Annual Comprehensive Financial Report

For the Fiscal Year Ended
December 31, 2025

newton
KANSAS

City of Newton, Kansas

ANNUAL COMPREHENSIVE FINANCIAL REPORT

CITY OF NEWTON, KANSAS

FOR THE FISCAL YEAR ENDED DECEMBER 31, 2025

MAYOR

Rich Stinnett

VICE MAYOR

Kathy Valentine

COMMISSIONERS

Rod Kreie
Leroy Koehn
Melanie Watson

CITY MANAGER

Daniela Rivas

ASSISTANT FINANCE DIRECTOR

Lisa Marshall

Prepared by the Finance Office

CITY OF NEWTON, KANSAS
ANNUAL COMPREHENSIVE FINANCIAL REPORT
Year Ended December 31, 2025

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Daniela Rivas
City Manager

July 30, 2026

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

Dear Commissioners,

City of Newton staff is pleased to present to you the City's Annual Comprehensive Financial Report for the period ended December 31, 2025. This Annual Comprehensive Report is a review of what occurred financially over the course of the 2025 fiscal year and serves as an analysis of our ability to manage the City's financial resources.

This is an exciting time in the community. In the following pages, you will see the continuing progress and growth that is the direct result of intentional and committed efforts by the City Commission and City staff. Items that are of note include continued increases in housing and building starts, community safety continuing to provide excellent service, and continued investment in our infrastructure. All our City Staff and department heads have been dedicating significant time and effort to keep our community safe, provide high-quality services for our community and work to encourage growth in all sectors. This continued progress is only possible 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.

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 and meeting the needs and objectives of our residents. It is the result of many hours of hard work and dedication by our Finance Department and staff. We are fortunate to have a strong and dedicated team and express our appreciation for their efforts and service, and for your trust.

Sincerely,

Daniela Rivas

Daniela Rivas
City Manager

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Lisa D Marshall
Assistant Finance Director

lmarshall@newtonkansas.com
p: 316-284-6010
f: 316-284-6108

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

July 30, 2026

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, Kansas (the City) for the fiscal year ended December 31, 2025. 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 Swindoll, Janzen, Hawk & Loyd, LLC 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 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, airport, conference center and water, sewer and sanitation utilities are shown as enterprise funds. In addition, the Newton Public Building Commission is shown as a blended component unit classified as an enterprise fund.

Profile of the City of Newton

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

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

Newton area residents have access to full medical, dental, and rehabilitative services close to home. Harvey County enjoys the third highest physician to resident ratio in the state. NMC Health is an award-winning medical care system focused on improving health throughout Newton, Harvey, and surrounding counties. Featuring a 99-bed hospital located at the intersection of I-135 and Highway 50, and nine primary care and specialty clinics, NMC Health's services and specialties include emergency medicine, surgical services, orthopedics, neurology, rehabilitation, occupational medicine, home health and more. The medical center is a major employer in Harvey County with 875 full and part-time employees. NMC Health is an eight-time winner of The Chartis Center for Rural Health's Top 100 Rural and Community Hospitals in the United States.

The Newton school district, USD 373, serves more than 3,159 students in the Newton area. Annually, Newton High School graduation classes average approximately 400. USD 373 is the second largest employer in Newton and Harvey County with a work force of 852 employees. 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.

Economic Condition and Outlook

Newton, with a 2024 US Census bureau population estimate of 18,320, is located in the Wichita, Kansas, Metropolitan Area, approximately 20 miles north of Wichita itself. Newton is the 23rd largest city in Kansas. Five hundred and forty-nine building permits were issued in 2025 for $ 44.7 million compared to $ 189.9 million in 2024. Eight-two of these permits were for residential homes with a value of $ 11.3 million, down from one hundred and nineteen in 2024 with a value of $ 16.2 million.

The City 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

Rail Extension
As part of the development agreement with GAF Materials Corp, an extension of rail improvements to serve the site was designed in the Logistics Park, with a $ 2.6 million grant from the Kansas Department of Transportation. This rail extension is also key is attracting other industries to the area.

NewtonNext- Comprehensive Plan update
In the fall of 2025, the City began an update to our Comprehensive Plan, Newton Next. The community-centered plan will serve as a roadmap for how the city grows, preserves its unique character, and prepares for future needs in housing, transportation, land use, and economic development. Utilizing a community survey, visioning sessions and feedback the plan will be adopted in mid-2026 to serve the community for 10 years.

Runway 8-26 at Airport
In July of 2024, the City Commission approved moving forward with the design contract for the Runway 8-26 Reconstruction Project. The reconstruction project also includes upgrading the lighting on the 8-26 (east-west) runway. This includes edge lights, runway end identifier lights (REIL)(which were non-functioning) and guidance signage infrastructure. The Newton/Harvey County airport had runway 8-26 reconstructed utilizing funding from FAA and shared funding for the remainder.

1st Street Water Storage Tank Replacement
A multi-year project was implemented in 2020 to replace the 3.8-million-gallon water storage tank located on 1st street in Newton. This tank will be replaced with two 1.9-million-gallon tanks. Property had to be purchased from 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 $ 8.3 million has been approved to pay for this project. Construction was completed on the first 1.9-million-gallon tank in 2024, and the second tank was completed in late 2025.

Shield AI
Shield AI, an aeronautics technology manufacturer specializing in artificial intelligence drones, signed a lease agreement for a facility at the airport, bringing 30-60 high-tech jobs. The company plans to utilize Newton as their operation site for testing the X-BAT, the world's first AI-piloted, vertical takeoff and landing fighter jet. Potential for future growth includes manufacturing of these specialized military AI jets.

Housing Developments
81 new housing starts in 2025 included multifamily units and single-family units at the Fox Ridge development, Mennonite Housing project, and other developments continuing to expand.

I-135 & 36th Interchange
In the fall of 2023, the Commission approved an agreement with the Kansas Department of Transportation for reconstruction of the I-135 and 36th Street interchange. The project will include a new three-lane bridge with shoulders, guardrail, a sidewalk on the north side of the bridge, updated lighting, improved drainage, and new pavement. Construction is being phased so that construction of the new bridge will be completed before removing the existing structure. Construction was completed in 2026. The City's share was $ 344,916 of the total $ 20 - $ 25 million project.

Bike Path Extension
KDOT approved a $ 3 million dollar grant to the City for extension of the bike path from the Sand Creek dam to SW 14th Street. The new path would eliminate the remaining gap in the bike path, creating a continuous off-road trail from Sand Creek Station Golf Course on the south end all the way to Bethel College on the north. It would also create walking/biking access to the new Rhoades Wetland Park on SW 14th Street. The pre-design project is estimated to cost $ 3.6 million, making the City's share about $ 728,000. Due to the many creek crossings, right-of-way acquisitions and working with BNSF Railway, KDOT expects to bid the project by March 2027 this is extended due to negotiations with rail right of way.

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.

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

Expenditures are authorized by a budget approved by the City Commission. The legal level of budgetary control is the fund level. A public hearing is required on or before August 15th and final budget adoption on or before August 25th. This deadline may be extended to October 1st, if the City Commission approves an increase to its "revenue neutral rate", defined as a budget that includes revenue generated by property taxes in excess of the amount produced the preceding year using the current tax year's assessed valuation. This process involves notifying the County Clerk by July 20th of the intent to exceed the revenue neutral rate, publication of a notice of tax rate public hearing, and then holding the hearing between August 20th and September 20th. This hearing can be held in conjunction with the other required budget hearings. A resolution must then be adopted to approve the proposed tax rate.

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

General Obligation Bonded Debt

Large capital improvement projects for the City 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, 2025, illustrating the concept noted above.

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 $ 1,611 and net bonded debt represents 17.27% of assessed value. It has been possible to finance improvements without jeopardizing these common indicators.

TABLE I
CITY OF NEWTON
GENERAL OBLIGATION BOND DEBT SERVICE REQUIREMENTS
DECEMBER 31, 2025

Year	Principal	Interest	Total
2026	$ 4,685,000	$ 1,566,497	$ 6,251,497
2027	$ 3,965,000	$ 1,419,150	$ 5,384,150
2028	$ 3,925,000	$ 1,280,337	$ 5,205,337
2029	$ 3,030,000	$ 1,143,280	$ 4,173,280
2030	$ 2,670,000	$ 1,032,090	$ 3,702,090
2031	$ 2,325,000	$ 933,015	$ 3,258,015
2032	$ 2,405,000	$ 851,846	$ 3,256,846
2033	$ 2,500,000	$ 765,976	$ 3,265,976
2034	$ 2,300,000	$ 676,499	$ 2,976,499
2035	$ 2,330,000	$ 589,224	$ 2,919,224
2036	$ 2,250,000	$ 506,266	$ 2,756,266
2037	$ 1,660,000	$ 429,944	$ 2,089,944
2038	$ 1,720,000	$ 371,744	$ 2,091,744
2039	$ 1,515,000	$ 311,444	$ 1,826,444
2040	$ 1,565,000	$ 259,444	$ 1,824,444
2041	$ 1,180,000	$ 205,000	$ 1,385,000
2042	$ 1,230,000	$ 157,800	$ 1,387,800
2043	$ 1,280,000	$ 108,600	$ 1,388,600
2044	$ 1,040,000	$ 57,400	$ 1,097,400
2045	$ 395,000	$ 15,800	$ 410,800

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.

TABLE II
CITY OF NEWTON
SELECTED DEBT RATIOS

Year End 12-31	Net Direct Bonded Debt	Ratio of Net Bonded Debt to Assessed Value	Ratio of Net Bonded Debt to Estimated Actual Market Value	Net Bonded Debt Per Capita
2016	$ 28,420,839	23.90%	3.23%	$ 1,488
2017	$ 26,681,662	22.23%	3.01%	$ 1,414
2018	$ 28,000,395	23.21%	3.13%	$ 1,494
2019	$ 24,248,566	19.37%	2.62%	$ 1,286
2020	$ 32,443,785	25.34%	3.43%	$ 1,699
2021	$ 29,268,166	22.55%	2.99%	$ 1,561
2022	$ 26,587,247	19.13%	2.77%	$ 1,442
2023	$ 22,272,136	14.66%	1.99%	$ 1,211
2024	$ 28,211,450	16.51%	2.26%	$ 1,546
2025	$ 29,519,224	17.27%	2.24%	$ 1,611

General Government Services

The City'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 10% of revenues. Examples of services the City charges for include ambulance fees, administrative fees, rural fire services, and rural ambulance service. 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. The City has been blessed with high quality supplies of groundwater from the Equus Beds aquifer, and the water requires very little treatment. The City is the sole supplier of potable water to city residents and businesses. In addition, the City is a partner in Public Wholesale Water Supply District No. 17 along with three other municipalities. The City treats and distributes water from the District to these neighboring communities under separate contracts with each municipality. The City is also the sole provider of residential refuse services.

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

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

To provide an example of the current user fee level, Newton residents can receive weekly trash collection, 500 cubic feet sanitary sewer service, and use 500 cubic feet of water for a total of $ 149.89. This remains competitive with other communities in Kansas. The City Commission approved raising water and sewer rates starting in January of 2024.

Airport

Newton City-County Airport is a vital asset to the community. Jointly owned by the City 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 activities at the airport consist 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 completed in 2022. The federal government funded $ 6,655,440 of the project, with the remaining $ 657,185 split between the City and Harvey County. In July of 2024, the City Commission approved moving forward with the Runway 8-26 Reconstruction Project. This project will replace the runway pavement with a mill and overlay, with other repairs and markings. The project will be paid with FAA funding 90% and 10% will be a City and County split.

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 principle.
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 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 Swindoll, Janzen, Hawk & Loyd, LLC audited the City's financial statements. Their opinion for the December 31, 2025, financial statements is included.

Administrative Officials

Daniela Rivas was hired on January 8, 2024, as City Manager. Rebecca Likiardopoulos was hired on September 20, 2020 and promoted to Assistant City Manager for Economic Development on September 16, 2024. Lisa Marshall was hired on December 17, 2007, as Assistant 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, 2024. The Certificate of Achievement is a prestigious national award-recognizing conformance with the highest standards for preparation of state and local government financial reports.

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

A Certificate of Achievement is valid for a period of one year only. The City has received a Certificate of Achievement for the last thirty-five consecutive years (fiscal years ended 1989-2024). 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 by 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 express special appreciation to the City Commissioners and City Manager Daniela Rivas, for their unfailing support for maintaining the highest standards of professionalism in the management of the City's finances.

Respectfully,

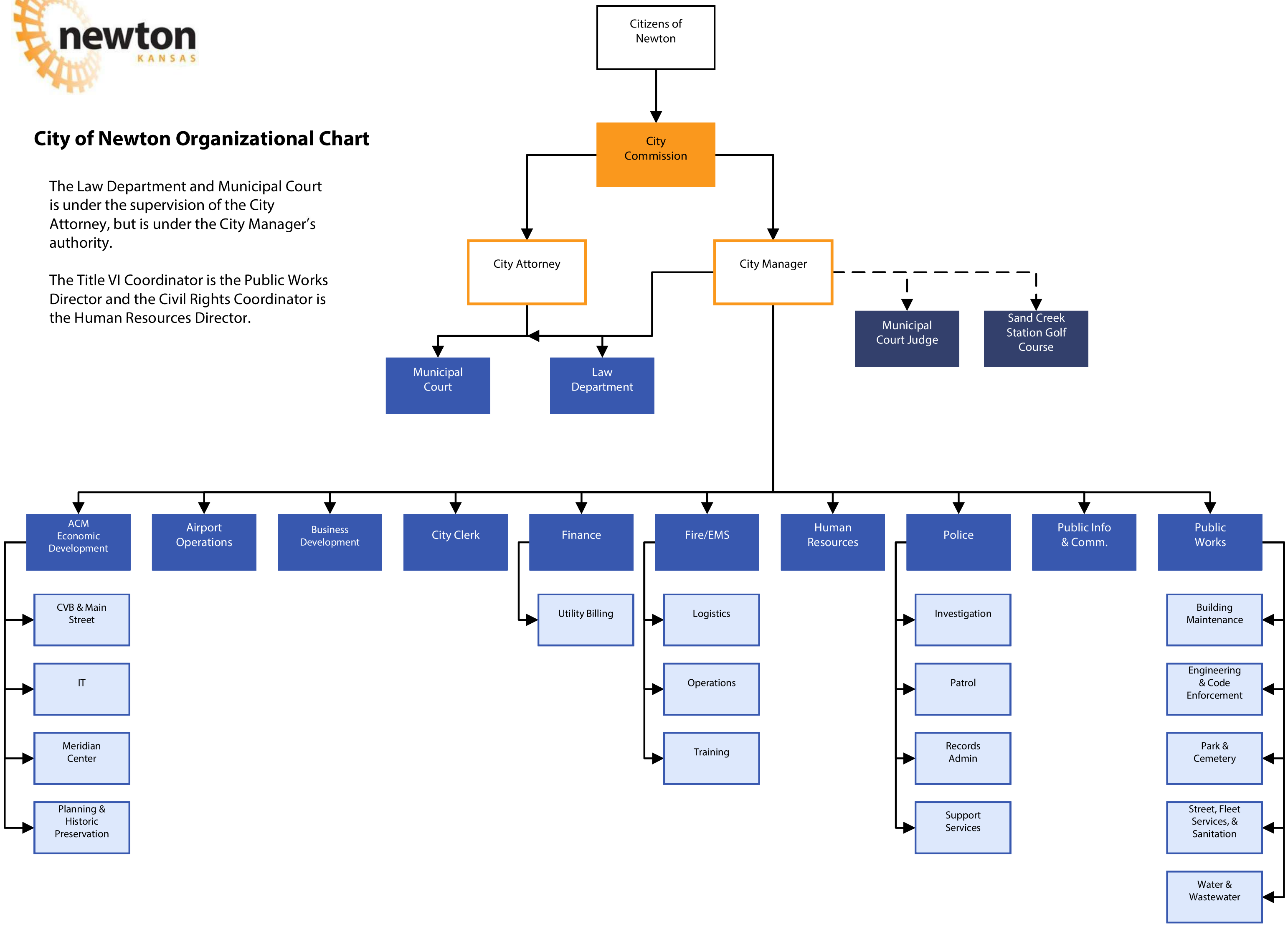
Lisa D Marshall

Lisa D Marshall
Assistant Finance Director

City of Newton Organizational Chart

The Law Department and Municipal Court is under the supervision of the City Attorney, but is under the City Manager's authority.

The Title VI Coordinator is the Public Works Director and the Civil Rights Coordinator is the Human Resources Director.



CITY OF NEWTON, KANSAS
LIST OF PRINCIPAL OFFICIALS

ELECTED OFFICIALS

Name	Title	Term Began	Term Expires
Rich Stinnett	Mayor Commissioner	December 2024 April 2019	December 2025 December 2027
Kathy Valentine	Vice Mayor Commissioner	December 2024 April 2015	December 2025 December 2027
Leroy Koehn	Commissioner	April 2013	December 2027
Melanie Watson	Commissioner	December 2023	December 2029
Rod Kreie	Commissioner	April 2018	December 2025

ADMINISTRATIVE OFFICIALS

Name	Office
Daniela Rivas	City Manager
Ed Bonham	Director Public Works
Eric McDaniel	Director of Communication/PIO
Brian Palmer	Director of Aviation
Denise R. Duerksen	City Clerk
Johnette Shepek	Finance Director
Steve Roberson	Fire/EMS Chief
Craig Dunlavy	Chief of Police
Rebecca Likiardopoulos	Assistant City Manager for Economic Development
Megan Kershner	Director of Human Resources
Zach McHatton	Community Development Director

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KANSAS

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Newton
Kansas

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

December 31, 2024

Christopher P. Morrill

Executive Director/CEO

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SWINDOLL JANZEN HAWK & LOYD, LLC
Certified Public Accountants

Helping you get from where you are to where you want to B.

INDEPENDENT AUDITOR'S REPORT

The Honorable Mayor and City Commission
City of Newton, Kansas

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Newton, Kansas (the City), as of and for the year ended December 31, 2025, 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, 2025, 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 represents 71%, 85% and 76%, respectively, of the assets, net position and revenues of the aggregate discretely presented component units as of and for the year ended December 31, 2025. 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 Auditor's 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*.

Responsibilities of Management for the Financial Statements

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

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

Auditor's 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 auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with 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 Management's Discussion and Analysis and the other required supplementary information listed in the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We and other auditors have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The statements and schedules listed under supplementary information in the accompanying table of contents, including the schedule of expenditure 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 auditor's 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 July 30, 2026, 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.

Swindoll, Janzen, Hawk & Loyd, LLC

July 30, 2026
Topeka, Kansas

CITY OF NEWTON, KANSAS

Management's Discussion and Analysis

As management of the City of Newton, Kansas, we offer readers of the City of Newton's financial statements this narrative overview and analysis of the financial activities of the City of Newton for the year ended December 31, 2025. 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-ix of this report, and the City of Newton's financial statements, which follow this section beginning on page 12.

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 $130,276,554. Of this amount $39,814,384 (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 10.69% to $130.2 million and unrestricted net position increased 20.05% to $39.8 million because of this year's operations.

- At the end of 2025, the combined unassigned and assigned fund balance for the General Fund was $22,522,701 or 88.21% of General Fund expenditures net of transfers. This is compared to $21,564,776 or 89.78% of General Fund expenditures in 2024. 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 increased $1,170,000 during 2025 to $43,970,000.

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 12-13 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 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. The City's net position can be posted 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. Other non-financial factors need to be considered, 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, airport, golf course and conference center. The City of Newton has four component units, the Newton Public Library (discrete), the Newton Public Building Commission (blended), the Land Bank (discrete), 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 kinds 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 $130,276,554 at the close of 2025, the most recent fiscal year. This represents an increase of 10.69% as compared to the close of 2024.

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, 2025

	Governmental Activities		Business-Type Activities		Total	
	2025	**2024**	**2025**	**2024**	**2025**	**2024**
Current and other assets	$ 53,955,429	$ 46,924,998	$ 32,131,566	$ 31,278,031	$ 86,086,995	$ 78,203,029
Capital assets, non-depreciable	7,225,761	7,024,672	16,508,515	11,608,161	23,734,276	18,632,833
Capital assets, net of depreciation	51,844,196	47,937,559	75,059,865	77,116,984	126,904,061	125,054,543
Total Assets	113,025,386	101,887,229	123,699,946	120,003,176	236,725,332	221,890,405
Deferred Outflows of Resources	5,312,284	5,509,594	1,120,934	1,419,101	6,433,218	6,928,695
Long-term liabilities outstanding	60,118,621	58,086,343	30,065,820	31,381,284	90,184,441	89,467,627
Other liabilities	2,310,554	2,259,260	878,628	909,270	3,189,182	3,168,530
Total Liabilities	62,429,175	60,345,603	30,944,448	32,290,554	93,373,623	92,636,157
Deferred Inflows of Resources	13,999,600	12,935,629	5,508,773	5,554,591	19,508,373	18,490,220
Net Position:						
Net Investment in Capital Assets	21,068,752	18,853,423	65,686,401	61,878,489	86,755,153	80,731,912
Restricted	3,707,017	3,788,474	-	-	3,707,017	3,788,474
Unrestricted	17,133,126	11,473,694	22,681,258	21,698,643	39,814,384	33,172,337
Total Net Position	$ 41,908,895	$ 34,115,591	$ 88,367,659	$ 83,577,132	$ 130,276,554	$ 117,692,723

An additional portion of the City's net position represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position of $39,814,384 may be used to meet the government's ongoing obligations to citizens and creditors. The unrestricted net position increased by $6,642,047 or 20.02%

At the end of the current fiscal year, the City can 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 12-13, respectively.

Table 2
City of Newton
Statement of Activities and Changes in Net Position
Year Ended December 31, 2025

	Governmental Activities		Business-Type Activities		Total	
	2025	**2024**	**2025**	**2024**	**2025**	**2024**
Revenues						
Program Revenues						
Charges for services	$ 4,358,906	$ 4,617,752	$ 20,237,305	$ 19,234,341	$ 24,596,211	$ 23,852,093
Operating grants and contributions	109,756	150,701	-	-	109,756	150,701
Capital grants and contributions	11,585,777	3,168,085	-	-	11,585,777	3,168,085
General Revenues						
Property taxes and special assessments	13,666,364	12,252,745	117,749	325,174	13,784,113	12,577,919
Sales taxes	7,347,261	7,058,065	-	-	7,347,261	7,058,065
Franchise taxes	1,683,590	1,629,446	-	-	1,683,590	1,629,446
Other taxes	314,477	-	-	-	314,477	-
Excise taxes	-	302,614	-	-	-	302,614
Intergovernmental, not restricted to specific programs	-	639,181	90,000	90,000	90,000	729,181
Interest income	1,627,657	1,831,497	147,725	195,917	1,775,382	2,027,414
Other	667,396	3,877,194	-	-	667,396	3,877,194
Total Revenues	41,361,184	35,527,280	20,592,779	19,845,432	61,953,963	55,372,712
Expenses						
General government	6,679,354	7,240,503	-	-	6,679,354	7,240,503
Public safety	15,196,973	14,650,718	-	-	15,196,973	14,650,718
Highway and streets	5,748,526	6,543,141	-	-	5,748,526	6,543,141
Culture and recreation	1,924,208	1,718,457	-	-	1,924,208	1,718,457
Interest and fiscal charges	1,104,570	1,364,363	-	-	1,104,570	1,364,363
Sewer	-	-	5,787,890	5,882,534	5,787,890	5,882,534
Sanitation	-	-	2,100,793	2,095,589	2,100,793	2,095,589
Waterworks	-	-	5,049,594	5,155,981	5,049,594	5,155,981
Airport	-	-	2,385,977	2,424,185	2,385,977	2,424,185
Golf Course	-	-	2,204,300	2,395,574	2,204,300	2,395,574
Public Building Commission	-	-	527,761	519,227	527,761	519,227
Meridian Center	-	-	660,186	507,571	660,186	507,571
Total Expenses	30,653,631	31,517,182	18,716,501	18,980,661	49,370,132	50,497,843
Excess (Deficiency) before transfers	10,707,553	4,010,098	1,876,278	864,771	12,583,831	4,874,869
Transfers	(2,914,249)	(425,695)	2,914,249	425,695	-	-
Change in Net Assets	7,793,304	3,584,403	4,790,527	1,290,466	12,583,831	4,874,869
Net Position, beginning of the year as previously reported	34,115,591	51,208,882	83,577,132	61,608,972	117,692,723	112,817,854
Change within financial reporting entity	-	(20,677,694)	-	20,677,694	-	-
Net Position, beginning of year as adjusted	34,115,591	30,531,188	83,577,132	82,286,666	117,692,723	112,817,854
Net Position, end of the year	$ 41,908,895	$ 34,115,591	$ 88,367,659	$ 83,577,132	$ 130,276,554	$ 117,692,723

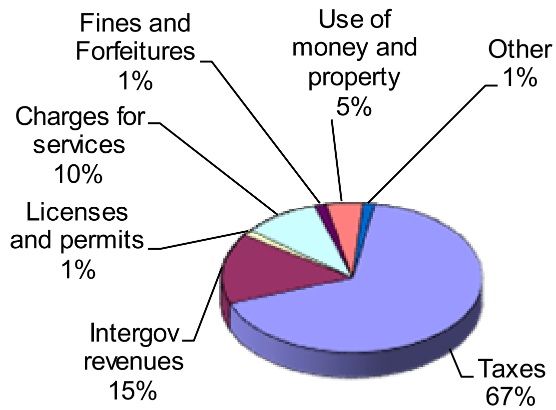
Governmental Activities

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

Table 3
Net Cost of Governmental Activities

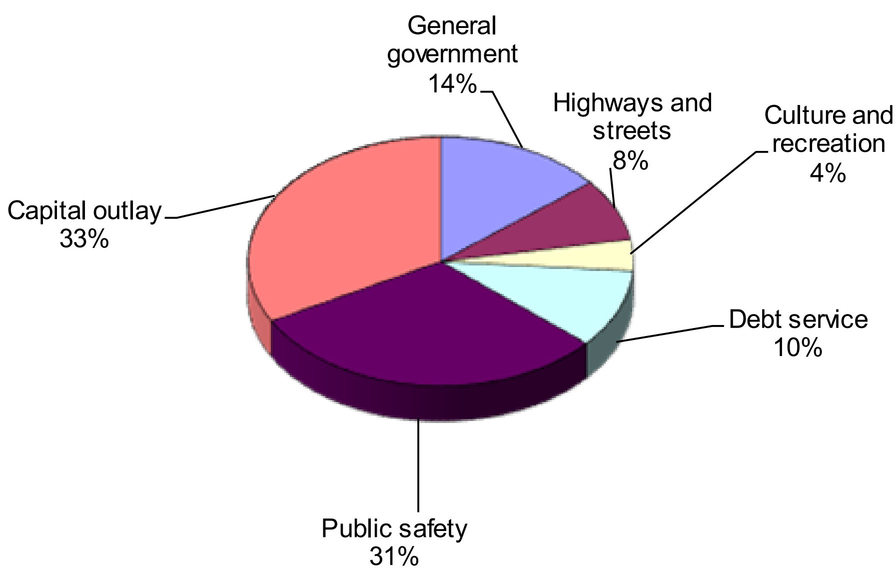
	Total Cost of Services	Net Cost of Services
General government	$ 6,679,354	$ 1,092,354
Public safety	15,196,973	11,876,796
Highway & streets and public works	5,748,526	(1,325,183)
Culture and recreation	1,924,208	1,850,655
Totals	$ 29,549,061	$ 13,494,622

Source of Revenue



- Tax revenues for the year increased mainly from increased property tax revenues, which grew with an average increase of approximately 7.62% in property value within Harvey County.
- Sales tax revenue saw a 3% increase overall for the year, the contributing factors being increased costs of goods and consumer spending, which is slightly higher than the 2.7% inflation rate reported in December.
- Capital grants and contributions seen a significant increase in 2025 from intergovernmental payments received on capital projects and new special assessments levied for completed public improvements.

Functional Expenses



Business-type Activities

Business-type activities increased the City's net position by $4,790,527 to $88,367,659 during 2025. Table 4 presents the cost of the City's seven business-type activities and blended component unit--Sewer, Sanitation, Water, Airport, Golf Course, Meridian Center and Public Building Commission—as well as each activity's net revenue (revenue generated by the activity less its total cost).

