

CITY OF FULTON
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE YEAR ENDED
DECEMBER 31, 2022

Prepared By:
Department of Finance and
Administration

CITY OF FULTON, MISSOURI

ANNUAL COMPREHENSIVE FINANCIAL REPORT

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INTRODUCTORY SECTION



CITY OF FULTON, MISSOURI

STEVE F. MYERS
Mayor

18 EAST 4TH STREET,
P.O. BOX 130, FULTON, MISSOURI 65251-0130
Telephone: (573) 592-3111 Fax: (573) 592-3119

August 28, 2023

Honorable Mayor and members of the City Council:

I am pleased to submit the Annual Comprehensive Financial Report of the City of Fulton, Missouri (the City), for the fiscal year ended December 31, 2022. The Finance Department prepared this report. Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with the City. I believe the data, as presented, is accurate in all material aspects; that it is presented in a manner designated to fairly set forth the financial position and results of operations of the City as measured by the financial activity of its various funds; and that all disclosures necessary to enable the reader to gain the maximum understanding of the City's financial affairs have been included.

The inherent limitations of internal controls include cost/benefit considerations, management override, and the risk of collusion. In spite of these limitations the City feels its system of internal controls provides reasonable assurance regarding the reliability of the accounting data upon which the City's financial statements are based. This report has been prepared in conformity with accounting principles generally accepted in the United States (GAAP).

The independent auditing firm of Williams-Keepers LLC has audited the City's financial statements.

Management's discussion and analysis (MD&A) immediately follows the independent auditors' report and provides a narrative introduction, overview, and analysis of the basic financial statements. The MD&A complements this letter of transmittal and should be read in conjunction with it.

Profile of the City

Incorporated in 1859, the City of Fulton is the county seat of Callaway County in central Missouri.

The City operates with a Charter form of government. In accordance with the Charter, the registered voters within the City elect a Mayor and eight Council members. Two members are elected to the Council from each ward for two years and serve staggered terms. The Mayor is elected at large and serves a four-year term. The Director of Administration is the chief operating officer of the City and, as such, is responsible to the Mayor for the administration of all City affairs as set forth in the Charter.

The City made numerous improvements throughout the City in 2022. The City replaced the Golf Course irrigation system, finished many sewer projects to decrease infiltration and inflow, and completed pipe lining and point repairs. The City also made several street improvements in 2022 such as micro surfacing, cheap seal and overlays. Additionally, the City began the 2nd Street project which included storm sewers, curb, gutter and widening as part of an ongoing improvement to a major thoroughfare through the City.

The City offers a full range of services including fire and police protection, public works services, public health services, cemeteries, planning and zoning, parks and recreation, golf course, airport, and electric, gas, water, sewer, and solid waste services.

For purposes of preparing this Annual Comprehensive Financial Report, all entities that are controlled by, or dependent on, Fulton's City Council are included. Determination as to controlled by, or dependent on, the City is based on financial accountability, budget adoption, taxing authority, outstanding debt secured by revenues or general obligations of the City, or the City's obligation to fund any deficit that may occur. There are no other entities of the City of Fulton which meet these criteria and, therefore, should be included as part of this report.

The annual budget serves as the foundation for the City's financial planning and control. During the budget preparation process, each department provides detailed estimates of revenues and expenditures for evaluation by the Director of Administration. The Director may, as he/she deems necessary, revise these estimates. On or before sixty days prior to the end of the fiscal year, the Mayor submits the budget for the coming year to the Council for approval by ordinance. At least six months prior to the final date for submission of the budget, the Mayor submits a three-year capital program to the Council for approval by resolution.

Budgetary control is maintained at the department level by the authorization of purchase orders prior to their release to vendors. Contracts must be approved and authorized by the City Council prior to their release to vendors. Budgetary line items which are in excess of departmental budgets are reviewed by the Director of Administration and Chief Financial Officer and reported to the Council.

The City Charter provides that at any time during the fiscal year the Mayor may transfer part or all of any unencumbered appropriation balance among programs within a department, office or agency and, upon written request by the Mayor, the Council may, by ordinance, transfer part or all of any unencumbered appropriation balance from one department, office or agency to another.

Factors Affecting Financial Condition

Local Economy

Callaway County's 2022 inflation unemployment rate of 2.3% continues to remain below the statewide average of 2.5%. The current rates have decreased significantly from 2021. Sales tax revenue in 2022 increased 4.4%.

Long-term Financial Planning

The City uses a three-year capital improvement program to prioritize public projects and utility improvements to be completed as funds become available.

The City monitors the terms and conditions of all outstanding debt and current market conditions. It is the City's policy to refund or retire debt early whenever it is in the best interest of the City.

For an overview and analysis of the financial statements contained here, please see the Management's Discussion and Analysis.

Awards and Acknowledgements

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 Fulton for its Annual Comprehensive Financial Report (ACFR) for the fiscal year ended December 31, 2021.

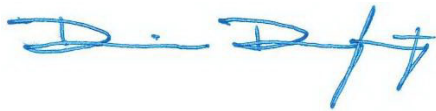
In order to be awarded a Certificate of Achievement, a governmental unit must publish an easily readable and efficiently organized ACFR that conforms to program standards. The report must satisfy both generally accepted accounting principles and applicable legal requirements.

The City of Fulton has received this award for every fiscal year since 1986 for which it was eligible to submit its ACFR under the Certificate of Achievement program.

A Certificate of Achievement is valid for a period of one year only. We believe our current report conforms to Certificate of Achievement program requirements and we are submitting it to GFOA for consideration.

The preparation of this Annual Comprehensive Financial Report could not have been accomplished without the dedicated services of all of the members of the Finance Department. I would also like to thank the firm of William-Keepers LLC and their staff for their assistance and patience in the preparation of this annual report.

Respectfully submitted,

A handwritten signature in blue ink, appearing to read "D. Dougherty". The signature is stylized with a large initial "D" and a long horizontal line extending to the right, ending in a vertical stroke.

Dustin Dougherty
Chief Financial Officer



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Fulton
Missouri**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

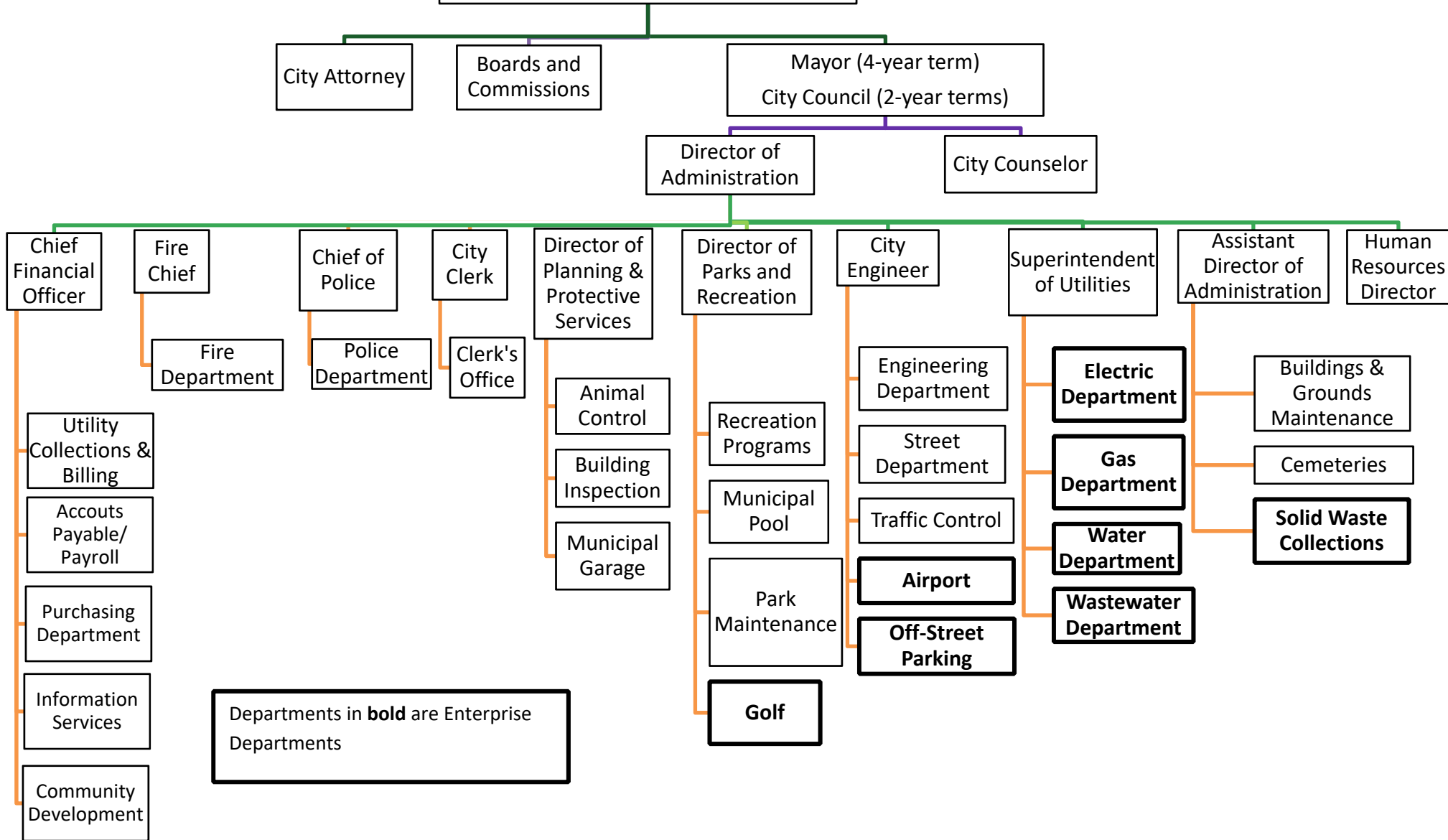
December 31, 2021

Christopher P. Morrill

Executive Director/CEO



Citizens of Fulton



CITY OF FULTON, MISSOURI

Principal Officers

MAYOR

Steve Myers

CITY COUNCIL

Mike West	Valerie Sebacher
Jeff Stone	Mary Rehkla
Alan Combs	Brad Leuther
Lauren EH Nelson	Bob Washington

ATTORNEY

Eric Qualls, J.D.

ADMINISTRATION

Courtney Doyle	Interim Director of Administration
Vacant	Assistant Director of Administration
Kathie Ratliff	City Clerk
Dustin Dougherty	Chief Financial Officer
Darrell Dunlap	Superintendent of Utilities
Vacant	Human Resources Manager
William Ladwig	Chief of Police
Kevin Coffelt	Fire Chief
Dennis Houchins	Planning and Protective Administration
Kyle Bruemmer	City Engineer
Clay Caswell	Director of Parks and Recreation

INDEPENDENT AUDITORS

Williams-Keepers LLC

FINANCIAL SECTION

INDEPENDENT AUDITORS' REPORT

To the Honorable Mayor and City Council
of the City of Fulton, Missouri

Opinions

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City as of December 31, 2022, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with U.S. generally accepted accounting principles.

Basis for Opinions

We conducted our audit in accordance with U.S. generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted 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 U.S. generally accepted 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

U.S. generally accepted accounting principles require that the management's discussion and analysis, the pension plan schedules, and the budgetary comparison schedules as listed in the table of contents be presented to supplement the basic financial statements. Such information, 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 financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with U.S. generally accepted auditing standards, 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 combining non-major governmental funds financial statements, non-major governmental funds budgetary comparison schedules, combining internal service funds financial statements, and combining non-major business-type funds financial statements are presented for purposes of additional analysis and are not a required part of the 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 U.S. generally accepted auditing standards. In our opinion, the 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 Comprehensive Financial Report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditors' report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

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

William F. Keppel, UC

Columbia, Missouri
August 28, 2023

CITY OF FULTON

MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the City of Fulton, Missouri, we offer readers of the City of Fulton's financial statements this narrative overview and analysis of the financial activities of the City of Fulton, Missouri (the City) for the year ended December 31, 2022. We encourage readers to consider the information presented here in conjunction with the letter of transmittal at the front of this report and the City's financial statements, which follow this section.

Financial Highlights

- On a government-wide basis, the City's assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources for the most recent year by \$95 million. Of this amount, \$10.8 million (unrestricted net position) may be used to meet the City's ongoing obligations to citizens and creditors.
- The City's net position increased by \$3.0 million from "governmental activities." Net position from "business-type activities" decreased by \$1.3 million. The total effect on net position from the prior year was an increase of \$1.7 million.
- The City's total assets decreased by \$3.2 million. This was primarily a result of new construction that had depreciated for the 2nd Street and 2nd Street Bridge projects.

Overview of the Financial Statements

This discussion and analysis is provided as an introduction to the basic financial statements. The basic financial statements consist of three components: government-wide financial statements, fund financial statements, and notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements.

Government-wide Financial Statements

The *Government-Wide Financial Statements* are a broad overview of the City's finances in a manner similar to a private business.

The *Statement of Net Position* presents all of the City's assets, liabilities, and deferred outflows and inflows of resources, with the difference between them reported as *net position*. Net position is an important measure of the City's overall financial health. The increases and decreases in net position can be monitored to determine whether the City's financial positions are improving or deteriorating.

The *Statement of Activities* presents information showing how the City's net position changed during the most recent year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (i.e., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements report functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) separately 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 governmental activities for the City include general government, public safety, public works, engineering services, cemetery, culture and recreation, health and sanitation, and community development. The business-type activities for the City include electric, gas, water, sewer, solid waste, airport, parking facilities, and golf course.

Fund Financial Statements

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 City uses fund accounting to ensure compliance with finance-related legal requirements. These funds are divided into two categories: governmental funds and proprietary funds.

Governmental Funds

Governmental funds are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on the near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the year. Such information may be useful in evaluating the City's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, the reader may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The City maintains several individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the government fund statement of revenues, expenditures, and changes in fund balances for the General Fund and the Capital Improvement Sales Tax Fund, which are considered to be major funds. Data for the other governmental funds are combined into a single, aggregated presentation called *non-major funds*. Individual fund data for each of these non-major governmental funds is provided in the form of *combining statements* in the other supplementary information section in this report.

Proprietary Funds

The City uses 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. *Internal service funds* are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City uses internal service funds to account for its vehicle maintenance activities and self-insured health plan. Because these services predominately benefit governmental rather than business-type functions, they have been included within the *governmental activities* in the government-wide financial statements.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Required Supplementary Information

In addition to the basic financial statements and accompanying notes, this report also contains certain *required supplementary information* regarding pension plan schedules and budgetary information for the General Fund and the Capital Improvement Sales Tax Fund.

Other Supplementary Information

The combining and individual fund statements for non-major funds and internal service funds and the budgetary information for the special revenue and debt service funds are presented immediately following the required supplementary information.

Government-wide Financial Analysis

As noted earlier, net position may serve as a useful indicator of the City's financial position. For the fiscal year ended December 31, 2022, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by approximately \$95 million. The largest portion of the City's net position is its investment in capital assets (i.e. land, buildings, machinery and equipment, and infrastructure) less any related debt used to acquire those assets. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending.

CITY OF FULTON NET POSITION

	Governmental		Business-Type		Total	
	Activities		Activities			
	2022	2021	2022	2021	2022	2021
Current and other assets	\$ 17,695,677	\$ 16,709,353	\$ 22,416,632	\$ 24,402,989	\$ 40,112,309	\$ 41,112,342
Capital assets	35,809,257	36,493,726	51,354,545	52,862,904	87,163,802	89,356,630
Total assets	53,504,934	53,203,079	73,771,177	77,265,893	127,276,111	130,468,972
Deferred outflows - pension	605,542	591,153	348,471	340,189	954,013	931,342
Total deferred outflows	605,542	591,153	348,471	340,189	954,013	931,342
Long-term liabilities, including current portion	11,385,037	12,404,959	13,175,335	14,691,945	24,560,372	27,096,904
Other liabilities	672,712	746,364	3,604,768	2,166,062	4,277,480	2,912,426
Total liabilities	12,057,749	13,151,323	16,780,103	16,858,007	28,837,852	30,009,330
Unearned revenue - grants	2,566,186	1,270,846	-	-	2,566,186	1,270,846
Deferred inflows - pension	1,172,114	4,059,059	674,512	2,335,844	1,846,626	6,394,903
Total deferred inflows	3,738,300	5,329,905	674,512	2,335,844	4,412,812	7,665,749
Net position						
Net investment in capital assets	24,954,030	24,671,334	43,436,156	43,755,359	68,390,186	68,426,693
Restricted	13,709,036	15,534,004	2,122,102	2,968,503	15,831,138	18,502,507
Unrestricted	(348,639)	(4,892,334)	11,106,775	11,688,369	10,758,136	6,796,035
Total net position	\$ 38,314,427	\$ 35,313,004	\$ 56,665,033	\$ 58,412,231	\$ 94,979,460	\$ 93,725,235

Total assets for governmental activities increased by \$302,000 during the year, primarily due to the purchases of police vehicles and equipment, and the 2nd Street project. Total assets for business-type activities decreased by \$3.5 million. This was primarily due to the loan payments and a decrease in the net pension assets. Deferred outflows – pension is itemized at \$606,000 for governmental activities and \$348,000 for business-type activities, with an overall increase of \$23,000. Inclusion of these line items is a result of the implementation of GASB 68 as amended by GASB 71.

Total liabilities for governmental activities decreased \$1.1 million during the year as a result of decreases in accounts payable and amounts due beyond one year. Total liabilities for business-type activities decreased by \$78,000 due to decreases in debt service and financed purchases. Deferred inflows – pension is itemized at \$1.2 million for governmental activities and \$675,000 for business-type activities, with an overall decrease of \$4.5 million. Inclusion of these line items is a result of the implementation of GASB 68 as amended by

GASB 71. Unearned revenue – grants is itemized at \$2.6 million for governmental activities due to the receipt of an additional \$1.3 million of ARPA funding that was not expended during the year.

At the end of the current year, the City reports a negative balance in unrestricted net position for governmental activities and a positive balance in unrestricted net position for business-type activities. Of the City’s total net position, \$68.4 million (72%) is invested in capital assets, net of related debt, and thus is not available for spending. An additional portion of the City’s net position, \$15.8 million (17%), represents resources that are subject to external restrictions on how they may be used. The remaining balance of the City’s net position, \$10.8 million (11%), represents unrestricted net position that may be used to meet the City’s ongoing obligations to citizens and creditors.

