 14 <sup>th</sup> & 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 8 <sup>th</sup> & Main	Neighborhood	1.38	1977
18. Depot Park	SE Corner 5 <sup>th</sup> & 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 3 <sup>rd</sup> Addition	Neighborhood	1.78	1985





**CITY DATA REPORT  
NEWTON, KANSAS**

For Year Ending: 12/31/2021

**9. PARKS (cont.)**

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

<u>Park</u>	<u>Location</u>	<u>Type</u>	<u>Acreage</u>	<u>Year Established</u>
21. Veazey	N. of 14 <sup>th</sup> @ Oak, side Sand Creek	Pocket	1.35	1987
22. Sherman	SE Corner 12 <sup>th</sup> & Sherman	Neighborhood	2.75	1981
23. Roosevelt	SE Corner Broadway & Magnolia	Neighborhood	2.15	2007
24. Lincoln Park	Elm & West 6 <sup>th</sup> 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 2021	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"