Table 4
Net Revenue from Business-Type Activities

	Total Cost of Activity	Net Revenue from Activity
Sewer	$ 5,787,890	$ 1,803,286
Sanitation	2,100,793	269,735
Waterworks	5,049,594	1,130,806
Airport	2,385,977	(1,241,854)
Golf Course	2,204,300	(165,325)
Public Building Commission	527,761	88,729
Meridian Center	660,186	(364,573)
Totals	$ 18,716,501	$ 1,520,804

- Charges for services increased in Waterworks and Sewer respectively by 5% due to yearly scheduled rate increases in these funds.
- Tax Revenues decreased by $207,425 or 63.8%, with Airport showing a 3.87% increase due to the increase in property tax values and the Public Building Commission Fund tax revenues were reallocated to the General fund for 2025.
- The 2025-2030 Capital Improvement Plan is approximately $35.2 million. The CIP is funded through a combination of City, State and Federal funds.

FINANCIAL ANALYSIS OF THE CITY'S FUNDS

On December 31, 2025, the City's governmental funds reported combined fund balance of $21,703,254, a $1,420,075 increase from 2024.

- The General Fund is the major operating and taxing fund for the City of Newton. The beginning total fund balance was $21,980,829. In 2025 the ending balance was $23,062,637, an increase of $1,081,808 or 7.92% over 2024. In 2025, revenues exceeded expenditures by $829,813. Revenues remained steady seeing a slight increase of 0.28%, while expenditures increased 6.29%, with the main contributors for these increases being personnel and benefit costs that rose 8.29% while capital expenditures decreased.
- The Bond & Interest Fund reflected a decrease of $667. The Bond & Interest Fund balance at year end 2025 was $2,380,844. Overall revenues decreased by 3.26%, driven by a 9.6% increase in property tax revenues from higher valuations, offset by lower special assessment collections due to bonds maturing in the prior year.
- The Capital Projects Fund accounts for major capital projects in Newton. The fund reflects an ending balance of ($5,930,091). This is compared to the 2024 balance of ($6,353,513), with the negative ending balance being the result of temporary cash reserve funding for ongoing projects. In 2025, revenues were 3.59% higher than project costs, this coming from intergovernmental payments, new bonds and transfers. The city expects a major portion of these projects to be completed, and bonds issued during 2026.
- In Other Governmental Funds, the ending fund balance is $2,189,864, a decrease of $84,488 or 3.71%.

General Fund Budgetary Highlights

The General Fund actual revenues exceeded budgeted revenues by $2,131,583 for 2025. Higher than anticipated revenue from sales tax, licenses & permits, and interest on idle funds accounted for this increase.

- General Fund tax revenues, actual vs. budget, reflected a positive variance of $838,442. This increase was due to continued high sales tax revenues and property tax revenue. Although the assessed valuation increased by 10.38%, the City Commission decreased the levy by one mill resulting in a smaller increase than could have been expected.
- General Fund expenditures in 2025 were $26,680,919 compared to $23,693,953 in 2024. This reflects a $2,986,966 expenditure increase. The rising costs of goods, due to inflation, that the City needs to maintain services, as well as higher costs for compensation and benefits, are factors increasing overall expenditures.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At the end of 2025, the City had $150,638,337 (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 $6,950,961. Construction in progress increased $5,109,365. Building and Improvements decreased $1,268,755. Machinery and Equipment decreased $1,615,081. Utility Service Lines and Infrastructure decreased $606,054. General Infrastructure had an increase of $2,275,685. Right-to-use leased assets had a net decrease of $92,587 and subscription assets had a net decrease of $73,852. Additional information on the City of Newton's capital assets can be found in Note 7 of the Notes to Financial Statements, on pages 42-45.

The City's five-year Capital Improvement Plan reflects appropriations for construction, improvements to, or acquisition of an additional $35.2 million worth of capital assets for fiscal 2025 through 2030. 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 trafficways, 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	
	2025	2024	2025	2024	2025	2024
Land	$ 3,588,565	$ 3,596,487	$ 3,466,831	$ 3,466,831	$ 7,055,396	$ 7,063,318
Buildings and improvements	16,500,773	16,348,205	33,427,786	34,849,109	49,928,559	51,197,314
Machinery and equipment	4,571,512	3,028,065	3,120,509	3,048,875	7,692,021	6,076,940
General infrastructure	30,743,383	28,467,698	-	-	30,743,383	28,467,698
Utility service lines	-	-	38,361,206	38,967,260	38,361,206	38,967,260
Right-to-use assets	3,592	5,685	143,109	233,603	146,701	239,288
Subscription assets	24,936	87,906	7,255	18,137	32,191	106,043
Construction in progress	3,637,196	3,428,185	13,041,684	8,141,330	16,678,880	11,569,515
Total capital assets	$ 59,069,957	$ 54,962,231	$ 91,568,380	$ 88,725,145	$ 150,638,337	$ 143,687,376

Debt

On December 31, 2025, the City had total general obligation debt outstanding of $43,970,000 backed by the full faith and credit of the government. The remainder of the City bonded debt represents revenue bonds outstanding of $3,850,000. The City is obligated for $14,011,267 of state revolving fund loans secured solely by specified revenue sources and $153,206 in connection with lease obligations and subscription liabilities. Total City indebtedness as of December 31, 2025, is $61,984,473.

Additional information of the City of Newton's long–term debt can be found in Note 12, of the Notes to Financial Statements, on pages 60-65.

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 2024 population was 661,217. The Harvey County 2024 population of 33,642 had a per capita personal income (PCPI) of $56,321. This PCPI was 81% of the state average, $69,510, and 74% of the national average, $76,328. The 2025 PCPI reflected an increase of 2.97% from 2024. The Harvey County Civilian Labor Force was 18,148 with an unemployment rate of 3.6%.

CONTACTING THE CITY'S FINANCIAL MANAGEMENT

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

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CITY OF NEWTON, KANSAS
STATEMENT OF NET POSITION
December 31, 2025

	Primary Government			Component Units		
	Governmental Activities	Business-Type Activities	Total	Public Library	Land Bank	Housing Authority
Assets:						
Cash and investments	$ 23,720,303	$ 23,148,052	$ 46,868,355	$ 2,208,136	$ 10,316	$ 961,252
Receivables (net of an allowance for uncollectibles):						
Property tax	12,199,214	107,921	12,307,135	18,584	-	-
Special assessment tax	13,168,984	-	13,168,984	-	-	-
Sales tax	1,318,299	-	1,318,299	-	-	-
Franchise tax	169,294	-	169,294	-	-	-
Accounts	630,605	2,675,567	3,306,172	-	-	875,335
Leases	-	5,392,053	5,392,053	-	-	-
Note receivable from component unit	1,235,000	-	1,235,000	-	-	-
Other	193,175	27,793	220,968	-	-	-
Internal balances	170,427	(170,427)	-	-	-	-
Prepaid items	559,936	11,524	571,460	-	-	93,029
Inventory	136,478	515,226	651,704	-	-	11,393
Restricted assets:						
Cash and investments	453,714	423,857	877,571	-	-	52,095
Capital assets:						
Capital assets not being depreciated	7,225,761	16,508,515	23,734,276	-	-	2,831,381
Other capital assets, net	51,844,196	75,059,865	126,904,061	536,962	-	1,854,721
Total assets	113,025,386	123,699,946	236,725,332	2,763,682	10,316	6,679,206
Deferred outflows of resources:						
Deferred charge on refunding	192,735	148,526	341,261	-	-	-
Deferred outflows - OPEB	988,842	84,461	1,073,303	3,314	-	-
Deferred outflows - pension	4,130,707	887,947	5,018,654	85,574	-	58,719
Total deferred outflows of resources	5,312,284	1,120,934	6,433,218	88,888	-	58,719
Liabilities:						
Accounts payable	1,061,402	263,571	1,324,973	-	-	933,087
Accrued expenses	544,764	221,933	766,697	4,263	-	42,801
Accrued interest payable	442,941	210,049	652,990	-	-	-
Note payable to primary government	-	-	-	1,235,000	-	-
Claims payable	229,323	-	229,323	-	-	-
Unearned revenues	32,124	183,075	215,199	-	-	3,997
Noncurrent liabilities:						
Due within one year	3,583,393	2,635,412	6,218,805	41,327	-	8,663
Due in more than one year	56,535,228	27,430,408	83,965,636	343,565	-	186,274
Total liabilities	62,429,175	30,944,448	93,373,623	1,624,155	-	1,174,822
Deferred inflows of resources:						
Deferred receivable - property taxes	12,199,214	107,921	12,307,135	-	-	-
Deferred receivable - leases	-	5,122,845	5,122,845	-	-	-
Deferred inflows - other	-	-	-	-	-	10,014
Deferred inflows - OPEB	757,197	55,952	813,149	5,059	-	-
Deferred inflows - pension	1,043,189	222,055	1,265,244	30,690	-	31,292
Total deferred inflows of resources	13,999,600	5,508,773	19,508,373	35,749	-	41,306
Net position:						
Net investment in capital assets	21,068,752	65,686,401	86,755,153	536,962	-	4,686,102
Restricted for:						
Community development	855,625	-	855,625	-	-	-
Cemetery perpetual care - nonexpendable	550,072	-	550,072	-	-	-
Debt service	1,937,903	-	1,937,903	-	-	-
Law enforcement	113,922	-	113,922	-	-	-
Other	249,495	-	249,495	-	-	10,130
Unrestricted	17,133,126	22,681,258	39,814,384	655,704	10,316	825,565
Total net position	$ 41,908,895	$ 88,367,659	$ 130,276,554	$ 1,192,666	$ 10,316	$ 5,521,797

See accompanying notes to basic financial statements.

CITY OF NEWTON, KANSAS
STATEMENT OF ACTIVITIES
Year Ended December 31, 2025

		Program Revenues			Net (Expense) Revenue and Changes in Net Position					
					Primary Government			Component Units		
Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total	Newton Public Library	Land Bank	Housing Authority
Primary government:										
Governmental activities:										
General government	$ 6,679,354	$ 1,038,679	$ 60,060	$ 4,488,261	$ (1,092,354)	$ -	$ (1,092,354)	$ -	$ -	$ -
Public safety	15,196,973	3,320,177	-	-	(11,876,796)	-	(11,876,796)	-	-	-
Highway and streets	5,748,526	50	-	7,073,659	1,325,183	-	1,325,183	-	-	-
Culture and recreation	1,924,208	-	49,696	23,857	(1,850,655)	-	(1,850,655)	-	-	-
Interest and fiscal charges	1,104,570	-	-	-	(1,104,570)	-	(1,104,570)	-	-	-
Total governmental activities	30,653,631	4,358,906	109,756	11,585,777	(14,599,192)	-	(14,599,192)	-	-	-
Business-type activities:										
Sewer	5,787,890	7,591,176	-	-	-	1,803,286	1,803,286	-	-	-
Sanitation	2,100,793	2,370,528	-	-	-	269,735	269,735	-	-	-
Waterworks	5,049,594	6,180,400	-	-	-	1,130,806	1,130,806	-	-	-
Airport	2,385,977	1,144,123	-	-	-	(1,241,854)	(1,241,854)	-	-	-
Golf course	2,204,300	2,038,975	-	-	-	(165,325)	(165,325)	-	-	-
Public building commission	527,761	616,490	-	-	-	88,729	88,729	-	-	-
Meridian Center	660,186	295,613	-	-	-	(364,573)	(364,573)	-	-	-
Total business-type activities	18,716,501	20,237,305	-	-	-	1,520,804	1,520,804	-	-	-
Total primary government	$ 49,370,132	$ 24,596,211	$ 109,756	$ 11,585,777	(14,599,192)	1,520,804	(13,078,388)	-	-	-
Component units:										
Newton Public Library	$ 1,084,613	$ 34,191	$ 182,528	$ -				(867,894)	-	-
Land Bank	3,768	-	-	-				-	(3,768)	-
Housing Authority	1,587,712	466,900	1,089,993	2,674,639				-	-	2,643,820
Total component units	$ 2,676,093	$ 501,091	$ 1,272,521	$ 2,674,639				(867,894)	(3,768)	2,643,820
General revenues:										
Taxes:										
Property taxes					13,666,364	117,749	13,784,113	1,032,498	-	-
Sales taxes					7,347,261	-	7,347,261	-	-	-
Franchise taxes					1,683,590	-	1,683,590	-	-	-
Excise taxes					314,477	-	314,477	-	-	-
Investment earnings					1,627,657	147,725	1,775,382	81,906	417	16,275
Grants and contributions not restricted to specific programs					-	90,000	90,000	-	-	-
Other					480,994	-	480,994	-	-	-
Gain (loss) on disposals of capital assets					186,402	-	186,402	-	-	-
Transfers					(2,914,249)	2,914,249	-	-	-	-
Total general revenues and transfers					22,392,496	3,269,723	25,662,219	1,114,404	417	16,275
Change in net position					7,793,304	4,790,527	12,583,831	246,510	(3,351)	2,660,095
Net position, beginning of year					34,115,591	83,577,132	117,692,723	946,156	13,667	2,861,702
Net position, end of year					$ 41,908,895	$ 88,367,659	$ 130,276,554	$ 1,192,666	$ 10,316	$ 5,521,797

See accompanying notes to basic financial statements.

CITY OF NEWTON, KANSAS
BALANCE SHEET
GOVERNMENTAL FUNDS
December 31, 2025

	Major Funds				Total
	General*	Bond & Interest	Capital Projects	Total Nonmajor Funds	Governmental Funds
Assets:					
Cash and investments	$ 16,021,803	$ 2,380,844	$ -	$ 1,572,517	$ 19,975,164
Due from other funds	5,135,038	-	-	-	5,135,038
Receivables (net of allowance for uncollectibles):					
Property tax	9,615,620	1,570,909	-	1,012,685	12,199,214
Special assessment tax	-	13,168,984	-	-	13,168,984
Sales tax	1,318,299	-	-	-	1,318,299
Franchise tax	169,294	-	-	-	169,294
Accounts	630,605	-	-	-	630,605
Note receivable from component unit	-	1,235,000	-	-	1,235,000
Other	-	-	-	193,175	193,175
Prepaid items	539,936	-	-	-	539,936
Restricted assets:					
Cash and investments	-	-	-	453,714	453,714
Total assets	$ 33,430,595	$ 18,355,737	$ -	$ 3,232,091	$ 55,018,423
Liabilities:					
Accounts payable	$ 214,342	$ -	$ 795,053	$ 28,164	$ 1,037,559
Accrued expenses	505,872	-	-	1,378	507,250
Due to other funds	-	-	5,135,038	-	5,135,038
Unearned revenues	32,124	-	-	-	32,124
Total liabilities	752,338	-	5,930,091	29,542	6,711,971
Deferred inflows of resources:					
Unavailable revenue - note receivable	-	1,235,000	-	-	1,235,000
Unavailable revenue - property and special assessment taxes	9,615,620	14,739,893	-	1,012,685	25,368,198
Total deferred inflows of resources	9,615,620	15,974,893	-	1,012,685	26,603,198
Fund balances (deficits):					
Nonspendable:					
Prepaid items	539,936	-	-	-	539,936
Restricted:					
Debt service	-	2,380,844	-	-	2,380,844
Community development	-	-	-	855,625	855,625
Perpetual care	-	-	-	550,072	550,072
Law enforcement	-	-	-	113,922	113,922
Other purposes	-	-	-	249,495	249,495
Assigned:					
Capital asset acquisition	12,581,016	-	-	420,750	13,001,766
Other purposes	62,780	-	-	-	62,780
Unassigned	9,878,905	-	(5,930,091)	-	3,948,814
Total fund balances (deficits)	23,062,637	2,380,844	(5,930,091)	2,189,864	21,703,254
Total liabilities, deferred inflows of resources, and fund balances	$ 33,430,595	$ 18,355,737	$ -	$ 3,232,091	$ 55,018,423

* See the General Fund Combining Balance Sheet on page 77.

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, 2025

Total fund balances in Governmental Funds Balance Sheet		$ 21,703,254
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.		59,069,957
Other long-term assets are not available to pay for current-period expenditures and therefore are reported as unavailable revenue in the funds.		14,403,984
Deferred outflows represent a consumption of net assets that applies to future periods and so will not be recognized as an expenditure of resources until then.		
Deferred charge on refunding	$ 192,735	
Deferred outflows - OPEB	988,842	
Deferred outflows - pension	4,130,707	5,312,284
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore, not reported as liabilities in the funds.		(60,561,562)
Deferred inflows of resources represent an acquisition of net assets that applies to future periods and so will not be recognized as revenue until then.		
Deferred inflows - OPEB	(757,197)	
Deferred inflows - pension	(1,043,189)	(1,800,386)
Internal service funds are used by the City to charge the cost of certain activities such as employee insurance and vehicle operating costs to individual funds. The assets and liabilities of internal service funds are included in governmental activities in the statement of net position.		3,781,364
Net position of governmental activities		$ 41,908,895

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, 2025

	Major Funds			Total	Total
	General*	Bond & Interest	Capital Projects	Nonmajor Funds	Governmental Funds
Revenues:					
Taxes:					
Property taxes	$ 10,865,254	$ 1,702,462	$ -	$ 1,098,648	$ 13,666,364
Sales taxes	7,255,829	-	-	91,432	7,347,261
Franchise taxes	1,683,590	-	-	-	1,683,590
Excise taxes	-	-	-	314,477	314,477
Special assessments	-	892,509	-	-	892,509
Intergovernmental	380,988	15,560	3,926,735	1,121,286	5,444,569
Licenses and permits	439,806	-	-	-	439,806
Charges for services	3,420,079	-	-	2,691	3,422,770
Fines, forfeitures and penalties	496,330	-	-	-	496,330
Interest	1,608,609	-	-	19,048	1,627,657
Other	211,756	302,100	-	32,138	545,994
Total revenues	26,362,241	2,912,631	3,926,735	2,679,720	35,881,327
Expenditures:					
Current:					
General government	4,485,943	-	403,549	1,254,067	6,143,559
Public safety	13,376,519	-	-	6,848	13,383,367
Highway and streets	3,529,397	-	-	-	3,529,397
Culture and recreation	1,699,778	-	-	78,884	1,778,662
Capital outlay	2,379,601	-	11,388,400	608,871	14,376,872
Debt service:					
Principal	59,583	3,153,775	-	-	3,213,358
Interest	1,607	1,226,722	-	-	1,228,329
Total expenditures	25,532,428	4,380,497	11,791,949	1,948,670	43,653,544
Excess (deficiency) of revenues over (under) expenditures	829,813	(1,467,866)	(7,865,214)	731,050	(7,772,217)
Other financing sources (uses):					
Transfers in	2,191,300	2,919,206	3,015,378	30,337	8,156,221
Transfers out	(2,119,699)	(1,452,007)	-	(869,975)	(4,441,681)
Issuance of general obligation bonds	-	-	5,038,421	-	5,038,421
Issuance of bond premium	-	-	234,837	-	234,837
Sale of capital assets	180,394	-	-	24,100	204,494
Total other financing sources (uses)	251,995	1,467,199	8,288,636	(815,538)	9,192,292
Net change in fund balances	1,081,808	(667)	423,422	(84,488)	1,420,075
Fund balances, beginning of year	21,980,829	2,381,511	(6,353,513)	2,274,352	20,283,179
Fund balances, end of year	$ 23,062,637	$ 2,380,844	$ (5,930,091)	$ 2,189,864	$ 21,703,254

* See the General Fund Combining Statement of Revenues, Expenditures and Changes in Fund Balances on page 78.

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, 2025

Net change in fund balances - total governmental funds	$ 1,420,075
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 and amortization expense.	11,477,279
The net effect of various miscellaneous transactions involving capital assets (i.e. sales, trade-ins, disposals, donations) is to decrease net position.	(7,299,261)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	5,269,598
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.	(1,892,397)
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.	(866,496)
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 loss of the internal service funds is reported with governmental activities.	(315,494)
Change in net position of governmental activities	$ 7,793,304

See accompanying notes to basic financial statements.

CITY OF NEWTON, KANSAS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL - GENERAL FUND
Year Ended December 31, 2025

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
Revenues and other sources:			
Property tax	$ 10,416,700	$ 10,615,723	$ 199,023
Sales tax	6,500,000	7,255,829	755,829
Franchise tax	1,800,000	1,683,590	(116,410)
PILOT	807,706	784,706	(23,000)
Intergovernmental	78,540	76,543	(1,997)
Licenses and permits	295,050	439,806	144,756
Charges for services	2,674,000	3,420,079	746,079
Fines and fees	358,000	496,330	138,330
Interest	600,000	1,608,609	1,008,609
Other	40,000	89,134	49,134
Transfers in	1,708,997	940,227	(768,770)
Total revenues and other sources	25,278,993	27,410,576	2,131,583
Expenditures and other uses:			
Current:			
General government	3,518,258	3,176,205	(342,053)
Public safety	13,460,194	13,376,519	(83,675)
Highway and streets	3,310,171	3,188,538	(121,633)
Parks and cemeteries	1,661,549	1,699,778	38,229
Capital outlay	271,200	77,440	(193,760)
Miscellaneous	2,802,505	-	(2,802,505)
Debt service:			
Principal	-	59,583	59,583
Interest	-	1,607	1,607
Transfers out	4,095,451	5,101,249	1,005,798
Total expenditures and other uses	29,119,328	26,680,919	(2,438,409)
Revenues (expenditures) not subject to budget:			
Transfers in - stormwater reimbursement	-	191,717	191,717
Reimbursed expenditures	-	(191,717)	(191,717)
Total revenues (expenditures) not subject to budget	-	-	-
Excess (deficiency) of revenues and other sources over (under) expenditures and other uses	(3,840,335)	729,657	4,569,992
Fund balances, beginning of year	3,840,335	9,169,620	5,329,285
Fund balances, end of year	$ -	9,899,277	$ 9,899,277
Reconciliation to GAAP:			
Plus encumbrances outstanding at December 31, 2025		62,780	
Fund balance on the basis of GAAP - General Fund only		9,962,057	
Fund balances for non-budgeted funds included with the General Fund on GAAP basis financials:			
Capital Improvement Reserve		6,431,163	
Admin Contingency		519,564	
Municipal Equipment Reserve		6,149,853	
		$ 23,062,637	

See accompanying notes to basic financial statements.

CITY OF NEWTON, KANSAS
STATEMENT OF NET POSITION - PROPRIETARY FUNDS
December 31, 2025

	Business-Type Activities						Governmental Activities
	Sewer	Waterworks	Public Building Commission	Airport	Nonmajor Enterprise	Total	Internal Service Funds
Assets:							
Current assets:							
Cash and investments	$ 11,964,089	$ 7,135,230	$ -	$ 40,308	$ 4,008,425	$ 23,148,052	$ 3,745,304
Accounts receivable (net of allowance for uncollectibles)	1,271,622	871,297	-	95,723	436,925	2,675,567	-
Property tax receivable	-	-	-	107,921	-	107,921	-
Other receivables	322	32	-	27,244	195	27,793	-
Prepaid items	-	-	-	-	11,524	11,524	20,000
Inventory	-	332,173	-	95,554	87,499	515,226	136,478
Total current assets	13,236,033	8,338,732	-	366,750	4,544,568	26,486,083	3,901,782
Noncurrent assets:							
Restricted cash and investments	-	-	423,857	-	-	423,857	-
Leases receivable	81,195	8,053	-	5,265,348	37,457	5,392,053	-
Capital assets, net	35,074,538	18,200,821	5,796,058	23,697,935	8,799,028	91,568,380	452,918
Total noncurrent assets	35,155,733	18,208,874	6,219,915	28,963,283	8,836,485	97,384,290	452,918
Total assets	48,391,766	26,547,606	6,219,915	29,330,033	13,381,053	123,870,373	4,354,700
Deferred outflows of resources:							
Deferred charge on refunding	141,290	7,236	-	-	-	148,526	-
Deferred outflows - OPEB	8,858	45,571	-	9,759	20,273	84,461	-
Deferred outflows - pension	276,050	326,345	-	97,641	187,911	887,947	-
Total deferred outflows of resources	426,198	379,152	-	107,400	208,184	1,120,934	-
Liabilities:							
Current liabilities:							
Accounts payable	43,604	122,989	-	9,562	87,416	263,571	24,010
Accrued expenses	52,811	74,125	-	20,196	74,801	221,933	37,514
Unreported claims payable	-	-	-	-	-	-	229,323
Unearned revenues	-	-	-	52,731	130,344	183,075	-
Current portion of long-term debt	2,011,201	351,231	155,000	18,069	99,911	2,635,412	8,558
Accrued interest payable	118,351	32,955	57,319	1,064	360	210,049	-
Total current liabilities	2,225,967	581,300	212,319	101,622	392,832	3,514,040	299,405
Noncurrent liabilities:							
Total OPEB liability	12,135	62,433	-	13,370	27,775	115,713	-
Net pension liability	1,155,085	1,365,537	-	408,564	786,281	3,715,467	-
State revolving fund loans payable	6,423,083	6,503,064	-	-	-	12,926,147	-
Bonds payable, net	4,999,280	1,501,984	3,840,320	98,189	-	10,439,773	-
Compensated absences	31,765	69,433	-	34,174	43,456	178,828	-
Lease obligations	-	773	-	-	53,707	54,480	-
Total noncurrent liabilities	12,621,348	9,503,224	3,840,320	554,297	911,219	27,430,408	-
Total liabilities	14,847,315	10,084,524	4,052,639	655,919	1,304,051	30,944,448	299,405
Deferred inflows of resources:							
Deferred inflows - OPEB	5,867	30,189	-	6,465	13,431	55,952	-
Deferred inflows - pension	69,034	81,611	-	24,418	46,992	222,055	-
Deferred inflows - property taxes	-	-	-	107,921	-	107,921	-
Deferred receivable - other	80,574	7,991	-	5,000,552	33,728	5,122,845	-
Total deferred inflows of resources	155,475	119,791	-	5,139,356	94,151	5,508,773	-
Net position:							
Net investment in capital assets	21,786,323	9,861,740	1,800,738	23,586,058	8,651,542	65,686,401	452,918
Unrestricted	12,028,851	6,860,703	366,538	56,100	3,539,493	22,851,685	3,602,377
Total net position	$ 33,815,174	$ 16,722,443	$ 2,167,276	$ 23,642,158	$ 12,191,035	88,538,086	$ 4,055,295
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.						(170,427)	
Net position of business-type activities						$ 88,367,659	

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, 2025

	Business-Type Activities						Governmental Activities
	Sewer	Waterworks	Public Building Commission	Airport	Nonmajor Enterprise	Total	Internal Service Funds
Operating revenues:							
Charges for sales and services	$ 7,580,233	$ 6,129,477	$ 616,490	$ 723,355	$ 4,649,491	$ 19,699,046	$ 4,606,018
Miscellaneous	10,943	50,923	-	1,348	55,625	118,839	890,467
Total operating revenues	7,591,176	6,180,400	616,490	724,703	4,705,116	19,817,885	5,496,485
Operating expenses:							
Personnel services	2,052,484	2,463,615	-	752,250	2,424,286	7,692,635	5,388,732
Contractual services	925,094	1,427,951	24,424	237,090	1,030,180	3,644,739	57,282
Commodities	84,431	330,488	-	408,212	518,418	1,341,549	706,030
Capital outlay	-	-	-	-	142,950	142,950	10,227
Vehicle operating	58,697	69,133	-	27,090	214,845	369,765	31,828
Depreciation and amortization	2,260,600	575,528	278,933	940,169	603,200	4,658,430	55,741
Total operating expenses	5,381,306	4,866,715	303,357	2,364,811	4,933,879	17,850,068	6,249,840
Operating income (loss)	2,209,870	1,313,685	313,133	(1,640,108)	(228,763)	1,967,817	(753,355)
Nonoperating revenues (expenses):							
Gain (loss) on disposal of property	-	1,950	-	-	52,544	54,494	(23,301)
Lease revenue	-	-	-	419,420	-	419,420	-
Taxes	-	-	-	117,749	-	117,749	-
Intergovernmental	-	-	-	90,000	-	90,000	-
Other	(13,112)	(39,297)	-	-	-	(52,409)	-
Interest income	2,321	1,739	23,762	78,686	41,217	147,725	85,272
Interest and fiscal charges	(338,589)	(80,145)	(224,404)	(3,549)	(22,561)	(669,248)	-
Total nonoperating revenues (expenses)	(349,380)	(115,753)	(200,642)	702,306	71,200	107,731	61,971
Income (loss) before capital contributions and transfers	1,860,490	1,197,932	112,491	(937,802)	(157,563)	2,075,548	(691,384)
Capital contributions	143,853	2,248,284	-	4,413,271	-	6,805,408	-
Transfers in	1,199,835	235,309	-	96,025	1,208,471	2,739,640	176,619
Transfers out	(2,893,638)	(2,842,904)	(698,471)	(16,864)	(178,922)	(6,630,799)	-
Change in net position	310,540	838,621	(585,980)	3,554,630	871,986	4,989,797	(514,765)
Net position, beginning of year	33,504,634	15,883,822	2,753,256	20,087,528	11,319,049	83,548,289	4,570,060
Net position, end of year	$ 33,815,174	$ 16,722,443	$ 2,167,276	$ 23,642,158	$ 12,191,035	$ 88,538,086	$ 4,055,295
Change in net position						$ 4,989,797	
Adjustment for the net effect of the current year activity between the internal service funds and the enterprise funds.						(199,270)	
Change in net position of business-type activities						$ 4,790,527	

See accompanying notes to basic financial statements.