**CITY OF FULTON
CHANGE IN NET POSITION**

	Governmental		Business-Type		Total	
	Activities		Activities			
	2022	2021	2022	2021	2022	2021
Revenues:						
Program revenues:						
Charges for services	\$ 3,517,144	\$ 3,040,606	\$ 29,937,447	\$ 28,461,242	\$ 33,454,591	\$ 31,501,848
Operating grants and contributions	137,723	280,320	-	-	137,723	280,320
Capital grants and contributions	-	-	42,205	217,636	42,205	217,636
General revenues:						
Taxes	8,863,806	8,491,375	-	-	8,863,806	8,491,375
Interest income	122,005	12,295	115,264	4,066	237,269	16,361
Miscellaneous	13,510	(160,223)	166,963	147,042	180,473	(13,181)
Total revenues	12,654,188	11,664,373	30,261,879	28,829,986	42,916,067	40,494,359
Expenses:						
General government	2,503,164	2,493,684	-	-	2,503,164	2,493,684
Public safety	4,062,401	4,096,144	-	-	4,062,401	4,096,144
Public works	2,758,442	2,742,570	-	-	2,758,442	2,742,570
Parks and recreation	1,449,646	1,013,456	-	-	1,449,646	1,013,456
Building and grounds maintenance	579,525	524,195	-	-	579,525	524,195
Interest and fees	482,587	542,759	-	-	482,587	542,759
Electric	-	-	14,475,588	12,835,643	14,475,588	12,835,643
Gas	-	-	7,480,435	9,201,476	7,480,435	9,201,476
Water	-	-	1,572,830	1,609,272	1,572,830	1,609,272
Sewer	-	-	2,579,089	2,578,508	2,579,089	2,578,508
Solid Waste	-	-	1,854,526	1,730,060	1,854,526	1,730,060
Airport	-	-	401,155	321,793	401,155	321,793
Parking facilities	-	-	18,066	18,066	18,066	18,066
Golf course	-	-	1,005,724	827,065	1,005,724	827,065
Total expenses	11,835,765	11,412,808	29,387,413	29,121,883	41,223,178	40,534,691
Change in net position before transfers	818,423	251,565	874,466	(291,897)	1,692,889	(40,332)
Transfers	2,183,000	1,833,000	(2,183,000)	(1,833,000)	-	-
Change in net position	3,001,423	2,084,565	(1,308,534)	(2,124,897)	1,692,889	(40,332)
Net position, beginning (as restated)	35,313,004	33,228,439	57,973,567	60,537,128	93,286,571	93,765,567
Net position, ending	\$ 38,314,427	\$ 35,313,004	\$ 56,665,033	\$ 58,412,231	\$ 94,979,460	\$ 93,725,235

Governmental Activities

Governmental activities increased the City’s net position by \$3.0 million. Tax revenues, the largest governmental category, were \$8.9 million (70%). For the year ended December 31, 2022, revenues totaled \$43.0 million (governmental and business-type), of which revenues from governmental activities totaled \$12.7 million (30%). Governmental revenues increased \$990,000 from the prior year, primarily due to steady increases in charges for services and taxes.

Expenses totaled \$41.2 million (governmental and business-type), of which expenses from governmental activities totaled \$11.8 million (29%). Overall total governmental expenses held fairly steady from the prior year, with slight changes in each category.

**CITY OF FULTON
NET COST OF GOVERNMENTAL ACTIVITIES**

	Total Cost of Service		Net Cost of Service	
	2022	2021	2022	2021
General government	\$ 2,503,164	\$ 2,493,684	\$ 293,572	\$ 412,869
Public safety	4,062,401	4,096,144	3,836,300	3,755,480
Public works	2,758,442	2,742,570	2,005,462	2,134,603
Parks and recreation	1,449,646	1,013,456	1,051,819	790,083
Building and grounds maintenance	579,525	524,195	560,185	513,629
Interest and fees	482,587	542,759	433,560	485,218
Total cost	\$ 11,835,765	\$ 11,412,808	\$ 8,180,898	\$ 8,091,882

Expenses from governmental activities totaled \$11.8 million and increased \$423,000. However, net costs of these services were \$8.2 million. The difference represents direct revenues received from charges for services of \$3.5 million and operating and capital grants of \$138,000. Taxes and other revenues of \$9.0 million were collected toward covering these net costs, along with transfers from business-type activities of \$2.2 million.

Business-type Activities

Business-type activities decreased the City’s net position by \$1.3 million.

Total revenues increased \$1.4 million from the prior year. Charges for services increased \$1.5 million from the prior year due to weather variables that affect utility billings offset by an increase in natural gas prices. Capital grants and contributions decreased \$175,000 and other revenues increased \$131,000.

Total expenses increased \$266,000 from the prior year, primarily due to the significant increase in the cost of electric for the summer months of 2022 and gas for the winter months of January, February, and December.

Financial Analysis of the City’s Funds

Governmental Funds

The focus of the City’s governmental funds is to provide information on inflows and balances of available expendable resources. Such information is useful in assessing the City’s financing requirements. In particular, unrestricted fund balance may serve as a useful measure of a government’s net resources available for spending at the end of the fiscal year.

The fund balance in the General Fund increased by \$416,000. This was primarily due to an increase in grant revenues.

The fund balance in the Capital Improvement Sales Tax Fund increased by \$573,000. This was primarily due to an increase in tax revenues, offset by monthly water bond payments.

Enterprise Funds

The Electric Fund had a decrease in net position of \$1.1 million. This was due to an increase in power expense.

The Gas Fund had a decrease in net position of \$592,000. This was due to increases in operating expenses without the corresponding increases in revenue.

The Water Fund had an increase in net position of \$85,000. This was due to changes in operating expenses.

The Sewer Fund had an increase in net position of \$307,000. This was primarily due to an increase in revenues as expenses held steady with the prior year.

The Solid Waste Fund had an increase in net position of \$147,000. This was primarily due to the increase in revenues as expenses held steady with the prior year.

The Golf Course Fund reported an increase in net position of \$44,000. This was due to an increase in revenues and a decrease in expenses.

Capital Assets

The City's investment in capital assets for its governmental and business-type activities as of December 31, 2022, amounts to approximately \$87.2 million (net of accumulated depreciation). This investment in capital assets includes land, buildings, infrastructure, other improvements and equipment. For more detailed information, see Note 8 of the Notes to the Financial Statements.

CITY OF FULTON CAPITAL ASSETS

	Governmental Activities		Business-Type Activities		Total	
	2022	2021	2022	2021	2022	2021
Land	\$ 2,315,192	\$ 2,315,192	\$ 3,443,154	\$ 3,443,154	\$ 5,758,346	\$ 5,758,346
Construction in progress	735,642	81,842	686,003	296,473	1,421,645	378,315
Buildings	17,469,556	17,442,403	12,038,853	12,038,853	29,508,409	29,481,256
Equipment	7,130,733	7,019,289	17,168,672	16,883,486	24,299,405	23,902,775
Other improvements	38,709,050	38,275,213	96,244,929	95,653,471	134,953,979	133,928,684
Leased equipment	74,183	74,183	430,847	411,513	505,030	485,696
Depreciation/amortization	(30,625,099)	(28,714,396)	(78,657,913)	(75,864,046)	(109,283,012)	(104,578,442)
Total capital assets	\$ 35,809,257	\$ 36,493,726	\$ 51,354,545	\$ 52,862,904	\$ 87,163,802	\$ 89,356,630

Major capital asset acquisitions during 2022 include the following:

- Engineering and streets for the 2nd Street and Bridge projects at \$675,000.
- Golf carts and irrigation at \$261,000.
- Police vehicles and equipment of \$144,000.
- Inspection, rehabilitation, and replacement of sewer lines totaling \$422,000.
- Trash truck at \$259,000.

General Fund Budgetary Highlights

The original General Fund expenditures budget was for \$13,832,450. Actual expenditures were \$12,079,425, a decrease of 13%. Some departments were over budget; the remainder were under budget. The major differences and factors can be summarized as follows:

- The Administration Department was over budget due to the actual cost of personnel and computer equipment.
- The Purchasing Department was over budget due to the actual cost of personnel.
- The Engineering Department was over budget on the 2nd Street Project; however, grant requirements are that the City pay first, then be reimbursed. This project crossed fiscal years.
- The Cemetery Department was over budget on personnel costs.
- The Parks and Recreation Pool was over budget on personnel costs.
- All other General Fund departments were under or close to budget due to personnel savings and capital outlay costs being less than originally forecasted.

Long-Term Debt

At the end of 2022, the City had a total of \$21.5 million of outstanding obligations. This was a decrease of \$2.4 million from the previous year, due to paying down the principal of the loans.

For more detailed information, see Notes 9 and 10 of the Notes to the Financial Statements.

CITY OF FULTON OUTSTANDING DEBT

	Governmental Activities		Business-Type Activities		Total	
	2022	2021	2022	2021	2022	2021
Special limited obligation bonds	\$ 6,380,000	\$ 7,010,000	\$ -	\$ -	\$ 6,380,000	\$ 7,010,000
Sewerage system revenue bonds	-	-	6,244,056	6,616,169	6,244,056	6,616,169
Municipal utility emergency loan	-	-	2,712,000	3,390,000	2,712,000	3,390,000
Financing leases	41,720	56,200	274,333	332,101	316,053	388,301
Financed purchases	4,426,390	4,682,611	1,400,000	1,800,001	5,826,390	6,482,612
Premiums and discounts, net	7,117	12,998	-	-	7,117	12,998
Total Outstanding Debt	\$ 10,855,227	\$ 11,761,809	\$ 10,630,389	\$ 12,138,271	\$ 21,485,616	\$ 23,900,080

Economic Factors and Next Year's Budget and Rates

The City continues to see signs of economic improvement. Sales tax revenues increased at a slightly higher rate than inflation. The presence of two colleges has helped keep employment fairly stable. All future projects were taken into consideration when planning the 2023 budget.

Requests for Information

This financial report is designed to provide the reader a general overview of the City's finances. Questions or requests for more information concerning any of the information provided in this report should be directed to Dustin Dougherty, Chief Financial Officer, City of Fulton, 18 E 4th Street, PO Box 130, Fulton, MO 65251.

CITY OF FULTON

STATEMENT OF NET POSITION
December 31, 2022

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and cash equivalents	\$ 7,395,679	\$ 11,090,116	\$ 18,485,795
Restricted cash and cash equivalents	7,080,559	-	7,080,559
Restricted investments	400,065	75	400,140
Accounts receivable, net of allowance of \$647,426	2,310,733	4,522,361	6,833,094
Internal balances	(2,968,107)	2,968,107	-
Inventory	89,407	1,884,329	1,973,736
Prepaid items	290,658	169,618	460,276
Net pension asset	3,096,683	1,782,026	4,878,709
Capital assets:			
Non-depreciable	3,050,841	4,129,157	7,179,998
Depreciable, net	32,712,670	46,927,342	79,640,012
Right of use asset, net	45,746	298,046	343,792
Total assets	<u>53,504,934</u>	<u>73,771,177</u>	<u>127,276,111</u>
DEFERRED OUTFLOWS OF RESOURCES			
Pension plan contributions	297,861	171,402	469,263
Pension plan other	307,681	177,069	484,750
Total deferred outflows of resources	<u>605,542</u>	<u>348,471</u>	<u>954,013</u>
LIABILITIES			
Accounts payable	377,496	2,785,948	3,163,444
Accrued liabilities	116,666	62,692	179,358
Accrued interest payable	59,746	4,500	64,246
Claims payable	25,869	-	25,869
Customer deposits	-	751,628	751,628
Funds held on behalf of others	92,935	-	92,935
Long-term liabilities:			
Financing leases:			
Amounts due within one year	15,382	78,497	93,879
Amounts due beyond one year	26,338	195,836	222,174
Financed purchases:			
Amounts due within one year	264,274	400,000	664,274
Amounts due beyond one year	4,162,116	1,000,000	5,162,116
Compensated absences:			
Amounts due within one year	312,508	266,126	578,634
Amounts due beyond one year	217,302	72,136	289,438
Debt:			
Amounts due within one year	900,000	1,058,927	1,958,927
Amounts due beyond one year	5,487,117	7,897,129	13,384,246
Accrued landfill closure costs:			
Amounts due within one year	-	5,000	5,000
Amounts due beyond one year	-	2,201,684	2,201,684
Total liabilities	<u>12,057,749</u>	<u>16,780,103</u>	<u>28,837,852</u>
DEFERRED INFLOWS OF RESOURCES			
Unearned revenue - grants	2,566,186	-	2,566,186
Pension plan other	1,172,114	674,512	1,846,626
Total deferred inflows of resources	<u>3,738,300</u>	<u>674,512</u>	<u>4,412,812</u>
NET POSITION			
Net investment in capital assets	24,954,030	43,436,156	68,390,186
Restricted for:			
Expendable:			
Public safety	47,625	-	47,625
Debt service	9,623,094	75	9,623,169
TIF Districts	914,642	-	914,642
Perpetual care	992	-	992
Post closure costs	-	340,001	340,001
Net pension asset	3,096,683	1,782,026	4,878,709
Nonexpendable:			
Perpetual care	26,000	-	26,000
Unrestricted	(348,639)	11,106,775	10,758,136
Total net position	<u>\$ 38,314,427</u>	<u>\$ 56,665,033</u>	<u>\$ 94,979,460</u>

The notes to the financial statements are an integral part of these statements.

CITY OF FULTON

STATEMENT OF ACTIVITIES
Year Ended December 31, 2022

Program/Function	Program revenues			Net (expense) revenue and change in net position			
	Expenses	Charges for services	Operating grants and contributions	Capital grants and contributions	Governmental activities	Business-type activities	Total
Governmental activities:							
General government	\$ 2,503,164	\$ 2,209,592	\$ -	\$ -	\$ (293,572)	\$ -	\$ (293,572)
Public safety	4,062,401	88,378	137,723	-	(3,836,300)	-	(3,836,300)
Public works	2,758,442	752,980	-	-	(2,005,462)	-	(2,005,462)
Parks and recreation	1,449,646	397,827	-	-	(1,051,819)	-	(1,051,819)
Building and grounds maintenance	579,525	19,340	-	-	(560,185)	-	(560,185)
Interest and fees	482,587	49,027	-	-	(433,560)	-	(433,560)
Total governmental activities	11,835,765	3,517,144	137,723	-	(8,180,898)	-	(8,180,898)
Business-type activities:							
Electrical	14,475,588	14,962,261	-	-	-	486,673	486,673
Gas	7,480,435	6,886,594	-	-	-	(593,841)	(593,841)
Water	1,572,830	1,652,594	-	-	-	79,764	79,764
Sewer	2,579,089	3,151,779	-	-	-	572,690	572,690
Solid waste	1,854,526	2,054,115	-	-	-	199,589	199,589
Airport	401,155	215,148	-	-	-	(186,007)	(186,007)
Parking facilities	18,066	18,640	-	-	-	574	574
Golf	1,005,724	996,316	-	42,205	-	32,797	32,797
Total business-type activities	29,387,413	29,937,447	-	42,205	-	592,239	592,239
Total	\$ 41,223,178	\$ 33,454,591	\$ 137,723	\$ 42,205	(8,180,898)	592,239	(7,588,659)
General revenue:							
Taxes:							
Property taxes, levied for general purposes					862,659	-	862,659
Payments in lieu of taxes					238,573	-	238,573
General sales tax					5,742,799	-	5,742,799
Franchise tax					1,406,475	-	1,406,475
Motor fuel tax					479,981	-	479,981
Other tax					133,319	-	133,319
Interest income					122,005	115,264	237,269
Miscellaneous income					13,510	166,963	180,473
Net transfers (to) from other funds					2,183,000	(2,183,000)	-
Total general revenues and transfers					11,182,321	(1,900,773)	9,281,548
Change in net position					3,001,423	(1,308,534)	1,692,889
Net position - beginning (as restated)					35,313,004	57,973,567	93,286,571
Net position - ending					\$ 38,314,427	\$ 56,665,033	\$ 94,979,460

The notes to the financial statements are an integral part of these statements.

CITY OF FULTON
BALANCE SHEET
ALL GOVERNMENTAL FUND TYPES
December 31, 2022

	Major Funds			Total
	General Fund	Capital Improvement Sales Tax Fund	Non-Major Funds	
ASSETS				
Cash and cash equivalents	\$ 3,798,401	\$ -	\$ 3,266,104	\$ 7,064,505
Restricted cash and cash equivalents	211,016	5,986,670	882,873	7,080,559
Restricted investments	-	-	400,065	400,065
Accounts receivable, net of allowance of \$12,644	1,637,627	165,594	507,359	2,310,580
Inventory	77,186	-	-	77,186
Prepaid items	286,733	-	-	286,733
Total assets	6,010,963	6,152,264	5,056,401	17,219,628
LIABILITIES				
Accounts payable	349,021	-	-	349,021
Due to other funds	-	-	816,411	816,411
Accrued liabilities	114,616	-	-	114,616
Funds held on behalf of others	92,935	-	-	92,935
Total liabilities	556,572	-	816,411	1,372,983
DEFERRED INFLOWS OF RESOURCES				
Unearned revenue - grants	2,566,184	-	-	2,566,184
Unavailable revenue - taxes	119,104	-	22,179	141,283
Total deferred inflows of resources	2,685,288	-	22,179	2,707,467
FUND BALANCES				
Nonspendable:				
Inventory	77,186	-	-	77,186
Prepaid items	286,733	-	-	286,733
Perpetual care	26,000	-	-	26,000
Restricted for:				
Public safety	-	-	47,625	47,625
Debt service	-	6,152,264	3,470,830	9,623,094
TIF Districts	-	-	914,642	914,642
Perpetual care	992	-	-	992
Unassigned	2,378,192	-	(215,286)	2,162,906
Total fund balances	2,769,103	6,152,264	4,217,811	13,139,178
Total liabilities, deferred inflows, and fund balances	\$ 6,010,963	\$ 6,152,264	\$ 5,056,401	\$ 17,219,628

The notes to the financial statements are an integral part of these statements.