CITY OF NEWTON, KANSAS
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
Year Ended December 31, 2025

	Business-Type Activities						Governmental Activities
	Sewer	Waterworks	Public Building Commission	Airport	Nonmajor Enterprise	Total	Internal Service Funds
Cash flows from operating activities:							
Receipts from customers	$ 7,386,224	$ 6,010,630	$ 616,490	$ 737,930	$ 4,673,140	$ 19,424,414	$ 5,496,485
Payments to suppliers for goods and services	(1,071,135)	(1,840,148)	(42,904)	(738,708)	(1,984,210)	(5,677,105)	(721,894)
Payments on behalf of employees for services and benefits	(2,054,367)	(2,417,771)	-	(714,317)	(2,392,120)	(7,578,575)	(5,293,323)
Net cash from operating activities	4,260,722	1,752,711	573,586	(715,095)	296,810	6,168,734	(518,732)
Cash flows from noncapital financing activities:							
Transfers in	1,199,835	235,309	-	96,025	595,071	2,126,240	176,619
Transfers out	(2,893,638)	(2,842,904)	(85,071)	(16,864)	(178,922)	(6,017,399)	-
Net cash from noncapital financing activities	(1,693,803)	(2,607,595)	(85,071)	79,161	416,149	(3,891,159)	176,619
Cash flows from capital and related financing activities:							
Proceeds from sales of capital assets	-	1,950	-	-	-	1,950	-
Proceeds from leases receivable	-	-	-	360,035	(529)	359,506	-
Proceeds from taxes	-	-	-	117,749	-	117,749	-
Proceeds from other governments	-	-	-	90,000	-	90,000	-
Proceeds from issuance of general obligation bonds	371,515	125,064	-	-	-	496,579	-
Proceeds from issuance premiums	17,316	5,829	-	-	-	23,145	-
Payments for capital assets	(10,554)	(191,341)	-	(60,711)	(382,660)	(645,266)	(9,500)
Principal payments on general obligation bonds	(1,015,678)	(182,371)	-	(13,176)	-	(1,211,225)	-
Principal payments on NPBC revenue bonds	-	-	(765,000)	-	-	(765,000)	-
Principal payments on KDHE revolving loans payable	(914,915)	(558,310)	-	-	-	(1,473,225)	-
Principal payments on lease obligations	-	(1,481)	-	-	(90,171)	(91,652)	-
Principal payments on subscription liabilities	(4,303)	(5,262)	-	(957)	(2,392)	(12,914)	-
Interest and fees paid on debt	(404,772)	(136,142)	(186,837)	(3,714)	(22,745)	(754,210)	-
Proceeds from KDHE revolving loans payable	-	2,081,661	-	-	-	2,081,661	-
Net cash from capital and related financing activities	(1,961,391)	1,139,597	(951,837)	489,226	(498,497)	(1,782,902)	(9,500)
Cash flows from investing activities:							
Interest received	2,321	1,739	23,762	78,686	41,217	147,725	85,272
Net change in cash and cash equivalents	607,849	286,452	(439,560)	(68,022)	255,679	642,398	(266,341)
Cash and cash equivalents, beginning of year	11,356,240	6,848,778	863,417	108,330	3,752,746	22,929,511	4,011,645
Cash and cash equivalents, end of year	$ 11,964,089	$ 7,135,230	$ 423,857	$ 40,308	$ 4,008,425	$ 23,571,909	$ 3,745,304

(Continued)

CITY OF NEWTON, KANSAS
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
(Continued)
Year Ended December 31, 2025

	Business-Type Activities						Governmental Activities
	Sewer	Waterworks	Public Building Commission	Airport	Nonmajor Enterprise	Total	Internal Service Funds
Reconciliation of operating income (loss) to net cash from operating activities:							
Operating income (loss)	$ 2,209,870	$ 1,313,685	$ 313,133	$ (1,640,108)	$ (228,763)	$ 1,967,817	$ (753,355)
Adjustments to reconcile operating income (loss) to net cash from operating activities:							
Depreciation and amortization	2,260,600	575,528	278,933	940,169	603,200	4,658,430	55,741
Changes in:							
Accounts receivable (net of allowance for uncollectibles)	(204,009)	(169,676)	-	62,501	(58,990)	(370,174)	-
Other receivables	(81,517)	(8,085)	-	17,774	122	(71,706)	-
Inventory	-	(67,527)	-	(51,244)	(18,265)	(137,036)	(8,180)
Prepaid items	-	-	-	-	(7,811)	(7,811)	51,800
Accounts payable	(2,913)	54,951	(18,480)	(15,072)	(51,741)	(33,255)	10,450
Accrued expenses	6,880	20,505	-	4,779	32,664	64,828	30,879
Compensated absences	1,426	16,683	-	14,259	10,048	42,416	2,136
Total OPEB liability	1,990	882	-	(715)	(21,058)	(18,901)	-
Net pension liability	(104,676)	(105,147)	-	(8,226)	(61,746)	(279,795)	-
Deferred outflows - OPEB	(1,180)	594	-	771	15,547	15,732	-
Deferred outflows - pension	63,188	69,692	-	14,595	40,452	187,927	-
Deferred inflows - OPEB	2,294	8,701	-	1,564	(3,242)	9,317	-
Deferred inflows - pension	28,195	33,934	-	10,906	19,501	92,536	-
Deferred inflows - other	80,574	7,991	-	-	-	88,565	-
Unearned revenues	-	-	-	(67,048)	26,892	(40,156)	-
Unreported claims payable	-	-	-	-	-	-	91,797
Net cash from operating activities	$ 4,260,722	$ 1,752,711	$ 573,586	$ (715,095)	$ 296,810	$ 6,168,734	$ (518,732)

Noncash capital financing activities:
Contributions of capital assets of $ 143,853, $ 2,248,284, and $ 4,413,271 were received in the sewer fund, waterworks fund, and airport fund respectively, from other governmental funds.

See accompanying notes to basic financial statements.

1 - Summary of Significant Accounting Policies

Reporting Entity

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

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

Discretely Presented Component Units. The Newton Public Library (the Library), although a separate legal entity, is reported as a discrete component unit. The Library is governed by a Board, the appointees of which are approved by the City. The Library is not a separate taxing entity under State statutes and the City levies taxes for the Library operation, which represent 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 City of Newton Land Bank (the Land Bank), although a separate legal entity, is reported as a discrete component unit. The Land Bank is governed by a Board, the appointees of which are approved by the City. The City also approves the Land Bank's budget. The Land Bank is presented as a governmental fund type. Separately issued financial statements for the Land Bank are not available.

The Housing Authority of the City of Newton, Kansas (the Housing Authority), although a separate legal entity, is reported as a discrete component unit. The Housing Authority is governed by a Board, the appointees of which are approved by the City. The City also has the ability to remove appointed Board members at will and override or modify decisions of the governing board. The Housing Authority is presented as a proprietary fund type, and has a June 30 year end. Separately issued financial statements are available from the Housing Authority at 115 W. 9th Street, Newton, Kansas 67114.

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

Government-Wide and Fund Financial Statements

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

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

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

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

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

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

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

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

The City reports the following major governmental funds:

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

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

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

The City reports the following major proprietary funds:

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

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

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

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

Additionally, the City reports the following fund types:

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

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

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

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the enterprise funds are charges to customers for sales and services. Operating expenses for the enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

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

Pooled Cash and Investments

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

Cash Flows Statement

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

Receivables and Payables

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

All trade accounts receivable are shown net of an allowance for uncollectibles. Management records a trade accounts receivable allowance based on percentages of collection estimated from the aging of the accounts receivable. At December 31, 2025, no allowance for uncollectible receivables has been recorded as all amounts deemed uncollectible were written off before year-end.

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

General fund property tax receivable	$	9,615,620
Bond and interest fund property tax receivable		1,570,909
Bond and interest fund special assessments receivable		13,168,984
Nonmajor governmental funds property tax receivable		1,012,685
Bond and interest fund note receivable		1,235,000
	$	26,603,198

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, in the Municipalities Fight Addiction Fund for opioid addiction prevention and in the public building commission fund for debt service.

Inventories

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

Prepaid Items

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

Capital Assets

Capital assets, which include property, plant, equipment, infrastructure (e.g., roads, bridges, sidewalks and similar items), and construction in progress are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. The City capitalizes purchases of assets with a cost of $ 5,000 or more and an estimated useful life in excess of one year. All costs of land are capitalized.

Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

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

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

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

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net assets that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/expenditure) until then. The City has several items that qualify for reporting in this category. One item, deferred charge on refunding, is reported in the government-wide and proprietary fund statements of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The other two items that qualify for reporting in this category are deferred outflows for pension and other postemployment benefits (OPEB) reported in the government-wide and proprietary fund statements of net position. See Notes 8 and 10 for more information on the deferred outflows for the pension and OPEB, respectively.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net assets that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. The City has several items that qualify for reporting in this category. Unavailable revenue is reported in the governmental funds from three sources: property taxes, special assessments, and notes receivable. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. The government-wide statements report four items: deferred receivable – property taxes, deferred receivable – leases, deferred inflows – OPEB, and deferred inflows – pension. See Notes 8 and 10 for more information on the deferred inflows for the pension and OPEB, respectively. See Note 5 for more information on the deferred receivable for leases.

Leases

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

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

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

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

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

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

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

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

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

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

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

<u>Subscriptions</u>

The City has entered into various subscription-based information technology agreements. The City recognizes a subscription payable and an intangible right-to-use subscription asset in the government-wide and proprietary fund financial statements.

At the commencement of a subscription, the City initially measures the subscription payable at the present value of subscription payments expected to be made during the subscription term. Subsequently, the subscription payable is reduced by the principal portion of subscription payments made. The subscription asset is initially measured as the initial amount of the subscription payable, adjusted for payments made at commencement, initial implementation costs, and any incentives received. Subsequently, the subscription asset is amortized on a straight-line basis over the subscription term.

Key estimates and judgments related to subscriptions include how the City determines (1) the discount rate it uses to discount the expected subscription payments to present value, (2) contract terms, and (3) contract payments.

- The City uses the interest rate charged by the vendor as the discount rate. When the interest rate charged by the vendor is not provided, the City generally uses its estimated incremental borrowing rate as the discount rate for subscriptions.
- The contract term includes the noncancellable period of the subscription. Contract payments included in the measurement of the subscription payable are composed of fixed payments.

The City monitors changes in circumstances that would require a remeasurement of its subscriptions and will remeasure the subscription assets and liabilities if certain changes occur that are expected to significantly affect the amount of the subscription liabilities.

Subscription assets are reported with capital assets and subscriptions payable are reported with liabilities on the statement of net position.

Compensated Absences

Under the terms of the City's personnel policy, City employees accrue vacation and sick leave in varying amounts. Certain employees also accrue compensatory time. Upon separation from employment, employees are paid for unused vacation leave up to a maximum allowed carryover amount. A payout of unused sick leave upon termination is not granted unless certain conditions are met, and the payout equals 10% of the accumulated leave. Upon separation from employment all accrued compensatory time off is paid. The government-wide and proprietary funds financial statements recognize liability for accrued compensated absences for leave that has not been used if the leave is attributable to services already rendered, the leave accumulates, and the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. A liability is also recognized for leave that has been used but not yet paid in cash or settled through noncash means. In the governmental fund financial statements, a liability is accrued for the amount that normally would be liquidated with expendable available financial resources.

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, 2025, fund balances for governmental funds are made up of the following:

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

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

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

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

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

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

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

Concentrations of Credit Risk

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

Use of Estimates

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

Adoption of New Accounting Standards

During the year, the City implemented the following accounting standards:

GASB Statement No. 102, *Certain Risk Disclosures* - The objective of this Statement is to provide users with timely information regarding certain concentrations or constraints and related events that have occurred or have begun to occur that make a government vulnerable to a substantial impact. As a result, users will have better information with which to understand and anticipate certain risks to a government's financial condition.

Pending Governmental Accounting Standards Board Statements

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

GASB Statement No. 103, *Financial Reporting Model Improvements* – The objective of this Statement is to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. This Statement also addresses certain application issues. The requirements of this Statement will become effective for the City in the fiscal year ended December 31, 2026.

GASB Statement No. 104, *Disclosure of Certain Capital Assets* – The objective of this Statement is to provide users of government financial statements with essential information about certain types of capital assets. This Statement requires certain types of capital assets to be disclosed separately in the capital assets note disclosures required by Statement 34 and additional disclosures for capital assets held for sale. The requirements of this Statement will become effective for the City in the fiscal year ended December 31, 2026.

GASB Statement No. 105, *Subsequent Events* – The objective of this Statement is to improve the financial reporting requirements for subsequent events. This Statement defines subsequent events as transactions or other events that occur after the date of the financial statements but before the date the financial statements are available to be issued. This Statement describes the date the financial statements are available to be issued as the date at which (1) the financial statements are complete in a form and format that complies with generally accepted accounting principles and (2) approvals necessary for issuance have been obtained. This Statement also requires the date through which subsequent events have been evaluated to be disclosed. The requirements of this Statement will become effective for the City in the fiscal year ended December 31, 2027.

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, not reported as liabilities in the funds." The details of this ($ 60,561,562) difference are as follows:

General obligation bonds	$	(36,505,999)
Plus: Issuance premiums		(1,684,510)
Accrued interest payable		(442,941)
Compensated absences		(1,069,034)
Total OPEB liability		(1,479,869)
Net pension liability		(19,375,778)
Lease obligations		(3,431)
Net adjustment to decrease fund balances - total governmental funds to arrive at net position - governmental activities	$	(60,561,562)

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 and amortization expense." The details of this $ 11,477,279 difference are as follows:

Capital outlay	$	14,376,872
Depreciation and amortization expense		(2,899,593)
Net adjustment to increase net change in fund balances - total governmental funds to arrive at change in net position of governmental activities	$	11,477,279

Another element of that reconciliation states that "Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds." The details of this $ 5,269,598 difference are as follows:

Special assessments	$	5,334,598
Other revenue - component unit		(65,000)
Net adjustment to increase net change in fund balances - total governmental funds to arrive at change in net position of governmental activities	$	5,269,598

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 ($ 1,892,397) difference are as follows:

Principal repayments:		
General obligation bonds	$	3,153,775
Amortization of deferred charge on refunding		(53,378)
Amortization of issuance premiums		220,881
Lease obligations		2,221
Subscription liabilities		57,362
Debt issued or incurred:		
General obligation bonds		(5,038,421)
Issuance premiums		(234,837)
Net adjustment to decrease net change in fund balances - total governmental funds to arrive at change in net position of governmental activities	$	(1,892,397)

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 ($ 866,496) difference are as follows:

Compensated absences	$	(83,696)
Accrued interest payable		(43,740)
Total OPEB liability		(137,263)
Pension contributions		(601,797)
Net adjustment to decrease net changes in fund balances - total governmental funds to arrive at change in net position of governmental activities	$	(866,496)

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, sewer special reserve fund, solid waste special reserve fund, waterworks special reserve fund, golf course special reserve fund, public building commission fund, Meridian Center special reserve fund, health benefits risk management fund, and stores and maintenance special reserve fund. All budgets are prepared utilizing the modified accrual basis further modified by the encumbrance method of accounting – that is, commitments evidenced by documents such as purchase orders and contracts, in addition to disbursements and accounts payable, are recorded as expenditures.

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

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

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

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

Compliance Violations

The capital projects fund had a deficit fund balance of $ (5,930,091) at December 31, 2025, which is in violation of K.S.A. 10-1113. However, per K.S.A. 10-1116, limits of indebtedness may be exceeded when this is due to capital project expenditures incurred prior to the issuance of bonds.

4 - Deposits and Investments

Deposits

Custodial Credit Risk

Custodial credit risk is the risk that in the event of a bank failure, the City's deposits may not be returned. K.S.A. 9-1401 establishes the depositories which may be used by the City. The statute requires banks eligible to hold the City's funds have a main or branch bank in the county in which the City is located, or in an adjoining county if such institution has been designated as an official depository, and the banks provide an acceptable rate of return on funds. Kansas statutes require that deposits of the City be collateralized, and that collateral pledged must have a fair value equal to 100% of the deposits and investments, less insured amounts, and must be assigned for the benefit of the City. At year end, the carrying amount of the City's deposits was $ 29,334,294 and the bank balance totaled $ 29,678,328. Of the bank balance, $ 750,000 was secured by federal deposit insurance and $ 28,928,328 was collateralized by pledged securities held under joint custody receipts issued by third party banks in the City's name. The Library and the Housing Authority's deposits were not exposed to custodial credit risk.

Investments

As of December 31, 2025, the City had the following investments:

Investment Type	Fair Value	Maturity < 1 year	Rating
Kansas Municipal Investment Pool	$ 18,411,632	$ 18,411,632	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, 2025 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, 2025, the City has invested $ 18,411,632 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, 2025.

Interest Rate Risk

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

Fair Value Measurement

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

5 - Leases Receivable

On January 1, 2022, the City entered into a 455-month lease as lessor for the use of 1720 North Oliver. An initial lease receivable was recorded in the amount of $ 112,665. The lessee is required to make annual variable principal and interest payments of $ 4,480. The lease has an interest rate of 1.7510%. The City recognized lease revenue of $ 2,967 during the fiscal year. The lessee has 3 extension options, each for 120 months.

On May 15, 2022, the City entered into a 600-month lease as lessor for the use of Avcon Hangar. An initial lease receivable was recorded in the amount of $ 207,817. The lessee is required to make annual fixed payments of $ 7,645. The lease has an interest rate of 2.9070%. The City recognized lease revenue of $ 4,153 during the fiscal year.

On October 1, 2023, the City entered into a 36-month lease as lessor for the use of Cory D. Klaassen Farm. An initial lease receivable was recorded in the amount of $ 23,420. The lessee is required to make annual fixed payments of $ 23,484. The lease has an interest rate of 0.3300%. The City recognized lease revenue of $ 22,768 during the fiscal year. The City had a termination period of four months as of the lease commencement.

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

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

On January 1, 2022, the City entered into an 85-month lease as lessor for the use of Weatherly Airport Hangar. An initial lease receivable was recorded in the amount of $ 560,613. The lessee is required to make monthly fixed payments of $ 6,068. The lease has an interest rate of 0.9780%. The City recognized lease revenue of $ 79,145 during the fiscal year. The lessee has one extension option for 60 months.

On January 1, 2022, the City entered into a 43-month lease as lessor for the use of Tri-Rotor Crop Airport Hangar. An initial lease receivable was recorded in the amount of $ 88,632. The lessee is required to make monthly fixed payments of $ 2,030. The lease has an interest rate of 0.5520%. The City recognized lease revenue of $ 14,428 during the fiscal year.

On May 1, 2022, the City entered into a 120-month lease as lessor for the use of TAP Hangar. An initial lease receivable was recorded in the amount of $ 14,267. The lessee is required to make annual fixed payments of $ 1,500. The lease has an interest rate of 2.4520%. The City recognized lease revenue of $ 1,415 during the fiscal year.

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

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

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

On January 1, 2022, the City entered into a 157-month lease as lessor for the use of Hesston College Hangar. An initial lease receivable was recorded in the amount of $ 292,266. The lessee is required to make monthly fixed payments of $ 1,827. The lease has an interest rate of 1.3060%. The City recognized lease revenue of $ 22,339 during the fiscal year. The lessee has two extension options, each for 60 months.

On July 1, 2022, the City entered into a 180-month lease as lessor for the use of Forsythe Airport Hangar. An initial lease receivable was recorded in the amount of $ 284,943. The lessee is required to make monthly fixed payments of $ 1,800. The lease has an interest rate of 3.1590%. The City recognized lease revenue of $ 18,996 during the fiscal year. The lessee has two extension options, each for 60 months.

On September 22, 2022, the City entered into a 600-month lease as lessor for the use of Building V - Parcel A. An initial lease receivable was recorded in the amount of $ 320,737. The lessee is required to make monthly fixed payments of $ 1,127. The lease has an interest rate of 3.4890%. The City recognized lease revenue of $ 6,412 during the fiscal year.

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

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

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

On August 21, 2023, the City entered into a 60-month lease as lessor for the use of Golf Maintenance Equipment Lease #2. An initial lease receivable was recorded in the amount of $ 63,561. The lessee is required to make monthly fixed payments of $ 1,238. The lease has an interest rate of 6.2500%. The City recognized lease revenue of $ 12,635 during the fiscal year. The lessee has the option to purchase the equipment for $ 1.

On April 1, 2025, the City entered into a 96-month lease as Lessor for the use of JoeBravo Aviation-Hangar A. An initial lease receivable was recorded in the amount of $175,234. The lessee is required to make monthly fixed payments of $2,000. The lease has an interest rate of 2.8082%.The City recognized lease revenue of $ 16,428 during the fiscal year. The lessee has 1 extension option for 48 months.

On November 1, 2025, the City entered into a 120-month lease as Lessor for the use of Newton Rec Commission Building Lease. An initial lease receivable was recorded in the amount of $9. The lessee is required to make annual fixed payments of $1. The lease has an interest rate of 2.8055%.

On January 1, 2025, the City entered into a 60-month lease as Lessor for the use of Cory Klaasen-Farm lease. An initial lease receivable was recorded in the amount of $57,623. The lessee is required to make annual fixed payments of $12,313. The lease has an interest rate of 2.3810%. The City recognized lease revenue of $ 11,525 during the fiscal year.

On January 1, 2025, the City entered into a 60-month lease as Lessor for the use of Nathan Busenitz Ground Lease. An initial lease receivable was recorded in the amount of $68,491. The lessee is required to make annual fixed payments of $14,635. The lease has an interest rate of 2.3810%. The City recognized lease revenue of $ 10,617 during the fiscal year.

Lease information is summarized in the table below:

Lease	Lease receivable at December 31, 2025	Deferred inflow at December 31, 2025
Business-Type Activities		
Buildings:		
810 North Oliver	$ 80,895	$ 76,563
Avcon Hangars C, D, M, Q & F	2,880,949	2,710,966
Ballard Aviation - Building X	123,120	120,358
Forsythe Airport Hangar	236,033	218,456
Hesston College Hangar	214,333	202,911
Midwest Airport Hangar	157,975	149,452
JoeBravo Aviation Hangar	160,372	158,806
Midwest Airport Hangar - E	335,992	317,896
Newton Rec Commission	8	8
Weatherly Airport Hangar	263,541	244,031
Land:		
Cory Klaasen Farm Lease	46,453	46,098
Nathan Busenitz Ground Lease	42,795	42,468
1108 N. Oliver Road	7,997	7,978
1720 North Oliver	111,571	100,797
Avcon Hangar	194,585	192,752
Ballard Aviation Hangar R	81,334	78,896
Building V - Parcel A	311,607	299,739
Cory D. Klaassen Farm	-	18,973
Mid West Electric Transformers	83,074	80,565
Nathan Busenitz Ground Lease	12,420	12,325
TAP Hangar	9,542	9,079
Equipment:		
Golf Maintenance Equipment Lease #2	37,457	33,728
	$ 5,392,053	$ 5,122,845

	Business-Type Activities		
Year	Principal	Interest	Total
2026	$ 371,929	$ 97,009	$ 468,938
2027	385,043	90,337	475,380
2028	394,820	83,432	478,252
2029	312,309	77,242	389,551
2030	287,917	71,684	359,601
2031 - 2035	1,392,875	283,182	1,676,057
2036 - 2040	1,004,317	178,859	1,183,176
2041 - 2045	783,167	95,431	878,598
2046 - 2050	92,381	63,409	155,790
2051 - 2055	81,522	51,981	133,503
2056 - 2060	79,027	40,263	119,290
2061 - 2065	77,710	28,140	105,850
2066 - 2070	91,457	14,393	105,850
2071 - 2072	37,579	1,382	38,961
	$ 5,392,053	$ 1,176,744	$ 6,568,797

6 - Note Receivable from the Library

In 2021, the City and the Library entered into an agreement where the City agreed to fund part of the construction of a new library building. The City's Series 2024-A general obligation bond issue included $ 5,955,000 for the library project. The Library also entered into a twenty-year no rent lease agreement with the City that would commence upon the construction of the library building being completed, which happened in 2024. Under the terms of the agreement, the Library must make project cost contributions to the City of $ 65,000 per year for twenty years, with the initial payment due on or before a date 60 days prior to the date the first debt service payment is due from the City for the underlying bonds. At December 31, 2025, the Library owes the City $ 1,235,000 which is recorded as a note receivable in the City's bond & interest fund and a note payable on the Library's statement of net position.

7 - Capital Assets

Capital asset activity of the primary government for the year ended December 31, 2025 was as follows:

	Beginning Balance	Increase	Decrease	Transfers	Ending Balance
Governmental activities:					
Capital assets not being depreciated:					
Land	$ 3,596,487	$ -	$ (7,922)	$ -	$ 3,588,565
Construction in progress	3,428,185	4,326,582	(4,117,571)	-	3,637,196
Total capital assets not being depreciated	7,024,672	4,326,582	(4,125,493)	-	7,225,761
Capital assets being depreciated and amortized:					
Buildings and structures	23,287,275	664,277	-	-	23,951,552
General infrastructure	50,460,342	3,564,845	-	-	54,025,187
Equipment	14,502,976	2,642,463	(458,498)	16,100	16,703,041
Right-to-use leased equipment	10,464	-	-	-	10,464
Subscription asset	214,978	-	(70,488)	-	144,490
Total capital assets being depreciated and amortized	88,476,035	6,871,585	(528,986)	16,100	94,834,734
Less accumulated depreciation and amortization for:					
Buildings and structures	(6,939,070)	(511,709)	-	-	(7,450,779)
General infrastructure	(21,992,644)	(1,289,160)	-	-	(23,281,804)
Equipment	(11,474,911)	(1,089,402)	448,328	(15,544)	(12,131,529)
Right-to-use leased equipment	(4,779)	(2,093)	-	-	(6,872)
Subscription asset	(127,072)	(62,970)	70,488	-	(119,554)
Total accumulated depreciation and amortization	(40,538,476)	(2,955,334)	518,816	(15,544)	(42,990,538)
Total capital assets being depreciated and amortized, net	47,937,559	3,916,251	(10,170)	556	51,844,196
Governmental activities capital assets, net	$ 54,962,231	$ 8,242,833	$ (4,135,663)	$ 556	$ 59,069,957

	Beginning Balance	Increase	Decrease	Transfers	Ending Balance
Business-type activities:					
Capital assets not being depreciated:					
Land	$ 3,466,831	$ -	$ -	$ -	$ 3,466,831
Construction in progress	8,141,330	6,566,397	(1,666,043)	-	13,041,684
Total capital assets not being depreciated	11,608,161	6,566,397	(1,666,043)	-	16,508,515
Capital assets being depreciated and amortized:					
Buildings and improvements	63,195,284	362,374	-	-	63,557,658
Equipment	12,641,807	813,837	(527,251)	(16,100)	12,912,293
Utility service lines and infrastructure	74,555,009	1,425,656	-	-	75,980,665
Right-to-use leased equipment	452,470	-	-	-	452,470
Subscription asset	39,901	-	-	-	39,901
Total capital assets being depreciated and amortized	150,884,471	2,601,867	(527,251)	(16,100)	152,942,987
Less accumulated depreciation and amortization for:					
Buildings and improvements	(28,346,175)	(1,783,697)	-	-	(30,129,872)
Equipment	(9,592,932)	(741,647)	527,251	15,544	(9,791,784)
Utility service lines and infrastructure	(35,587,749)	(2,031,710)	-	-	(37,619,459)
Right-to-use leased equipment	(218,867)	(90,494)	-	-	(309,361)
Subscription asset	(21,764)	(10,882)	-	-	(32,646)
Total accumulated depreciation and amortization	(73,767,487)	(4,658,430)	527,251	15,544	(77,883,122)
Total capital assets being depreciated and amortized, net	77,116,984	(2,056,563)	-	(556)	75,059,865
Business-type activities capital assets, net	$ 88,725,145	$ 4,509,834	$ (1,666,043)	$ (556)	$ 91,568,380

Capital asset activity of the discretely presented component units for the year ended December 31, 2025 was as follows:

	Beginning Balance	Increase	Decrease	Transfers	Ending Balance
Newton Public Library:					
Capital assets not being depreciated:					
Construction in progress	$ -	$ 33,948	$ -	$ -	$ 33,948
Capital assets being depreciated:					
Equipment	831,580	188,783	(97,286)	-	923,077
Less accumulated depreciation	(297,275)	(216,014)	93,226	-	(420,063)
Total capital assets being depreciated	534,305	(27,231)	(4,060)	-	503,014
Library capital assets, net	$ 534,305	$ 6,717	$ (4,060)	$ -	$ 536,962
Housing Authority:					
Capital assets not being depreciated:					
Land	$ 119,300	$ -	$ -	$ -	$ 119,300
Construction in progress	71,952	2,640,129	-	-	2,712,081
Total capital assets not being depreciated	191,252	2,640,129	-	-	2,831,381
Capital assets being depreciated and amortized:					
Buildings	9,171,255	46,413	-	-	9,217,668
Equipment - dwelling	130,147	-	-	-	130,147
Equipment - administration	252,364	38,849	-	-	291,213
Subscription assets	59,853	-	(59,853)	-	-
Total capital assets being depreciated and amortized	9,613,619	85,262	(59,853)	-	9,639,028
Less accumulated depreciation and amortization for:					
Buildings	(7,256,319)	(178,516)	-	-	(7,434,835)
Equipment - dwelling	(104,479)	(7,180)	-	-	(111,659)
Equipment - administration	(225,565)	(12,248)	-	-	(237,813)
Subscription assets	(32,920)	-	32,920	-	-
Total accumulated depreciation and amortization	(7,619,283)	(197,944)	32,920	-	(7,784,307)
Total capital assets being depreciated, net	1,994,336	(112,682)	(92,773)	-	1,854,721
Housing Authority capital assets, net	$ 2,185,588	$ 2,527,447	$ (92,773)	$ -	$ 4,686,102

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

Governmental activities:		
General government	$	372,395
Public safety		784,277
Highway and streets		1,587,830
Culture and recreation		155,091
Internal service fund*		55,741
Total depreciation and amortization expense - governmental activities	$	2,955,334
Business-type activities:		
Sewer	$	2,260,600
Waterworks		575,528
Airport		940,169
Nonmajor enterprise		603,200
Public building commission		278,933
Total depreciation and amortization expense - business-type activities	$	4,658,430
Component units:		
Newton Public Library	$	216,014
Housing Authority	$	197,944

* Depreciation and amortization of capital assets held by the City's internal service funds are charged to various functions based on the usage of the asset.

8 - Defined Benefit Pension Plan

General Information About the Pension Plan

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

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

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

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

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

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

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

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

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

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

Contributions. K.S.A. 74-4919 and K.S.A. 74-49,210 establish the KPERS member-employee contribution rates. KPERS has multiple benefit structures and contribution rates depending on whether the employee is a KPERS 1, KPERS 2 or KPERS 3 member. KPERS 1 members are active and contributing members hired before July 1, 2009. KPERS 2 members were first employed in a covered position on or after July 1, 2009, and KPERS 3 members were first employed in a covered position on or after January 1, 2015. Effective January 1, 2015, Kansas law established the KPERS member-employee contribution rate at 6% of covered salary for KPERS 1, KPERS 2 and KPERS 3 members. K.S.A. 74-4975 establishes the Police and Firemen (KP&F) member-employee contribution rate at 7.15% of covered salary. Member contributions are withheld by their employer and paid to KPERS according to the provisions of Section 414(h) of the Internal Revenue Code.

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

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

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 9.71% for KPERS and 24.67% for KP&F for the year ended December 31, 2025. Contributions to the Pension Plan from the City were $ 2,850,763 ($ 853,838 for KPERS and $ 1,996,925 for KP&F) for the year ended December 31, 2025. Contributions from the Library for KPERS were $ 40,819 for the year ended December 31, 2025. Contributions from the Housing Authority for KPERS were $ 17,923 for the year ended June 30, 2025.

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

At December 31, 2025, the City reported a total net pension liability of $ 23,091,245 ($ 6,855,105 for KPERS and $ 16,236,140 for KP&F), and the Library reported a liability of $ 328,436 for their proportionate share of the KPERS collective net pension liability. The collective net pension liability was measured by KPERS as of June 30, 2025, and the total pension liability used to calculate the collective net pension liability was determined by an actuarial valuation as of December 31, 2024, which was rolled forward to June 30, 2025.

At June 30, 2025, the Housing Authority reported a liability of $ 186,274 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, 2024, and the total pension liability used to calculate the collective net pension liability was determined by an actuarial valuation as of December 31, 2023, which was rolled forward to June 30, 2024.

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

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

To facilitate the separate (sub) actuarial valuations, KPERS maintains separate accounts to identify additions, deductions, and fiduciary net position applicable to each group. The allocation percentages presented for each group in the schedule of employer and non-employer allocations are applied to amounts presented in the schedules of pension amounts by employer and non-employer. The City’s proportion of the collective net pension liability was based on the ratio of the City’s actual contributions to KPERS and KP&F, relative to the total employer and non-employer contributions of the Local group and Police and Firemen group within KPERS for the KPERS fiscal year ended June 30, 2025. The contributions used exclude contributions made for prior service, excess benefits and irregular payments. At June 30, 2025, the City's proportion for KPERS was 0.342029%, which was an increase of 0.001981% from its proportion measured as of June 30, 2024. At June 30, 2025, the City's proportion for KP&F was 1.001340%, which was an increase of 0.000351% from its proportion measured as of June 30, 2024. At June 30, 2025, the Library's proportion for KPERS was 0.016387%, which was a decrease of 0.000666% from its proportion measured as of June 30, 2024.

At June 30, 2024, the Housing Authority's proportion for KPERS was .008769%, which was a decrease of 0.001495% from its proportion measured as of June 30, 2023.

For the year ended December 31, 2025, the City recognized total pension expense of $ 3,454,427 ($ 968,947 for KPERS and, $ 2,485,480 for KP&F) and the Library recognized total pension expense of $ 37,388. For the year ended June 30, 2025, the Housing Authority recognized pension expense of $ 18,564. At December 31, 2025, 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	$ 2,793,369	$ -
Net difference between projected and actual earnings on pension plan investments	-	657,209
Changes of assumptions	566,694	-
Changes in proportionate share	190,193	608,035
City contributions subsequent to measurement date	1,468,398	-
Total	$ 5,018,654	$ 1,265,244

Library

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$ 42,322	$ -
Net difference between projected and actual earnings on pension plan investments	-	11,279
Changes of assumptions	8,119	-
Changes in proportionate share	10,365	19,411
Library contributions subsequent to measurement date	24,768	-
Total	$ 85,574	$ 30,690

At June 30, 2025, 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	$ 22,659	$ -
Net difference between projected and actual earnings on pension plan investments	1,141	-
Changes of assumptions	11,259	-
Changes in proportionate share	-	31,292
Housing Authority contributions subsequent to measurement date	23,660	-
Total	$ 58,719	$ 31,292

The $ 1,468,398 for the City, the $ 24,768 for the Library, and the $ 23,660 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, 2026 for the City and the Library and the year ended June 30, 2026 for the Housing Authority. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

	Year Ended December 31		Year Ended June 30
	City	Library	Housing Authority
2026	$ 2,030,971	$ 27,879	$ (41)
2027	350,066	7,152	10,160
2028	(110,713)	(669)	(2,958)
2029	14,688	(4,246)	(3,394)
	$ 2,285,012	$ 30,116	$ 3,767

Actuarial assumptions. The total pension liability for KPERS in the December 31, 2024 and 2023 actuarial valuations was determined using the following actuarial assumptions, applied to all periods included in the measurement:

	2024	2023
Price inflation	2.75 percent	2.75 percent
Payroll growth assumption	3.00 percent	3.00 percent
Salary increases, including price inflation	3.50 to 15.50 percent	3.50 to 15.50 percent
Long-term rate of return net of investment expense, and including price inflation	7.00 percent	7.00 percent

Mortality rates were based on Pub 2010 Mortality Tables, with age setbacks and age set forwards based on different membership groups. Future mortality improvements are anticipated using Scale MP-2021.

The actuarial assumptions used in the December 31, 2024 valuation were based on the results of an actuarial experience study, which covered the four-year period of January 1, 2019 through December 31, 2022. The experience study is dated January 29, 2024. The actuarial assumptions used in the December 31, 2022 valuations were based on the results of an actuarial experience study conducted for the three-year period ending December 31, 2018.

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

	December 31, 2024 and 2023	
Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Global Equity	43.00%	8.20%
Private Equity	11.00%	12.00%
Real Estate	15.00%	5.70%
Yield Driven	12.00%	5.30%
Infrastructure	3.00%	6.80%
Core Fixed Income	13.00%	2.20%
Cash	3.00%	0.30%
Total	100%	

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

Sensitivity of the City's proportionate share of the collective net pension liability to changes in the discount rate. The following presents the City's and Library's proportionate share of the collective net pension liability calculated using the discount rate of 7.0% 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 (6.0%) or 1-percentage-point higher (8.0%) than the current rate:

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
City's KPERS proportionate share of the collective net pension liability	$ 10,115,980	$ 6,855,105	$ 4,116,406
City's KP&F proportionate share of the collective net pension liability	22,337,234	16,236,140	11,124,357
Library's KPERS proportionate share of the collective net pension liability	484,668	328,436	197,222

The following presents the Housing Authority's proportionate share of the collective net pension liability calculated using the discount rate of 7.0% 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 (6.0%) or 1-percentage-point higher (8.0%) than the current rate:

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Housing Authority's KPERS proportionate share of the collective net pension liability	$ 269,673	$ 186,274	$ 116,574

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

9 - Deferred Compensation Plan

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

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

10 - 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 2025, retired plan members receiving benefits contributed $ 92,057 to the plan and the City contributed $ 72,736.

Employees Covered by Benefit Terms. At December 31, 2025, the following employees were covered by the benefit terms:

Active plan members	224
Inactive employees or beneficiary currently receiving benefits	8
	232

Total OPEB Liability. The City's total OPEB liability of $ 1,471,877 was measured as of December 31, 2025 and was determined by an actuarial valuation performed as of January 1, 2026.

Actuarial Assumption and Other Inputs. The total OPEB liability in the January 1, 2026 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Discount rate	4.42 percent
Salary increases	3.00 percent per year
Healthcare cost trend rates	6.50 percent for 2026, decreasing 0.25 percent per year to an ultimate rate of 4.50 percent for 2034.
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-2016 Public Retirement Plans Headcount-Weighted General and Public Safety Mortality Tables using Scale MP-2021 Full Generational Improvement.

Changes in the Total OPEB Liability.

	Total OPEB Liability
Balance at December 31, 2024	$ 1,583,108
Changes for the year:	
Service cost	113,553
Interest	70,064
Differences between actual and expected experience	(33,151)
Changes in assumptions or other inputs	(188,961)
Benefit payments	(72,736)
Net changes	(111,231)
Balance at December 31, 2025	$ 1,471,877

Changes of assumptions and other inputs reflect a change in the discount rate from 4.22 percent in 2024 to 4.42 percent in 2025.

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate. The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (3.42 percent) or 1-percentage-point higher (5.42 percent) than the current discount rate:

	1% Decrease (3.42%)	Discount Rate (4.42%)	1% Increase (5.42%)
Total OPEB liability	$ 1,665,671	$ 1,471,877	$ 1,302,650

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

	1% Decrease	Healthcare Cost Trend Rates	1% Increase
Total OPEB liability	$ 1,262,138	$ 1,471,877	$ 1,728,422

OPEB Expense and Deferred Inflows/Outflows of Resources Related to OPEB. For the year ended December 31, 2025, the City recognized OPEB expense of $ 219,708. At December 31, 2025, 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	$ 635,834	$ 645,760
Differences between expected and actual experience	385,429	30,783
	$ 1,021,263	$ 676,543

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

Year Ended December 31,	
2026	$ 36,091
2027	36,091
2028	36,091
2029	35,288
2030	32,017
2031 and Thereafter	169,142
	$ 344,720

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, 2025 totaled $ 87,934 and $ 4,204 for the City and the Library, respectively.

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

The monthly long-term disability benefit is 60 percent of the member's monthly compensation, with a minimum of $ 100 and a maximum of $ 5,000. The monthly benefit is subject to reduction by deductible sources of income, which include Social Security primary disability or retirement benefits, workers compensation benefits, other disability benefits from any other sources by reason of employment, and earnings from any form of employment. If the disability begins before age 60, benefits are payable while the disability continues until the member's 65th birthday or retirement date, whichever occurs first. If the disability begins after age 60, benefits are payable while the disability continues, for a period of five years or until the member retires, whichever occurs first. Benefit payments for disabilities caused or contributed to by substance abuse or non-biologically based mental illnesses are limited to the shorter of the term of the disability or 24 months per lifetime.

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

Employees Covered by Benefit Terms. As of the valuation date of December 31, 2024, the following employees were covered by the benefit terms.

City	
Active plan members	124
Inactive employees or beneficiary currently receiving benefits	0
	124
Library	
Active plan members	8
Inactive employees or beneficiary currently receiving benefits	0
	8

Total OPEB Liability. The total OPEB liability for the City and the Library of $ 129,721 and $ 5,114, respectively, was measured as of June 30, 2025 and was determined by an actuarial valuation performed as of December 31, 2024.

	Total OPEB Liability	
	City	Library
Balance at December 31, 2024	$ 121,727	$ 4,825
Changes for the year:		
Service cost	19,263	768
Interest	5,541	220
Differences between actual and expected experience	(8,498)	(180)
Changes in assumptions or other inputs	(8,312)	(519)
Net changes	7,994	289
Balance at December 31, 2025	$ 129,721	$ 5,114

Actuarial Assumptions and Other Inputs. The total OPEB liability in the December 31, 2024 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Discount rate	5.20 percent
Implicit inflation rate	2.75 percent
Mortality rates	Generational mortality improvements were projected for future years using Projection Scale MP-2021.
Salary increases	3.50 percent (composed of 2.75 percent inflation and 0.75 percent productivity)
Payroll growth	3.00 percent near-term growth for cash flow projections
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, 2024 valuation were based on the results of an actuarial experience study conducted for the period January 1, 2019 through December 31, 2022.

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

- The demographic assumptions have been updated based upon the most recent KPERS experience study. The discount rate was updated in accordance with the requirements of GASB 75.

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 (4.20 percent) or 1-percentage-point higher (6.20 percent) than the current discount rate:

	City		
	1% Decrease (4.20%)	Discount Rate (5.20%)	1% Increase (6.20%)
Total OPEB liability	$ 136,284	$ 129,721	$ 123,076

	Library		
	1% Decrease (4.20%)	Discount Rate (5.20%)	1% Increase (6.20%)
Total OPEB liability	$ 5,520	$ 5,114	$ 4,719

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	$ 129,721	$ 129,721	$ 129,721

	Library		
	1% Decrease	Healthcare Cost Trend Rates	1% Increase
Total OPEB liability	$ 5,114	$ 5,114	$ 5,114

OPEB Expense, Deferred Outflows and Deferred Inflows of Resources Related to OPEB. For the year ended December 31, 2025, the City and the Library recognized OPEB expense of $ 607 and $ 142, respectively. At December 31, 2025, the City and the Library reported deferred outflows and inflows of resources related to OPEB from the following sources:

	City	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in assumptions or other inputs	$ 6,638	$ 38,523
Differences between expected and actual experience	-	98,083
Contributions after measurement date	45,402	-
	$ 52,040	$ 136,606

	Library	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in assumptions or other inputs	$ 226	$ 2,208
Differences between expected and actual experience	537	2,851
Contributions after measurement date	2,551	-
	$ 3,314	$ 5,059

The $ 45,402 for the City and $ 2,551 for the Library reported as deferred outflows of resources related to OPEB resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability for the year ended December 31, 2026. Other amounts reported as deferred outflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ended December 31,	City
2026	$ (24,028)
2027	(22,549)
2028	(19,300)
2029	(17,167)
2030	(16,903)
2031 and Thereafter	(30,021)
	$ (129,968)

Year Ended December 31,	Library
2026	$ (843)
2027	(803)
2028	(690)
2029	(506)
2030	(517)
2031 and Thereafter	(937)
	$ (4,296)

Aggregate OPEB Information

	Balances at December 31, 2025		
	Disability Benefits and Life Insurance	Health Insurance	Total
Total OPEB Liability	$ (129,721)	$ (1,471,877)	$ (1,601,598)
Deferred outflows of resources	52,040	1,021,263	1,073,303
Deferred inflows of resources	(136,606)	(676,543)	(813,149)
OPEB expense	607	219,708	220,315

11 - 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. Losses under these programs are covered by commercial insurance policies, subject to deductibles in some cases. 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.

Workers' Compensation Coverage

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

Employee Health Care Benefits

During the year ended December 31, 2025, employees of the City were covered by the City of Newton Medical Benefits Plan (the Plan). Under the Plan, the City retains a significant portion of the risk of loss for employee health benefits. Claims are paid by a third-party administrator acting on behalf of the City. The administrative contract between the City and the third-party administrator is renewable annually. Administrative fees and stop-loss premiums are included in the contractual provisions.

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

The risk management activities under the Plan are recorded in the health benefits risk management fund. Using the actuarial method, the City charges the cost of estimated benefits to funds in relation to personal services expenditures. An estimated liability is recorded for claims against the Plan that have been incurred but not yet reported at year end. The following represents the changes in the liability for unreported claims under the Plan for 2025 and 2024:

	2025	2024
Liability balance, beginning	$ 137,526	$ 286,295
Health benefit claims incurred	5,072,132	4,199,432
Add premiums and fees	167,256	190,092
Total costs incurred	5,376,914	4,675,819
Less claims paid	(4,980,335)	(4,348,201)
Less premiums and fees paid	(167,256)	(190,092)
Liability balance, ending	$ 229,323	$ 137,526

12 - Long-Term Debt

The following is a summary of changes in long-term debt of the City for the year ended December 31, 2025:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
General obligation bonds	$ 34,621,353	$ 5,038,421	$ 3,153,775	$ 36,505,999	$ 3,410,309
Plus deferred amounts:					
Issuance premiums	1,670,554	234,837	220,881	1,684,510	-
Lease obligations - direct borrowing	5,652	-	2,221	3,431	2,274
Subscription liabilities - direct borrowing	57,362	-	57,362	-	-
Compensated absences	983,202	104,090	18,258	1,069,034	104,090
Total OPEB liability	1,564,205	-	84,336	1,479,869	66,720
Net pension liability	19,184,015	191,763	-	19,375,778	-
Governmental activities long-term liabilities	$ 58,086,343	$ 5,569,111	$ 3,536,833	$ 60,118,621	$ 3,583,393

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Business-type activities:					
General obligation bonds	$ 8,178,647	$ 496,579	$ 1,211,225	$ 7,464,001	$ 1,274,691
NPBC revenue bonds - direct borrowing	4,615,000	-	765,000	3,850,000	155,000
Plus deferred amounts:					
Issuance premiums	638,871	23,145	106,553	555,463	-
KDHE revolving loans payable - direct borrowing	13,402,831	2,081,661	1,473,225	14,011,267	1,085,120
Lease obligations - direct borrowing	241,427	-	91,652	149,775	95,295
Subscription liabilities - direct borrowing	12,914	-	12,914	-	-
Compensated absences	155,702	42,416	-	198,118	19,290
Total OPEB liability	140,630	-	18,901	121,729	6,016
Net pension liability	3,995,262	-	279,795	3,715,467	-
Business-type activities long-term liabilities	$ 31,381,284	$ 2,643,801	$ 3,959,265	$ 30,065,820	$ 2,635,412

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Newton Public Library:					
Compensated absences	$ 39,489	$ 54,225	$ 42,372	$ 51,342	$ 41,327
Total OPEB liability	4,825	289	-	5,114	-
Net pension liability	362,245	-	33,809	328,436	-
Newton Public Library long-term liabilities	$ 406,559	$ 54,514	$ 76,181	$ 384,892	$ 41,327

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Housing Authority:					
Compensated absences	$ 8,487	$ 176	$ -	$ 8,663	$ 8,663
Subscription liability - direct borrowing	24,687	-	24,687	-	-
Net pension liability	215,329	-	29,055	186,274	-
Housing Authority long-term liabilities	$ 248,503	$ 176	$ 53,742	$ 194,937	$ 8,663

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

General Obligation Bonds

At December 31, 2025, the outstanding general obligation bonds consisted of the following:

	Interest Rates	Outstanding December 31, 2025	Original Amount
Internal improvements, 2015-B	2.00-3.10%	$ 125,000	$ 1,130,000
Internal improvements, 2015-C	3.00	2,570,000	2,570,000
Internal improvements, 2015-D	2.00-3.00	510,000	2,500,000
GO refunding, 2016-A	1.50-4.00	4,935,000	13,425,000
Internal improvements, 2018-A	3.00-4.00	1,705,000	2,125,000
Taxable GO bonds, 2018-B	3.00-4.10	885,000	1,490,000
Taxable GO refunding and improvement, 2020-A	3.00-3.45	4,420,000	6,015,000
GO refunding and improvement, 2020-B	2.00-3.50	6,775,000	9,575,000
GO tax increment financing refunding, 2020-C	2.00-3.00	950,000	1,790,000
GO refunding, 2021-A	1.50-4.00	2,620,000	5,965,000
GO bonds, 2023-A	4.00-5.00	3,645,000	3,870,000
GO bonds, 2024-A	4.00-5.00	8,790,000	9,100,000
GO bonds, 2024-B	6.75	505,000	550,000
GO bonds, 2025-A	4.00-5.00	5,535,000	5,535,000
		$ 43,970,000	

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

	Governmental Activities		Business-Type Activities	
	Principal	Interest	Principal	Interest
2026	$ 3,410,309	$ 1,346,660	$ 1,274,691	$ 219,837
2027	2,956,747	1,240,531	1,008,253	178,619
2028	2,977,277	1,134,274	947,723	146,064
2029	2,415,708	1,028,064	614,292	115,216
2030	2,259,655	937,834	410,345	94,256
2031-2035	10,043,960	3,506,034	1,816,040	310,526
2036-2040	7,510,998	1,758,333	1,199,002	120,508
2041-2045	4,931,345	521,948	193,655	22,651
	$ 36,505,999	$ 11,473,678	$ 7,464,001	$ 1,207,677

Water Fund Revolving Loans

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

Terms of the individual loans are as follows:

Year of Inception	Interest Rate	Term	Outstanding December 31, 2025
2007	3.37%	20 years	$ 443,868
2008	3.75%	20 years	141,538
2021	1.26%	20 years	6,061,705
			$ 6,647,111

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 $ 8,347,473 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, 2025, there have been a total of $ 6,919,533 draw downs on the loan. Once the project is complete and the loan amount is finalized, the repayment schedule will be finalized.

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

2026	$ 144,047
2027	149,091
2028	154,313
2029	137,955
	$ 585,406

Sewer Fund Revolving Loans

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

Year of Inception	Interest Rate	Term	Outstanding December 31, 2025
2008	2.85%	20 years	$ 1,743,622
2013	2.83%	20 years	5,620,534
			$ 7,364,156

Future principal payments on these loans are scheduled as follows:

2026	$ 941,073
2027	967,979
2028	995,653
2029	1,024,119
2030	585,772
2031-2035	2,849,560
	$ 7,364,156

Revenue Bonds

The public building commission fund has issued revenue bonds to finance athletic field improvements. At December 31, 2025, the outstanding NPBC revenue bonds consisted of the following:

	Interest Rates	Outstanding December 31, 2025	Original Amount
Series 2022	4.00-5.00%	$ 3,850,000	$ 4,000,000

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

	Principal	Interest	Total
2026	$ 155,000	$ 171,956	$ 326,956
2027	160,000	164,206	324,206
2028	165,000	156,206	321,206
2029	175,000	147,956	322,956
2030	180,000	139,206	319,206
2031-2035	1,005,000	554,281	1,559,281
2036-2040	1,185,000	319,131	1,504,131
2041-2044	825,000	69,958	894,958
	$ 3,850,000	$ 1,722,900	$ 5,572,900

Lease Obligations Payable

On November 15, 2022, the City entered into a 60-month lease as lessee for the use of golf carts. An initial lease liability was recorded in the amount of $ 232,924. As of December 31, 2025, the value of the lease liability is $ 90,871. The City is required to make monthly fixed payments of $ 4,301. The lease has an interest rate of 4.2510%. The value of the right-to-use asset as of December 31, 2025 is $ 232,924 with accumulated amortization of $ 145,707.

On April 4, 2022, the City entered into a 60-month lease as lessee for the use of golf course maintenance equipment. An initial lease liability was recorded in the amount of $ 212,570. As of December 31, 2025, the value of the lease liability is $ 56,615. The City is required to make monthly fixed payments of $ 3,865. The lease has an interest rate of 3.5820%. The value of the right-to-use asset as of December 31, 2025 is $ 212,570 with accumulated amortization of $ 159,073.

On September 19, 2022, the City entered into a 60-month lease as lessee for the use of a postage meter. An initial lease liability was recorded in the amount of $ 17,440. As of December 31, 2025, the value of the lease liability is $ 5,720. The City is required to make quarterly fixed payments of $ 973. The lease has an interest rate of 2.3660%. The value of the right-to-use asset as of December 31, 2025 is $ 17,440 with accumulated amortization of $ 11,453.

Future minimum lease payments for lease obligations are as follows:

	Governmental Activities		
	Principal	Interest	Total
2026	$ 2,274	$ 61	$ 2,335
2027	1,157	10	1,167
	$ 3,431	$ 71	$ 3,502

	Business-Type Activities		
	Principal	Interest	Total
2026	$ 95,295	$ 4,255	$ 99,550
2027	54,480	902	55,382
	$ 149,775	$ 5,157	$ 154,932

Subscription Liabilities

On January 1, 2023, the City entered into a 44-month subscription for the use of ADP Time and Attendance Services. An initial subscription liability was recorded in the amount of $ 138,234. As of December 31, 2025, the value of the subscription liability is $ 0. The City was required to make annual fixed payments of $ 47,210. The subscription had an interest rate of 2.6760%. The value of the right-to-use asset as of December 31, 2025 is $ 147,784 with accumulated amortization of $ 120,915.

On June 8, 2023, the City entered into a 36-month subscription for the use of Financial and Accounting Software. An initial subscription liability was recorded in the amount of $ 36,607. As of December 31, 2025, the value of the subscription liability is $ 0. The City was required to make annual fixed payments of $ 11,500. The subscription had an interest rate of 2.3633%. The value of the right-to-use asset as of December 31, 2025 is $ 36,607 with accumulated amortization of $ 31,285.

13 - 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, 2025, the City had the following encumbrances:

General	$	62,780
Sewer		21,414
Waterworks		13,881
Nonmajor governmental fund		4,186
	$	102,261

14 - 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, 2025, three City-issued Industrial Revenue bonds were outstanding with a total balance of $ 13,450,711.

15 - 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).

16 - Interfund Transfers

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

	Transfers in			
Transfers out	General	Bond & Interest	Capital Projects	Nonmajor Governmental
General	$ 30,874	$ 1,376,598	$ 311,890	$ 337
Bond & Interest	-	-	-	-
Nonmajor Governmental	680,813	-	-	-
Sewer	1,014,404	1,302,951	496,763	10,000
Waterworks	328,866	222,793	2,206,725	15,000
Airport	-	16,864	-	-
Nonmajor Enterprise	136,343	-	-	5,000
Total	$ 2,191,300	$ 2,919,206	$ 3,015,378	$ 30,337

	Transfers in					
Transfers out	Sewer	Waterworks	Airport	Nonmajor Enterprise	Internal Service Funds	Total
General	$ -	$ -	$ -	$ 400,000	$ -	$ 2,119,699
Bond & Interest	1,199,835	235,309	16,863	-	-	1,452,007
Nonmajor Governmental	-	-	79,162	110,000	-	869,975
Sewer	-	-	-	-	69,520	2,893,638
Waterworks	-	-	-	-	69,520	2,842,904
Public Building Commision	-	-	-	698,471	-	698,471
Airport	-	-	-	-	-	16,864
Nonmajor Enterprise	-	-	-	-	37,579	178,922
Total	$ 1,199,835	$ 235,309	$ 96,025	$ 1,208,471	$ 176,619	$ 11,072,480

17 - Interfund Receivable/Payable

Due to/from Other Funds

Interfund receivables and payables are recorded to eliminate negative cash balances in capital project and other funds prior to the issuance of permanent long-term financing. At December 31, 2025, the interfund balances consisted of the following:

	Due from Other Funds	Due to Other Funds
General fund	$ 5,135,038	$ -
Capital projects	-	(5,135,038)
	$ 5,135,038	$ (5,135,038)

18 - 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, 2025, abated property taxes that impacted the City totaled $ 2,311,040, including the following tax abatement agreements that each exceeded 10 percent of the total amount abated:

- A property tax abatement to a technology company. The City's portion of the abatement amounted to $ 1,149,514.
- 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 $ 476,765.
- A property tax abatement to a manufacturer of precision metal fabrication and assembly. The City's portion of the abatement amounted to $ 359,783.