CITY OF FULTON

**RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
December 31, 2022**

Fund balances - total governmental funds		\$ 13,139,178
<p>Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the governmental funds:</p>		
Governmental capital assets	66,360,178	
Right of use asset - financing leases	74,183	
Less accumulated depreciation and amortization	<u>(30,625,104)</u>	
		35,809,257
<p>Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the governmental funds:</p>		
Unavailable revenue - taxes		141,281
<p>Other long-term assets and deferred outflows of resources are not financial resources and, therefore, are not reported in the governmental funds:</p>		
Net pension asset		3,047,892
Deferred outflows - pension plan contributions		293,170
Deferred outflows - pension plan other		302,835
<p>Internal service funds are used by management to charge the costs of various items. The assets and liabilities of the internal service funds are included in the governmental activities in the statement of net position:</p>		
		(1,826,466)
<p>Long-term liabilities, including financing leases, financed purchases, interest payable, and accrued compensated absences, are not due and payable in the current period, and, therefore, are not reported as liabilities in the governmental funds:</p>		
Accrued interest payable		(59,746)
Financing leases		(41,720)
Financed purchases		(4,426,390)
Compensated absences		(524,096)
Debt (revenue bonds payable)		(6,387,117)
<p>Deferred inflows of resources are not financial resources, and, therefore, are not reported in the governmental funds:</p>		
Deferred inflows - pension plan other		(1,153,651)
Net position of governmental activities		\$ 38,314,427

The notes to the financial statements are an integral part of these statements.

CITY OF FULTON

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES
ALL GOVERNMENTAL FUND TYPES
Year Ended December 31, 2022**

	Major Funds			Total
	General Fund	Capital Improvement Sales Tax Fund	Non-Major Funds	
REVENUES				
Taxes	\$ 6,479,478	\$ 989,336	\$ 1,120,333	\$ 8,589,147
Licenses and permits	212,622	-	-	212,622
Intergovernmental revenues	155,445	-	-	155,445
Charges for services	2,561,433	-	-	2,561,433
Payments in lieu of taxes	-	-	238,573	238,573
Fines and forfeitures	5,050	-	-	5,050
Recreational fees	397,827	-	-	397,827
Miscellaneous:				
Rent	66,324	-	-	66,324
Interest	36,956	59,015	71,550	167,521
Contributions	3,999	-	-	3,999
Other	14,201	-	-	14,201
TOTAL REVENUES	9,933,335	1,048,351	1,430,456	12,412,142
EXPENDITURES				
General government	2,395,447	-	6,181	2,401,628
Public safety	4,645,299	-	-	4,645,299
Public works	2,883,459	-	-	2,883,459
Parks and recreation	1,136,352	-	-	1,136,352
Building and grounds maintenance	606,618	-	-	606,618
Debt service:				
Principal	270,700	-	630,000	900,700
Interest and fees	141,550	8,685	351,625	501,860
Miscellaneous	-	-	2,285	2,285
TOTAL EXPENDITURES	12,079,425	8,685	990,091	13,078,201
Excess (deficiency) of revenues over (under) expenditures	(2,146,090)	1,039,666	440,365	(666,059)
OTHER FINANCING SOURCES (USES)				
Transfers in	2,753,079	-	1,291,697	4,044,776
Transfers (out)	(203,068)	(467,076)	(1,191,632)	(1,861,776)
Proceeds on sale of governmental fund assets	12,250	-	-	12,250
Total other financing sources (uses)	2,562,261	(467,076)	100,065	2,195,250
Net change in fund balances	416,171	572,590	540,430	1,529,191
Fund balances, January 1	2,352,932	5,579,674	3,677,381	11,609,987
FUND BALANCES, December 31	\$ 2,769,103	\$ 6,152,264	\$ 4,217,811	\$ 13,139,178

The notes to the financial statements are an integral part of these statements.

CITY OF FULTON

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

Net change in fund balances - total governmental funds		\$ 1,529,191
Amounts reported for governmental activities in the statement of activities are different because:		
<p>Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. The following is the detail of the amount by which capital outlays were less than the depreciation in the current period.</p>		
Depreciation and amortization expense	(1,945,842)	
Loss on sale of governmental fund assets	(16,940)	
Capital outlay capitalized as assets	<u>1,279,680</u>	(683,102)
<p>Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the governmental funds.</p>		
Taxes	<u>36,086</u>	36,086
<p>The issuance of long-term debt (i.e., bonds, loans, and 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. Also, governmental funds report the effect of premiums and discounts on long-term debt when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. In the statement of activities, interest is accrued on outstanding bonds, whereas in the governmental funds, an interest expenditure is reported when due. The following is the detail of the net effect of these differences in the treatment of long-term debt and related items.</p>		
Repayment of principal (bonds, loans, and leases)	900,700	
Amortization of discounts or premiums	<u>19,273</u>	919,973
<p>Internal service funds are used by management to charge the costs of health insurance and municipal garage services to individual funds. The net revenue (expense) of the internal service fund is reported with the governmental activities.</p>		
		(325,614)
<p>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:</p>		
Change in compensated absences	116,908	
Pension plan expense	<u>1,407,981</u>	1,524,889
Change in net position of governmental activities		<u><u>\$ 3,001,423</u></u>

The notes to the financial statements are an integral part of these statements.

CITY OF FULTON
STATEMENT OF NET POSITION
ALL PROPRIETARY FUNDS
December 31, 2022

	Major Funds							Total Proprietary Funds	Governmental Activities - Internal Service Funds
	Electric Fund	Gas Fund	Water Fund	Sewer Fund	Solid Waste Fund	Golf Course Fund	Non-Major Funds		
ASSETS									
Current assets									
Cash and cash equivalents	\$ 2,044,859	\$ 1,005,071	\$ 1,797,567	\$ 4,814,211	\$ 1,184,408	\$ 758	\$ 243,242	\$ 11,090,116	\$ 331,174
Restricted investments	-	-	-	-	-	75	-	75	-
Accounts receivable, net of allowance of \$634,782	2,009,702	1,508,209	266,046	470,868	259,584	3,655	4,297	4,522,361	153
Due from other funds	6,329,471	3,107,705	-	-	-	-	-	9,437,176	-
Inventory	1,278,955	210,290	299,178	40,508	-	22,087	33,311	1,884,329	12,221
Prepaid items	41,491	27,629	29,495	26,498	29,839	12,957	1,709	169,618	3,925
Total current assets	11,704,478	5,858,904	2,392,286	5,352,085	1,473,831	39,532	282,559	27,103,675	347,473
Non-current assets									
Property, plant and equipment, net of accumulated depreciation	10,746,629	4,290,349	5,560,563	20,152,526	2,078,627	1,880,240	6,347,565	51,056,499	2,630
Right of use asset, net of accumulated amortization	-	-	-	-	-	298,046	-	298,046	-
Net pension asset	576,087	368,026	232,736	209,679	271,952	114,383	9,163	1,782,026	48,791
Total non-current assets	11,322,716	4,658,375	5,793,299	20,362,205	2,350,579	2,292,669	6,356,728	53,136,571	51,421
Total assets	23,027,194	10,517,279	8,185,585	25,714,290	3,824,410	2,332,201	6,639,287	80,240,246	398,894
DEFERRED OUTFLOWS OF RESOURCES									
Pension plan contributions	55,412	35,397	22,385	20,168	26,156	11,000	884	171,402	4,691
Pension plan other	57,246	36,567	23,124	20,835	27,022	11,363	912	177,069	4,846
Total deferred outflows of resources	112,658	71,964	45,509	41,003	53,178	22,363	1,796	348,471	9,537
LIABILITIES									
Current liabilities									
Due to other funds	-	-	-	-	-	5,280,830	1,188,239	6,469,069	2,151,696
Accounts payable	1,361,170	979,170	40,863	159,841	52,341	189,776	2,787	2,785,948	28,475
Accrued expenses	20,007	10,557	7,314	9,255	8,313	6,671	575	62,692	2,050
Accrued interest payable	1,980	1,980	360	-	180	-	-	4,500	-
Claims liability	-	-	-	-	-	-	-	-	25,869
Customer deposits	396,427	270,265	78,502	-	-	-	6,434	751,628	-
Compensated absences	107,869	42,874	25,685	34,201	28,289	27,208	-	266,126	2,971
Bond payable	-	-	-	380,927	-	-	-	380,927	-
Financing leases	-	-	-	-	-	78,497	-	78,497	-
Financed purchases	176,000	176,000	32,000	-	16,000	-	-	400,000	-
Notes payable	32,910	645,090	-	-	-	-	-	678,000	-
Accrued landfill closure costs	-	-	-	-	5,000	-	-	5,000	-
Total current liabilities	2,096,363	2,125,936	184,724	584,224	110,123	5,582,982	1,198,035	11,882,387	2,211,061
Long-term liabilities									
Compensated absences	26,253	7,566	17,123	2,574	12,647	5,973	-	72,136	2,743
Bond payable	-	-	-	5,863,129	-	-	-	5,863,129	-
Financing leases	-	-	-	-	-	195,836	-	195,836	-
Financed purchases	440,000	440,000	80,000	-	40,000	-	-	1,000,000	-
Notes payable	65,822	1,968,178	-	-	-	-	-	2,034,000	-
Accrued landfill closure costs	-	-	-	-	2,201,684	-	-	2,201,684	-
Total long-term liabilities	532,075	2,415,744	97,123	5,865,703	2,254,331	201,809	-	11,366,785	2,743
Total liabilities	2,628,438	4,541,680	281,847	6,449,927	2,364,454	5,784,791	1,198,035	23,249,172	2,213,804
DEFERRED INFLOWS OF RESOURCES									
Pension plan other	218,053	139,300	88,093	79,366	102,937	43,294	3,469	674,512	18,463
Total deferred inflows of resources	218,053	139,300	88,093	79,366	102,937	43,294	3,469	674,512	18,463
NET POSITION									
Net investment in capital assets	10,130,629	3,674,349	5,448,563	13,908,470	2,022,627	1,903,953	6,347,565	43,436,156	2,630
Restricted for:									
Debt service	-	-	-	-	-	75	-	75	-
Net pension asset	576,087	368,026	232,736	209,679	271,952	114,383	9,163	1,782,026	48,791
Post-closure costs	-	-	-	-	340,001	-	-	340,001	-
Unrestricted	9,586,645	1,865,888	2,179,855	5,107,851	(1,224,383)	(5,491,932)	(917,149)	11,106,775	(1,875,257)
TOTAL NET POSITION	\$ 20,293,361	\$ 5,908,263	\$ 7,861,154	\$ 19,226,000	\$ 1,410,197	\$ (3,473,521)	\$ 5,439,579	\$ 56,665,033	\$ (1,823,836)

The notes to the financial statements are an integral part of these statements.

CITY OF FULTON

**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
ALL PROPRIETARY FUND TYPES
Year Ended December 31, 2022**

	Major Funds							Total Proprietary Funds	Governmental Activities - Internal Service Funds
	Electric Fund	Gas Fund	Water Fund	Sewer Fund	Solid Waste Fund	Golf Course Fund	Non-Major Funds		
OPERATING REVENUES									
Charges for services	\$ 14,846,305	\$ 6,845,037	\$ 1,637,123	\$ 3,124,275	\$ 2,054,115	\$ 996,316	\$ 233,788	\$ 29,736,959	\$ 207,139
Free services for City departments	318,105	39,565	17,867	26,372	-	-	-	401,909	-
Contributions from City, employees, and other	-	-	-	-	-	-	-	-	1,346,993
Total charges for services	15,164,410	6,884,602	1,654,990	3,150,647	2,054,115	996,316	233,788	30,138,868	1,554,132
Less free services	(318,105)	(39,565)	(17,867)	(26,372)	-	-	-	(401,909)	-
Total net operating revenues	14,846,305	6,845,037	1,637,123	3,124,275	2,054,115	996,316	233,788	29,736,959	1,554,132
OPERATING EXPENSES									
Purchased power	11,213,501	5,392,404	-	-	-	-	-	16,605,905	-
System facilities and operations	2,494,468	1,717,591	1,072,152	1,484,050	923,770	854,154	149,293	8,695,478	379,556
Contractual expenses	-	-	-	-	431,081	-	25,879	456,960	-
General overhead	164,058	147,368	97,896	55,175	123,057	-	-	587,554	-
Depreciation and amortization	582,215	201,726	398,884	960,276	374,677	138,855	244,049	2,900,682	1,365
Claims expense	-	-	-	-	-	-	-	-	1,502,336
Total operating expenses	14,454,242	7,459,089	1,568,932	2,499,501	1,852,585	993,009	419,221	29,246,579	1,883,257
OPERATING INCOME (LOSS)	392,063	(614,052)	68,191	624,774	201,530	3,307	(185,433)	490,380	(329,125)
NON-OPERATING REVENUES (EXPENSES)									
Grant revenue	-	-	-	-	-	42,205	-	42,205	-
Penalties	115,956	41,557	15,471	27,504	-	-	-	200,488	-
Interest income	47,464	23,666	10,038	26,285	6,462	-	1,349	115,264	3,511
Interest expense	(21,346)	(21,346)	(3,898)	(79,588)	(1,941)	(12,715)	-	(140,834)	-
Other	55,240	34,536	688	31,614	2,448	11,086	31,351	166,963	-
Total non-operating revenues	197,314	78,413	22,299	5,815	6,969	40,576	32,700	384,086	3,511
INCOME (LOSS) BEFORE TRANSFERS	589,377	(535,639)	90,490	630,589	208,499	43,883	(152,733)	874,466	(325,614)
Transfers out	(1,736,000)	(56,000)	(5,000)	(324,000)	(62,000)	-	-	(2,183,000)	-
NET INCOME (LOSS)	(1,146,623)	(591,639)	85,490	306,589	146,499	43,883	(152,733)	(1,308,534)	(325,614)
NET POSITION, JANUARY 1 (AS RESTATED)	21,439,984	6,499,902	7,775,664	18,919,411	1,263,698	(3,517,404)	5,592,312	57,973,567	(1,498,222)
NET POSITION, DECEMBER 31	\$ 20,293,361	\$ 5,908,263	\$ 7,861,154	\$ 19,226,000	\$ 1,410,197	\$ (3,473,521)	\$ 5,439,579	\$ 56,665,033	\$ (1,823,836)

The notes to the financial statements are an integral part of these statements.

CITY OF FULTON
STATEMENT OF CASH FLOWS
ALL PROPRIETARY FUND TYPES
Year Ended December 31, 2022

	Major Funds						Total Proprietary Funds	Governmental Activities - Internal Service Funds	
	Electric Fund	Gas Fund	Water Fund	Sewer Fund	Solid Waste Fund	Golf Course Fund			Non-Major Funds
CASH FLOWS FROM OPERATING ACTIVITIES									
Cash received from customers	\$ 14,723,195	\$ 6,744,682	\$ 1,612,283	\$ 3,089,776	\$ 2,045,746	\$ 996,090	\$ 232,551	\$ 29,444,323	\$ 1,562,415
Cash received from other sources	171,194	76,091	16,159	59,118	2,448	11,086	31,351	367,447	-
Cash paid to vendors	(12,722,364)	(6,419,956)	(868,761)	(1,008,840)	(1,127,538)	(321,278)	(148,584)	(22,617,321)	(1,655,713)
Cash paid to employees	(1,242,689)	(766,874)	(478,924)	(512,430)	(490,556)	(422,957)	(32,095)	(3,946,525)	(303,897)
Net cash provided (used) by operating activities	929,336	(366,057)	280,757	1,627,624	430,100	262,941	83,223	3,247,924	(397,195)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES									
Transfers out	(1,736,000)	(56,000)	(5,000)	(324,000)	(62,000)	-	-	(2,183,000)	-
Net change in grant receivables	-	-	-	-	-	-	56,672	56,672	-
Advances on interfund payables	-	157,377	-	-	-	-	-	157,377	479,430
Payments on interfund payables	-	-	(7,590)	-	-	26,373	-	18,783	-
Advances on interfund receivables	(534,257)	-	-	-	-	-	(128,080)	(662,337)	-
Net cash provided (used) by noncapital financing activities	(2,270,257)	101,377	(12,590)	(324,000)	(62,000)	26,373	(71,408)	(2,612,505)	479,430
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES									
Payments for capital acquisitions	(125,403)	(43,281)	(23,544)	(656,673)	(282,386)	(241,702)	-	(1,372,989)	-
Principal payments on debt	-	-	-	(372,113)	-	-	-	(372,113)	-
Grant receipts	-	-	-	-	-	42,205	-	42,205	-
Financing lease payments	-	-	-	-	-	(77,102)	-	(77,102)	-
Financed purchase payments	(241,822)	(788,178)	(32,000)	-	(16,001)	-	-	(1,078,001)	-
Interest payments on debt	(21,346)	(21,346)	(3,898)	(79,588)	(1,941)	(12,715)	-	(140,834)	-
Net cash used by capital and related financing activities	(388,571)	(852,805)	(59,442)	(1,108,374)	(300,328)	(289,314)	-	(2,998,834)	-
CASH FLOWS FROM INVESTING ACTIVITIES									
Interest income	47,464	23,666	10,038	26,285	6,462	-	1,349	115,264	3,511
Net cash provided by investing activities	47,464	23,666	10,038	26,285	6,462	-	1,349	115,264	3,511
Net change in cash and cash equivalents	(1,682,028)	(1,093,819)	218,763	221,535	74,234	-	13,164	(2,248,151)	85,746
Cash and cash equivalents, beginning of year	3,726,887	2,098,890	1,578,804	4,592,676	1,110,174	758	230,078	13,338,267	245,428
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ 2,044,859	\$ 1,005,071	\$ 1,797,567	\$ 4,814,211	\$ 1,184,408	\$ 758	\$ 243,242	\$ 11,090,116	\$ 331,174
NON-CASH TRANSACTION									
Right to use asset acquired via financing leases	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 19,334	\$ -	\$ 19,334	\$ -

(Continued)

The notes to the financial statements are an integral part of these statements.

(Continued)

CITY OF FULTON
STATEMENT OF CASH FLOWS
ALL PROPRIETARY FUND TYPES
Year Ended December 31, 2022

	Major							Total Proprietary Funds	Governmental Activities - Internal Service Funds
	Electric Fund	Gas Fund	Water Fund	Sewer Fund	Solid Waste Fund	Golf Course Fund	Non-Major Funds		
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES									
Operating income (loss)	\$ 392,063	\$ (614,052)	\$ 68,191	\$ 624,774	\$ 201,530	\$ 3,307	\$ (185,433)	\$ 490,380	\$ (329,125)
Adjustments:									
Depreciation and amortization	582,215	201,726	398,884	960,276	374,677	138,855	244,049	2,900,682	1,365
Penalties and other non-operating revenue	171,194	76,091	16,159	59,118	2,448	11,086	31,351	367,447	-
(Increase) decrease in assets and deferred outflows:									
Accounts receivable	(168,843)	(119,857)	(32,357)	(34,499)	(8,369)	(226)	(1,220)	(365,371)	8,283
Inventory	(211,517)	(14,886)	(83,520)	2,183	-	(2,840)	-	(310,580)	(377)
Prepaid items	9,809	(6,283)	6,510	(4,673)	(8,425)	285	38	(2,739)	700
Net pension asset	273,621	174,800	110,542	99,591	129,167	54,327	4,353	846,401	23,173
Deferred outflows - pension	(2,677)	(1,710)	(1,081)	(975)	(1,264)	(531)	(44)	(8,282)	(226)
Increase (decrease) in liabilities and deferred inflows:									
Accounts payable and accrued expenses	392,994	261,295	15,395	116,217	(7,647)	169,406	(1,311)	946,349	23,157
Claims liability	-	-	-	-	-	-	-	-	(82,228)
Compensated absences	851	418	(8,509)	1,090	1,215	(4,093)	-	(9,028)	3,568
Current liabilities related to restricted assets	26,695	19,502	7,517	-	-	-	-	53,714	-
Deferred inflows - pension	(537,069)	(343,101)	(216,974)	(195,478)	(253,532)	(106,635)	(8,543)	(1,661,332)	(45,485)
Customer deposits	-	-	-	-	-	-	(17)	(17)	-
Net cash provided (used) by operating activities	<u>\$ 929,336</u>	<u>\$ (366,057)</u>	<u>\$ 280,757</u>	<u>\$ 1,627,624</u>	<u>\$ 430,100</u>	<u>\$ 262,941</u>	<u>\$ 83,223</u>	<u>\$ 3,247,924</u>	<u>\$ (397,195)</u>

The notes to the financial statements are an integral part of these statements.

CITY OF FULTON

NOTES TO THE FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting and reporting policies of the City conform to U.S. generally accepted accounting principles applicable to local governments. The following represent the more significant accounting and reporting policies and practices of the City.

A. Reporting Entity

The City of Fulton, Missouri (the City) was incorporated in 1859 and covers an area of approximately eleven and three-tenth square miles in Callaway County Missouri. The City operates under the charter form of government and is governed by an elected Mayor and an elected eight-member council. The Director of Administration is the chief operating officer of the City. The City provides services to its more than twelve thousand residents in many areas including: law enforcement, fire protection, electric, gas, water, sewer and solid waste services, community enrichment and development, and various social services. Educational services are provided by the Fulton Public School District, a separate governmental entity.

The City, for financial purposes, includes all of the funds and accounts relevant to the operations of the City of Fulton. The financial statements presented herein do not include agencies which have been formed under applicable state laws or separate and distinct units of government apart from the City of Fulton that have been determined not to be component units as defined by Governmental Accounting Standards Board (GASB) Statement 61, *The Financial Reporting Entity: Omnibus* (GASB 61). Based on the criteria of GASB 61, there are no other agencies or entities for which the City has been determined to be financially accountable and, therefore, should be included in the financial statements of the City.

B. Related Organization

The City's Mayor appoints members of the Fulton Housing Authority's board but cannot remove members without cause. The Authority establishes its own budgets and is financed with federal funds and rentals. Operations are administered by the Authority without City oversight. Therefore, the Authority is not a component unit of the City.

C. Fund Accounting

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 City. The effect of interfund activities, except for interfund services provided and used, has been removed from these statements. Governmental activities, which normally are supported by taxes, intergovernmental revenues, and other nonexchange transactions, are reported separately from business-type activities, which rely to a significant extent on fees and charges to external parties.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segments 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 fund financial statements are provided for governmental funds and proprietary funds. Major individual governmental funds and major individual proprietary funds are reported as separate columns in the fund financial statements.

The City uses funds to report its financial position and results of its operations in the fund financial statements. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities. A fund is a separate accounting entity with a self-balancing set of accounts. Funds are classified into two categories: governmental and proprietary.

The City reports the following major governmental funds:

General Fund – the General Fund is the general operating fund of the City. It is used to account for all financial resources except those required to be accounted for in another fund.

Capital Improvement Sales Tax Fund – the Capital Improvement Sales Tax Fund is a special revenue fund. It is used to account for the collection and disbursement of the City’s one-half cent sales tax for capital improvements and extension of the sewer system.

The City reports the following major proprietary funds:

Electric Fund – the Electric Fund is used to account for the provision of electrical services to residents and businesses of the City.

Gas Fund – the Gas Fund is used to account for the provision of natural gas services to the residents and businesses of the City.

Water Fund – the Water Fund is used to account for the provision of water services to the residents and businesses of the City.

Sewer Fund – the Sewer Fund is used to account for the disposal of waste water and industrial waste for the residents and businesses of the City.

Solid Waste Fund – the Solid Waste Fund is used to account for the provision of solid waste collection and disposal services to the residents and businesses of the City.

Golf Course Fund – the Golf Course Fund is used to account for the operation and maintenance of the City’s golf course.

The City does not report any major internal service funds; however, the City maintains the following non-major internal service funds:

Municipal Garage Fund – the Municipal Garage Fund is used to account for internal charges to the various City departments and for expenses related to operating the facilities for City vehicles and equipment maintenance.

Health Insurance Fund – the Health Insurance Fund is used to account for internal charges of premiums to the various City departments and for claims and administrative expenses of the City’s self-insured health plan for employees.

D. Measurement Focus, Basis of Accounting and Financial Statement Presentation

Government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Property taxes are recognized 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.

The 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 considered to be available when they are collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60-days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting; however, interest and principal on general long-term debt are recognized when due.

Property tax, franchise taxes, licenses, and interest associated with the current fiscal period 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.

All proprietary funds are accounted for using the accrual basis of accounting. These funds account for operations that are primarily financed by user charges. The economic resource measurement focus concerns determining costs as a means of maintaining the capital investment and management control. Their revenues are recognized when they are earned, and their expenses are recognized when they are incurred. Allocations of costs, such as depreciation, are recorded in the proprietary funds.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's ongoing operations. Operating expenses include the costs of services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

E. Budgets

Budgets are adopted on a basis consistent with U.S. generally accepted accounting principles. Annual appropriated budgets are adopted for all governmental funds. All annual appropriations lapse at year-end.

Encumbrances represent commitments related to unperformed contracts for goods or services. Encumbrance accounting - under which purchase orders, contracts and other commitments for the expenditure of resources are recorded to reserve that portion of the applicable appropriation - is utilized in the governmental funds. There were no encumbrances outstanding as of December 31, 2022.

F. Cash and Investments

The City maintains a cash money-market pool that is used by all funds. Interest income is allocated monthly to each fund in proportion to each fund's ownership of the pool.

For purposes of the statement of cash flows, all highly liquid investments with an original maturity of three months or less when purchased are considered to be cash equivalents. Because a statement of cash flows is prepared only for proprietary funds and nonexpendable trust funds under generally accepted accounting principles, cash and cash equivalents are distinguished only for those funds.

Investments are stated at fair value based on quoted market prices.

G. Unbilled Revenues

Accrued but unbilled revenues are based on pro-rated subsequent billings and are included in accounts receivable.

H. Inventories

Inventories are recorded on the purchase method and consist of materials and supplies and diesel fuel stated at average cost.

I. Prepaid Expenses

Prepaid expenses represent the payment of insurance premiums for coverage that benefits more than one fiscal period. The premium amount is being amortized over the policy period following the consumption method.

J. Interfund Receivables/Payables

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as "due from other funds" or "due to other funds" on the fund statements of financial position.

K. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the City as assets with an initial, individual cost of \$5,000 or more and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are valued at their acquisition value at the date of donation. The City does not capitalize historical treasures or works of art. The City maintains many items and buildings of historical significance. The City does not require that the proceeds from sales of historical treasures or works of art be used to acquire other items for the collection.

Property, plant, equipment and infrastructure of the primary government are depreciated using the straight-line method over the following useful lives:

Buildings	31 – 40 years
Equipment	5 – 40 years
Improvements Other than Buildings	5 – 10 years
Infrastructure	4 – 40 years

Maintenance, repairs, and minor equipment are charged to operations when incurred. Expenses that materially change capacities or extend useful lives are capitalized. Upon sale or retirement of capital assets, the cost and related accumulated depreciation, if applicable, are eliminated from the respective accounts and any resulting gain or loss is included in the results of operations.

With respect to the initial capitalization of general infrastructure assets, infrastructure was capitalized using a deflated cost as historical. The single item of general infrastructure is the network of City streets and sidewalks maintained by the City. Depreciation was recognized using a 40-year life for streets and 25-years for bridges.

Fully depreciated capital assets are reported in the financial statements until their disposal.

L. Compensated Absences

It is the City's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. There is no liability for unpaid accumulated sick leave since the City does not have a policy to pay any amounts when employees separate from service with the City. All vacation pay is accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of an employee resignation or retirement.

M. 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 represents a consumption of net position that applies to future periods and so will not be recognized as an outflow of resources (expense) until then. The City has two items that qualify for reporting in this category, which are the pension plan contributions and pension plan other reported in the government-wide and proprietary funds statements of net position.

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 represents an acquisition of net position that applies to future periods and so will not be recognized as an inflow of resources (revenue) until that time. The City has three items that qualify for reporting in this category, which are the unearned revenue – grants reported in the government-wide statement of net position and the governmental funds balance sheet, the pension plan other reported in the government-wide and proprietary funds statements of net position, and the unavailable revenue – property taxes reported in the governmental funds balance sheet.

N. 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 are deferred and amortized over the life of the bonds using the straight-line method. Bond issuance costs are expensed in all statements as incurred.

In the governmental fund financial statements, general long-term obligations are not reported as liabilities because they do not require the use of current resources. Governmental fund types recognize bond premiums and discounts during the current period. The face amount of the debt issued is reported as other financing sources while discounts on debt issuance are reported as other financing uses. Principal repayments are reported as debt service expenditures.

O. Fund Balance and Net Position

In the governmental fund financial statements, fund balance is displayed in five components as follows:

Nonspendable – this consists of amounts that are not in a spendable form or are legally or contractually required to be maintained intact.

Restricted – this consists of amounts that are constrained to specific purposes by their providers, through constitutional or contractual provisions or by enabling legislation.

Committed – this consists of amounts that can be used only for the specific purposes determined by a formal action of the government's highest level of decision-making authority (the City Council) by the end of the year. The City Council can, by adoption of an ordinance prior to the end of the year, commit fund balance. Once adopted, the limitation imposed by the ordinance remains in place until a similar action is taken to remove or revise the limitation.

Assigned – this consists of amounts that are intended to be used by the government for specific purposes but do not meet the criteria to be classified as restricted or committed. The City Council can assign fund balance; however, an additional formal action does not have to be taken for the removal of the assignment.

Unassigned – this consists of amounts that are available for any purpose. No fund other than the General Fund can report a positive unassigned fund balance.

The City’s general spending prioritization policy is to consider restricted resources to have been used first, followed by committed, assigned, and unassigned amounts when expenditures have been incurred for which resources in more than one classification could be used.

The City Council has adopted a financial policy to maintain a minimum level of unrestricted fund balance (the total of the committed, assigned, and unassigned components of fund balance) in the General Fund. The target level is set at 25% of the anticipated annual expenditures. This amount is intended to provide fiscal stability when economic downturns and other unexpected events occur. If fund balance falls below the minimum target level because it has been used, essentially as a “revenue” source, as dictated by current circumstances, the policy provides for actions to replenish the amount to the minimum target level within a reasonable time frame.

In the government-wide and proprietary fund financial statements, net position is displayed in three components as follows:

Net investment in capital assets – this consists of capital assets, net of accumulated depreciation, less the outstanding balances of any bonds, notes, or other borrowings that are attributable to the acquisition, construction, or improvements of those assets.

Restricted – this consists of amounts that are legally restricted by outside parties or by law through constitutional provisions or enabling legislation.

Unrestricted – this consists of amounts that do not meet the definition of “net investment in capital assets” or “restricted.”

Sometimes the City will fund outlays for a particular purpose from both restricted (i.e., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted – net position and unrestricted – net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the City’s policy to consider restricted – net position to have been depleted before unrestricted – net position is applied.

P. Estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and the reported amounts of revenues and expenses during the period. Actual results could differ from those estimates.

Q. Pensions

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

R. Subsequent Events

Events that have occurred subsequent to December 31, 2022, have been evaluated through August 28, 2023, which is the date the financial statements were available to be issued.

2. LEGAL COMPLIANCE - BUDGET

The City's policy is to prepare the operating budgets in accordance with U.S. generally accepted accounting principles. The City prepared budgets for all governmental fund types for the year ended December 31, 2022, except for the capital projects funds. All appropriations are legally controlled at the departmental level for the individual funds.

The City Council follows these procedures in establishing the budgetary data reflected in the financial statements:

- (1) The Director of Administration submits to the City Council a proposed operating budget for the fiscal period commencing the following January 1. The operating budget includes proposed expenditures and the means of financing them and is prepared on the modified accrual basis of accounting, consistent with the financial statement presentation for governmental funds.
- (2) Public hearings are conducted to obtain taxpayer comments.
- (3) No later than January 1, the budget is legally enacted through passage of an ordinance.
- (4) The budget is prepared by fund, function and department. The City's department heads may make transfers of appropriations within their respective departments. Changes to total budgeted appropriations for a department and a fund require approval of the City Council. The legal level of budgetary control is at the department level, based upon City Council approval.
- (5) All appropriations lapse at year-end. Encumbrances are re-appropriated to the ensuing year's budget.

The reported budgetary data represents the final approved budget after amendments as adopted by the City Council. The budget was not amended for the year.

3. CASH AND INVESTMENTS

Missouri State Statutes authorize the City to deposit funds in obligations of the U.S Treasury, federal agencies and instrumentalities; certificates of deposit; and repurchase agreements. Custodial credit risk is the risk that in event of a bank failure, the government's deposits may not be returned to it. The City's deposit policy for custodial credit risk is set by statute. Statutes require that collateral pledged must have a fair value equal to 100% of the funds on deposit, less insured amounts. Collateral securities are limited to the following as prescribed by state statutes:

- Bonds of the State of Missouri, of the United States, or of any wholly owned corporation of the United States.
- Other short-term obligations of the United States.

The City maintains a cash pool which is available for use by all funds for the purpose of increasing income through investment activities. Interest is allocated to the various funds based on average cash or investment balances. The pool includes money market funds, government securities and certificates of deposit. Each fund type's portion of this pool is displayed on the balance sheet or statement of net position as "Cash and Cash Equivalents" under each fund's caption.

Deposits, categorized by level of custodial risk, were as follows as of December 31, 2022:

	Cash and Cash Equivalents	Petty Cash	Total
Bank balance:			
Insured by the FDIC	\$ 295,145	\$ -	\$ 295,145
Collateralized with securities pledged by the financial institution	25,050,301	-	25,050,301
Held in financial institution's trust department in the City's name but not subject to FDIC or collateralization rules	228,253	-	228,253
	<u>\$ 25,573,699</u>	<u>\$ -</u>	<u>\$ 25,573,699</u>
Carrying value	<u>\$ 25,562,026</u>	<u>\$ 4,328</u>	<u>\$ 25,566,354</u>

The City had the following investments as of December 31, 2022:

	Investment Maturities (in years)			Fair Value	Carrying Value
	Less than 1	1-5	Over 5		
Money market mutual funds	<u>\$ 400,140</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 400,140</u>	<u>\$ 400,140</u>

The money market mutual funds held by the City as of December 31, 2022, are fixed income funds invested in U.S. Treasuries and other governmental securities.

Interest rate risk – Interest rate risk is the risk that the fair values of investments will be adversely affected by a change in interest rates. The City’s practice is to manage its exposure to declines in fair values by only investing in obligations that return initial purchase prices and the earned interest. This practice eliminates exposure to declines in fair values. The City does not have a formal investment policy addressing interest rate risk.

Credit risk – Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. Credit risk is measured using credit quality ratings of investments in debt securities as described by nationally recognized rating agencies such as Standard & Poor’s and Moody’s. The City’s practice is to only invest in obligations of the United States or its agencies, insured or secured certificates of deposits, certain obligations of the State of Missouri or political subdivisions and municipalities, and certain surety bonds. The City’s investments are not rated. The City does not have a formal investment policy addressing credit risk.

Concentration of credit risk – Concentration of credit risk is the risk of loss attributed to the magnitude of investment in a single issuer. The City places no limit on the amount the City may invest in any one issuer.

Custodial credit risk – investments – For an investment, this is the risk that in the event of the failure of the counterparty, the City will not be able to recover the value of its investment or collateral securities that are in possession of an outside party. The City does not have any custodial risk in investments.

The City's total cash and investments are summarized below:

Deposits and petty cash	\$ 25,566,354
Investments	<u>400,140</u>
Total cash and investments	<u><u>\$ 25,966,494</u></u>

A reconciliation of cash and investments as shown on the government-wide statement of net position is as follows:

Cash and cash equivalents	\$ 18,485,795
Restricted cash and cash equivalents	7,080,559
Restricted investments	<u>400,140</u>
Total	<u><u>\$ 25,966,494</u></u>

Fair Value Measurements

For assets and liabilities required to be reported at fair value, U.S. generally accepted accounting principles prescribes a framework for measuring fair value and financial statement disclosures about fair value measurements. A fair value hierarchy has been established that distinguishes between market participant assumptions based on market data obtained from sources independent of the reporting entity (observable inputs that are classified within Levels 1 and 2 of the hierarchy) and the reporting entity's own assumptions about market participant assumptions (unobservable inputs classified within Level 3 of the hierarchy).

The fair value hierarchy as prescribed by U.S. generally accepted accounting principles is as follows:

- Level 1 Valuation is based upon quoted prices (unadjusted) in active markets for identical assets or liabilities that the City has the ability to access.
- Level 2 Valuation is based upon quoted prices for similar assets and liabilities in active markets, as well as inputs that are observable for the asset or liability (other than quoted prices), such as interest rates, foreign exchange rates, and yield curves that are observable at commonly quoted intervals.
- Level 3 Valuation is generated from model-based techniques that use at least one significant assumption based on unobservable inputs for the asset or liability, which are typically based on an entity's own assumptions, as there is little, if any, related market activity.

In instances where the determination of the fair value measurement is based on inputs from different levels of the fair value hierarchy, the level in the fair value hierarchy within which the entire fair value measurement falls is based on the lowest level input that is significant to the fair value measurement in its entirety. The City's assessment of the significance of a particular input to the fair value measurement in its entirety requires judgment and considers factors specific to the asset or liability.