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REQUIRED SUPPLEMENTARY INFORMATION

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

	2025	2024	2023	2022	2021
City's proportion of the collective net pension liability					
KPERS	0.342029%	0.340048%	0.358645%	0.346903%	0.331179%
KP&F	1.001340%	1.000989%	1.059547%	1.057148%	1.047598%
City's proportionate share of the collective net pension liability	$ 23,091,245	$ 23,179,277	$ 24,447,705	$ 22,143,111	$ 13,970,649
City's covered payroll	$ 16,169,637	$ 15,031,844	$ 14,832,068	$ 12,021,075	$ 12,261,157
City's proportionate share of the collective net pension liability as a percentage of its covered payroll	143%	154%	165%	184%	114%
Plan fiduciary net position as a percentage of the total pension liability	75.26%	72.75%	70.70%	69.75%	76.40%

	2020	2019	2018	2017	2016
City's proportion of the collective net pension liability					
KPERS	0.326910%	0.327595%	0.334374%	0.332957%	0.367572%
KP&F	1.019577%	1.027745%	1.051132%	1.029023%	1.083101%
City's proportionate share of the collective net pension liability	$ 18,240,269	$ 14,979,741	$ 14,774,481	$ 14,472,812	$ 15,745,894
City's covered payroll	$ 11,745,411	$ 11,535,439	$ 11,336,340	$ 11,039,244	$ 11,415,983
City's proportionate share of the collective net pension liability as a percentage of its covered payroll	155%	130%	130%	131%	138%
Plan fiduciary net position as a percentage of the total pension liability	66.30%	69.88%	68.88%	67.12%	65.10%

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 Ten Fiscal Years

	2025	2024	2023	2022	2021
Library's proportion of the collective net pension liability KPERS	0.016387%	0.017053%	0.016592%	0.015545%	0.018878%
Library's proportionate share of the collective net pension liability	$ 328,436	$ 362,245	$ 348,084	$ 309,041	$ 226,528
Library's covered payroll	$ 417,853	$ 394,206	$ 356,509	$ 342,585	$ 364,131
Library's proportionate share of the collective net pension liability as a percentage of its covered payroll	79%	92%	98%	90%	62%
Plan fiduciary net position as a percentage of the total pension liability	75.26%	72.75%	70.70%	69.75%	76.40%

	2020	2019	2018	2017	2016
Library's proportion of the collective net pension liability KPERS	0.019275%	0.018345%	0.018949%	0.018307%	0.019479%
Library's proportionate share of the collective net pension liability	$ 334,162	$ 256,348	$ 264,109	$ 265,169	$ 301,346
Library's covered payroll	$ 363,873	$ 339,475	$ 339,130	$ 324,491	$ 333,636
Library's proportionate share of the collective net pension liability as a percentage of its covered payroll	92%	76%	78%	82%	90%
Plan fiduciary net position as a percentage of the total pension liability	66.30%	69.88%	68.88%	67.12%	65.10%

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 Ten Fiscal Years

	2024	2023	2022	2021	2020
Housing Authority's proportion of the collective net pension liability KPERS	0.008769%	0.010264%	0.011029%	0.011907%	0.012115%
Housing Authority's proportionate share of the collective net pension liability	$ 186,274	$ 215,329	$ 219,261	$ 142,879	$ 210,032
Housing Authority's covered payroll	$ 206,879	$ 222,710	$ 221,735	$ 229,493	$ 228,597
Housing Authority's proportionate share of the collective net pension liability as a percentage of its covered payroll	96%	97%	99%	62%	92%
Plan fiduciary net position as a percentage of the total pension liability	71.71%	70.55%	70.66%	81.14%	70.77%

	2019	2018	2017	2016	2015
Housing Authority's proportion of the collective net pension liability KPERS	0.012922%	0.013601%	0.014371%	0.014975%	0.014994%
Housing Authority's proportionate share of the collective net pension liability	$ 180,568	$ 189,569	$ 208,158	$ 231,668	$ 196,878
Housing Authority's covered payroll	$ 239,840	$ 243,398	$ 254,956	$ 256,721	$ 250,357
Housing Authority's proportionate share of the collective net pension liability as a percentage of its covered payroll	75%	78%	82%	90%	79%
Plan fiduciary net position as a percentage of the total pension liability	75.02%	74.22%	72.16%	68.55%	71.98%

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

	2025	2024	2023	2022	2021
KPERS contractually required contributions	$ 853,838	$ 750,632	$ 640,807	$ 650,222	$ 557,997
KP&F contractually required contributions	1,996,925	1,735,716	1,589,630	1,506,877	1,312,456
Contributions in relation to the contractually required contribution	(2,850,763)	(2,486,348)	(2,230,437)	(2,157,099)	(1,870,453)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -
City's covered payroll	$ 16,887,942	$ 15,620,109	$ 14,554,382	$ 12,625,550	$ 12,751,615
Contributions as a percentage of covered payroll	16.9%	15.9%	15.3%	17.1%	14.7%

	2020	2019	2018	2017	2016
KPERS contractually required contributions	$ 540,157	$ 531,381	$ 504,211	$ 520,799	$ 580,045
KP&F contractually required contributions	1,243,313	1,167,096	1,045,685	1,014,326	1,050,678
Contributions in relation to the contractually required contribution	(1,783,470)	(1,698,477)	(1,549,896)	(1,535,125)	(1,630,723)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -
City's covered payroll	$ 12,446,094	$ 11,584,455	$ 11,396,824	$ 11,186,375	$ 11,297,360
Contributions as a percentage of covered payroll	14.3%	14.7%	13.6%	13.7%	14.4%

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

	2025	2024	2023	2022	2021
Contractually required contributions	$ 40,819	$ 38,614	$ 31,065	$ 31,652	$ 31,807
Contributions in relation to the contractually required contribution	(40,819)	(38,614)	(31,065)	(31,652)	(31,807)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -
Library's covered payroll	$ 436,259	$ 419,560	$ 368,509	$ 355,641	$ 341,622
Contributions as a percentage of covered payroll	9.4%	9.2%	8.4%	8.9%	9.3%

	2020	2019	2018	2017	2016
Contractually required contributions	$ 31,848	$ 29,304	$ 28,573	$ 28,049	$ 29,496
Contributions in relation to the contractually required contribution	(31,848)	(29,304)	(28,573)	(28,049)	(29,496)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -
Library's covered payroll	$ 367,797	$ 349,752	$ 342,698	$ 331,552	$ 322,340
Contributions as a percentage of covered payroll	8.7%	8.4%	8.3%	8.5%	9.2%

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

	2025	2024	2023	2022	2021
Contractually required contributions	$ 17,923	$ 18,280	$ 19,301	$ 19,696	$ 20,062
Contributions in relation to the contractually required contribution	(17,923)	(18,280)	(19,301)	(19,696)	(20,062)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -
Housing Authority's covered payroll	$ 193,553	$ 206,689	$ 222,710	$ 221,735	$ 229,493
Contributions as a percentage of covered payroll	9.26%	8.84%	8.67%	8.88%	8.74%

	2020	2019	2018	2017	2016
Contractually required contributions	$ 20,017	$ 20,725	$ 20,509	$ 22,478	$ 23,954
Contributions in relation to the contractually required contribution	(20,017)	(20,725)	(20,509)	(22,478)	(23,954)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -
Housing Authority's covered payroll	$ 228,597	$ 239,840	$ 243,398	$ 254,966	$ 256,721
Contributions as a percentage of covered payroll	8.76%	8.64%	8.43%	8.82%	9.33%

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

	2025	2024	2023	2022
Total OPEB liability:				
Service cost	$ 113,553	$ 69,191	$ 79,478	$ 63,108
Interest	70,064	40,519	51,959	16,972
Differences between expected and actual experience	(33,151)	184,104	24,889	86,987
Changes of assumptions	(188,961)	329,206	(295,545)	329,245
Benefit payments	(72,736)	(30,030)	(68,445)	(134,718)
Net change in total OPEB liability	(111,231)	592,990	(207,664)	361,594
Total OPEB liability, beginning	1,583,108	990,118	1,197,782	836,188
Total OPEB liability, ending	$ 1,471,877	$ 1,583,108	$ 990,118	$ 1,197,782
Covered employee payroll	$ 14,975,480	$ 13,073,632	$ 13,073,632	$ 11,722,438
City's total OPEB liability as a percentage of covered employee payroll	9.83%	12.11%	7.57%	10.22%

	2021	2020	2019	2018	2017
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	(208,709)	(128,189)	(75,545)	(40,740)	(49,613)
Net change in total OPEB liability	(168,394)	144,309	(136,315)	71,168	78,066
Total OPEB liability, beginning	1,004,582	860,273	996,588	925,420	847,354
Total OPEB liability, ending	$ 836,188	$ 1,004,582	$ 860,273	$ 996,588	$ 925,420
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 discount rate was changed from 4.22% to 4.42% for the end of year measurement.

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 Nine Fiscal Years*

	2025	2024	2023	2022
Total OPEB liability:				
Service cost	$ 19,263	$ 19,292	$ 17,618	$ 27,776
Interest	5,541	5,372	5,195	4,770
Changes of economic/demographic gains or losses	(8,498)	(31,913)	(20,035)	(37,821)
Changes of assumptions	(8,312)	1,097	(641)	(49,568)
Benefit payments	-	-	(6,689)	(11,466)
Net change in total OPEB liability	7,994	(6,152)	(4,552)	(66,309)
Total OPEB liability, beginning	121,727	127,879	132,431	198,740
Total OPEB liability, ending	$ 129,721	$ 121,727	$ 127,879	$ 132,431
Covered employee payroll	$ 7,990,562	$ 7,268,410	$ 7,187,724	$ 6,699,434
City's total OPEB liability as a percentage of covered employee payroll	1.62%	1.67%	1.78%	1.98%

	2021	2020	2019	2018	2017
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	(11,466)	(11,466)	(14,195)	(17,824)	(10,958)
Net change in total OPEB liability	3,199	15,404	(11,520)	(21,850)	13,729
Total OPEB liability, beginning	195,541	180,137	191,657	213,507	199,778
Total OPEB liability, ending	$ 198,740	$ 195,541	$ 180,137	$ 191,657	$ 213,507
Covered employee payroll	$ 6,261,794	$ 5,627,920	$ 5,572,068	$ 5,784,433	$ 5,665,109
City's total OPEB liability as a percentage of covered employee payroll	3.17%	3.47%	3.23%	3.31%	3.77%

Notes to Schedule:

Changes of assumptions:
• The discount rate was updated in accordance with the requirements of GASB 75.
• The disability rates, estimated offsets, waiver mortality rates and claim cost assumptions have been updated based on recent experience.

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 Nine Fiscal Years*

	2025	2024	2023	2022
Total OPEB liability:				
Service cost	$ 768	$ 660	$ 710	$ 1,012
Interest	220	179	205	148
Changes of economic/demographic gains or losses	(180)	(316)	(1,736)	889
Changes of assumptions	(519)	67	(37)	(2,794)
Benefit payments	-	-	-	-
Net change in total OPEB liability	289	590	(858)	(745)
Total OPEB liability, beginning	4,825	4,235	5,093	5,838
Total OPEB liability, ending	$ 5,114	$ 4,825	$ 4,235	$ 5,093
Covered employee payroll	$ 374,444	$ 390,815	$ 329,980	$ 343,192
Library's total OPEB liability as a percentage of covered employee payroll	1.37%	1.23%	1.28%	1.48%

	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	$ 5,838	$ 5,148	$ 3,976	$ 5,276	$ 4,882
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 updated in accordance with the requirements of GASB 75.
- The disability rates, estimated offsets, waiver mortality rates and claim cost assumptions have been updated based on recent experience.

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

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

OTHER SUPPLEMENTARY INFORMATION

CITY OF NEWTON, KANSAS
COMBINING BALANCE SHEET
GENERAL FUND
December 31, 2025

	General	Capital Improvement Reserve	Admin Contingency	Municipal Equipment Reserve	RHID	RHID 2	Total General Fund
Assets:							
Cash and investments	$ 2,898,974	$ 6,447,547	$ 519,564	$ 6,155,718	$ -	$ -	$ 16,021,803
Due from other funds	5,135,038	-	-	-	-	-	5,135,038
Receivables (net of allowance for uncollectibles):							
Property tax	9,615,620	-	-	-	-	-	9,615,620
Sales tax	1,318,299	-	-	-	-	-	1,318,299
Franchise tax	169,294	-	-	-	-	-	169,294
Accounts	630,605	-	-	-	-	-	630,605
Prepaid items	539,936	-	-	-	-	-	539,936
Total assets	$ 20,307,766	$ 6,447,547	$ 519,564	$ 6,155,718	$ -	$ -	$ 33,430,595
Liabilities:							
Accounts payable	$ 198,197	$ 10,280	$ -	$ 5,865	$ -	$ -	$ 214,342
Accrued expenses	499,768	6,104	-	-	-	-	505,872
Unearned revenues	32,124	-	-	-	-	-	32,124
Total liabilities	730,089	16,384	-	5,865	-	-	752,338
Deferred inflows of resources:							
Unavailable revenue - property and special assessment taxes	9,615,620	-	-	-	-	-	9,615,620
Fund balances:							
Nonspendable:							
Prepaid items	539,936	-	-	-	-	-	539,936
Assigned:							
Capital asset acquisition	-	6,431,163	-	6,149,853	-	-	12,581,016
Other purposes	62,780	-	-	-	-	-	62,780
Unassigned	9,359,341	-	519,564	-	-	-	9,878,905
Total fund balances	9,962,057	6,431,163	519,564	6,149,853	-	-	23,062,637
Total liabilities, deferred inflows of resources, and fund balances	$ 20,307,766	$ 6,447,547	$ 519,564	$ 6,155,718	$ -	$ -	$ 33,430,595

CITY OF NEWTON, KANSAS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - GENERAL FUND
Year Ended December 31, 2025

	General	Capital Improvement Reserve	Admin Contingency	Municipal Equipment Reserve	RHID	RHID 2	Eliminations	Total General Fund
Revenues:								
Taxes:								
Property taxes	$ 10,615,723	$ 130,137	$ -	$ -	$ 59,211	$ 60,183	$ -	$ 10,865,254
Sales taxes	7,255,829	-	-	-	-	-	-	7,255,829
Franchise taxes	1,683,590	-	-	-	-	-	-	1,683,590
Intergovernmental	76,543	236,357	61,114	6,974	-	-	-	380,988
Licenses and permits	439,806	-	-	-	-	-	-	439,806
Charges for services	3,420,079	-	-	-	-	-	-	3,420,079
Fines, forfeitures and penalties	496,330	-	-	-	-	-	-	496,330
Interest	1,608,609	-	-	-	-	-	-	1,608,609
Other	89,134	64,421	-	58,201	-	-	-	211,756
Total revenues	25,685,643	430,915	61,114	65,175	59,211	60,183	-	26,362,241
Expenditures:								
Current:								
General government	3,176,205	641,449	531,763	17,132	59,211	60,183	-	4,485,943
Public safety	13,376,519	-	-	-	-	-	-	13,376,519
Highway and streets	3,529,397	-	-	-	-	-	-	3,529,397
Culture and recreation	1,699,778	-	-	-	-	-	-	1,699,778
Capital outlay	77,440	475,881	-	1,826,280	-	-	-	2,379,601
Debt service:								
Principal	59,583	-	-	-	-	-	-	59,583
Interest	1,607	-	-	-	-	-	-	1,607
Total expenditures	21,920,529	1,117,330	531,763	1,843,412	59,211	60,183	-	25,532,428
Excess (deficiency) of revenues over (under) expenditures	3,765,114	(686,415)	(470,649)	(1,778,237)	-	-	-	829,813
Other financing sources (uses):								
Transfers in	1,916,650	2,577,069	-	2,584,830	-	-	(4,887,249)	2,191,300
Transfers out	(5,101,249)	(1,905,699)	-	-	-	-	4,887,249	(2,119,699)
Sale of capital assets	-	110,395	-	69,999	-	-	-	180,394
Total other financing sources (uses)	(3,184,599)	781,765	-	2,654,829	-	-	-	251,995
Net change in fund balances	580,515	95,350	(470,649)	876,592	-	-	-	1,081,808
Fund balances, beginning of year	9,381,542	6,335,813	990,213	5,273,261	-	-	-	21,980,829
Fund balances, end of year	$ 9,962,057	$ 6,431,163	$ 519,564	$ 6,149,853	$ -	$ -	$ -	$ 23,062,637

CITY OF NEWTON, KANSAS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
December 31, 2025

	Special Revenue Funds							
	Community Development	Special Alcohol Program	Special Highway	Grants	Special Liability	Special Parks & Recreation	Tourism & Convention Promotion	Airport/Library Capital Improvement
Assets:								
Cash and investments	$ -	$ -	$ -	$ 8,142	$ 49,945	$ -	$ 360,321	$ 111,880
Receivables (net of allowance for uncollectibles):								
Property tax	-	-	-	-	60,414	-	-	-
Other	193,175	-	-	-	-	-	-	-
Restricted assets:								
Cash and investments	304,627	-	-	-	-	-	-	-
Total assets	$ 497,802	$ -	$ -	$ 8,142	$ 110,359	$ -	$ 360,321	$ 111,880
Liabilities:								
Accounts payable	$ -	$ -	$ -	$ -	$ -	$ -	$ 1,120	$ -
Accrued expenses	-	-	-	-	-	-	1,378	-
Total liabilities	-	-	-	-	-	-	2,498	-
Deferred inflows of resources:								
Unavailable revenue - property and special assessment taxes	-	-	-	-	60,414	-	-	-
Total deferred inflows of resources	-	-	-	-	60,414	-	-	-
Fund balances:								
Restricted:								
Community development	497,802	-	-	-	-	-	357,823	-
Perpetual care	-	-	-	-	-	-	-	-
Law enforcement	-	-	-	-	-	-	-	-
Other purposes	-	-	-	8,142	49,945	-	-	-
Assigned:								
Capital asset acquisition	-	-	-	-	-	-	-	111,880
Total fund balances	497,802	-	-	8,142	49,945	-	357,823	111,880
Total liabilities, deferred inflows of resources, and fund balances	$ 497,802	$ -	$ -	$ 8,142	$ 110,359	$ -	$ 360,321	$ 111,880

(Continued)

CITY OF NEWTON, KANSAS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
(Continued)
December 31, 2025

	Special Revenue Funds					Permanent Fund	
	Airport/Library Municipal Equipment Reserve	Special Law Enforcement	Library	Community Improvement District Sales Tax	Municipalities Fight Addiction	Cemetery & Mausoleum	Total
Assets:							
Cash and investments	$ 308,870	$ 113,922	$ 60,905	$ 6,696	$ -	$ 551,836	$ 1,572,517
Receivables (net of allowance for uncollectibles):							
Property tax	-	-	952,271	-	-	-	1,012,685
Other	-	-	-	-	-	-	193,175
Restricted assets:							
Cash and investments	-	-	-	-	149,087	-	453,714
Total assets	$ 308,870	$ 113,922	$ 1,013,176	$ 6,696	$ 149,087	$ 551,836	$ 3,232,091
Liabilities:							
Accounts payable	$ -	$ -	$ 18,584	$ 6,696	$ -	$ 1,764	$ 28,164
Accrued expenses	-	-	-	-	-	-	1,378
Total liabilities	-	-	18,584	6,696	-	1,764	29,542
Deferred inflows of resources:							
Unavailable revenue - property and special assessment taxes	-	-	952,271	-	-	-	1,012,685
Total deferred inflows of resources	-	-	952,271	-	-	-	1,012,685
Fund balances:							
Restricted:							
Community development	-	-	-	-	-	-	855,625
Perpetual care	-	-	-	-	-	550,072	550,072
Law enforcement	-	113,922	-	-	-	-	113,922
Other purposes	-	-	42,321	-	149,087	-	249,495
Assigned:							
Capital asset acquisition	308,870	-	-	-	-	-	420,750
Total fund balances	308,870	113,922	42,321	-	149,087	550,072	2,189,864
Total liabilities, deferred inflows of resources, and fund balances	$ 308,870	$ 113,922	$ 1,013,176	$ 6,696	$ 149,087	$ 551,836	$ 3,232,091

CITY OF NEWTON, KANSAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS
Year Ended December 31, 2025

	Special Revenue Funds							
	Community Development	Special Alcohol Program	Special Highway	Grants	Special Liability	Special Parks & Recreation	Tourism & Convention Promotion	Airport/Library Capital Improvement
Revenues:								
Taxes:								
Property taxes	$ -	$ -	$ -	$ -	$ 66,151	$ -	$ -	$ -
Sales taxes	-	-	-	-	-	-	-	-
Excise taxes	-	-	-	-	-	-	314,477	-
Intergovernmental	-	22,250	494,788	554,552	-	22,250	-	-
Charges for services	-	-	-	-	-	-	-	-
Interest	3,489	-	-	-	-	-	-	-
Other	-	-	-	5,945	-	-	-	-
Total revenues	3,489	22,250	494,788	560,497	66,151	22,250	314,477	-
Expenditures:								
Current:								
General government	2,182	22,250	-	1,793	103,084	-	-	-
Public safety	-	-	-	6,848	-	-	-	-
Culture and recreation	-	-	-	-	-	-	78,884	-
Capital outlay	-	-	-	520,912	-	-	-	4,580
Total expenditures	2,182	22,250	-	529,553	103,084	-	78,884	4,580
Excess (deficiency) of revenues over (under) expenditures	1,307	-	494,788	30,944	(36,933)	22,250	235,593	(4,580)
Other financing sources (uses):								
Gain on disposal of asset	-	-	-	-	-	-	-	-
Transfers in	337	-	-	-	30,000	-	-	-
Transfers out	-	-	(494,788)	-	-	(22,250)	(273,776)	(20,000)
				-				
Total other financing sources (uses)	337	-	(494,788)	-	30,000	(22,250)	(273,776)	(20,000)
Net change in fund balances	1,644	-	-	30,944	(6,933)	-	(38,183)	(24,580)
Fund balances, beginning of year	496,158	-	-	(22,802)	56,878	-	396,006	136,460
Fund balances, end of year	$ 497,802	$ -	$ -	$ 8,142	$ 49,945	$ -	$ 357,823	$ 111,880

(Continued)

CITY OF NEWTON, KANSAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS
(Continued)
Year Ended December 31, 2025

	Special Revenue Funds					Permanent Fund	
	Airport/Library Municipal Equipment Reserve	Special Law Enforcement	Library	Community Improvement District Sales Tax	Municipalities Fight Addiction	Cemetery & Mausoleum	Total
Revenues:							
Taxes:							
Property taxes	$ -	$ -	$ 1,032,497	$ -	$ -	$ -	$ 1,098,648
Sales taxes	-	-	-	91,432	-	-	91,432
Excise taxes	-	-	-	-	-	-	314,477
Intergovernmental	-	-	-	-	27,446	-	1,121,286
Charges for services	-	2,691	-	-	-	-	2,691
Interest	-	-	-	-	-	15,559	19,048
Other	625	-	-	-	-	25,568	32,138
Total revenues	625	2,691	1,032,497	91,432	27,446	41,127	2,679,720
Expenditures:							
Current:							
General government	-	829	1,032,497	91,432	-	-	1,254,067
Public safety	-	-	-	-	-	-	6,848
Culture and recreation	-	-	-	-	-	-	78,884
Capital outlay	10,475	72,904	-	-	-	-	608,871
Total expenditures	10,475	73,733	1,032,497	91,432	-	-	1,948,670
Excess (deficiency) of revenues over (under) expenditures	(9,850)	(71,042)	-	-	27,446	41,127	731,050
Other financing sources (uses):							
Gain on disposal of asset	24,100	-	-	-	-	-	24,100
Transfers in	-	-	-	-	-	-	30,337
Transfers out	(59,161)	-	-	-	-	-	(869,975)
Total other financing sources (uses)	(35,061)	-	-	-	-	-	(815,538)
Net change in fund balances	(44,911)	(71,042)	-	-	27,446	41,127	(84,488)
Fund balances, beginning of year	353,781	184,964	42,321	-	121,641	508,945	2,274,352
Fund balances, end of year	$ 308,870	$ 113,922	$ 42,321	$ -	$ 149,087	$ 550,072	$ 2,189,864

CITY OF NEWTON, KANSAS
COMBINING STATEMENT OF NET POSITION
NONMAJOR ENTERPRISE FUNDS
December 31, 2025

	Sanitation	Golf Course	Meridian Center	Total Nonmajor Enterprise Funds
Assets:				
Current assets:				
Cash and investments	$ 1,920,003	$ 1,757,336	$ 331,086	$ 4,008,425
Accounts receivable (net of allowance for uncollectibles)	388,084	43,542	5,299	436,925
Other receivables	-	195	-	195
Prepaid items	-	11,524	-	11,524
Inventory	-	76,259	11,240	87,499
Total current assets	2,308,087	1,888,856	347,625	4,544,568
Noncurrent assets:				
Leases receivable	-	37,457	-	37,457
Capital assets, net	839,147	5,600,579	2,359,302	8,799,028
Total current assets	839,147	5,638,036	2,359,302	8,836,485
Total assets	3,147,234	7,526,892	2,706,927	13,381,053
Deferred outflows of resources:				
Deferred outflows - OPEB	20,273	-	-	20,273
Deferred outflows - pension	154,326	-	33,585	187,911
Total deferred outflows of resources	174,599	-	33,585	208,184
Liabilities:				
Current liabilities:				
Accounts payable	36,268	42,508	8,640	87,416
Accrued expenses	36,261	31,459	7,081	74,801
Unearned revenues	-	113,550	16,794	130,344
Current portion of long-term debt	5,216	93,779	916	99,911
Accrued interest payable	63	297	-	360
Total current liabilities	77,808	281,593	33,431	392,832
Noncurrent liabilities:				
Total OPEB liability	27,775	-	-	27,775
Net pension liability	645,751	-	140,530	786,281
Compensated absences	34,963	-	8,493	43,456
Lease obligations	-	53,707	-	53,707
Total noncurrent liabilities	708,489	53,707	149,023	911,219
Total liabilities	786,297	335,300	182,454	1,304,051
Deferred inflows of resources:				
Deferred inflows - OPEB	13,431	-	-	13,431
Deferred inflows - pension	38,593	-	8,399	46,992
Deferred receivable - lease	-	33,728	-	33,728
Total deferred inflows of resources	52,024	33,728	8,399	94,151
Net position:				
Net investment in capital assets	839,147	5,453,093	2,359,302	8,651,542
Unrestricted	1,644,365	1,704,771	190,357	3,539,493
Total net position	$ 2,483,512	$ 7,157,864	$ 2,549,659	$ 12,191,035

CITY OF NEWTON, KANSAS
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
NONMAJOR ENTERPRISE FUNDS
Year Ended December 31, 2024

	Sanitation	Golf Course	Meridian Center	Eliminations	Total Nonmajor Enterprise Funds
Operating revenues:					
Charges for sales and services	$ 2,342,511	$ 2,014,668	$ 292,312	$ -	$ 4,649,491
Miscellaneous	28,017	24,307	3,301	-	55,625
Total operating revenues	2,370,528	2,038,975	295,613	-	4,705,116
Operating expenses:					
Personnel services	1,167,089	926,516	330,681	-	2,424,286
Contractual services	554,333	397,480	78,367	-	1,030,180
Commodities	34,485	383,458	100,475	-	518,418
Capital outlay	-	92,070	50,880	-	142,950
Vehicle operating	214,845	-	-	-	214,845
Depreciation and amortization	125,775	382,279	95,146	-	603,200
Total operating expenses	2,096,527	2,181,803	655,549	-	4,933,879
Operating income (loss)	274,001	(142,828)	(359,936)	-	(228,763)
Nonoperating revenues (expenses):					
Gain on sale of property	52,544	-	-	-	52,544
Interest income	-	41,217	-	-	41,217
Interest and fiscal charges	(64)	(22,497)	-	-	(22,561)
Total nonoperating revenues (expenses)	52,480	18,720	-	-	71,200
Income (loss) before capital contributions and transfers	326,481	(124,108)	(359,936)	-	(157,563)
Capital contributions and transfers:					
Transfers in	612,557	898,471	333,203	(635,760)	1,208,471
Transfers out	(791,479)	-	(23,203)	635,760	(178,922)
Total capital contributions and transfers	(178,922)	898,471	310,000	-	1,029,549
Change in net position	147,559	774,363	(49,936)	-	871,986
Net position, beginning of year	2,335,953	6,383,501	2,599,595	-	11,319,049
Net position, end of year	$ 2,483,512	$ 7,157,864	$ 2,549,659	$ -	$ 12,191,035