The City's assets and liabilities measured at fair value on a recurring basis as of December 31, 2022, aggregated by the level in the fair value hierarchy within which those measurements fall, are as follows:

Description	Total	Level 1	Level 2	Level 3
Money market mutual funds	<u>\$ 400,140</u>	<u>\$ 400,140</u>	<u>\$ -</u>	<u>\$ -</u>

Level 1 classification consists of money market mutual funds that are valued at the daily closing price as reported by the fund. These funds are primarily invested in U.S. Treasuries and other governmental securities.

No investments are classified as Level 2 or Level 3 above.

4. RESTRICTED ASSETS

As of December 31, 2022, cash and cash equivalents and investments were restricted for various uses as follows:

Governmental funds:

General Fund	
Perpetual care	\$ 211,016
Special Revenue - Capital Improvement Sales Tax Fund	
Debt service	5,986,670
Debt Service	
South Business 54 Fund	186,005
Sewer Capital Improvement Sales Tax Fund	882,873
Water Capital Improvement Sales Tax fund	214,060
	<u>7,480,624</u>
Total for governmental funds	<u>7,480,624</u>

Proprietary funds:

Golf Course Fund	
Debt service	75
	<u>75</u>
Total for all fund types	<u>\$ 7,480,699</u>

5. RECEIVABLES

Accounts receivable as of December 31, 2022, for the City's governmental funds, including the applicable allowances for uncollectible accounts, are as follows:

	General Fund	Capital		Total
		Improvement Sales Tax Fund	Non-Major Funds	
Payments in lieu of tax	\$ -	\$ -	\$ 342,116	\$ 342,116
Property taxes	841,530	-	-	841,530
Sales and franchise taxes	606,799	165,594	165,243	937,636
Use taxes	109,921	-	-	109,921
Motor vehicle taxes	53,421	-	-	53,421
Other	38,600	-	-	38,600
	<u>1,650,271</u>	<u>165,594</u>	<u>507,359</u>	<u>2,323,224</u>
Allowance for uncollectible accounts	(12,644)	-	-	(12,644)
	<u>\$ 1,637,627</u>	<u>\$ 165,594</u>	<u>\$ 507,359</u>	<u>\$ 2,310,580</u>

Receivables as of December 31, 2022, for the City’s entity-wide statements, including the applicable allowances for uncollectible accounts are as follows:

	Governmental Activities	Business-type Activities	Total
Payments in lieu of tax	\$ 342,116	\$ -	\$ 342,116
Property taxes	841,530	-	841,530
Billed service fees	-	3,304,409	3,304,409
Unbilled service fees	-	1,669,819	1,669,819
Sales and franchise taxes	937,636	174,384	1,112,020
Use taxes	109,921	-	109,921
Motor vehicle taxes	53,421	-	53,421
Other	38,753	8,531	47,284
	<u>2,323,377</u>	<u>5,157,143</u>	<u>7,480,520</u>
Allowance for uncollectible accounts	<u>(12,644)</u>	<u>(634,782)</u>	<u>(647,426)</u>
	<u>\$ 2,310,733</u>	<u>\$ 4,522,361</u>	<u>\$ 6,833,094</u>

6. PROPERTY TAXES

Property tax revenue is recognized independent of receivable recognition. A receivable is recognizable as of the lien date when the City has an enforceable legal claim while revenue is recognized in the period for which the taxes are levied. Delinquent taxes expected to be received later than 60-days after the close of the fiscal year are classified as deferred inflows within the governmental fund financial statements because they do not meet the criteria of being available as described in Note 1.

Assessed values are established by the Callaway County Assessor subject to review by the County’s Board of Equalization and State Tax Commission. The City’s property tax is levied by the City on November 1 on the assessed value as of the prior January 1 for all property located in the City. Property taxes are billed in total by December 1 following the levy date and considered delinquent after January 1. A lien is placed on the property as of March 1 if delinquent taxes are not paid.

The City is subject to a calculated levy ceiling for general governmental purposes as the taxing limitation. The ceiling for 2022 was \$0.5271 per \$100 assessed valuation. The City’s assessed valuations and tax levies per \$100 assessed valuation of those properties are as follows:

	2022 Calendar Year
Assessed valuation:	
Real estate	\$ 116,855,753
Personal property	35,849,967
Railroad and utility	999,290
TIF Districts	<u>(4,386,099)</u>
	<u>\$ 149,318,911</u>
Tax rates per \$100 assessed valuation:	
General Fund	<u>\$ 0.5271</u>

7. INTERFUND RECEIVABLES AND PAYABLES

Interfund receivable and payable balances as of December 31, 2022, resulting from interfund transfers and interfund loans were as follows:

	<u>Receivable</u>	<u>Payable</u>
Governmental funds:		
Non-Major Funds	\$ -	\$ 816,411
Subtotal governmental funds	<u>-</u>	<u>816,411</u>
Proprietary funds:		
Electric Fund	6,329,471	-
Gas Fund	3,107,705	-
Golf Course Fund	-	5,280,830
Non-Major Funds	-	1,188,239
Subtotal proprietary funds	<u>9,437,176</u>	<u>6,469,069</u>
Internal service funds:		
Health Insurance Fund	-	588,754
Municipal Garage Fund	-	1,562,942
Subtotal internal service funds	<u>-</u>	<u>2,151,696</u>
Total	<u>\$ 9,437,176</u>	<u>\$ 9,437,176</u>

The balances due to the Electric and Gas Funds are the result of overdrafts from the City's cash pool by other funds.

8. CAPITAL ASSETS

Capital asset activity for governmental activities for the year ended December 31, 2022 was as follows:

	Balance December 31, 2021	Additions	Retirements	Transfers	Balance December 31, 2022
Governmental activities:					
Capital assets, not being depreciated					
Land	\$ 2,315,192	\$ -	\$ -	\$ -	\$ 2,315,192
Construction in progress	81,842	893,460	-	(239,653)	735,649
Total capital assets, not being depreciated	<u>2,397,034</u>	<u>893,460</u>	<u>-</u>	<u>(239,653)</u>	<u>3,050,841</u>
Capital assets, being depreciated/amortized					
Buildings	17,442,403	12,857	-	14,296	17,469,556
Equipment	7,019,289	144,489	53,439	20,392	7,130,731
Improvements other than buildings	38,275,213	228,872	-	204,965	38,709,050
Right of use asset - financing leases	74,183	-	-	-	74,183
Total capital assets, being depreciated/amortized	<u>62,811,088</u>	<u>386,218</u>	<u>53,439</u>	<u>239,653</u>	<u>63,383,520</u>
Less accumulated depreciation for					
Buildings	3,689,543	432,420	-	-	4,121,963
Equipment	6,608,610	434,490	36,499	-	7,006,601
Improvements other than buildings	18,402,643	1,065,460	-	-	19,468,103
Less accumulated amortization for					
Right of use asset - financing leases	13,600	14,837	-	-	28,437
Total accumulated depreciation/amortization	<u>28,714,396</u>	<u>1,947,207</u>	<u>36,499</u>	<u>-</u>	<u>30,625,104</u>
Total capital assets being depreciated/amortized, net	<u>34,096,692</u>	<u>(1,560,989)</u>	<u>16,940</u>	<u>239,653</u>	<u>32,758,416</u>
Governmental activities capital assets, net	<u>\$ 36,493,726</u>	<u>\$ (667,529)</u>	<u>\$ 16,940</u>	<u>\$ -</u>	<u>\$ 35,809,257</u>

The City capitalized its governmental activities' infrastructure assets prospectively starting in the year ended December 31, 2003. During the year ended December 31, 2007, the City capitalized infrastructure retroactively back to July 1, 1980.

Depreciation and amortization expense for governmental activities was charged to functions/programs of the primary government in the statement of activities as follows:

General government	\$ 385,833
Public safety	242,142
Public works	906,906
Parks and recreation	<u>412,326</u>
Total depreciation and amortization expense - governmental activities	<u>\$ 1,947,207</u>

Capital asset activity for business-type activities for the year ended December 31, 2022, was as follows:

	Balance December 31, 2021	Additions	Retirements	Transfers	Balance December 31, 2022
Business-type activities:					
Capital assets, not being depreciated					
Land	\$ 3,443,154	\$ -	\$ -	\$ -	\$ 3,443,154
Construction in progress	296,473	888,688	-	(499,158)	686,003
Total capital assets, not being depreciated	<u>3,739,627</u>	<u>888,688</u>	<u>-</u>	<u>(499,158)</u>	<u>4,129,157</u>
Capital assets, being depreciated/amortized					
Buildings	12,038,853	-	-	-	12,038,853
Equipment	16,883,486	392,001	106,815	-	17,168,672
Improvements other than buildings	95,653,471	92,300	-	499,158	96,244,929
Right of use asset - financing leases	411,513	19,334	-	-	430,847
Total capital assets, being depreciated/amortized	<u>124,987,323</u>	<u>503,635</u>	<u>106,815</u>	<u>499,158</u>	<u>125,883,301</u>
Less accumulated depreciation for					
Buildings	3,560,584	265,134	-	-	3,825,718
Equipment	13,923,588	789,621	106,815	-	14,606,394
Improvements other than buildings	58,327,635	1,765,365	-	-	60,093,000
Less accumulated amortization for					
Right of use asset - financing leases	52,239	80,562	-	-	132,801
Total accumulated depreciation/amortization	<u>75,864,046</u>	<u>2,900,682</u>	<u>106,815</u>	<u>-</u>	<u>78,657,913</u>
Total capital assets being depreciated/amortized, net	<u>49,123,277</u>	<u>(2,397,047)</u>	<u>-</u>	<u>499,158</u>	<u>47,225,388</u>
Business-type activities capital assets, net	<u>\$ 52,862,904</u>	<u>\$ (1,508,359)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 51,354,545</u>

9. FINANCING LEASES

Governmental Activities

In January 2021, the City entered into a five-year lease agreement for the rental of cardio equipment for the recreation center. The lease requires payments of \$17,984 per year, with payments due in January each year.

Business-type Activities

In November 2020, the City entered into a six-year lease agreement for the rental of sixty golf carts for the golf course. The lease requires payments of \$34,416 per year, with payments due in six installments from May through October each year.

In April 2021, the City entered into a five-year lease for the rental of various equipment for the golf course. The lease requires variable payments, with payments due in April each year.

In May 2022, the City entered into a six-year lease for the rental of a range picker golf car for the golf course. The lease requires payments of \$1,638 per year, with payments due in six installments from May through October each year.

In May 2022, the City entered into a six-year lease for the rental of a bistro golf car for the golf course. The lease requires payments of \$2,100 per year, with payments due in six installments from May through October each year.

See Note 8 for additional information regarding the right of use assets related to these financing leases.

The following is a schedule of the future minimum lease payments under the financing leases and the present value of the minimum lease payments as of December 31, 2022.

	Governmental Activities	Business-type Activities
Year ending December 31:		
2023	\$ 17,984	\$ 90,069
2024	17,984	90,321
2025	10,620	90,609
2026	-	38,154
2027	-	6,274
Total minimum lease payments	<u>46,588</u>	<u>315,427</u>
Less: amount representing interest	<u>(4,868)</u>	<u>(41,094)</u>
Present value of minimum lease payments	<u>\$ 41,720</u>	<u>\$ 274,333</u>

10. LONG-TERM DEBT

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

	December 31, 2021	Additions	Deletions	December 31, 2022	Amount Due in One Year
Governmental activities:					
Direct borrowing:					
Special limited obligation revenue bonds	\$ 7,010,000	\$ -	\$ 630,000	\$ 6,380,000	\$ 900,000
Plus (less):					
Unamortized bond premium	39,375	-	10,750	28,625	-
Unamortized bond discount	(26,377)	-	(4,869)	(21,508)	-
Financed purchases	4,682,611	-	256,221	4,426,390	264,274
Compensated absences	643,150	287,117	400,457	529,810	312,508
Subtotal governmental activities	<u>12,348,759</u>	<u>287,117</u>	<u>1,292,559</u>	<u>11,343,317</u>	<u>1,476,782</u>
Business-type activities:					
Direct borrowing:					
Sewerage system revenue bonds	6,616,169	-	372,113	6,244,056	380,927
Notes payable	3,390,000	-	678,000	2,712,000	678,000
Financed purchases	1,800,001	-	400,001	1,400,000	400,000
Compensated absences	347,290	264,853	273,881	338,262	266,125
Subtotal business-type activities	<u>12,153,460</u>	<u>264,853</u>	<u>1,723,995</u>	<u>10,694,318</u>	<u>1,725,052</u>
Total	<u>\$ 24,502,219</u>	<u>\$ 551,970</u>	<u>\$ 3,016,554</u>	<u>\$ 22,037,635</u>	<u>\$ 3,201,834</u>

The compensated absences liability for governmental activities has typically been liquidated by the General Fund in prior years.

Long-term debt as of December 31, 2022, is comprised of the following individual issues:

Governmental activities:

Special Limited Obligation Revenue Bonds:

\$8,770,000 Tax Increment Revenue Bonds Series 2006 due in annual installments of \$170,000 to \$1,570,000 beginning June 1, 2008, and through June 1, 2028, plus interest of 4% to 5%. \$ 5,145,000

\$4,500,000 Capital Improvement Sales Tax Revenue Bonds Series 2005, due in annual installments of \$70,000 to \$450,000 beginning January 1, 2006, and through January 1, 2025, plus interest of 3% to 5%. To be repaid solely from the City's one-half cent sales tax for capital improvements. 1,235,000

Financed purchases:

\$4,766,226 financed purchase agreement for the Parks and Recreation Community Center, due in monthly installments of \$33,148 beginning September 1, 2021 and through August 1, 2036, plus interest of 3.1%. 4,426,390

Total governmental activities \$ 10,806,390

Business-type activities:

Sewerage System Revenue Bonds:

\$13,000,000 Sewerage System Revenue Bonds Series 2015, due in annual installments of \$264,000 to \$359,000 through January 1, 2031, plus interest of 1.22%. To be repaid from charges for services from the City's Sewer Fund. \$ 6,244,056

Notes payable:

\$3,390,000 Municipal Utility Emergency Loan Program note payable, due in annual instalments of \$339,000 through January 1, 2031, at 0% interest. To be repaid from charges for services from the City's Gas Fund. 2,712,000

Financed purchases:

\$3,821,089 financed purchase agreement for the Public Facilities Complex, due in monthly installments of approximately \$33,000 to \$43,000 through June 1, 2026, plus interest of 3%. 1,400,000

Total business-type activities \$ 10,356,056

The annual requirements to amortize the City's long-term debt are as follows as of December 31, 2022:

	Governmental Activities		Business-type Activities	
	Principal	Interest	Principal	Interest
Year Ending December 31:				
2023	\$ 1,164,274	\$ 404,497	\$ 1,458,927	\$ 111,521
2024	1,217,584	350,312	1,468,372	94,847
2025	1,276,155	293,616	1,477,186	78,058
2026	899,996	234,025	1,287,261	62,407
2027	949,114	193,407	418,075	55,637
2028-2032	3,212,709	385,395	2,246,525	198,697
2033-2036	2,086,558	81,513	1,999,710	55,660
Total debt payments	<u>\$ 10,806,390</u>	<u>\$ 1,942,765</u>	<u>\$ 10,356,056</u>	<u>\$ 656,827</u>

Financed Purchases

Governmental Activities

On July 1, 2020, the City entered into a lease/purchase agreement with Central Trust Bank as trustee, lessor, and grantor. The lease/purchase agreement covers the cost to acquire, construct, improve, furnish, and equip certain improvements to the Legends Rec Plex, which are recorded in the General Fund. The agreement is for a maximum \$5,000,000, of which \$4,766,226 had been drawn and expended as of December 31, 2022. The total capitalized cost of the asset is \$9,415,102 with total accumulated amortization of \$294,222. Amortization expense is included with depreciation expense.

Business-type Activities

On April 1, 2015, the City entered into a lease/purchase agreement with Central Trust Bank as trustee, lessor, and grantor. The lease/purchase agreement covers the cost to acquire, construct, improve, furnish, and equip certain improvements to the Public Facilities Complex, which are recorded in the Electric, Gas, Water, and Solid Waste Enterprise Funds. The agreement is for a maximum \$4,000,000, of which \$3,821,089 had been drawn and expended as of December 31, 2022. The total capitalized cost of the asset is \$8,113,258 with total accumulated amortization of \$1,403,388. Amortization expense is included with depreciation expense.

These lease/purchase agreements qualify as financed purchases for accounting purposes because ownership transfers at the end of the agreement terms. Therefore, they have been recorded as debt at the present value of the future minimum payments as of the date of inception.

Sewerage System Revenue Bonds

In 2015, the City issued Sewerage System Revenue Bonds (State of Missouri – Direct Loan Program) Series 2015 not to exceed \$13,000,000 for the purpose of financing construction of extending and improving the City's sewerage system. As of December 31, 2022, \$7,884,949 had been drawn on these bonds. The project was completed during 2018. In connection with the issuance of these bonds, the City participates in a revolving loan program established by the Missouri Department of Natural Resources (DNR). The State of Missouri manages and invests the bond proceeds on behalf of the City. The costs of operation and maintenance of the wastewater improvements and the debt service is payable from operating revenues. The revenue bonds do not constitute a general obligation of the City.

Net revenues available for debt service are not to be less than 110% of the amount required to be paid annually of principal and interest. Net revenues for 2022 are approximately 692% of the annual principal and interest payments made during 2022. The total principal and interest paid for the current year and total net revenues were \$451,701 and \$3,124,275, respectively.

The State Constitution permits a city, by vote of two-thirds of the voting electorate, to incur general obligation indebtedness for "city purposes" not to exceed 10% of the assessed value of taxable tangible property and to incur additional general obligation indebtedness not to exceed, in the aggregate, an additional 10% of the assessed value of taxable tangible property, for the purpose of acquiring rights-of-way, construction, extending and improving streets and avenues and/or sanitary or storm wastewater systems, and purchasing or constructing waterworks, electric or other light plants, provided that the total general obligation indebtedness of the City does not exceed 20% of the assessed valuation of taxable property. Based on the assessed valuation as of January 1, 2022 of \$149,318,911, the constitutional total general obligation debt limit for "city purposes" was \$29,863,782, which provides a general obligation debt margin of \$29,863,782.

Notes Payable

In February 2021, the Midwest region, including Texas and Oklahoma, experienced an extended severe cold weather event with daily high temperatures near zero degrees. This event caused natural gas delivery equipment to freeze up and limited the availability of natural gas in a time of very high demand with the extreme cold temperatures. This limitation of natural gas during this event caused natural gas prices to soar, which had the effect of causing electric prices to soar for these few days since the electric industry has become reliant on natural gas generation.

In May 2021, a State of Missouri \$50 million relief fund for municipal utilities who experienced extraordinary natural gas and electric prices during this polar vortex event, named the Municipal Utility Emergency Loan Program (MUELP), was created.

In June 2021, the City received an MUELP loan in an amount not to exceed \$3,390,000. The City allocated \$164,554 and \$3,225,446 of the proceeds between the Electric and Gas Funds, respectively. The loan bears interest at 0% with a payback period of no more than five years. Notwithstanding any other provisions of the loan agreement, the first principal payment became due on January 1, 2022, and the final principal payment will be made on or before July 1, 2026.

11. PLEDGED REVENUES

The incremental increases in tax revenues and payments in lieu of taxes earned by the TIF Districts Fund are pledged for the debt service payments on the outstanding Tax Increment Revenue Bonds Series 2006 with a total outstanding balance of \$5,145,000 as of December 31, 2022. The debt was issued for the financing of capital improvements in the TIF Districts. Revenue earned by the TIF during the year ended December 31, 2022, pledged for the above debt issue totaled \$335,515 compared to total debt service expenditures of \$503,625.

The City collects a one-half cent capital improvement sales tax which is pledged for the debt service payments on the outstanding capital projects revenue bonds with a total outstanding balance of \$1,235,000 as of December 31, 2022. The revenue bonds were issued for improvements to the City's sewer and water systems. Revenue earned by the City from the capital improvement sales tax during the year ended December 31, 2022 totaled \$989,336 compared to total debt service expenditures of \$471,250.

12. INTERFUND TRANSACTIONS

Interfund balances and transfers between governmental funds are not included in the government-wide statement of net position or the government-wide statement of activities.

A summary of interfund transfers for the year ended December 31, 2022 follows:

	Transferred To		Total
	Governmental Funds		
	General Fund	Non-Major Funds	
Transferred From:			
Governmental Funds:			
General Fund	\$ -	\$ 203,068	\$ 203,068
Capital Improvement Sales Tax Fund	-	467,076	467,076
Non-Major Funds	-	621,553	621,553
Proprietary Funds:			
Electric Fund	1,736,000	-	1,736,000
Gas Fund	56,000	-	56,000
Water Fund	5,000	-	5,000
Sewer Fund	324,000	-	324,000
Solid Waste Fund	62,000	-	62,000
Total	<u>\$ 2,183,000</u>	<u>\$ 1,291,697</u>	<u>\$ 3,474,697</u>

Transfers were made from the proprietary funds to the governmental funds to assist in financing a portion of the governmental funds' expenditures.

Payment in Lieu of Taxes

The TIF Districts Fund received payments in lieu of property taxes from the incremental increase in property taxes assessed on properties in the TIF districts from the base year of 1996 to 2022. The City has recorded revenue of \$238,573 for 2022 and receivables of \$241,204 as of December 31, 2022.

Interfund Charges for Support Services

Interfund charges for support services paid to the General Fund were as follows:

Electric Fund	\$ 580,855
Gas Fund	580,855
Water Fund	165,958
Sewer Fund	165,958
Solid Waste Fund	165,958
Total	<u>\$ 1,659,584</u>

Interfund Charges for Utility Services

The City departments and utilities are not charged for electric, gas, water and sewer services. The value of these services furnished to City departments and utilities for the year ended December 31, 2022, is as follows:

Electric Fund	\$ 318,105
Gas Fund	39,565
Water Fund	17,867
Sewer Fund	<u>26,372</u>
Total	<u><u>\$ 401,909</u></u>

13. COMMITMENTS AND CONTINGENCIES

A. Risk Management

The City is exposed to various risks of losses related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; worker's compensation claims, and natural disasters. The City carries coverage from commercial insurance companies for these risks of losses, except for property and casualty coverage, which is provided by the Missouri Intergovernmental Risk Management Association (MIRMA). MIRMA is a self-insurance pool created by the State of Missouri in 1981. MIRMA has the right to assess member's additional premiums when premiums do not produce sufficient funds to make claim payments due for the year and may also issue refunds when revenues exceed expenses and adequate reserves. No supplemental assessments were required by MIRMA for fiscal year 2022. No accrual has been made for any potential supplemental assessments for MIRMA because the amount of any such possible assessments is estimated to be insignificant to the financial statements. There were no significant reductions in insurance coverage from the prior year. In addition, no settlements have exceeded insurance coverage in the previous three fiscal years.

B. Litigation and Claims

In the normal course of City operations, the City is currently involved in various lawsuits and claims. The likely loss resulting from the litigation and claims cannot be estimated but is not believed to be material to the City's financial statements.

C. Landfill Closure and Post-closure Care Costs

State and federal laws and regulations require that the City place a final cover on its landfill when closed and perform certain maintenance and monitoring functions at the landfill site for thirty years after closure. The City's landfill was closed in May 2011, prior to reaching 100% capacity. Under generally accepted accounting principles, a liability has been recorded in the financial statements for the City's estimate of final landfill closure costs and for post-closure care costs. The liability is based on the amount that would be paid if all equipment, facilities and services required to close, monitor and maintain the landfill were acquired as of the end of the current fiscal year. However, the actual cost of closure and post-closure care may be higher due to inflation, changes in technology, or changes in landfill laws and regulations.

Changes in the landfill closure and post-closure liability amount in 2022 were:

<u>Beginning of Year</u>	<u>Current Year Changes</u>	<u>End of Year</u>
<u>\$ 2,206,384</u>	<u>\$ 300</u>	<u>\$ 2,206,684</u>

In connection with obtaining a permit for operation of a solid waste disposal area, the City has entered into a contract of obligation with the Missouri Department of Natural Resources. The contract is a financial assurance instrument that allows the Missouri Department of Natural Resources to collect the required amount from any state funds which could be dispersed to the City should the City fail to perform closure or post-closure care activities.

D. Health Insurance Plan

The City maintains a self-funded health insurance program with claims processed by Benefit Administration Systems on behalf of the City. A separate Insurance Fund (an internal service fund) was created on January 1, 2001, to account for and finance the health insurance program.

All funds of the City from which employees’ salaries are paid participate in the health insurance program and make payments to the Insurance Fund based on actuarial estimates of the amounts needed to pay prior and current year claims and to establish a reserve for catastrophic losses. Total contributions and transfers to the program during 2022 were \$1,346,993. An estimate of the liability for claims outstanding at the end of the fiscal year has been reported in the Health Insurance Fund.

Changes in the Health Insurance Fund’s claims liability amount for each of the last three years were:

Year	Beginning of Year	Current Year Claims and Changes in Estimates	Less Claims Payments	End of Year
2020	\$ 130,128	\$ 1,148,608	\$ 1,104,692	\$ 86,212
2021	86,212	1,285,484	1,307,370	108,098
2022	108,098	1,304,959	1,222,730	25,869

E. Contracts for Construction

As of December 31, 2022, the City had remaining commitments on contracts for various construction projects totaling \$193,945.

F. Electric Power

The City is a member of the Missouri Joint Municipal Electric Utility Commission (MJMEUC). Through its membership in MJMEUC, the City entered into a long-term agreement for the purchase of electric power from the Prairie State Energy Campus (Prairie State). Prairie State consists of two 800-Megawatt (MW) coal-fueled power plants currently operating in Washington County, Illinois. MJMEUC has a proportionate ownership interest in the power plants, and is, therefore, committed to fund its proportional share of the development and construction, as well as the operating and plant closure costs. MJMEUC will recover these costs through commitments from its members, including the City of Fulton, under life-of-unit take-or-pay unit power purchase agreements. The useful life as defined in the contract is at least 40 years. Under its agreement with MJMEUC, the City will pay to MJMEUC 5.13% of the proportionate costs of Prairie State and be entitled to 5.13% of the MW capacity and power of the plants. The City’s commitment ends when the power units are taken out of service for purposes of retirement and decommissioning. Prairie State unit 1 was placed in commercial service in early June 2012 and unit 2 was placed in service in December 2012.

The City has a long-term agreement for the purchase of electric power from the City of Sikeston, Missouri. Under this agreement, the City of Fulton receives 11,000 Kilowatts (kw) of power from the Sikeston Power Station, Unit No. 1. The City is committed to pay the City of Sikeston 110% of: (1) its entitlement share of monthly power costs, (2) the actual cost of any additional capacity above its entitlement amount and (3) its proportionate share of fuel costs. The City’s commitment ends at the end of the useful life of the power unit.

The City has a long-term agreement for the purchase of electric power from the United States Department of Energy Southwestern Power Administration. Under this agreement, the City receives 3,000 kw of hydroelectric peaking power, including 3600 kw hours of peaking contract energy. The rates under the agreement are set by statute. The current rates are \$4.5146 per kw of power plus a \$.0094 per kw hour energy charge and a purchase power adder of \$.0065 per kw hour. This contract became effective June 1, 2012 and expires May 31, 2027.

G. Gas Commitment

The City has a long-term agreement for the purchase of natural gas from the Interstate Municipal Gas Agency. The contract was signed on December 18, 2013 and is for the calendar years of 2015 – 2024. Under this contract, the City receives 274,000 Dekatherms (Dth) of natural gas each year of the contract period. The contract is for approximately 40 percent of the anticipated gas volume of the City and is at a rate of \$4.56/Dth.

H. Loan Guarantee

In July 2015, the City guaranteed a loan in the amount of \$200,000 made by the Fulton Area Development Foundation to the Callaway Arts Council. The loan's intent is to enable renovations and restoration at the old movie theater in Fulton's Brick District. The loan bears interest at 2% over 30 years with a ten-year balloon payment. Callaway Arts Council has agreed to pay ½% of the guaranteed debt to the City annually on the loan anniversary date. In the event the Callaway Arts Council is unable to make a loan payment, the City will be required to make that payment.

14. INTERGOVERNMENTAL REVENUE

The City receives significant financial assistance from numerous federal, state, and local governmental agencies in the form of grants. Federal grants and assistance awards made on the basis of entitlement periods are recorded as intergovernmental receivables and revenues when entitlement occurs. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the General Fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material effect on any of the financial statements or the individual fund-types included herein or on the overall financial position of the City as of December 31, 2022.

15. CONDUIT DEBT

During 2013, the City issued \$3,730,000 in Industrial Revenue Bonds, of which \$12,606 is outstanding at December 31, 2022. The bonds were issued to provide financial assistance to a private-sector company for constructing and equipping a manufacturing facility deemed to be in the public interest. Security for the bondholders consists of the property financed and the unconditional obligation of the company to repay the bonds. The bonds do not constitute a debt or pledge of the full faith and credit of the City, and accordingly, they have not been reported in the accompanying financial statements, as they represent a limited commitment of the City.

16. FUND BALANCE/NET POSITION

As of December 31, 2022, the South Business 54 Fund, a non-major governmental debt service fund, had a deficit of \$215,286, which is expected to be reduced by future transfers from the Capital Improvement Sales Tax Fund, a major governmental special revenue fund.

As of December 31, 2022, the Golf Course Fund, a major proprietary fund, had a deficit of \$3,473,521. The City is continuing to consider its options for covering the costs of operating the golf course.

As of December 31, 2022, the Municipal Garage Fund, an internal service fund, had a deficit of \$1,538,616, which is expected to be reduced by increased charges for use by other City funds.

As of December 31, 2022, the Health Insurance Fund, an internal service fund, had a deficit of \$285,220. The City is currently considering several options to reduce this deficit, including increasing the rate the City charges itself for employee coverage.

17. PENSION PLAN

General Information About the Pension Plan

The following information is presented in accordance with Governmental Accounting Standards Board Statement 68, *Accounting and Financial Reporting for Pensions*, as amended by GASB Statement 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*.

Plan Description

The City's defined benefit pension plan provides certain retirement, disability and death benefits to plan members and beneficiaries. The City participates in the Missouri Local Government Employees Retirement System (LAGERS). LAGERS is an agent multiple-employer, statewide public employee pension plan established in 1967 and administered in accordance with RSMo. 70.600-70.755. As such, it is LAGERS' responsibility to administer the law in accordance with the expressed intent of the General Assembly. The plan is qualified under the Internal Revenue Code Section 401(a) and is tax exempt. The responsibility for the operations and administration of LAGERS is vested in the LAGERS Board of Trustees consisting of seven persons. LAGERS issues a publicly available financial report that includes financial statements and required supplementary information. This report may be obtained by accessing the LAGERS website at www.molagers.org.

Benefits Provided

LAGERS provides retirement, death and disability benefits. Benefit provisions are adopted by the governing body of the employer, within the options available in the state statutes governing LAGERS. All benefits vest after 5 years of credited service. Employees who retire on or after age 60 (55 for police and fire) with 5 or more years of service are entitled to an allowance for life based upon the benefit program information provided below. Employees may retire with an early retirement benefit with a minimum of 5 years of credited service and after attaining age 55 (50 for police and fire) and receive a reduced allowance.

	<u>2022 Valuation</u>
Benefit multiplier	2%
Final average salary	5 years
Member contributions	4%

Benefit terms provide for annual post retirement adjustments to each member’s retirement allowance subsequent to the member’s retirement date. The annual adjustment is based on the increase in the Consumer Price Index and is limited to 4% per year.

Employees Covered by Benefit Terms

As of June 30, 2022, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	183
Inactive employees entitled to but not yet receiving benefits	105
Active employees	158
Total	446

Contributions

The City is required to contribute amounts at least equal to the actuarially determined rate, as established by LAGERS. The actuarially determined rate is the estimated amount necessary to finance the cost of benefits earned by employees during the year, with an additional amount to finance an unfunded accrued liability. Full-time employees of the City contribute 4% of wages to the pension plan. The City’s contribution rates are 10.5% (General), 4.8% (Police), and 14.8% (Fire) of annual covered payroll.

Net Pension Liability (Asset)

The City’s net pension liability (asset) was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability (asset) was determined by an actuarial valuation as of February 28, 2022.

Actuarial Assumptions

The total pension liability in the February 28, 2022, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.75% wage, 2.25% price
Salary increase:	
General	2.75% to 6.75%, including inflation
Police	2.75% to 6.55%, including inflation
Fire	2.75% to 7.15%, including inflation
Investment rate of return	7.00%, net of investment expenses

Mortality rates were based on the PubG-2010 Retiree, PubNS-2010 Disabled Retiree, PubG-2010 Employee, and PubS-2010 Employee mortality tables.

The actuarial assumptions used in the February 28, 2022, valuation were based on the results of an actuarial experience study for the period March 1, 2015 through February 29, 2020.

The long-term expected rate of return on pension plan investments was determined using a model method in which the best-estimate ranges of expected future real rates of return (expected returns, net of investment expenses 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.

The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Alpha	15.00%	3.67%
Equity	35.00%	4.78%
Fixed income	31.00%	1.41%
Real assets	36.00%	3.29%
Strategic assets	8.00%	5.25%
Cash/leverage	-25.00%	-0.29%
	100.00%	

Discount Rate

The discount rate used to measure the total pension liability is 7.00%. The projection of cash flows used to determine the discount rate assumes that employer and employee contributions will be made at the rates agreed upon for employees and the actuarially determined rates for employers. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to pay all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payment to determine the total pension liability.

Changes in the Net Pension Liability (Asset)

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability/(Asset) (a) - (b)
Balances at June 30, 2021	\$ 41,029,737	\$ 48,225,662	\$ (7,195,925)
Changes for the year:			
Service cost	1,005,486	-	1,005,486
Interest	2,835,688	-	2,835,688
Difference between expected and actual experience	357,336	-	357,336
Changes of assumptions	-	-	-
Contributions - employer	-	899,602	(899,602)
Contributions - employee	-	318,322	(318,322)
Net investment income	-	36,457	(36,457)
Benefit payments, including refunds	(2,063,180)	(2,063,180)	-
Administrative expense	-	(44,193)	44,193
Other changes	-	671,106	(671,106)
Net changes	2,135,330	(181,886)	2,317,216
Balances at June 30, 2022	\$ 43,165,067	\$ 48,043,776	\$ (4,878,709)

Sensitivity of the Net Pension Liability (Asset) to Changes in the Discount Rate

The following presents the net pension liability (asset) of the City, calculated using the discount rate of 7.00%, as well as what the employer's net pension liability (asset) would be using a discount rate that is 1 percentage point lower (6.00%) or 1 percentage point higher (8.00%) than the current rate.

	Current Single Discount		
	1% Decrease (6.00%)	Rate Assumption (7.00%)	1% Increase (8.00%)
Total pension liability	\$ 49,310,779	\$ 43,165,067	\$ 38,113,614
Plan fiduciary net position	\$ 48,043,774	\$ 48,043,776	\$ 48,043,774
Net pension liability/(asset)	\$ 868,689	\$ (4,878,709)	\$ (9,930,160)

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's net position is available in the separately issued LAGERS financial report.

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For the year ended June 30, 2022, the City recognized pension expense of (\$1,381,287). The City reported deferred outflows and inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between:		
Expected and actual experience	\$ 482,916	\$ (558,049)
Projected and actual earnings on investments	-	(944,545)
Changes in assumptions	1,842	(344,032)
Contributions subsequent to the measurement date*	469,255	-
Total	<u>\$ 954,013</u>	<u>\$ (1,846,626)</u>

*The amount reported as deferred outflows of resources resulting from contributions subsequent to the measurement date will be recognized as a reduction in the net pension liability (asset) for the year ending December 31, 2023.

Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Year ending:	
2023	\$ (604,454)
2024	(564,589)
2025	(816,729)
2026	631,436
2027	(7,532)
Total	<u>\$ (1,361,868)</u>

Payable to the Pension Plan

As of December 31, 2022, the City reported a payable of \$21,795 for the outstanding amount of contributions to the pension plan required for the year then ended.

18. DEFERRED COMPENSATION PLANS

The City's employees participate in a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, available to all eligible employees of the City, 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 unforeseen emergency. Because the plan assets are held in trust exclusively for plan participants and beneficiaries and not subject to the City's creditors, the deferred compensation plan is not reported in the City's basic financial statements.