CITY OF NEWTON, KANSAS
COMBINING STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUNDS
Year Ended December 31, 2025

	Sanitation	Golf Course	Meridian Center	Eliminations	Total Nonmajor Enterprise Funds
Cash flows from operating activities:					
Receipts from customers	$ 2,330,973	$ 2,030,770	$ 311,397	$ -	$ 4,673,140
Payments to suppliers for goods and services	(796,791)	(950,605)	(236,814)	-	(1,984,210)
Payments on behalf of employees for services and benefits	(1,181,147)	(900,797)	(310,176)	-	(2,392,120)
Net cash from operating activities	353,035	179,368	(235,593)	-	296,810
Cash flows from noncapital financing activities:					
Transfers in	612,557	285,071	333,203	(635,760)	595,071
Transfers out	(791,479)	-	(23,203)	635,760	(178,922)
Net cash from noncapital financing activities	(178,922)	285,071	310,000	-	416,149
Cash flows from capital and related financing activities:					
Proceeds from leases receivable, net	-	(529)	-	-	(529)
Payments for capital assets	(359,457)	-	(23,203)	-	(382,660)
Principal payments on lease obligations	-	(90,172)	-	-	(90,172)
Principal payments on subscription liabilities	(2,392)	-	-	-	(2,392)
Interest and fees paid on debt	(64)	(22,680)	-	-	(22,744)
Net cash from capital and related financing activities	(361,913)	(113,381)	(23,203)	-	(498,497)
Cash flows from investing activities:					
Interest received	-	41,217	-	-	41,217
Net change in cash and cash equivalents	(187,800)	392,275	51,204	-	255,679
Cash and cash equivalents, beginning of year	2,107,803	1,365,061	279,882	-	3,752,746
Cash and cash equivalents, end of year	$ 1,920,003	$ 1,757,336	$ 331,086	$ -	$ 4,008,425

(Continued)

CITY OF NEWTON, KANSAS
COMBINING STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUNDS
(Continued)
Year Ended December 31, 2025

	Sanitation	Golf Course	Meridian Center	Total Nonmajor Enterprise Funds
Reconciliation of operating income (loss) to net cash from operating activities:				
Operating income (loss)	$ 274,001	$ (142,828)	$ (359,936)	$ (228,763)
Adjustments to reconcile operating income (loss) to net cash from operating activities:				
Depreciation and amortization	125,775	382,279	95,146	603,200
Changes in:				
Accounts receivable (net of allowance for uncollectibles)	(39,555)	(24,471)	5,036	(58,990)
Other receivables	-	122	-	122
Prepaid items	-	(7,811)	-	(7,811)
Inventory	-	(17,704)	(561)	(18,265)
Accounts payable	6,872	(52,082)	(6,531)	(51,741)
Accrued expenses	4,542	25,719	2,403	32,664
Compensated absences	3,657	-	6,391	10,048
Total OPEB liability	(21,058)	-	-	(21,058)
Net pension liability	(66,476)	-	4,730	(61,746)
Deferred outflows - OPEB	15,547	-	-	15,547
Deferred outflows - pension	37,468	-	2,984	40,452
Deferred inflows - OPEB	(3,242)	-	-	(3,242)
Deferred inflows - pension	15,504	-	3,997	19,501
Unearned revenues	-	16,144	10,748	26,892
Net cash from operating activities	$ 353,035	$ 179,368	$ (235,593)	$ 296,810

CITY OF NEWTON, KANSAS
COMBINING STATEMENT OF NET POSITION -
INTERNAL SERVICE FUNDS
December 31, 2025

	Health Benefits Risk Management	Stores and Maintenance	Total
Assets:			
Current assets:			
Cash and investments	$ 2,418,857	$ 1,326,447	$ 3,745,304
Prepaid items	20,000	-	20,000
Inventory	-	136,478	136,478
Total current assets	2,438,857	1,462,925	3,901,782
Capital assets:			
Capital assets, net	-	452,918	452,918
Total assets	2,438,857	1,915,843	4,354,700
Liabilities:			
Current liabilities:			
Accounts payable	165	23,845	24,010
Accrued expenses	29,161	8,353	37,514
Current portion of long-term debt	-	8,558	8,558
Unreported claims payable	229,323	-	229,323
Total current liabilities	258,649	40,756	299,405
Net position:			
Net investment in capital assets	-	452,918	452,918
Unrestricted	2,180,208	1,422,169	3,602,377
Total net position	$ 2,180,208	$ 1,875,087	$ 4,055,295

CITY OF NEWTON, KANSAS
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION - INTERNAL SERVICE FUNDS
Year Ended December 31, 2025

	Health Benefits Risk Management	Stores and Maintenance	Eliminations	Total
Operating revenues:				
Charges for sales and services	$ 3,729,782	$ 876,236	$ -	$ 4,606,018
Miscellaneous	885,158	5,309	-	890,467
Total operating revenues	4,614,940	881,545	-	5,496,485
Operating expenses:				
Personnel services	5,072,132	316,600	-	5,388,732
Contractual services	-	57,282	-	57,282
Commodities	167,256	538,774	-	706,030
Capital outlay	-	10,227	-	10,227
Vehicle operating	-	31,828	-	31,828
Depreciation and amortization	-	55,741	-	55,741
Total expenses	5,239,388	1,010,452	-	6,249,840
Operating loss	(624,448)	(128,907)	-	(753,355)
Nonoperating revenues (expenses):				
Loss on disposal of property	-	(23,301)	-	(23,301)
Interest income	85,272	-	-	85,272
Loss before transfers	(539,176)	(152,208)	-	(691,384)
Transfers:				
Transfers in	-	186,120	(9,501)	176,619
Transfers out	-	(9,501)	9,501	-
Total transfers	-	176,619	-	176,619
Change in net position	(539,176)	24,411	-	(514,765)
Net position, beginning of year	2,719,384	1,850,676	-	4,570,060
Net position, end of year	$ 2,180,208	$ 1,875,087	$ -	$ 4,055,295

CITY OF NEWTON, KANSAS
COMBINING STATEMENT OF CASH FLOWS - INTERNAL SERVICE FUNDS
Year Ended December 31, 2025

	Health Benefits Risk Management	Stores and Maintenance	Total
Cash flows from operating activities:			
Receipts from customers	$ 4,614,940	$ 881,545	$ 5,496,485
Payments to suppliers for goods and services	(86,295)	(635,599)	(721,894)
Payments on behalf of employees for services and benefits	(4,980,577)	(312,746)	(5,293,323)
Net cash from operating activities	(451,932)	(66,800)	(518,732)
Cash flows from noncapital financing activities:			
Transfers in, net	-	176,619	176,619
Cash flows from capital and related financing activities:			
Payments for capital assets	-	(9,500)	(9,500)
Cash flows from investing activities:			
Interest received	85,272	-	85,272
Net change in cash and cash equivalents	(366,660)	100,319	(266,341)
Cash and cash equivalents, beginning of year	2,785,517	1,226,128	4,011,645
Cash and cash equivalents, end of year	$ 2,418,857	$ 1,326,447	$ 3,745,304
Reconciliation of operating loss to net cash from from operating activities:			
Operating loss	$ (624,448)	$ (128,907)	$ (753,355)
Adjustments to reconcile operating loss to net cash from operating activities:			
Depreciation and amortization	-	55,741	55,741
Changes in:			
Prepaid items	51,800	-	51,800
Inventory	-	(8,180)	(8,180)
Accounts payable	(242)	10,692	10,450
Accrued expenses	29,161	1,718	30,879
Compensated absences	-	2,136	2,136
Unreported claims payable	91,797	-	91,797
Net cash from operating activities	$ (451,932)	$ (66,800)	$ (518,732)

CITY OF NEWTON, KANSAS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL
RHID FUND*
Year Ended December 31, 2025

	Original and Final Budgeted Amounts	Actual	Variance with Final Budget
Revenues and other sources:			
Property taxes	$ 100,000	$ 59,211	$ (40,789)
Expenditures and other uses:			
Expense reimbursement	100,000	59,211	(40,789)
Excess (deficiency) of revenues and other sources over (under) expenditures and other uses	-	-	-
Fund balances, beginning of year	-	-	-
Fund balances, end of year	$ -	$ -	$ -

* For GAAP reporting, this fund is combined with the General Fund.

CITY OF NEWTON, KANSAS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL
RHID 2 FUND*
Year Ended December 31, 2025

	Original and Final Budgeted Amounts	Actual	Variance with Final Budget
Revenues and other sources:			
Property taxes	$ 100,000	$ 60,183	$ (39,817)
Expenditures and other uses:			
Expense reimbursement	100,000	60,183	(39,817)
Excess (deficiency) of revenues and other sources over (under) expenditures and other uses	-	-	-
Fund balances, beginning of year	-	-	-
Fund balances, end of year	$ -	$ -	$ -

* For GAAP reporting, this fund is combined with the General Fund.

CITY OF NEWTON, KANSAS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL
SPECIAL ALCOHOL PROGRAM FUND
Year Ended December 31, 2025

	Original and Final Budgeted Amounts	Actual	Variance with Final Budget
Revenues and other sources:			
Liquor tax	$ 30,000	$ 22,250	$ (7,750)
Expenditures and other uses:			
Contractual services	30,000	22,250	(7,750)
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, 2025

	Original and Final Budgeted Amounts	Actual	Variance with Final Budget
Revenues and other sources:			
Intergovernmental	$ 510,340	$ 494,788	$ (15,552)
Expenditures and other uses:			
Transfers out	510,340	494,788	(15,552)
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 LIABILITY FUND
Year Ended December 31, 2025

	Original and Final Budgeted Amounts	Actual	Variance with Final Budget
Revenues and other sources:			
Property taxes	$ 65,924	$ 66,151	$ 227
Transfers in	30,000	30,000	-
Total revenues and other sources	95,924	96,151	227
Expenditures and other uses:			
Contractual services	118,275	103,084	(15,191)
Excess (deficiency) of revenues and other sources over (under) expenditures and other uses	(22,351)	(6,933)	15,418
Fund balances, beginning of year	22,351	56,878	34,527
Fund balances, end of year	$ -	$ 49,945	$ 49,945

CITY OF NEWTON, KANSAS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL
SPECIAL PARKS & RECREATION FUND
Year Ended December 31, 2025

	Original and Final Budgeted Amounts	Actual	Variance with Final Budget
Revenues and other sources:			
Liquor tax	$ 30,000	$ 22,250	$ (7,750)
Expenditures and other uses:			
Transfers out	30,000	22,250	(7,750)
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, 2025

	Original and Final Budgeted Amounts	Actual	Variance with Final Budget
Revenues and other sources:			
Transient guest tax	$ 285,400	$ 314,477	$ 29,077
Expenditures and other uses:			
Tourism/conventions	112,116	78,884	(33,232)
Transfers out	280,000	273,776	(6,224)
Total expenditures and other uses	392,116	352,660	(39,456)
Excess (deficiency) of revenues and other sources over (under) expenditures and other uses	(106,716)	(38,183)	68,533
Fund balances, beginning of year	422,006	396,006	(26,000)
Fund balances, end of year	$ 315,290	$ 357,823	$ 42,533

CITY OF NEWTON, KANSAS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL
SPECIAL LAW ENFORCEMENT FUND
Year Ended December 31, 2025

	Original and Final Budgeted Amounts	Actual	Variance with Final Budget
Revenues and other sources:			
Forfeitures and other	$ 20,000	$ 2,691	$ (17,309)
Expenditures and other uses:			
Commodities and other	100,000	829	(99,171)
Capital outlay	50,000	72,904	22,904
Total expenditures and other uses	150,000	73,733	(76,267)
Excess (deficiency) of revenues and other sources over (under) expenditures and other uses	(130,000)	(71,042)	58,958
Fund balances, beginning of year	193,264	184,964	(8,300)
Fund balances, end of year	$ 63,264	$ 113,922	$ 50,658

CITY OF NEWTON, KANSAS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL
LIBRARY FUND
Year Ended December 31, 2025

	Original and Final Budgeted Amounts	Actual	Variance with Final Budget
Revenues and other sources:			
Property taxes	$ 1,032,596	$ 1,032,497	$ (99)
Expenditures and other uses:			
Appropriations to Library	1,020,000	1,032,497	12,497
Transfers out	28,350	-	(28,350)
Other	10,700	-	(10,700)
Total expenditures and other uses	1,059,050	1,032,497	(26,553)
Excess (deficiency) of revenues and other sources over (under) expenditures and other uses	(26,454)	-	26,454
Fund balances, beginning of year	26,454	42,321	15,867
Fund balances, end of year	$ -	$ 42,321	$ 42,321

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, 2025

	Original and Final Budgeted Amounts	Actual	Variance with Final Budget
Revenues and other sources:			
Sales taxes	$ 150,000	$ 91,432	$ (58,568)
Expenditures and other uses:			
Expense reimbursements	150,000	91,432	(58,568)
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
MUNICIPALITIES FIGHT ADDICTION FUND
Year Ended December 31, 2025

	Original and Final Budgeted Amounts	Actual	Variance with Final Budget
Revenues and other sources:			
Intergovernmental	$ 20,000	$ 27,446	$ 7,446
Expenditures and other uses:			
General government	25,000	-	(25,000)
Excess (deficiency) of revenues and other sources over (under) expenditures and other uses	(5,000)	27,446	32,446
Fund balances, beginning of year	86,924	121,641	34,717
Fund balances, end of year	$ 81,924	$ 149,087	$ 67,163

CITY OF NEWTON, KANSAS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL
CEMETERY & MAUSOLEUM FUND
Year Ended December 31, 2025

	Original and Final Budgeted Amounts	Actual	Variance with Final Budget
Revenues and other sources:			
Sale of cemetery lots	$ 18,000	$ 25,568	$ 7,568
Investment earnings	13,000	15,559	2,559
Total revenues and other sources	31,000	41,127	10,127
Expenditures and other uses:			
Capital outlay	25,000	-	(25,000)
Excess (deficiency) of revenues and other sources over (under) expenditures and other uses	6,000	41,127	35,127
Fund balances, beginning of year	475,432	508,945	33,513
Fund balances, end of year	$ 481,432	$ 550,072	$ 68,640

CITY OF NEWTON, KANSAS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL
BOND & INTEREST FUND
Year Ended December 31, 2025

	Original and Final Budgeted Amounts	Actual	Variance with Final Budget
Revenues and other sources:			
Property taxes	$ 1,703,197	$ 1,702,462	$ (735)
Special assessments	1,097,035	892,509	(204,526)
Intergovernmental	-	15,560	15,560
Other	1,457,158	302,100	(1,155,058)
Transfers in	1,542,608	2,919,206	1,376,598
Total revenues and other sources	5,799,998	5,831,837	31,839
Expenditures and other uses:			
Debt service:			
Principal	4,890,000	3,153,775	(1,736,225)
Interest	1,059,708	1,226,722	167,014
Projected future debt	209,225	-	(209,225)
Fees and commissions	650,000	-	(650,000)
Transfers out	-	1,452,007	1,452,007
Total expenditures and other uses	6,808,933	5,832,504	(976,429)
Excess (deficiency) of revenues and other sources over (under) expenditures and other uses	(1,008,935)	(667)	1,008,268
Fund balances, beginning of year	1,008,935	2,381,511	1,372,576
Fund balances, end of year	$ -	$ 2,380,844	$ 2,380,844

CITY OF NEWTON, KANSAS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL
SEWER FUND
Year Ended December 31, 2025

	Original and Final Budgeted Amounts	Actual	Variance with Final Budget
Revenues and other sources:			
Service fees	$ 7,342,917	$ 7,580,233	$ 237,316
Transfers in	1,143,196	1,143,196	-
Land rent	20,000	6,224	(13,776)
Other	15,000	3,719	(11,281)
Total revenues and other sources	8,521,113	8,733,372	212,259
Expenditures and other uses:			
Personnel services	2,315,889	2,052,484	(263,405)
Contractual services	1,050,252	946,008	(104,244)
Commodities	103,672	76,495	(27,177)
Vehicle operating	73,300	58,697	(14,603)
Capital outlay	43,000	-	(43,000)
Expense reimbursement	614,907	614,907	-
Principal	914,916	914,916	-
Interest	208,150	208,150	-
Other	20,130	13,112	(7,018)
Transfers out	4,202,046	3,626,808	(575,238)
Total expenditures and other uses	9,546,262	8,511,577	(1,034,685)
Revenues (expenditures) not subject to budget:			
General obligation bond proceeds	-	371,515	371,515
Bond premium proceeds	-	17,316	17,316
Transfers out not subject to budget	-	(388,831)	(388,831)
Total revenues (expenditures) not subject to budget	-	-	-
Excess (deficiency) of revenues and other sources over (under) expenditures and other uses	(1,025,149)	221,795	1,246,944
Fund balances, beginning of year	5,014,625	6,636,126	1,621,501
Fund balances, end of year	$ 3,989,476	6,857,921	$ 2,868,445

(Continued)

CITY OF NEWTON, KANSAS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL
SEWER FUND
(Continued)
Year Ended December 31, 2025

Reconciliation to GAAP:	
Plus capital assets, net at December 31, 2025	35,074,538
Plus deferred charges on refunding at December 31, 2025	141,290
Plus deferred outflows - OPEB at December 31, 2025	8,858
Plus deferred outflows - pension at December 31, 2025	276,050
Less compensated absences at December 31, 2025	(35,192)
Less accrued interest payable at December 31, 2025	(118,351)
Less total OPEB liability at December 31, 2025	(12,766)
Less net pension liability at December 31, 2025	(1,155,085)
Less state revolving fund loans payable at December 31, 2025	(7,364,156)
Less bonds payable, net at December 31, 2025	(6,065,981)
Less deferred inflows - OPEB at December 31, 2025	(5,867)
Less deferred inflows - pension at December 31, 2025	(69,034)
Plus encumbrances outstanding at December 31, 2025	21,414
Fund balance on the basis of GAAP	27,553,639
Fund balances for non-budgeted funds included with the Sewer Fund on GAAP basis financials:	
Sewer Special Reserve Fund	6,261,535
	$ 33,815,174

(Continued)

CITY OF NEWTON, KANSAS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL
WATERWORKS FUND
Year Ended December 31, 2025

	Original and Final Budgeted Amounts	Actual	Variance with Final Budget
Revenues and other sources:			
Service fees	$ 5,858,894	$ 6,129,477	$ 270,583
Interest	-	1,739	1,739
Other	306,500	48,173	(258,327)
Transfers in	636,549	1,361,315	724,766
Total revenues and other sources	6,801,943	7,540,704	738,761
Expenditures and other uses:			
Personnel services	2,600,294	2,455,669	(144,625)
Contractual services	1,605,394	1,441,832	(163,562)
Commodities	173,199	146,452	(26,747)
Vehicle operating	82,500	69,133	(13,367)
Capital outlay	30,000	-	(30,000)
Fees and commission	74,167	-	(74,167)
Principal	513,301	558,310	45,009
Interest	49,081	36,579	(12,502)
Transfers out	2,111,496	2,284,594	173,098
Total expenditures and other uses	7,239,432	6,992,569	(246,863)
Revenues (expenditures) not subject to budget:			
Revolving loan proceeds	-	2,081,661	2,081,661
General obligation bond proceeds	-	125,064	125,064
Transfers out not subject to budget	-	(2,206,725)	(2,206,725)
Total revenues (expenditures) not subject to budget	-	-	-
Excess (deficiency) of revenues and other sources over (under) expenditures and other uses	(437,489)	548,135	985,624
Fund balances, beginning of year	2,114,339	3,919,413	1,805,074
Fund balances, end of year	$ 1,676,850	4,467,548	$ 2,790,698

(Continued)

CITY OF NEWTON, KANSAS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL
WATERWORKS FUND
(Continued)
Year Ended December 31, 2025

Reconciliation to GAAP:	
Plus capital assets, net at December 31, 2025	18,200,821
Plus deferred charges on refunding at December 31, 2025	7,236
Plus deferred outflows - OPEB at December 31, 2025	45,571
Plus deferred outflows - pension at December 31, 2025	326,345
Less compensated absences at December 31, 2025	(76,923)
Less accrued interest payable at December 31, 2025	(32,955)
Less total OPEB liability at December 31, 2025	(65,679)
Less net pension liability at December 31, 2025	(1,365,537)
Less state revolving fund loans payable at December 31, 2025	(6,647,110)
Less general obligation bonds, net at December 31, 2025	(1,696,918)
Less lease obligations at December 31, 2025	(2,289)
Less deferred inflows - OPEB at December 31, 2025	(30,189)
Less deferred inflows - pension at December 31, 2025	(81,611)
Plus encumbrances outstanding at December 31, 2025	13,881
Fund balance on the basis of GAAP	13,062,191
Fund balances for non-budgeted funds included with the Waterworks Fund on GAAP basis financials:	
Waterworks Special Reserve Fund	3,660,252
	$ 16,722,443

CITY OF NEWTON, KANSAS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL
AIRPORT FUND
Year Ended December 31, 2025

	Original and Final Budgeted Amounts	Actual	Variance with Final Budget
Revenues and other sources:			
Property tax	$ 116,339	$ 117,749	$ 1,410
Intergovernmental	90,000	90,000	-
Fuel sales and rentals	1,591,250	1,142,775	(448,475)
Interest	-	78,686	78,686
Other	18,500	1,348	(17,152)
Total revenues and other sources	1,816,089	1,430,558	(385,531)
Expenditures and other uses:			
Personnel services	763,470	701,629	(61,841)
Contractual services	219,596	237,090	17,494
Commodities	735,159	408,212	(326,947)
Vehicle operating	20,000	27,090	7,090
Principal	-	13,176	13,176
Interest	-	3,688	3,688
Transfers out	77,864	-	(77,864)
Total expenditures and other uses	1,816,089	1,390,885	(425,204)
Excess (deficiency) of revenues and other sources over (under) expenditures and other uses	-	39,673	39,673
Fund balances, beginning of year	-	401,463	401,463
Fund balances, end of year	$ -	441,136	$ 441,136
Reconciliation to GAAP:			
Plus capital assets, net at December 31, 2025		23,697,935	
Plus deferred outflows - OPEB at December 31, 2025		9,759	
Plus deferred outflows - pension at December 31, 2025		97,641	
Less compensated absences at December 31, 2025		(37,860)	
Less total OPEB liability at December 31, 2025		(13,370)	
Less net pension liability at December 31, 2025		(408,564)	
Less general obligation bonds, net at December 31, 2025		(112,572)	
Less deferred inflows - OPEB at December 31, 2025		(6,465)	
Less deferred inflows - pension at December 31, 2025		(24,418)	
Less accrued interest payable at December 31, 2025		(1,064)	
Fund balance on the basis of GAAP		$ 23,642,158	

CITY OF NEWTON, KANSAS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL
SANITATION FUND
Year Ended December 31, 2025

	Original and Final Budgeted Amounts	Actual	Variance with Final Budget
Revenues and other sources:			
Refuse collection	$ 2,215,000	$ 2,342,511	$ 127,511
Other	69,000	27,496	(41,504)
Total revenues and other sources	2,284,000	2,370,007	86,007
Expenditures and other uses:			
Personnel services	1,214,300	1,185,689	(28,611)
Contractual services	558,398	673,133	114,735
Commodities	73,271	29,005	(44,266)
Vehicle operating	280,189	214,845	(65,344)
Transfers out	423,113	262,579	(160,534)
Total expenditures and other uses	2,549,271	2,365,251	(184,020)
Excess (deficiency) of revenues and other sources over (under) expenditures and other uses	(265,271)	4,756	270,027
Fund balances, beginning of year	1,272,472	1,809,164	536,692
Fund balances, end of year	$ 1,007,201	1,813,920	$ 806,719
Reconciliation to GAAP:			
Plus capital assets, net at December 31, 2025		839,147	
Plus deferred outflows - OPEB at December 31, 2025		20,273	
Plus deferred outflows - pension at December 31, 2025		154,326	
Less compensated absences at December 31, 2025		(38,735)	
Less total OPEB liability at December 31, 2025		(29,219)	
Less net pension liability at December 31, 2025		(645,751)	
Less deferred inflows - OPEB at December 31, 2025		(13,431)	
Less deferred inflows - pension at December 31, 2025		(38,593)	
Less accrued interest payable at December 31, 2025		(63)	
Fund balance on the basis of GAAP		2,061,874	
Fund balances for non-budgeted funds included with the Sanitation Fund on GAAP basis financials:			
Solid Waste Special Reserve Fund		421,638	
		$ 2,483,512	

CITY OF NEWTON, KANSAS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL
GOLF COURSE FUND
Year Ended December 31, 2025

	Original and Final Budgeted Amounts	Actual	Variance with Final Budget
Revenues and other sources:			
Golf course revenue	$ 1,940,835	$ 2,014,668	$ 73,833
Interest	-	41,217	41,217
Other	-	24,307	24,307
Total revenues and other sources	1,940,835	2,080,192	139,357
Expenditures and other uses:			
Personnel services	989,563	926,516	(63,047)
Contractual services	556,325	397,480	(158,845)
Commodities	298,228	383,458	85,230
Capital outlay	100,000	82,898	(17,102)
Total expenditures and other uses	1,944,116	1,790,352	(153,764)
Excess (deficiency) of revenues and other sources over (under) expenditures and other uses	(3,281)	289,840	293,121
Fund balances, beginning of year	583,833	967,550	383,717
Fund balances, end of year	$ 580,552	1,257,390	$ 676,838
Reconciliation to GAAP:			
Plus capital assets, net at December 31, 2025		5,600,579	
Plus leases receivable		37,457	
Less lease obligations		(147,486)	
Less deferred inflows of resources		(33,728)	
Less accrued interest payable		(297)	
Fund balance on the basis of GAAP		6,713,915	
Fund balances for non-budgeted funds included with the Golf Course Fund on GAAP basis financials:			
Golf Course Special Reserve Fund		443,949	
		$ 7,157,864	

CITY OF NEWTON, KANSAS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL
MERIDIAN CENTER FUND
Year Ended December 31, 2025

	Original Budgeted Amounts	Final Budgeted Amounts	Actual	Variance with Final Budget
Revenues and other sources:				
Meridian Center revenues	$ 465,000	$ 465,000	$ 292,312	$ (172,688)
Other	-	-	1,500	1,500
Transfers in	-	-	150,000	150,000
Total revenues and other sources	465,000	465,000	443,812	(21,188)
Expenditures and other uses:				
Personnel services	284,016	329,369	312,578	(16,791)
Contractual services	78,582	84,108	78,367	(5,741)
Commodities	81,400	105,164	100,475	(4,689)
Total expenditures and other uses	443,998	518,641	491,420	(27,221)
Excess (deficiency) of revenues and other sources over (under) expenditures and other uses	21,002	(53,641)	(47,608)	6,033
Fund balances, beginning of year	12,972	53,641	65,961	12,320
Fund balances, end of year	$ 33,974	$ -	18,353	$ 18,353
Reconciliation to GAAP:				
Plus capital assets, net at December 31, 2025			2,359,302	
Plus deferred outflows - pension at December 31, 2025			33,585	
Less compensated absences at December 31, 2025			(9,409)	
Less net pension liability at December 31, 2025			(140,530)	
Less deferred inflows - pension at December 31, 2025			(8,399)	
Fund balance on the basis of GAAP - Meridian Center Fund only			2,252,902	
Fund balances for non-budgeted funds included with the Meridian Center Fund on GAAP basis financials:				
Meridian Center Special Reserve Fund			296,757	
			$ 2,549,659	

CITY OF NEWTON, KANSAS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL
STORES AND MAINTENANCE FUND
Year Ended December 31, 2025

	Original and Final Budgeted Amounts	Actual	Variance with Final Budget
Revenues and other sources:			
Stores and maintenance revenues	$ 1,191,119	$ 876,236	$ (314,883)
Other	-	5,309	5,309
Transfers in	-	90,120	90,120
Total revenues and other sources	1,191,119	971,665	(219,454)
Expenditures and other uses:			
Personnel services	323,704	314,820	(8,884)
Contractual services	71,081	57,282	(13,799)
Commodities	663,784	542,960	(120,824)
Vehicle operating expense	46,379	31,828	(14,551)
Transfer out	96,000	9,501	(86,499)
Total expenditures and other uses	1,200,948	956,391	(244,557)
Excess (deficiency) of revenues and other sources over (under) expenditures and other uses	(9,829)	15,274	25,103
Fund balances, beginning of year	257,659	489,314	231,655
Fund balances, end of year	$ 247,830	504,588	$ 256,758
Reconciliation to GAAP:			
Plus capital assets, net at December 31, 2025		452,918	
Less compensated absences at December 31, 2025		(8,558)	
Plus encumbrances outstanding at December 31, 2025		4,186	
Fund balance on the basis of GAAP - Stores and Maintenance Fund only		953,134	
Fund balances for non-budgeted funds included with the Stores and Maintenance Fund on GAAP basis financials:			
Stores and Maintenance Special Reserve Fund		921,953	
		$ 1,875,087	

CITY OF NEWTON, KANSAS
COMPONENT UNIT FUND FINANCIAL STATEMENTS -
NEWTON PUBLIC LIBRARY
BALANCE SHEET
December 31, 2025

Assets:		
Cash	$	2,208,136
Taxes receivable		18,584
Total assets	$	2,226,720
Liabilities:		
Accrued expenses	$	4,263
Fund balance:		
Assigned for library services		2,222,457
Total liabilities and fund balance	$	2,226,720

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, 2025

Revenues:	
Taxes	$ 1,032,498
Intergovernmental	63,548
Fines and fees	34,191
Interest	81,906
Other	93,037
Total revenues	1,305,180
Expenditures:	
Personnel services	658,936
Contractual services	58,292
Commodities	206,349
Capital outlay	193,854
Total expenditures	1,117,431
Revenues over expenditures	187,749
Fund balance, beginning	2,034,708
Fund balance, ending	$ 2,222,457

CITY OF NEWTON, KANSAS
COMPONENT UNIT FUND FINANCIAL STATEMENTS -
LAND BANK
BALANCE SHEET
December 31, 2025

Assets:	
Cash	$ 10,316
Fund balance:	
Assigned for land bank operations	$ 10,316

CITY OF NEWTON, KANSAS
COMPONENT UNIT FUND FINANCIAL STATEMENTS -
LAND BANK
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
Year Ended December 31, 2025

Revenues:	
Investment earnings	$ 417
Total revenues	417
Expenditures:	
Contractual services	3,768
Total expenditures	3,768
Revenues under expenditures	(3,351)
Fund balance, beginning	13,667
Fund balance, ending	$ 10,316

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.