19. TAX ABATEMENTS

In Missouri, cities and counties (Municipality) can issue industrial development revenue bonds (Revenue Bonds) pursuant to Chapter 100 of the Missouri Revised Statutes (RSMo), as amended (the Act), in order to encourage industrial development projects for private companies. Under the Act, the Municipality may issue Revenue Bonds to finance the costs of the purchase, construction, extension and improvement of warehouses, distribution facilities, research and development facilities, office industries, agricultural processing industries, service facilities which provide interstate commerce, and industrial plants, including the real estate either within or without the limits of such Municipality, buildings, fixtures and machinery (the Project). There are two primary reasons to issue Revenue Bonds under the Act. First, if the Revenue Bonds are tax-exempt, it may be possible to issue the Revenue Bonds at lower interest rates than those obtained through conventional financing. Second, even if the Revenue Bonds are not tax-exempt, ad valorem taxes levied on the Revenue Bond financed Project may be abated so long as the Revenue Bonds are outstanding.

In a typical Chapter 100 transaction, the Municipality holds fee title to the Project once the Revenue Bonds are issued and leases the Project to the private company. Because the Municipality is the legal owner of the Project while the Revenue Bonds are outstanding, the Project is exempt from ad valorem taxation and personal property taxation while the Revenue Bonds are outstanding. The Municipality and the private company may determine that partial tax abatement – but not full tax abatement is desirable. In this case, the Municipality and the private company will enter into an agreement providing for the company to make “payments in lieu of taxes” to the Municipality and other taxing jurisdictions levying property taxes where the Project is located. The amount of payments in lieu of taxes to be paid by the private company is negotiable to any amount. The payments in lieu of taxes are payable by December 31 of each year and are distributed to the Municipality and to each taxing jurisdiction levying property taxes where the Project is located in the same manner and proportion as the property taxes would otherwise be distributed to such taxing jurisdictions under Missouri law. Section 100.800 of the RSMo does provide for the recapture of abated taxes in the event an abatement recipient does not fulfill the commitment it makes in return for the tax abatement.

Under these Revenue Bonds, the City had one tax abatement during 2022. Total property taxes abated under this agreement totaled approximately \$2,391 in 2022.

20. RESTATEMENT

During the year ended December 31, 2022, the City identified incorrect utility billings, a portion of which impacted prior years’ balances, and which will be corrected during the year ending December 31, 2023.

	Net position, as previously reported	Effect of restatement	Net position, as restated
Business-type activities	\$ 58,412,231	\$ (438,664)	\$ 57,973,567
Proprietary funds:			
Electric Fund	\$ 21,878,648	\$ (438,664)	\$ 21,439,984

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF FULTON

**LAGERS (PENSION PLAN)
SCHEDULE OF CHANGES IN NET PENSION LIABILITY
AND RELATED RATIOS
Year Ended December 31, 2022**

	2022	2021	2020	2019	2018	2017	2016	2015
Total pension liability								
Service cost	\$ 1,005,486	\$ 1,003,973	\$ 932,125	\$ 863,064	\$ 848,434	\$ 836,828	\$ 805,069	\$ 798,171
Interest on the total pension liability	2,835,688	2,916,789	2,709,883	2,578,485	2,448,201	2,333,814	2,137,100	1,978,450
Difference between expected and actual experience	357,336	(1,107,424)	776,862	(129,560)	(23,248)	(134,745)	159,276	799,735
Assumption changes	-	(717,521)	-	-	-	-	983,370	-
Benefit payments	(2,063,180)	(1,581,237)	(1,618,707)	(1,451,247)	(1,514,744)	(1,414,703)	(1,360,501)	(1,421,354)
Net change in total pension liability	2,135,330	514,580	2,800,163	1,860,742	1,758,643	1,621,194	2,724,314	2,155,002
Total pension liability beginning	41,029,737	40,515,157	37,714,994	35,854,252	34,095,609	32,474,415	29,750,101	27,595,099
Total pension liability ending	<u>\$ 43,165,067</u>	<u>\$ 41,029,737</u>	<u>\$ 40,515,157</u>	<u>\$ 37,714,994</u>	<u>\$ 35,854,252</u>	<u>\$ 34,095,609</u>	<u>\$ 32,474,415</u>	<u>\$ 29,750,101</u>
Plan fiduciary net position								
Contributions - employer	\$ 899,602	\$ 883,969	\$ 818,837	\$ 766,638	\$ 726,296	\$ 680,904	\$ 668,413	\$ 699,804
Contributions - employee	318,322	315,177	304,282	287,209	278,633	275,680	266,587	253,705
Pension plan net investment income	36,457	10,391,849	499,131	2,343,224	4,082,096	3,549,828	(57,593)	596,456
Benefit payments	(2,063,180)	(1,581,237)	(1,618,707)	(1,451,247)	(1,514,744)	(1,414,703)	(1,360,501)	(1,421,354)
Pension plan administrative expense	(44,193)	(41,288)	(54,449)	(47,326)	(32,693)	(32,363)	(32,383)	(34,951)
Other	671,106	(203,901)	182,483	(318,845)	(198,742)	(87,810)	53,818	7,556
Net change in plan fiduciary net position	(181,886)	9,764,569	131,577	1,579,653	3,340,846	2,971,536	(461,659)	101,216
Plan fiduciary net position beginning	48,225,662	38,461,093	38,329,516	36,749,863	33,409,017	30,437,481	30,899,140	30,797,924
Plan fiduciary net position ending	<u>\$ 48,043,776</u>	<u>\$ 48,225,662</u>	<u>\$ 38,461,093</u>	<u>\$ 38,329,516</u>	<u>\$ 36,749,863</u>	<u>\$ 33,409,017</u>	<u>\$ 30,437,481</u>	<u>\$ 30,899,140</u>
Net pension liability/(asset)	<u>\$ (4,878,709)</u>	<u>\$ (7,195,925)</u>	<u>\$ 2,054,064</u>	<u>\$ (614,522)</u>	<u>\$ (895,611)</u>	<u>\$ 686,592</u>	<u>\$ 2,036,934</u>	<u>\$ (1,149,039)</u>
Plan fiduciary net position as a percentage of the total pension liability	111.30%	117.54%	94.93%	101.63%	102.50%	97.99%	93.73%	103.86%
Covered payroll	\$ 7,585,686	\$ 7,964,070	\$ 7,786,308	\$ 7,025,935	\$ 6,665,358	\$ 6,693,809	\$ 6,533,535	\$ 6,540,481
Net pension liability/(asset) as a percentage of covered payroll	-64.31%	-90.35%	26.38%	-8.75%	-13.44%	10.26%	31.18%	-17.57%

Note: This schedule will ultimately contain ten years of data.

CITY OF FULTON

**LAGERS (PENSION PLAN)
SCHEDULE OF CONTRIBUTIONS – LAST TEN FISCAL YEARS
Year Ended December 31, 2022**

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Actuarially determined contribution	\$ 872,443	\$ 937,763	\$ 881,696	\$ 801,539	\$ 763,058
Contributions in relation to the actuarially determined contribution	<u>872,443</u>	<u>927,089</u>	<u>878,703</u>	<u>786,799</u>	<u>751,220</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ 10,674</u>	<u>\$ 2,993</u>	<u>\$ 14,740</u>	<u>\$ 11,838</u>
Covered payroll	\$ 8,036,975	\$ 7,917,462	\$ 8,101,494	\$ 7,374,198	\$ 7,039,922
Contributions as a percentage of covered payroll	10.86%	11.71%	10.85%	10.67%	10.67%
	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Actuarially determined contribution	\$ 718,885	\$ 650,651	\$ 664,093	\$ 755,930	\$ 652,179
Contributions in relation to the actuarially determined contribution	<u>706,846</u>	<u>650,651</u>	<u>664,093</u>	<u>755,930</u>	<u>632,871</u>
Contribution deficiency (excess)	<u>\$ 12,039</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 19,308</u>
Covered payroll	\$ 6,960,100	\$ 6,750,497	\$ 6,522,380	\$ 6,314,244	\$ 6,226,163
Contributions as a percentage of covered payroll	10.16%	9.64%	10.18%	11.97%	10.16%

CITY OF FULTON

**REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE -
GENERAL FUND
Year Ended December 31, 2022**

	Actual	Original Budget	Final Budget	Variance Favorable/ (Unfavorable)
REVENUES				
Taxes	\$ 6,479,478	\$ 5,761,700	\$ 5,761,700	\$ 717,778
Licenses and permits	212,622	160,300	160,300	52,322
Intergovernmental revenues	155,445	1,472,225	1,472,225	(1,316,780)
Charges for services	2,561,433	2,555,683	2,555,683	5,750
Fines and forfeitures	5,050	36,000	36,000	(30,950)
Recreational fees	397,827	463,400	463,400	(65,573)
Miscellaneous:				
Rent	66,324	68,000	68,000	(1,676)
Interest	36,956	18,000	18,000	18,956
Contributions	3,999	-	-	3,999
Other	14,201	22,600	22,600	(8,399)
Total revenues	9,933,335	10,557,908	10,557,908	(624,573)
EXPENDITURES				
Administration	1,326,913	1,130,800	1,130,800	(196,113)
Finance Department	894,060	985,048	985,048	90,988
Purchasing Department	174,474	169,193	169,193	(5,281)
Police Department	2,410,781	2,411,635	2,411,635	854
Fire Department	1,880,996	1,814,093	1,814,093	(66,903)
Planning and Protective Administration	353,048	582,193	582,193	229,145
Engineering Department	1,070,746	672,119	672,119	(398,627)
Street Maintenance Department	1,672,415	3,694,501	3,694,501	2,022,086
Traffic Control Department	140,298	133,315	133,315	(6,983)
Buildings and Ground Maintenance	501,555	560,044	560,044	58,489
Cemeteries Department	105,063	99,337	99,337	(5,726)
Parks and Recreation Administration	610,791	596,124	596,124	(14,667)
Parks and Recreation Pool	124,053	106,745	106,745	(17,308)
Parks and Recreation Center	401,508	479,533	479,533	78,025
Debt Service Payments	412,250	397,770	397,770	(14,480)
Total expenditures	12,079,425	13,832,450	13,832,450	1,753,025
Deficiency of revenues under expenditures	(2,146,090)	(3,274,542)	(3,274,542)	1,128,452
OTHER FINANCING SOURCES (USES)				
Transfers in	2,753,079	3,962,745	3,962,745	(1,209,666)
Transfers (out)	(203,068)	(187,500)	(187,500)	(15,568)
Proceeds on sale of governmental fund assets	12,250	-	-	12,250
Total other financing sources	2,562,261	3,775,245	3,775,245	(1,212,984)
Excess of revenues and other financing sources over expenditures	\$ 416,171	\$ 500,703	\$ 500,703	\$ (84,532)

CITY OF FULTON

**REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE -
SPECIAL REVENUE FUND
CAPITAL IMPROVEMENT SALES TAX
Year Ended December 31, 2022**

	<u>Actual</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Variance Favorable/ (Unfavorable)</u>
REVENUES				
Taxes	\$ 989,336	\$ 875,000	\$ 875,000	\$ 114,336
Miscellaneous:				
Interest	59,015	4,000	4,000	55,015
Total revenues	<u>1,048,351</u>	<u>879,000</u>	<u>879,000</u>	<u>169,351</u>
EXPENDITURES				
Interest and fees	8,685	-	-	(8,685)
Total expenditures	<u>8,685</u>	<u>-</u>	<u>-</u>	<u>(8,685)</u>
Excess of revenues over expenditures	<u>1,039,666</u>	<u>879,000</u>	<u>879,000</u>	<u>160,666</u>
OTHER FINANCING USES				
Transfers out	(467,076)	(1,505,250)	(467,076)	-
Total other financing uses	<u>(467,076)</u>	<u>(1,505,250)</u>	<u>(467,076)</u>	<u>-</u>
Excess (deficiency) of revenues over (under) other financing uses	<u>\$ 572,590</u>	<u>\$ (626,250)</u>	<u>\$ 411,924</u>	<u>\$ 160,666</u>

CITY OF FULTON

Required Supplementary Information Notes to the Budgetary Comparison Schedule Year Ended December 31, 2022

Budgetary Information

The City's policy is to prepare the operating budgets in accordance with U.S. generally accepted accounting principles. For governmental funds, the City prepared a budget for the General Fund and the Capital Improvement Sales Tax Fund for the year ended December 31, 2022.

The City follows these procedures in establishing the budgetary data reflected in the financial statements:

- 1) Prior to January 1, the Director of Administration submits to the City Council a proposed operating budget for the fiscal period commencing January 1. The operating budget includes proposed expenditures and the means of financing them.
- 2) Public hearings are conducted to obtain taxpayer comments.
- 3) No later than January 1, the budget is legally enacted through passage of an ordinance.
- 4) The budget is prepared by fund, function and department. The City's department heads may make transfers of appropriations within their respective departments. Changes to total budgeted appropriations for a department and a fund require approval of the City Council. The legal level of budgetary control is at the department level, based upon City Council approval.
- 5) All appropriations lapse at year-end.

The reported budgetary data represents the final approved budget after amendments as adopted by the City Council. The budget was not amended for the year.

OTHER SUPPLEMENTARY INFORMATION

CITY OF FULTON

NON-MAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

Special revenue funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. The following are the City of Fulton's non-major special revenue funds:

Police Fund – To account for forfeitures and other funds received by the Police Department and restricted for officer training.

TIF Districts Fund – To account for the accumulation of increased tax revenues that are disbursed in accordance with the TIF District plan documents.

Parks and Recreation/Stormwater Sales Tax Fund – To account for the collection and disbursement of the City's one-half cent sales tax for improvements to fund a new recreation center, fund stormwater improvements, and certain other improvements.

DEBT SERVICE FUNDS

Debt service funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditures for principal and interest. Financial resources that are being accumulated for principal and interest maturing in future years are also reported in debt service funds. The following are the City of Fulton's non-major debt service funds:

South Business 54 Fund – To account for monies accumulated for payment of principal and interest on the \$8,770,000 Tax Increment Revenue Bonds issued in 2006.

Sewer Capital Improvement Sales Tax Fund – To account for the accumulation of monies for payment of principal and interest on the Capital Improvement Sales Tax Revenue special obligation bonds issued in the amount of \$6,000,000 to finance sewer extensions and improvements. Interest earnings from investments of the Missouri State Revolving Fund reserve account are provided to the City to subsidize interest payments on the special obligation bonds. Financing of the special obligation bonds debt service is to be from the City's one-half cent sales tax for capital improvements. A budget has not been legally adopted for this fund; as such, no budget is presented.

Water Capital Improvement Sales Tax Fund – To account for the accumulation of monies for the payment of principal and interest on the Water Capital Improvements Sales Tax bonds issued in 2005 in the amount of \$4,500,000. These funds were being used to finance an upgrade the City's water system. Interest earnings from investments of the Missouri State Revolving Fund reserve account are provided to the City to subsidize interest payments on the special obligation bonds. Financing of the special obligation bonds debt service is to be from the City's one-half cent sales tax for capital improvements.

CITY OF FULTON
COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
December 31, 2022

	Special Revenue Funds			Debt Service Funds			Total
	Police Fund	TIF Districts Fund	Parks and Recreation/ Stormwater Sales Tax Fund	South Business 54 Fund	Sewer Capital Improvement Sales Tax Fund	Water Capital Improvement Sales Tax Fund	
ASSETS							
Cash and cash equivalents	\$ 47,625	\$ 594,705	\$ 2,623,774	\$ -	\$ -	\$ -	\$ 3,266,104
Restricted cash and cash equivalents	-	-	-	-	882,873	-	882,873
Restricted investments	-	-	-	186,005	-	214,060	400,065
Accounts receivable	-	342,116	165,243	-	-	-	507,359
Total assets	47,625	936,821	2,789,017	186,005	882,873	214,060	5,056,401
LIABILITIES AND FUND BALANCES							
LIABILITIES							
Due to other funds	-	-	-	401,291	280,804	134,316	816,411
Total liabilities	-	-	-	401,291	280,804	134,316	816,411
DEFERRED INFLOWS OF RESOURCES							
Unavailable revenue - property taxes	-	22,179	-	-	-	-	22,179
FUND BALANCES							
Restricted for:							
Public safety	47,625	-	-	-	-	-	47,625
Debt service	-	-	2,789,017	-	602,069	79,744	3,470,830
TIF Districts	-	914,642	-	-	-	-	914,642
Unassigned	-	-	-	(215,286)	-	-	(215,286)
Total fund balances	47,625	914,642	2,789,017	(215,286)	602,069	79,744	4,217,811
TOTAL LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES	\$ 47,625	\$ 936,821	\$ 2,789,017	\$ 186,005	\$ 882,873	\$ 214,060	\$ 5,056,401

CITY OF FULTON

**COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NON-MAJOR GOVERNMENTAL FUNDS
Year Ended December 31, 2022**

	Special Revenue Funds			Debt Service Funds			Total
	Police Fund	TIF Districts Fund	Parks and Recreation/ Stormwater Sales Tax Fund	South Business 54 Fund	Sewer Capital Improvement Sales Tax Fund	Water Capital Improvement Sales Tax Fund	
REVENUES							
Taxes	\$ -	\$ 96,516	\$ 988,138	\$ 35,679	\$ -	\$ -	\$ 1,120,333
Payments in lieu of taxes	-	238,573	-	-	-	-	238,573
Miscellaneous:							
Interest	263	426	21,834	910	-	48,117	71,550
Total revenues	263	335,515	1,009,972	36,589	-	48,117	1,430,456
EXPENDITURES							
General government	-	6,181	-	-	-	-	6,181
Debt service:							
Principal	-	-	-	240,000	-	390,000	630,000
Interest and fees	-	-	-	270,375	-	81,250	351,625
Miscellaneous	-	-	2,285	-	-	-	2,285
Total expenditures	-	6,181	2,285	510,375	-	471,250	990,091
Excess (deficiency) of revenues over (under) expenditures	263	329,334	1,007,687	(473,786)	-	(423,133)	440,365
OTHER FINANCING SOURCES (USES)							
Transfers in	-	286,926	-	579,719	-	425,052	1,291,697
Transfers (out)	-	(579,719)	(611,913)	-	-	-	(1,191,632)
Total other financing sources (uses)	-	(292,793)	(611,913)	579,719	-	425,052	100,065
Excess of revenues and other financing sources over expenditures	263	36,541	395,774	105,933	-	1,919	540,430
Fund balances, January 1	47,362	878,101	2,393,243	(321,219)	602,069	77,825	3,677,381
FUND BALANCES, December 31	\$ 47,625	\$ 914,642	\$ 2,789,017	\$ (215,286)	\$ 602,069	\$ 79,744	\$ 4,217,811