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Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year. The City implemented GASB Statement 34 in 2003; schedules presenting government-wide information include information beginning in that year.

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

	Fiscal Year				
	2016	2017	2018	2019	2020
Governmental Activities					
Net investment in capital assets	$ 38,764,600	$ 39,761,637	$ 31,214,458	$ 33,431,937	$ 32,670,298
Restricted	1,933,865	1,500,683	1,346,578	1,830,999	1,997,395
Unrestricted	6,823,532	7,429,172	9,713,861	4,692,930	9,353,969
Total Governmental Activities Net Position	47,521,997	48,691,492	42,274,897	39,955,866	44,021,662
Business-Type Activities					
Net investment in capital assets	22,489,495	24,173,466	25,953,239	29,671,394	29,137,494
Restricted	-	-	-	-	-
Unrestricted	18,016,978	18,787,380	19,680,498	20,918,856	21,304,587
Total Business-Type Activities Net Position	40,506,473	42,960,846	45,633,737	50,590,250	50,442,081
Primary Government					
Net investment in capital assets	61,254,095	63,935,103	57,167,697	63,103,331	61,807,792
Restricted	1,933,865	1,500,683	1,346,578	1,830,999	1,997,395
Unrestricted	24,840,510	26,216,552	29,394,359	25,611,786	30,658,556
Total Primary Government Net Position	$ 88,028,470	$ 91,652,338	$ 87,908,634	$ 90,546,116	$ 94,463,743

	Fiscal Year				
	2021	2022	2023	2024	2025
Governmental Activities					
Net investment in capital assets	$ 36,511,227	$ 36,895,067	$ 40,641,586	$ 18,853,423	$ 21,068,752
Restricted	2,630,206	3,430,486	3,751,358	3,788,474	3,707,017
Unrestricted	8,002,860	6,562,953	6,815,938	11,473,694	17,133,126
Total Governmental Activities Net Position	47,144,293	46,888,506	51,208,882	34,115,591	41,908,895
Business-Type Activities					
Net investment in capital assets	36,215,736	34,218,081	37,621,927	61,878,489	65,686,401
Restricted	-	-	-	-	
Unrestricted	19,671,864	23,990,121	23,987,045	21,698,643	22,681,258
Total Business-Type Activities Net Position	55,887,600	58,208,202	61,608,972	83,577,132	88,367,659
Primary Government					
Net investment in capital assets	72,726,963	71,113,148	78,263,513	80,731,912	86,755,153
Restricted	2,630,206	3,430,486	3,751,358	3,788,474	3,707,017
Unrestricted	27,674,724	30,553,074	30,802,983	33,172,337	39,814,384
Total Primary Government Net Position	$ 103,031,893	$ 105,096,708	$ 112,817,854	$ 117,692,723	$ 130,276,554

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

	Fiscal Year									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Expenses										
Governmental Activities:										
General Government	$ 5,783,528	$ 5,620,468	$ 12,778,534	$ 7,559,081	$ 5,681,133	$ 5,385,546	$ 9,108,702	$ 4,856,842	$ 7,240,503	$ 6,679,354
Public Safety	9,505,060	10,088,286	10,116,200	10,805,239	11,427,887	11,050,615	12,688,665	14,569,876	14,650,718	15,196,973
Highway and streets	4,282,409	3,800,765	5,093,585	4,970,201	3,773,794	4,404,305	5,459,269	5,234,449	6,543,141	5,748,526
Culture and recreation	1,234,521	1,171,821	1,174,557	1,215,667	1,347,875	1,300,417	1,463,514	1,582,261	1,718,457	1,924,208
Airport	1,102,985	1,206,993	1,232,950	1,173,152	1,042,403	1,606,844	1,513,020	1,553,537	-	-
Interest and fiscal charges	1,105,739	1,013,907	1,132,291	1,335,809	1,461,697	1,073,799	846,320	978,256	1,364,363	1,104,570
Total Governmental Activities Expenses	23,014,242	22,902,240	31,528,117	27,059,149	24,734,789	24,821,526	31,079,490	28,775,221	31,517,182	30,653,631
Business-Type Activities:										
Sewer	4,998,558	5,324,984	4,501,081	4,523,468	5,206,266	5,308,781	5,690,790	5,567,243	5,882,534	5,787,890
Sanitation	1,527,086	1,554,284	1,374,701	1,362,051	1,773,244	1,752,106	1,805,788	2,090,043	2,095,589	2,100,793
Waterworks	3,391,266	3,120,146	2,942,407	2,857,374	3,497,672	3,633,023	3,968,995	4,254,542	5,155,981	5,049,594
Airport	-	-	-	-	-	-	-	-	2,424,185	2,385,977
Golf Course	1,473,942	1,426,127	1,470,516	1,400,571	1,456,132	1,566,644	1,819,318	2,068,699	2,395,574	2,204,300
Public Building Commission	368,853	324,963	347,820	340,555	569,091	449,532	498,967	491,365	519,227	527,761
Meridian Center	-	-	-	-	-	548,489	576,506	525,837	507,571	660,186
Total Business-Type Activities Expenses	11,759,705	11,750,504	10,636,525	10,484,019	12,502,405	13,258,575	14,360,364	14,997,729	18,980,661	18,716,501
Total Primary Government Expenses	$ 34,773,947	$ 34,652,744	$ 42,164,642	$ 37,543,168	$ 37,237,194	$ 38,080,101	$ 45,439,854	$ 43,772,950	$ 50,497,843	$ 49,370,132
Program Revenues										
Governmental Activities:										
Charges for Services:										
General Government	$ 2,705,182	$ 2,942,043	$ 2,821,681	$ 2,880,710	$ 2,471,425	$ 362,792	$ 655,017	$ 618,460	$ 1,350,848	$ 1,038,679
Public Safety	741,231	563,183	623,596	612,601	470,104	2,644,137	2,546,044	3,106,426	3,266,904	3,320,177
Highway and streets	74,030	77,080	61,000	44,500	39,417	-	-	-	-	50
Airport	1,239,584	1,334,896	1,215,993	1,112,107	1,004,608	1,315,054	1,573,297	1,349,462	-	-
Operating Grants and Contributions	174,911	163,944	164,488	178,704	161,641	1,761,940	176,676	179,632	150,701	109,756
Capital Grants and Contributions	930,216	2,231,945	1,544,643	2,587,110	3,225,926	5,527,136	5,258,644	3,402,841	3,168,085	11,585,777
Total Governmental Activities Program Revenues	5,865,154	7,313,091	6,431,401	7,415,732	7,373,121	11,611,059	10,209,678	8,656,821	7,936,538	16,054,439
Business-Type Activities:										
Charges for Services:										
Sewer	7,884,133	7,793,529	7,806,912	7,852,401	7,799,368	7,795,384	7,763,348	7,527,476	7,025,264	7,591,176
Sanitation	1,960,966	2,050,712	2,086,312	2,106,863	2,184,475	2,239,112	2,266,770	2,274,867	2,286,884	2,370,528
Waterworks	4,591,259	4,738,762	4,641,193	4,524,748	4,661,008	4,728,560	4,839,083	4,921,101	5,660,244	6,180,400
Airport	-	-	-	-	-	-	-	-	1,268,302	1,144,123
Golf Course	1,059,336	1,023,682	1,071,171	1,086,254	1,232,184	1,474,491	1,575,646	1,828,901	2,150,470	2,038,975
Public Building Commission	345,633	349,530	353,909	358,476	396,780	404,641	482,834	510,037	552,366	616,490
Meridian Center	-	-	-	-	-	159,968	296,302	279,558	290,811	295,613
Capital Grants and Contributions	21,000	21,000	21,000	21,000	21,000	342,372	-	-	-	-
Total Business-Type Activities Program Revenues	15,862,327	15,977,215	15,980,497	15,949,742	16,294,815	17,144,528	17,223,983	17,341,940	19,234,341	20,237,305
Total Primary Government Program Revenues	$ 21,727,481	$ 23,290,306	$ 22,411,898	$ 23,365,474	$ 23,667,936	$ 28,755,587	$ 27,433,661	$ 25,998,761	$ 27,170,879	$ 36,291,744

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

	Fiscal Year									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Net (Expense) Revenue										
Governmental Activities	$ (17,149,088)	$ (15,589,149)	$ (25,096,716)	$ (19,643,417)	$ (17,361,668)	$ (13,210,467)	$ (20,869,812)	$ (20,118,400)	$ (23,580,644)	$ (14,599,192)
Business-Type Activities	4,102,622	4,226,711	5,343,972	5,465,723	3,792,410	3,885,953	2,863,619	2,344,211	253,680	1,520,804
Total Primary Government Net Expense	$ (13,046,466)	$ (11,362,438)	$ (19,752,744)	$ (14,177,694)	$ (13,569,258)	$ (9,324,514)	$ (18,006,193)	$ (17,774,189)	$ (23,326,964)	$ (13,078,388)
General revenues										
Governmental Activities:										
Taxes:										
Property taxes and special assessments	$ 6,971,421	$ 7,493,054	$ 8,126,788	$ 8,268,042	$ 8,767,116	$ 8,835,761	$ 8,746,742	$ 10,837,322	$ 12,252,745	$ 13,666,364
Sales tax	5,209,627	5,106,324	5,099,402	5,355,924	5,526,871	6,221,635	6,715,797	6,947,498	7,058,065	7,347,261
Franchise taxes	1,549,594	1,551,793	1,615,724	1,566,090	1,468,435	1,519,599	1,775,707	1,652,552	1,629,446	1,683,590
Excise taxes	229,487	295,187	261,630	288,752	188,022	316,027	337,277	239,693	302,614	314,477
Other	568,864	788,044	-	-	-	-	-	-	-	-
Intergovernmental, not restricted										
Investment earnings	31,836	158,132	387,944	592,968	202,942	4,056	487,475	1,475,729	1,831,497	1,627,657
Grants and contributions not restricted to specific programs									639,181	-
Gain on disposal of capital assets	-	-	-	-	54,424	-	-	-	53,282	186,402
Other	-	-	601,400	585,095	1,138,762	730,551	1,820,415	3,998,515	3,823,912	480,994
Transfers in (out)	2,232,376	1,931,491	2,805,431	667,515	4,080,892	(1,160,492)	730,612	(712,533)	(425,695)	(2,914,249)
Total Governmental Activities	16,793,205	17,324,025	18,898,319	17,324,386	21,427,464	16,467,137	20,614,025	24,438,776	27,165,047	22,392,496
Business-Type Activities:										
Property Taxes	88,918	150,452	118,927	126,910	133,941	142,240	149,018	157,150	325,174	117,749
Investment earnings	968	2,043	4,423	5,245	5,872	3,962	32,178	85,699	195,917	147,725
Grants and contributions not restricted to specific programs	-	-	-	-	-	-	-	-	90,000	90,000
Gain on disposal of capital assets	55,810	50,079	11,000	26,150	500	60,105	6,399	101,177	-	-
Transfers in (out)	(2,232,376)	(1,931,491)	(2,805,431)	(667,515)	(4,080,892)	1,160,492	(730,612)	712,533	425,695	2,914,249
Total Business-Type Activities	(2,086,680)	(1,728,917)	(2,671,081)	(509,210)	(3,940,579)	1,366,799	(543,017)	1,056,559	1,036,786	3,269,723
Total Primary Government	$ 14,706,525	$ 15,595,108	$ 16,227,238	$ 16,815,176	$ 17,486,885	$ 17,833,936	$ 20,071,008	$ 25,495,335	$ 28,201,833	$ 25,662,219
Change in Net Position										
Governmental Activities	$ (355,883)	$ 1,734,876	$ (6,198,397)	$ (2,319,031)	$ 4,065,796	$ 3,256,670	$ (255,787)	$ 4,320,376	$ 3,584,403	$ 7,793,304
Business-Type Activities	2,015,942	2,497,794	2,672,891	4,956,513	(148,169)	5,252,752	2,320,602	3,400,770	1,290,466	4,790,527
Total Primary Government	$ 1,660,059	$ 4,232,670	$ (3,525,506)	$ 2,637,482	$ 3,917,627	$ 8,509,422	$ 2,064,815	$ 7,721,146	$ 4,874,869	$ 12,583,831

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

	Fiscal Year				
	2016	2017	2018	2019	2020
General Fund					
Nonspendable	$ 378,184	$ 400,497	$ 400,438	$ 172,758	$ 143,293
Restricted	-	-	-	-	-
Committed	-	-	-	-	-
Assigned	2,956,891	3,776,145	3,845,686	4,799,804	5,316,609
Unassigned	4,086,247	5,087,304	5,912,102	6,806,108	6,494,744
Reserved	-	-	-	-	-
Unreserved	-	-	-	-	-
Total General Fund	$ 7,421,322	$ 9,263,946	$ 10,158,226	$ 11,778,670	$ 11,954,646
All Other Governmental Funds					
Nonspendable	$ 2,346,965	$ 2,161,678	$ 82,228	$ 59,402	$ 31,981
Restricted	1,933,865	1,809,478	3,869,877	2,096,600	2,322,815
Committed	-	-	-	-	-
Assigned	489,123	464,797	438,279	354,337	315,448
Unassigned	(5,769,877)	(5,086,357)	(2,864,526)	(6,514,042)	(1,593,805)
Total all other governmental funds	$ (999,924)	$ (650,404)	$ 1,525,858	$ (4,003,703)	$ 1,076,439

	Fiscal Year				
	2021	2022	2023	2024	2025
General Fund					
Nonspendable	$ 370,825	$ 400,675	$ 516,194	$ 416,053	$ 539,936
Restricted	-	-	-	-	-
Committed	-	-	-	-	-
Assigned	6,248,318	8,885,950	11,594,705	11,820,996	12,643,796
Unassigned	6,924,108	6,344,757	6,779,006	9,743,780	9,878,905
Reserved	-	-	-	-	-
Unreserved	-	-	-	-	-
Total General Fund	$ 13,543,251	$ 15,631,382	$ 18,889,905	$ 21,980,829	$ 23,062,637
All Other Governmental Funds					
Nonspendable	$ 44,747	$ 92,207	$ 100,069	$ -	$ -
Restricted	2,929,219	3,712,705	4,071,228	4,188,424	4,149,958
Committed	-	-	-	-	-
Assigned	344,135	418,683	489,395	490,241	420,750
Unassigned	(3,830,366)	(6,081,659)	(7,248,072)	(6,376,315)	(5,930,091)
Total all other governmental funds	$ (512,265)	$ (1,858,064)	$ (2,587,380)	$ (1,697,650)	$ (1,359,383)

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

	Fiscal Year				
	2016	2017	2018	2019	2020
Revenues:					
Taxes and special assessments	$ 15,052,285	$ 15,480,760	$ 16,170,614	$ 16,561,690	$ 16,885,494
Intergovernmental	1,111,259	2,359,315	1,420,014	1,740,253	2,503,891
Licenses and permits	188,896	268,272	211,191	179,581	246,223
Charges for services	4,015,948	4,135,203	3,936,825	3,895,673	3,273,780
Fines, forfeitures and penalties	555,184	513,727	574,254	574,664	465,551
Use of money and property	31,836	158,132	387,944	592,969	202,942
Other	568,866	788,043	601,403	585,097	1,138,759
Total revenues	21,524,274	23,703,452	23,302,245	24,129,927	24,716,640
Expenditures:					
Current:					
General government	4,611,452	4,345,450	5,265,340	5,030,510	4,382,359
Public safety	8,967,108	9,030,689	9,531,363	9,586,393	10,028,895
Highway and streets	2,573,365	2,366,007	2,894,550	3,239,675	2,512,205
Culture and recreation	1,035,743	966,463	987,674	1,044,970	1,129,287
Airport	1,102,985	1,206,993	1,232,950	1,173,152	1,042,403
Capital outlay	5,090,535	2,402,131	4,298,181	5,873,290	5,744,279
Debt service:					
Principal	2,131,737	2,435,808	2,548,882	4,201,125	13,010,189
Interest	1,034,633	1,010,773	994,140	1,340,904	1,083,516
Fees and commissions	109,560	179	114,048	-	-
Total expenditures	26,657,118	23,764,493	27,867,128	31,490,019	38,933,133
Deficiency of revenues under expenditures	(5,132,844)	(61,041)	(4,564,883)	(7,360,092)	(14,216,493)
Other financing sources (uses):					
Proceeds from general obligation bonds	-	-	3,615,000	-	14,802,434
Proceeds of refunding bonds	7,259,704	-	-	-	-
Proceeds of sales of capital assets	58,405	62,705	175,750	117,681	107,940
Transfers in	7,404,021	6,394,896	7,671,491	7,339,662	9,063,480
Issuance of lease obligation	-	-	-	-	-
Issuance of subscription liabilities	-	-	-	-	-
Issuance of bond premium	565,412	-	64,026	-	-
Payment to refunding bond escrow agent	(7,735,899)	-	-	-	(341,190)
Transfers out	(3,935,242)	(4,204,416)	(3,890,842)	(4,006,368)	(4,160,053)
Total other financing sources (uses)	3,616,401	2,253,185	7,635,425	3,450,975	19,472,611
Net change in fund balances	$ (1,516,443)	$ 2,192,144	$ 3,070,542	$ (3,909,117)	$ 5,256,118
Debt service as a percentage of noncapital expenditures	13.47%	15.55%	13.78%	18.22%	40.66%

(Continued)

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

	Fiscal Year				
	2021	2022	2023	2024	2025
Revenues:					
Taxes and special assessments	$ 18,072,836	$ 18,621,359	$ 20,762,116	$ 22,397,854	$ 23,904,201
Intergovernmental	7,211,550	5,519,339	2,582,388	1,913,735	5,444,569
Licenses and permits	268,673	384,405	371,370	956,757	439,806
Charges for services	3,537,380	3,969,301	4,265,356	3,241,174	3,422,770
Fines, forfeitures and penalties	515,930	420,652	437,622	419,826	496,330
Use of money and property	4,056	487,475	1,475,729	1,831,497	1,627,657
Other	730,551	1,473,377	3,205,883	2,863,579	545,994
Total revenues	30,340,976	30,875,908	33,100,464	33,624,422	35,881,327
Expenditures:					
Current:					
General government	3,874,911	3,835,810	4,193,559	5,611,352	6,143,559
Public safety	10,487,108	11,126,098	11,599,399	12,394,371	13,383,367
Highway and streets	2,852,039	3,041,819	3,032,020	3,293,637	3,529,397
Culture and recreation	1,136,918	1,346,090	1,706,584	1,519,154	1,778,662
Airport	1,451,698	1,520,678	1,554,014	-	-
Capital outlay	8,286,787	11,758,745	13,351,304	16,111,398	14,376,872
Debt service:					
Principal	3,114,212	2,814,513	2,947,290	3,092,666	3,213,358
Interest	1,085,184	919,167	860,793	932,999	1,228,329
Fees and commissions	-	-	-	-	-
Total expenditures	32,288,857	36,362,920	39,244,963	42,955,577	43,653,544
Deficiency of revenues under expenditures	(1,947,881)	(5,487,012)	(6,144,499)	(9,331,155)	(7,772,217)
Other financing sources (uses):					
Proceeds from general obligation bonds	-	-	3,735,130	9,650,000	5,038,421
Proceeds of refunding bonds	(3,643,087)	-	-	-	-
Proceeds of sales of capital assets	102,318	2,249,737	797,517	54,000	204,494
Transfers in	8,220,561	8,768,579	9,075,198	8,387,054	8,156,221
Issuance of lease obligation	-	10,464	-	-	-
Issuance of subscription liabilities	-	-	188,130	19,741	-
Issuance of bond premium	3,369,009	-	256,090	536,417	234,837
Payment to refunding bond escrow agent	350,187	-	-	-	-
Transfers out	(6,317,165)	(4,799,436)	(5,378,359)	(4,919,862)	(4,441,681)
Total other financing sources (uses)	2,081,823	6,229,344	8,673,706	13,727,350	9,192,292
Net change in fund balances	$ 133,942	$ 742,332	$ 2,529,207	$ 4,396,195	$ 1,420,075
Debt service as a percentage of noncapital expenditures	16.55%	12.40%	14.71%	15.00%	15.17%

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

Fiscal Year	Property Tax	Motor Vehicle Tax	Sales Tax	Transient Guest Tax	Franchise Taxes	Special Assessments	Total
2016	$ 6,129,332	$ 842,089	$ 5,209,627	$ 229,487	$ 1,549,594	$ 1,092,156	$ 15,052,285
2017	6,654,191	838,864	5,106,324	295,189	1,551,793	1,034,403	15,480,764
2018	7,184,820	941,968	5,099,402	261,630	1,615,724	1,067,070	16,170,614
2019	7,277,400	990,642	5,355,924	288,752	1,566,090	1,082,882	16,561,690
2020	7,728,410	1,038,706	5,526,871	188,022	1,468,435	935,050	16,885,494
2021	7,749,479	1,086,282	6,221,634	316,028	1,519,599	1,179,813	18,072,835
2022	7,712,268	1,034,474	6,715,797	337,277	1,775,707	1,045,836	18,621,359
2023	9,778,251	1,059,071	6,947,498	239,693	1,652,552	1,085,051	20,762,116
2024	11,112,464	1,140,281	7,058,065	302,614	1,629,446	1,154,984	22,397,854
2025	12,422,686	1,243,678	7,347,261	314,477	1,683,590	892,509	23,904,201
Change 2016-2025	102.7%	47.7%	41.0%	37.0%	8.6%	-18.3%	58.8%

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

Fiscal Year		Real Property		Personal Property	Motor Vehicle	Total	Total Direct Tax Rate	Estimated Actual Value	Assessed Value as a Percentage of Actual Value
2016	$	110,136,068	$	8,797,562	$ 17,745,559	$ 136,679,189	57.121	$ 881,164,701	15.51%
2017		111,244,972		8,766,296	17,682,215	137,693,483	60.326	885,807,281	15.54%
2018		111,511,358		9,124,296	18,180,252	138,815,906	62.509	893,278,237	15.54%
2019		115,857,340		9,336,794	18,592,793	143,786,927	62.470	923,963,971	15.56%
2020		118,204,379		9,852,038	18,909,615	146,966,032	62.535	945,971,580	15.54%
2021		120,463,231		9,333,541	19,455,107	149,251,879	62.506	978,287,548	15.26%
2022		128,424,743		10,539,938	18,489,880	157,454,561	70.383	958,857,327	16.42%
2023		142,335,041		10,992,638	18,795,624	172,123,303	72.361	1,116,889,235	15.41%
2024		159,256,021		11,648,677	19,082,224	189,986,922	72.223	1,248,521,192	15.22%
2025		167,506,816		11,552,118	19,586,494	198,645,428	72.353	1,315,785,613	15.10%

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.

Property Tax Levies and Collections
Last Ten Fiscal Years

Fiscal Year		Taxes Levied for the Fiscal Year		Collected within the Fiscal Year: Amount	Collected within the Fiscal Year: Percentage of Levy		Collections in Subsequent Years		Total Collections to Date: Amount	Total Collections to Date: Percentage of Levy
2016	$	7,503,461	$	7,163,158	95.46%	$	221,648	$	7,384,806	98.42%
2017		8,127,835		7,912,242	97.35%		203,458		8,115,700	99.85%
2018		8,613,339		8,184,191	95.02%		176,350		8,360,541	97.07%
2019		8,945,655		8,419,984	94.12%		278,591		8,698,575	97.24%
2020		9,229,361		8,730,488	94.59%		166,274		8,896,762	96.40%
2021		9,425,425		8,925,316	94.69%		63,772		8,989,088	95.37%
2022		9,471,046		8,971,192	94.72%		424,011		9,395,203	99.20%
2023		11,193,019		10,493,076	93.75%		182,490		10,675,566	95.38%
2024		12,465,826		11,799,101	94.65%		94,598		11,893,699	95.41%
2025		13,623,554		12,749,955	93.59%		-		12,749,955	93.59%

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

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

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

	City of Newton						Other Overlapping Governments				
Tax Year	General Fund	Airport Fund	Library	Bond and Interest	Special Liability	Total	School District No 373	Harvey County	State of Kansas	Sand Creek Watershed District	Grand Total
2016	45.622	0.698	5.809	4.833	0.159	**57.121**	62.786	41.358	1.500	0.256	**163.021**
2017	47.615	0.593	5.758	6.173	0.187	**60.326**	63.139	41.937	1.500	0.259	**167.161**
2018	48.467	0.605	5.934	7.312	0.191	**62.509**	63.820	42.275	1.500	0.264	**170.368**
2019	43.355	0.670	5.195	13.058	0.192	**62.470**	61.127	42.356	1.500	0.261	**167.714**
2020	42.828	0.671	5.773	13.071	0.192	**62.535**	61.116	42.649	1.500	0.260	**168.060**
2021	45.806	0.671	5.580	10.066	0.383	**62.506**	62.671	42.629	1.500	0.262	**169.568**
2022	53.711	0.670	5.570	10.049	0.383	**70.383**	62.844	43.604	1.500	0.265	**178.596**
2023	56.583	0.675	5.608	9.109	0.386	**72.361**	62.132	43.593	1.500	0.266	**179.852**
2024	56.428	0.633	5.588	9.219	0.355	**72.223**	60.754	43.622	1.500	0.269	**178.368**
2025	56.528	0.635	5.599	9.235	0.356	**72.353**	61.483	44.709	1.500	0.272	**180.317**

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

Taxpayer	2025 Taxable Assessed Value	2025 Rank	2025 Percentage of Total Taxable Assessed Value	2016 Taxable Assessed Value	2016 Rank	2016 Percentage of Total Taxable Assessed Value
Evergy Kansas South, Inc.	$ 3,564,068	1	1.99%	$ 2,589,953	1	2.18%
Burlington Northern	2,598,899	2	1.45%	1,192,878	6	1.00%
Walmart Realty Company	2,536,095	3	1.42%	2,007,978	2	1.69%
Kansas Gas Service, Div. of One Gas	2,175,749	4	1.22%	1,303,643	4	1.10%
Ardent Mills, LLC	1,238,037	5	0.69%			
Future Foam Inc.	1,207,433	6	0.67%			
Park Aircraft Tech Corp	985,673	7	0.55%			
Dillon Companies Inc.	958,258	8	0.54%	1,622,311	3	1.36%
Dillon Real Estate Co Inc.	940,838	9	0.53%			
Newton Healthcare Corp	783,612	10	0.44%	1,192,544	5	1.00%
Norcraft Companies LLC				911,696	7	0.77%
Cargill, Inc.				885,857	8	0.74%
B & G Hospitality				790,184	10	0.66%
Broadway Hospitality				836,550	9	0.70%
Total	$ 16,988,662		9.50%	$ 13,333,594		11.22%
Total Assessed Value	$ 179,058,934			$ 118,933,630		

Source: *Harvey County Clerk*

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

	2016	2017	2018	2019	2020
Debt Limit	$ 41,003,757	$ 41,561,162	$ 41,495,361	$ 43,136,078	$ 43,552,083
Total net debt applicable to limit	28,420,839	26,369,868	28,000,395	24,248,566	32,443,785
Legal debt margin	$ 12,582,918	$ 15,191,294	$ 13,494,966	$ 18,887,512	$ 11,108,298
Total net debt applicable to the limit as a percentage of debt limit	69.31%	63.45%	67.48%	56.21%	74.49%

	2021	2022	2023	2024	2025
Debt Limit	$ 44,534,451	$ 45,161,947	$ 47,236,338	$ 51,636,991	$ 56,996,077
Total net debt applicable to limit	29,268,166	26,587,247	22,272,136	28,211,450	29,519,224
Legal debt margin	$ 15,266,285	$ 18,574,700	$ 24,964,202	$ 23,425,541	$ 27,476,853
Total net debt applicable to the limit as a percentage of debt limit	65.72%	58.87%	47.15%	54.63%	51.79%

Legal Debt Margin Calculation for Fiscal Year 2024

Total assessed value		$ 189,986,922
Debt limit (30% of total assessed value)		$ 56,996,077
Debt applicable to limit:		
General obligation bonds	31,457,127	
Less: Amount set aside for repayment of general obligation debt	1,937,903	
Total net debt applicable to limit		29,519,224
Legal debt margin		$ 27,476,853

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

City of Newton, Kansas
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

	Governmental Activities					
Fiscal Year	General Obligation Bonds	KDOT Revolving Loan	Lease Obligations	Subscription Liabilities	Guarantee/ Industrial Revenue Bonds	Special Assessment Bonds
2016	$ 21,493,800	$ 71,419	$ 138,958	$ -	$ -	$ 10,761,033
2017	20,092,917	-	107,349	-	-	9,763,204
2018	22,289,104	-	-	-	6,339,995	8,771,526
2019	18,080,634	-	-	-	6,132,099	8,917,442
2020	25,895,737	-	-	-	-	8,876,556
2021	23,710,510	-	-	-	-	7,774,271
2022	21,887,089	-	84,013	-	-	6,644,416
2023	22,538,412	-	44,937	121,878	-	6,956,450
2024	28,457,521	-	5,652	57,362	-	7,834,386
2025	25,021,525	-	3,431	-	-	13,168,984

	Business-Type Activities							
Fiscal Year	General Obligation Bonds	Revenue Bonds	Revolving Loans	Lease Obligations	Subscription Liabilities	Total Primary Government [c]	Percentage of Personal Income [b]	Per Capita [a]
2016	$ 14,121,030	$ 7,225,575	$ 24,180,652	$ -	$ -	$ 77,992,467	10.64%	$ 4,082
2017	13,174,922	6,500,000	21,825,431	-	-	71,463,823	9.87%	3,787
2018	12,254,170	5,710,000	19,715,760	-	-	75,080,555	9.88%	4,005
2019	11,313,520	4,895,000	17,673,098	174,829	-	67,186,622	8.47%	3,562
2020	13,532,328	4,040,000	15,464,275	-	-	67,808,896	7.99%	3,550
2021	12,191,873	3,185,000	13,324,822	-	-	60,186,476	6.88%	3,211
2022	11,126,318	6,335,000	11,816,066	414,361	-	58,307,263	6.37%	3,163
2023	10,013,575	5,480,000	12,840,599	329,577	23,373	58,348,801	6.25%	3,173
2024	8,817,518	4,615,000	13,402,831	241,427	12,914	63,444,611	6.36%	3,476
2025	8,019,464	3,850,000	14,011,267	149,775	198,118	64,422,564	6.24%	3,517

Note: *Details regarding the City's outstanding debt can be found in the Notes on pages 62-67 and in the Statistical Section on pages 128-134.*

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

[b-] See page 135 for personal income and poplulation data.

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

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

Fiscal Year	General Obligation Bonds	Resources Restricted for Debt Service	Net General Obligation Bonds	Taxable Value	Percentage of Estimated Actual Taxable Value of Property	Per Capita
2016	$ 35,614,830	$ 574,253	$ 35,040,577	$ 881,164,701	3.98%	$ 1,864
2017	33,267,839	149,807	33,118,032	885,807,281	3.74%	1,763
2018	34,543,274	51,905	34,491,369	893,278,237	3.86%	1,843
2019	29,394,154	65,883	29,328,271	923,963,971	3.17%	1,558
2020	39,428,065	459,971	38,968,094	945,971,580	4.12%	2,064
2021	35,902,383	953,897	34,948,486	978,287,548	3.57%	1,915
2022	33,013,407	1,262,512	31,750,895	958,857,327	3.31%	1,791
2023	32,551,987	1,632,733	30,919,254	1,116,889,235	2.77%	1,770
2024	37,275,039	1,981,561	35,293,478	1,248,521,192	2.83%	2,042
2025	33,040,989	1,937,903	31,103,086	1,315,785,613	2.36%	1,804

City of Newton, Kansas
Direct and Overlapping Governmental Activities Debt
As of December 31, 2025

	Debt Outstanding	Estimated Percentage Applicable	Estimated Share of Overlapping Debt
Unified School District No. 373	$ 9,545,550	76.62%	$ 7,313,800
Harvey County	1,225,000	42.26%	517,685
	10,770,550		7,831,485
Direct debt, City of Newton: *			
General obligation bonds and other direct debt	38,193,940	100.00%	38,193,940
Total direct and overlapping debt	$ 48,964,490	94.00%	$ 46,025,425

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

				Water & Sewer Revenue Bonds			KDHE Revolving Loans			Special Assessment Bonds			
	Utility		Net	Debt Service (Next Fiscal Year)			Debt Service (Next Fiscal Year)		Total	Special	Debt Service (Next Fiscal Year)		
Fiscal Year	Service Charges	Less: Expenses[1]	Available Revenue	Principal	Interest	Coverage[2]	Principal	Interest	Revenue Coverage[2]	Assessment Collections	Principal	Interest	Coverage[2]
2016	$ 12,475,392	$ 5,212,188	$ 7,263,204	$ -	$ -	n/a	$ 2,355,221	$ 617,608	2.44	$ 1,092,156	$ 683,753	$ 254,328	1.16
2017	12,532,291	4,850,505	7,681,786	-	-	n/a	1,408,680	568,861	3.88	1,034,403	703,562	229,347	1.11
2018	12,448,105	3,950,335	8,497,770	-	-	n/a	1,342,662	510,596	4.59	1,067,070	700,711	209,361	1.17
2019	12,377,149	3,964,996	8,412,153	-	-	n/a	1,208,825	459,720	5.04	1,082,882	766,315	188,871	1.13
2020	12,460,376	5,307,601	7,152,775	-	-	n/a	1,139,452	404,168	4.63	935,050	832,357	201,503	0.90
2021	12,523,944	5,579,273	6,944,671	-	-	n/a	1,109,612	350,307	4.76	1,179,813	776,528	206,365	1.20
2022	12,602,431	6,364,768	6,237,663	-	-	n/a	987,609	290,141	4.88	1,045,836	944,221	199,020	0.91
2023	12,448,577	6,440,870	6,007,707	-	-	n/a	1,023,950	257,059	4.69	1,085,051	1,008,162	214,632	0.89
2024	12,685,508	7,726,132	4,959,376	-	-	n/a	1,054,090	229,635	3.86	1,154,984	900,775	248,117	1.01
2025	13,771,576	7,411,893	6,359,683	-	-	n/a	1,085,120	221,712	4.87	892,509	1,087,323	394,557	0.60

Note: *Details regarding the city's outstanding debt can be found in the notes on pages 62-67 and pages 128-134.*

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, 2025

Type of Debt	Date of Issue	Final Maturity	Interest Rates %	Original Principal Amount	Principal Outstanding 1/1/2025	Issued	Retired	Refunded	Principal Outstanding 12/31/2025
General Obligation:									
Improvements/Land Purchase	10-30-15	09-01-26	2.00-3.10	$ 1,130,000	$ 250,000	$ -	$ 125,000	$ -	$ 125,000
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	755,000	-	245,000	-	510,000
Int Imp/Refunding	08-25-16	09-01-29	2.00-2.50	13,425,000	6,390,000	-	1,455,000	-	4,935,000
Internal Improvements	12-05-18	09-01-38	3.00-4.00	2,125,000	1,770,000	-	65,000	-	1,705,000
Internal Improvements	12-05-18	09-01-33	3.00-4.00	1,490,000	980,000	-	95,000	-	885,000
Int Impr/IRB Refunding	06-11-20	09-01-36	3.00-3.45	6,015,000	4,765,000	-	345,000	-	4,420,000
Int Imp/Water/Sewer/Refunding	12-07-20	09-01-40	2.00-3.50	9,575,000	7,270,000	-	495,000	-	6,775,000
Int Impr/Conf Center Refunding	12-07-20	09-01-30	2.00-3.00	1,790,000	1,125,000	-	175,000	-	950,000
Int Imp/Water/Sewer/Refunding	11-04-21	09-01-33	1.50-4.00	5,965,000	3,505,000	-	885,000	-	2,620,000
Internal Improvements	06-27-23	09-01-43	4.00-5.00	3,870,000	3,770,000	-	125,000	-	3,645,000
Internal Improvements	09-25-24	09-01-44	4.00-5.00	9,100,000	9,100,000	-	310,000	-	8,790,000
Internal Improvements	09-25-24	09-01-34	6.75	550,000	550,000	-	45,000	-	505,000
Internal Improvements	09-30-25	09-01-45	4.00-5.00	-	-	5,535,000	-	-	5,535,000
Total General Obligation Bonds				60,105,000	42,800,000	5,535,000	4,365,000	-	43,970,000
Other:									
Kansas Water Pollution Control	09-30-08	03-01-30	2.85	9,000,000	2,149,549	-	405,927	-	1,743,622
Kansas Public Water Supply	08-01-09	08-01-29	3.75	651,533	178,709	-	37,171	-	141,538
Kansas Public Water Supply	08-17-09	02-01-30	3.37	2,011,842	545,868	-	102,001	-	443,867
Kansas Water Pollution Control	11-01-13	03-01-35	2.83	16,850,860	6,129,525	-	508,991	-	5,620,534
Kansas Public Water Supply	11-08-21	08-01-43	1.26	5,200,000	4,399,180	2,081,661	419,135	-	6,061,706
Total Other				33,714,235	13,402,831	2,081,661	1,473,225	-	14,011,267
Total Indebtedness				$ 93,819,235	$ 56,202,831	$ 7,616,661	$ 5,838,225	$ -	$ 57,981,267

City of Newton, Kansas
Schedule of Industrial Revenue Bonds by Obligee *
As of December 31, 2025

Obligated Entity or Purpose	Series	Issue Date	Final Maturity	Original Principal Amount	Principal Outstanding 1/1/2025	Issued	Retired	Principal Outstanding 12/31/2025
Carsten Holdings	2024	12/20/24	12/31/34	$ 5,500,000	$ 5,500,000	$ -	$ -	$ 5,500,000
Hillsboro Industries	2025	12/31/25	01/01/46	5,950,711	-	5,950,711	-	5,950,711
Hillsboro Industries	2025	12/31/25	12/31/35	2,000,000	-	2,000,000	-	2,000,000
				$ 13,450,711	$ 5,500,000	$ 7,950,711	$ -	$ 13,450,711

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

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

Fiscal Year	Population (1)	Personal Income (2)	Per Capita Personal Income (2)	School District 373 Enrollment (3)	Unemployment Rate % (4)
2016	19,105	$733,039,745	$38,369	3,646	4.40%
2017	18,869	723,890,316	38,364	3,539	3.40%
2018	18,746	759,606,666	40,521	3,497	2.80%
2019	18,861	793,237,077	42,057	3,546	2.60%
2020	19,099	848,301,184	44,416	3,506	4.00%
2021	18,744	875,307,312	46,698	3,267	2.00%
2022	18,433	915,050,986	49,642	3,225	2.40%
2023	18,392	933,798,624	50,772	3,172	2.80%
2024	18,251	998,238,445	54,695	3,159	3.60%
2025	18,320	1,031,800,720	56,321	3,052	3.60%

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

	2025			2016		
Employer *	**Employees**	**Rank**	**Percentage of Total Employment**	**Employees**	**Rank**	**Percentage of Total Employment**
NMC Health	875	1	5.2%	794	2	4.7%
Unified School District #373	852	2	5.1%	852	1	5.1%
BNSF Railway Company	370	3	2.2%	380	4	2.3%
Wal-Mart	265	4	1.6%	271	5	1.6%
Prairie View Hospital	252	5	1.5%	252	6	1.5%
Dillons Stores	243	6	1.4%	243	7	1.4%
City of Newton	243	7	1.4%	206	9	1.2%
ResCare Kansas	209	8	1.2%	209	8	1.2%
Paramount	205	9	1.2%			
Harvey County	175	10	1.0%	175	10	1.0%
Masterbrand				589	5	3.5%
Total	3,689		21.8%	3,971		23.5%

Source:
Harvey County Economic Development Council, Inc.

City of Newton, Kansas
Full-time Equivalent City Government Employees by Function/Program
Last Ten Fiscal Years

Function/Program	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
General Government										
Administration	16	17	15	17	19	17	16	16	17	22
Park and Cemetery	13	13	13	13	13	12	12	11	10	13
Law Department	2	2	2	2	3	3	3	3	2	2
Municipal Court	5	5	5	5	5	5	5	5	5	5
Information Technology	2	1	1	1	1	1	1	2	2	2
Convention Visitors Bureau	1	1	1	1	1	1	1	-	1	1
Public Safety										
Fire/EMS	48	50	51	51	51	52	50	52	50	54
Police	40	42	41	40	41	43	44	42	43	41
Public Works										
Engineering	8	8	9	7	7	8	8	9	9	9
Facility Operations	4	4	4	4	4	4	5	4	4	4
Street Division	17	17	15	18	18	18	16	17	18	18
Shop Services	3	3	3	3	3	3	4	3	4	4
Water	13	13	13	14	14	14	16	16	16	17
Wastewater	12	12	11	11	10	9	10	13	12	12
Sanitation	8	7	8	8	9	8	8	8	8	8
Airport	5	6	6	6	6	6	7	8	8	8
Meridian Center	-	-	-	-	-	4	3	2	3	4
Total	197	201	198	201	205	208	209	211	212	224

Source: *City of Newton Human Resource Department*

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

Function/Program	2016	2017	2018	2019	2020
Fire					
Emergency Medical Service calls	3,198	3,211	3,189	3,197	3,157
Fire calls	586	535	477	436	433
Fire inspections	39	826	811	810	761
Police					
Total calls	33,283	27,475	25,971	25,585	22,063
Reported crimes	1,430	1,444	1,356	1,098	970
Adult arrests	1,660	1,911	1,874	1,745	1,214
Juvenile arrests	249	341	342	301	151
Engineering Division					
New dwelling starts	21	116	11	9	15
Environmental caseload	913	930	1,077	1,062	1,060
Water					
Number of customers	7,756	7,764	7,854	7,866	7,876
Annual Consumption *(thousands of cubic feet)*	73,892	75,079	79,940	72,388	78,064
Street					
Miles of streets overlayed or resurfaced	1.07	1.15	0.25	1.50	2.75
Square yards of streets sealed	202,256	129,399	155,091	117,370	10,170
Sanitation					
Tonnage landfilled	4,881	4,806	4,837	5,031	6,731
Tonnage recycled	1,590	1,537	1,535	1,510	402

Function/Program	2021	2022	2023	2024	2025
Fire					
Emergency Medical Service calls	3,505	3,743	3,379	3,592	3,696
Fire calls	635	537	624	736	676
Fire inspections	649	730	611	632	518
Police					
Total calls	23,152	21,886	25,413	23,471	24,688
Reported crimes	1,104	895	821	765	737
Adult arrests	1,454	1,295	1,170	1,116	1,251
Juvenile arrests	192	169	265	213	287
Engineering Division					
New dwelling starts	13	20	36	119	82
Environmental caseload	896	983	1,071	1,907	1,213
Water					
Number of customers	7,902	7,925	7,959	8,032	8,104
Annual Consumption *(thousands of cubic feet)*	78,169	82,023	83,604	85,423	85,654
Street					
Miles of streets overlayed or resurfaced	1.81	1.02	1.07	1.96	0.07
Square yards of streets sealed	149,876	296,966	175,362	126,123	85,148
Sanitation					
Tonnage landfilled	6,924	6,869	6,945	7,356	7,493
Tonnage recycled	310	98	-	-	-

Source: *Various city departments*

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

Function/Program	**2016**	**2017**	**2018**	**2019**	**2020**
Area of City *(acres)*	9,343.62	9,346.71	9,385.01	9,385.78	9,503.92
Fire/EMS					
Stations	3	3	3	3	3
Firefighter/EMTs	45	45	44	45	45
Police					
Stations	1	1	1	1	1
Police officers	35	35	35	35	36
Street Division					
Miles of City streets - paved	29.51	29.85	29.85	29.97	29.97
Miles of City streets - blacktop	92.49	92.49	92.60	92.60	92.60
Miles of City streets - gravel	9.32	9.32	9.21	9.21	9.21
Miles of City streets - unimproved	14.75	14.41	14.53	14.53	14.53
Street employees	17	17	15	18	18
Water					
Water mains *(miles)*	156.98	157.37	157.37	159.18	160.76
Wastewater					
Sanitary sewer *(miles)*	121.70	122.35	122.78	122.93	122.93
Storm water sewer *(miles)*	20.59	20.92	20.96	21.08	21.08

Function/Program	**2021**	**2022**	**2023**	**2024**	**2025**
Area of City *(acres)*	9,517.95	9,533.70	9,532.29	9,532.29	9,534.29
Fire/EMS					
Stations	3	3	3	3	3
Firefighter/EMTs	45	44	46	44	49
Police					
Stations	1	1	1	1	1
Police officers	36	37	38	38	39
Street Division					
Miles of City streets - paved	29.97	30.47	31.07	31.07	31.14
Miles of City streets - blacktop	92.60	92.60	92.67	93.84	93.84
Miles of City streets - gravel	9.21	9.21	9.21	9.21	9.21
Miles of City streets - unimproved	14.53	14.03	14.03	14.03	14.03
Street employees	18	16	17	18	18
Water					
Water mains *(miles)*	160.97	162.16	162.32	163.70	163.70
Wastewater					
Sanitary sewer *(miles)*	122.93	123.60	123.66	125.44	125.44
Storm water sewer *(miles)*	21.08	21.35	21.42	22.29	22.34

Source: *Various city departments*

CITY DATA REPORT
NEWTON, KANSAS
For Year Ending: 12/31/2025

1. ***STREETS***

A.	Total miles of streets (center line), as of December 31, 2025	148.22 miles
B.	Miles of streets paved, curbed & guttered in 2025	0.07 miles
C.	Streets annexed in 2025	0.00 miles
D.	Miles of different types of street surface	
1.	Paved (concrete)	31.14 miles
2.	Asphalt Blacktop (various types of bases)	93.84 miles
3.	Gravel / Sand	9.21 miles
4.	Platted but Unimproved	14.03 miles

2. ***STREET MAINTENANCE***

A.	Miles of streets overlayed or resurfaced in 2025	1.67 miles
B.	Square Yards of streets sealed in 2025	85 SY

3. ***SANITARY SEWER***

A.	Total miles of Sanitary Sewer, as of December 31, 2025	125.44 miles
B.	Miles of Sanitary Sewer constructed in 2025	0.00 miles
C.	Total Sanitary Sewer Manholes as of December 31, 2025	2,515
D.	Sanitary Sewer Manholes constructed in 2025	0

4. ***STORM WATER SEWER***

A.	Total miles of Storm Water Sewer, as of December 31, 2025	22.34 miles
B.	Miles of Storm Water Sewer constructed in 2025	0.05 miles

5. ***WATER LINES***

A.	Total miles of Water lines, as of December 31,2025	163.70 miles
B.	Miles of Water Transmission lines, as of December 31, 2025	0.00 miles
C.	Miles of Water Distribution lines, as of December 31, 2025	144.48 miles
D.	Miles of Water lines constructed in 2025	0.54 miles
E.	Miles of Water lines acquired in 2025	0.00 miles
F.	Total Fire Hydrants as of December 31, 2025	943
G.	Fire Hydrants constructed in 2025	5

6. ***AREA OF CITY OF NEWTON***

A.	Total acres, as of December 31, 2025	9,534.29 acres
B.	Acres annexed in 2025	2.00 acres
C.	Acres de-annexed in 2025	0.00 acres

7. ***SUBDIVISIONS***

A. Plat or PUD
   1. Art & Thelma Brackeen Addition
   2. Conelius Gardens Addition
   3. Hope Estates Additions

B. New Subdivision Development (Construction)

7. ***SUBDIVISIONS*** *(cont.)*

C. New Phase of Existing Subdivision (Construction)
   1. NDV Plaza Addition Waterline Extension
   2. Quail Creek Paving
   3. CD Customs Waterline (Fireline)
   4. Hillsboro Waterline (Fireline)
   5. Pine Street Building Renovation (Fireline)
   6. GAF Fireline

D. Capital Improvement Projects
   1. Country Club Lift Stateion
   2. Ground Water Tank
   3. E 12th Street Mill & Overlay

E. Miscellaneous Projects
   1. Airport Doors for Hangar A & J
   2. Airport Hangar J Recon
   3. Annual Overlay 2025

8. ***BUILDING CONSTRUCTION PERMITS***

A.	Total new single-family residence units and value for 2025	18	$ 3,526,125
B.	Multiple-family dwelling units		
	1. Total number of dwelling units and value for 2024	64	$ 7,360,000
C.	Total new residential dwelling units and value for 2025	82	$ 11,267,323
D.	Total building permits issued in 2025	549	$ 44,713,290

9. ***PARKS***

A. Total acres of Parks in City of Newton 297.83

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

	Park	Location	Type	Acreage	Year Established
1.	Themian	7th & Poplar	School	3.71	1875
2.	Military	Broadway & Oak	Community	3.71	1871
3.	Athletic	1st & W. Side Sand Creek	Community	38.99	1897
		Lot 5 & 6, Moore Addition	Community	0.13	1963
4.	Washington	Pine & Washington Road (@ Slate Creek)	Community	9.43	1937
5.	Parkview Heights	NE Side 5th & Pine, N Side Creek	Linear	1.68	1941
6.	Havens	12th & Oak	Neighborhood	0.88	1950
7.	Park Place	W. Side Sand Creek (between 5th & Broadway)	Linear	0.64	1950
8.	Blaine	East 4th - Cemetery (both sides creek to Blaine)	Linear	1.33	1959
9.	Greenwood Cemetery	Between 1st & 5th, Sherman & 1-135	Community	62.00	1871
10.	Rodeo Grounds	West 1st to Sand Creek (Creek to Grandview)	Community	13.00	1960
		Lots 1 & 3, BL. 5 Fairfield Distr.	Community	0.43	1961
11.	Caperland	feet	Neighborhood	1.79	1963
12.	Ash Street	10th & Ash	Neighborhood	4.55	1964

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

	Park	Location	Type	Acreage	Year Established
13.	Bi-Centennial	NE Corner 14th & Kansas	Community	59.35	1971
14.	East Centennial	Area E. of Centennial Park	Community	51.60	1979
15.	West Centennial	W. Side of Kansas, Sledding Hill	Community	5.45	
16.	Okerberg	W. part B1.44 @ Rec Center	Neighborhood	3.71	1974
17.	Mid-town Arboretum	NW Corner 8th & Main	Neighborhood	1.38	1977
18.	Depot Park	SE Corner 5th & Main	Pocket	0.18	1978

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

	Park	**Location**	**Type**	**Acreage**	**Year Established**
19.	Plum-Brook	Plum & Brookside, N. of Cherry Hills	Neighborhood	2.10	1981
20.	Quail Creek	Block 2, Quail Creek Estates 3rd Addition	Neighborhood	1.78	1985
21.	Veazey	N. of 14th @ Oak, side Sand Creek	Pocket	1.35	1987
22.	Sherman	SE Corner 12th & Sherman	Neighborhood	2.75	1981
23.	Roosevelt	SE Corner Broadway & Magnolia	Neighborhood	2.15	2007
24.	Lincoln Park	Elm & West 6th Streets	Neighborhood	0.63	2002
25.	Railroad Park	From W. 1st to N. Main	Linear	1.73	2005
26.	Springlake	110 Springlake Dr	Neighborhood	12.00	2009
27.	Park	1012 SW 14th Street	Community	9.40	2023

C. Total miles of Bike-Hike Path	6.96	miles
Miles of Bike-Hike Path constructed in 2025	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"

CITY OF NEWTON, KANSAS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended December 31, 2025

Federal Grantor/Pass-Through Grantor/Program Title	Grantor's Number	Assistance Listing Number	Expenditures
Federal Emergency Management Agency:			
Assistance to Firefighters Grant - 2023	EMW-2023-FG-00401	97.044	$ 518,182
Total Federal Emergency Management Agency			518,182
U.S. Department of Transportation:			
Passed through the Federal Aviation Administration:			
Reconstruct Runway 8/26	3-20-0058-039-2025	20.106	2,763,735
Reconstruct Runway 8/26	3-20-0058-040-2025	20.106	1,163,000
Total U.S. Department of Transportation			3,926,735
Total Expenditures of Federal Awards			$ 4,444,917

See accompanying notes to schedule of expenditures of federal awards.

1 - Basis of Presentation

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of the City of Newton, Kansas (the City) under programs of the federal government for the year ended December 31, 2025. The City's reporting entity is defined in Note 1 to the City's basic financial statements. All federal awards passed through other government agencies are included on the Schedule. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the City, it is not intended to and does not present the net position, changes in net position, or, where applicable, cash flows of the City.

2 - Summary of Significant Accounting Policies

The Schedule is presented using the modified accrual basis of accounting, which is described in Note 1 to the City's basic financial statements. The expenditures are recognized following the cost principles contained in Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. The City has not elected to use the de minimis indirect cost rate as allowed under the Uniform Guidance.

CITY OF NEWTON, KANSAS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended December 31, 2025

Section I – Summary of Auditor's Results

Financial Statements

Type of auditor's report issued	Unmodified
Internal control over financial reporting:	
Material weaknesses identified	None
Significant deficiencies identified that are not considered to be material weaknesses:	None reported
Noncompliance material to financial statements	None reported

Federal Awards

Type of auditor's report issued on compliance for major program	Unmodified
Internal control over major program:	
Material weaknesses identified	None
Significant deficiencies identified that are not considered to be material weaknesses	None reported
Findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)	None
Identification of major program:	
Assistance Listing Number	Name of Federal Program
20.106	Airport Improvement Program
Dollar threshold used to distinguish between Type A and Type B programs	$ 1,000,000
Auditee qualified as a low-risk auditee:	No

Section II – Financial Statement Findings None

Section III – Federal Award Findings and Questioned Costs None

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

The Honorable Mayor and City Commission
City of Newton, Kansas

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, 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, 2025, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated July 30, 2026. Our report includes a reference to other auditors who audited the financial statements of the Housing Authority of the City of Newton, Kansas (the Housing Authority), as described in our report on the City's financial statements. This report does not include the results of the other auditor's testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors. The financial statements of Newton Public Library were not audited in accordance with *Government Auditing Standards* and accordingly, this report does not include reporting on internal control over financial reporting or instances of reportable noncompliance associated with the Newton Public Library.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Swindoll, Janzen, Hawk & Loyd, LLC

July 30, 2026
Topeka, Kansas

Helping you get from where you are to where you want to B.

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

Mayor and City Commission
City of Newton, Kansas

Report on Compliance for the Major Federal Program

Opinion on the Major Federal Program

We have audited the City of Newton, Kansas's (the City) compliance with the types of compliance requirements identified as subject to audit in the OMB Compliance Supplement that could have a direct and material effect on the City's major federal program for the year ended December 31, 2025. The City's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

The City's basic financial statements include the operations of the Housing Authority of the City of Newton, Kansas (the Housing Authority), which expended $ 3,737,249 in federal awards which is not included in the City's schedule of expenditures of federal awards during the year ended December 31, 2025. Our audit, described below, did not include the operations of the Housing Authority because the Housing Authority engaged other auditors to perform an audit of compliance.

In our opinion, the City complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended December 31, 2025.

Basis for Opinion on the Major Federal Program

We conducted our audit of compliance in accordance with the 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 (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with 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 opinion on compliance for the major federal program. Our audit does not provide a legal determination of the City's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the City's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the City's compliance based on our audit. 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, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the City's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material noncompliance, 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 City's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- obtain an understanding of the City's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit, we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Swindoll, Janzen, Hawk & Loyd, LLC

July 30, 2026
Topeka, Kansas