CITY OF FULTON

**BUDGETARY COMPARISON SCHEDULE -
SPECIAL REVENUE FUND**

POLICE FUND

Year Ended December 31, 2022

	<u>Actual</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Variance Favorable/ (Unfavorable)</u>
REVENUES				
Interest	\$ 263	\$ 40	\$ 40	\$ 223
Other	-	500	500	(500)
Total revenues	<u>263</u>	<u>540</u>	<u>540</u>	<u>(277)</u>
EXPENDITURES				
Public safety	-	300	300	300
Total expenditures	<u>-</u>	<u>300</u>	<u>300</u>	<u>300</u>
Excess of revenues over expenditures	<u>\$ 263</u>	<u>\$ 240</u>	<u>\$ 240</u>	<u>\$ 23</u>

CITY OF FULTON

**REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE -
SPECIAL REVENUE FUND
TIF DISTRICTS FUND
Year Ended December 31, 2022**

	Actual	Original Budget	Final Budget	Variance Favorable/ (Unfavorable)
REVENUES				
Taxes	\$ 96,516	\$ 142,000	\$ 142,000	\$ (45,484)
Payments in lieu of taxes	238,573	214,000	214,000	24,573
Miscellaneous:				
Interest	426	500	500	(74)
Total revenues	<u>335,515</u>	<u>356,500</u>	<u>356,500</u>	<u>(20,985)</u>
EXPENDITURES				
General government	6,181	6,500	6,500	319
Total expenditures	<u>6,181</u>	<u>6,500</u>	<u>6,500</u>	<u>319</u>
Excess of revenues over expenditures	<u>329,334</u>	<u>350,000</u>	<u>350,000</u>	<u>(20,666)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	286,926	260,000	260,000	26,926
Transfers (out)	<u>(579,719)</u>	<u>(610,000)</u>	<u>(610,000)</u>	<u>30,281</u>
Total other financing (uses)	<u>(292,793)</u>	<u>(350,000)</u>	<u>(350,000)</u>	<u>57,207</u>
Excess of revenues over expenditures and other financing (uses)	<u>\$ 36,541</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 36,541</u>

CITY OF FULTON

**BUDGETARY COMPARISON SCHEDULE -
SPECIAL REVENUE FUND
PARKS & RECREATION AND STORMWATER SALES TAX
Year Ended December 31, 2022**

	Actual	Original Budget	Final Budget	Variance Favorable/ (Unfavorable)
REVENUES				
Taxes	\$ 988,138	\$ 875,000	\$ 875,000	\$ 113,138
Miscellaneous:				
Interest	21,834	-	-	21,834
Total revenues	<u>1,009,972</u>	<u>875,000</u>	<u>875,000</u>	<u>134,972</u>
EXPENDITURES				
Miscellaneous	2,285	2,285	2,285	-
Total expenditures	<u>2,285</u>	<u>2,285</u>	<u>2,285</u>	<u>-</u>
Excess of revenues over expenditures	<u>1,007,687</u>	<u>872,715</u>	<u>872,715</u>	<u>134,972</u>
OTHER FINANCING USES				
Transfers out	(611,913)	-	-	(611,913)
Total other financing uses	<u>(611,913)</u>	<u>-</u>	<u>-</u>	<u>(611,913)</u>
Excess of revenues over expenditures and other financing uses	<u>\$ 395,774</u>	<u>\$ 872,715</u>	<u>\$ 872,715</u>	<u>\$ (476,941)</u>

CITY OF FULTON

**BUDGETARY COMPARISON SCHEDULE -
DEBT SERVICE FUND
SOUTH BUSINESS 54 FUND
Year Ended December 31, 2022**

	Actual	Original Budget	Final Budget	Variance Favorable/ (Unfavorable)
REVENUES				
Taxes	\$ 35,679	\$ 45,000	\$ 45,000	\$ (9,321)
Miscellaneous:				
Interest	910	350	350	560
Total revenues	<u>36,589</u>	<u>45,350</u>	<u>45,350</u>	<u>(8,761)</u>
EXPENDITURES				
Principal	240,000	415,225	240,000	-
Interest and fees	270,375	240,125	270,375	-
Total expenditures	<u>510,375</u>	<u>655,350</u>	<u>510,375</u>	<u>-</u>
Deficiency of revenues under expenditures	<u>(473,786)</u>	<u>(610,000)</u>	<u>(465,025)</u>	<u>(8,761)</u>
OTHER FINANCING SOURCES				
Transfers in	579,719	610,000	610,000	(30,281)
Total other financing sources	<u>579,719</u>	<u>610,000</u>	<u>610,000</u>	<u>(30,281)</u>
Excess of revenues and other financing sources over expenditures	<u>\$ 105,933</u>	<u>\$ -</u>	<u>\$ 144,975</u>	<u>\$ (39,042)</u>

CITY OF FULTON

**BUDGETARY COMPARISON SCHEDULE -
DEBT SERVICE FUND
WATER CAPITAL IMPROVEMENT SALES TAX FUND
Year Ended December 31, 2022**

	<u>Actual</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Variance Favorable/ (Unfavorable)</u>
REVENUES				
Miscellaneous:				
Interest	\$ 48,117	\$ 38,000	\$ 38,000	\$ 10,117
Total revenues	<u>48,117</u>	<u>38,000</u>	<u>38,000</u>	<u>10,117</u>
EXPENDITURES				
Principal	390,000	390,000	390,000	-
Interest and fees	81,250	94,950	94,950	13,700
Total expenditures	<u>471,250</u>	<u>484,950</u>	<u>484,950</u>	<u>13,700</u>
Deficiency of revenues under expenditures	<u>(423,133)</u>	<u>(446,950)</u>	<u>(446,950)</u>	<u>23,817</u>
OTHER FINANCING SOURCES				
Transfers in	<u>425,052</u>	<u>424,000</u>	<u>424,000</u>	<u>1,052</u>
Total other financing sources	<u>425,052</u>	<u>447,500</u>	<u>447,500</u>	<u>(22,448)</u>
Excess of revenues and other financing sources over expenditures	<u>\$ 1,919</u>	<u>\$ 550</u>	<u>\$ 550</u>	<u>\$ 1,369</u>

CITY OF FULTON

INTERNAL SERVICE FUNDS

Internal service funds are used to account and report activity that provides goods or services to other City funds, departments, or agencies on a cost-reimbursement basis. The following are the City of Fulton's internal service funds:

Municipal Garage Fund – To account for internal charges to the various City departments and for expenses related to operating the facilities for City vehicles and equipment maintenance.

Health Insurance Fund – To account for internal charges of premiums to the various City departments and for claims and administrative expenses of the City's self-insured health plan for employees.

CITY OF FULTON

**COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
December 31, 2022**

	Municipal Garage Fund	Health Insurance Fund	Total
ASSETS			
Current assets			
Cash and cash equivalents	\$ -	\$ 331,174	\$ 331,174
Accounts receivable	-	153	153
Inventory	12,221	-	12,221
Prepaid items	3,925	-	3,925
Total current assets	<u>16,146</u>	<u>331,327</u>	<u>347,473</u>
Non-current assets			
Property, plant and equipment, net of accumulated depreciation	2,630	-	2,630
Net pension asset	48,791	-	48,791
Total non-current assets	<u>51,421</u>	<u>-</u>	<u>51,421</u>
Total assets	<u>67,567</u>	<u>331,327</u>	<u>398,894</u>
DEFERRED OUTFLOWS OF RESOURCES			
Pension plan contributions	4,691	-	4,691
Pension plan other	4,846	-	4,846
Total deferred outflows of resources	<u>9,537</u>	<u>-</u>	<u>9,537</u>
LIABILITIES			
Current liabilities			
Due to other funds	1,562,942	588,754	2,151,696
Accounts payable	26,551	1,924	28,475
Accrued expenses	2,050	-	2,050
Claims liability	-	25,869	25,869
Compensated absences	2,971	-	2,971
Total current liabilities	<u>1,594,514</u>	<u>616,547</u>	<u>2,211,061</u>
Long-term liabilities			
Compensated absences	2,743	-	2,743
Total long-term liabilities	<u>2,743</u>	<u>-</u>	<u>2,743</u>
Total liabilities	<u>1,597,257</u>	<u>616,547</u>	<u>2,213,804</u>
DEFERRED INFLOWS OF RESOURCES			
Pension plan other	18,463	-	18,463
Total deferred inflows of resources	<u>18,463</u>	<u>-</u>	<u>18,463</u>
NET POSITION			
Net investment in capital assets	2,630	-	2,630
Restricted for net pension asset	48,791	-	48,791
Unrestricted	(1,590,037)	(285,220)	(1,875,257)
TOTAL NET POSITION	<u>\$ (1,538,616)</u>	<u>\$ (285,220)</u>	<u>\$ (1,823,836)</u>

CITY OF FULTON

**COMBINING STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION
INTERNAL SERVICE FUNDS
Year Ended December 31, 2022**

	Municipal Garage Fund	Health Insurance Fund	Total
OPERATING REVENUES			
Charges for services	\$ 207,139	\$ -	\$ 207,139
Contributions from City, employees, retirees	-	1,346,993	1,346,993
Total net operating revenues	<u>207,139</u>	<u>1,346,993</u>	<u>1,554,132</u>
OPERATING EXPENSES			
System facilities and operations	379,556	-	379,556
Depreciation and amortization	1,365	-	1,365
Claims expense	-	1,502,336	1,502,336
Total operating expenses	<u>380,921</u>	<u>1,502,336</u>	<u>1,883,257</u>
OPERATING LOSS	<u>(173,782)</u>	<u>(155,343)</u>	<u>(329,125)</u>
NON-OPERATING REVENUES			
Interest income	-	3,511	3,511
Total non-operating revenues	<u>-</u>	<u>3,511</u>	<u>3,511</u>
NET LOSS	<u>(173,782)</u>	<u>(151,832)</u>	<u>(325,614)</u>
Net position, January 1	<u>(1,364,834)</u>	<u>(133,388)</u>	<u>(1,498,222)</u>
NET POSITION, DECEMBER 31	<u><u>\$ (1,538,616)</u></u>	<u><u>\$ (285,220)</u></u>	<u><u>\$ (1,823,836)</u></u>

CITY OF FULTON

**COMBINING SCHEDULE OF CASH FLOWS
INTERNAL SERVICE FUNDS
Year Ended December 31, 2022**

	Municipal Garage Fund	Health Insurance Fund	Total
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash received from customers	\$ 207,139	\$ 1,355,276	\$ 1,562,415
Cash paid to vendors	(73,073)	(1,582,640)	(1,655,713)
Cash paid to employees	(303,897)	-	(303,897)
Net cash used by operating activities	<u>(169,831)</u>	<u>(227,364)</u>	<u>(397,195)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Interfund payables	169,831	309,599	479,430
Net cash provided by noncapital financing activities	<u>169,831</u>	<u>309,599</u>	<u>479,430</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest income	-	3,511	3,511
Net cash provided by investing activities	<u>-</u>	<u>3,511</u>	<u>3,511</u>
Net change in cash and cash equivalents	-	85,746	85,746
Cash and cash equivalents, beginning of year	-	245,428	245,428
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ -</u>	<u>\$ 331,174</u>	<u>\$ 331,174</u>
RECONCILIATION OF OPERATING LOSS TO NET CASH USED BY OPERATING ACTIVITIES			
Operating loss	\$ (173,782)	\$ (155,343)	\$ (329,125)
Adjustments:			
Depreciation and amortization	1,365	-	1,365
(Increase) decrease in assets and deferred outflows:			
Accounts receivable	-	8,283	8,283
Inventory	(377)	-	(377)
Prepaid items	700	-	700
Net pension asset	23,173	-	23,173
Deferred outflows - pension	(226)	-	(226)
Increase (decrease) in liabilities and deferred inflows:			
Accounts payable and accrued expenses	21,233	1,924	23,157
Claims liability	-	(82,228)	(82,228)
Compensated absences	3,568	-	3,568
Deferred inflows - pension	(45,485)	-	(45,485)
Net cash used by operating activities	<u>\$ (169,831)</u>	<u>\$ (227,364)</u>	<u>\$ (397,195)</u>

CITY OF FULTON

NON-MAJOR PROPRIETARY FUNDS

Airport Fund – The Airport Fund is used to account for the operation and maintenance of the City’s airport.

Off Street Parking Fund – The Off Street Parking Fund is used to account for the operation and maintenance of City-owned parking lots.

CITY OF FULTON

**COMBINING STATEMENT OF NET POSITION
NON-MAJOR PROPRIETARY FUNDS
December 31, 2022**

	Airport Fund	Off Street Parking Fund	Total
ASSETS			
Current assets			
Cash and cash equivalents	\$ -	\$ 243,242	\$ 243,242
Accounts receivable	3,077	1,220	4,297
Inventory	33,311	-	33,311
Prepaid items	1,709	-	1,709
Total current assets	<u>38,097</u>	<u>244,462</u>	<u>282,559</u>
Non-current assets			
Property, plant and equipment, net of accumulated depreciation	6,025,688	321,877	6,347,565
Net pension asset	9,163	-	9,163
Total non-current assets	<u>6,034,851</u>	<u>321,877</u>	<u>6,356,728</u>
Total assets	<u>6,072,948</u>	<u>566,339</u>	<u>6,639,287</u>
DEFERRED OUTFLOWS OF RESOURCES			
Pension plan contributions	884	-	884
Pension plan other	912	-	912
Total deferred outflows of resources	<u>1,796</u>	<u>-</u>	<u>1,796</u>
LIABILITIES			
Current liabilities			
Due to other funds	1,188,239	-	1,188,239
Accounts payable	2,381	406	2,787
Accrued expenses	575	-	575
Customer deposits	6,434	-	6,434
Total current liabilities	<u>1,197,629</u>	<u>406</u>	<u>1,198,035</u>
DEFERRED INFLOWS OF RESOURCES			
Pension plan other	3,469	-	3,469
Total deferred inflows of resources	<u>3,469</u>	<u>-</u>	<u>3,469</u>
NET POSITION			
Invested in capital assets	6,025,688	321,877	6,347,565
Restricted for net pension asset	9,163	-	9,163
Unrestricted	(1,161,205)	244,056	(917,149)
TOTAL NET POSITION	<u>\$ 4,873,646</u>	<u>\$ 565,933</u>	<u>\$ 5,439,579</u>

CITY OF FULTON

**COMBINING SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
NON-MAJOR PROPRIETARY FUNDS
Year Ended December 31, 2022**

	Airport Fund	Off Street Parking Fund	Total
OPERATING REVENUES			
Charges for services	\$ 215,148	\$ 18,640	\$ 233,788
Total net operating revenues	<u>215,148</u>	<u>18,640</u>	<u>233,788</u>
OPERATING EXPENSES			
System facilities and operations	149,293	-	149,293
Contractual expenses	20,935	4,944	25,879
Depreciation and amortization	230,927	13,122	244,049
Total operating expenses	<u>401,155</u>	<u>18,066</u>	<u>419,221</u>
OPERATING INCOME (LOSS)	<u>(186,007)</u>	<u>574</u>	<u>(185,433)</u>
NON-OPERATING REVENUES			
Interest income	-	1,349	1,349
Other	31,351	-	31,351
Total non-operating revenues	<u>31,351</u>	<u>1,349</u>	<u>32,700</u>
NET INCOME (LOSS)	<u>(154,656)</u>	<u>1,923</u>	<u>(152,733)</u>
Net position, January 1	<u>5,028,302</u>	<u>564,010</u>	<u>5,592,312</u>
NET POSITION, DECEMBER 31	<u><u>\$ 4,873,646</u></u>	<u><u>\$ 565,933</u></u>	<u><u>\$ 5,439,579</u></u>

CITY OF FULTON

**COMBINING SCHEDULE OF CASH FLOWS
NON-MAJOR PROPRIETARY FUNDS
Year Ended December 31, 2022**

	Airport Fund	Off Street Parking Fund	Total
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash received from customers	\$ 215,131	\$ 17,420	\$ 232,551
Cash received from other sources	31,351	-	31,351
Cash paid to vendors	(142,979)	(5,605)	(148,584)
Cash paid to employees	(32,095)	-	(32,095)
Net cash provided by operating activities	<u>71,408</u>	<u>11,815</u>	<u>83,223</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Net change in grant receivables	56,672	-	56,672
Interfund receivables	(128,080)	-	(128,080)
Net cash used by noncapital financing activities	<u>(71,408)</u>	<u>-</u>	<u>(71,408)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest income	-	1,349	1,349
Net cash provided by investing activities	<u>-</u>	<u>1,349</u>	<u>1,349</u>
Net change in cash and cash equivalents	-	13,164	13,164
Cash and cash equivalents, beginning of year	-	230,078	230,078
CASH AND CASH EQUIVALENTS, END OF YEAR	<u><u>\$ -</u></u>	<u><u>\$ 243,242</u></u>	<u><u>\$ 243,242</u></u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES			
Operating income (loss)	\$ (186,007)	\$ 574	\$ (185,433)
Adjustments:			
Depreciation and amortization	230,927	13,122	244,049
Other non-operating revenue	31,351	-	31,351
(Increase) decrease in assets and deferred outflows:			
Accounts receivable	-	(1,220)	(1,220)
Prepaid items	38	-	38
Net pension asset	4,353	-	4,353
Deferred outflows - pension	(44)	-	(44)
Increase (decrease) in liabilities and deferred inflows:			
Accounts payable and accrued expenses	(650)	(661)	(1,311)
Deferred inflows - pension	(8,543)	-	(8,543)
Customer deposits	(17)	-	(17)
Net cash provided by operating activities	<u><u>\$ 71,408</u></u>	<u><u>\$ 11,815</u></u>	<u><u>\$ 83,223</u></u>

STATISTICAL SECTION

DESCRIPTION OF STATISTICAL SECTION

This section of the City of Fulton's annual report presents statistical information about the financial health of the government. There are five categories of statistical information as explained by the following.

Financial Trend Information (Tables 1-4)

These schedules contain information on the City's financial performance for the current year and prior years, as applicable. Tables 1-2 show government-wide net position and changes in net position. Tables 3-4 show fund balances and changes in fund balances of governmental funds only.

Revenue Capacity Information (Tables 5-11)

These schedules contain information on the City's significant local revenue sources: property tax, sales tax and tax increment and financing revenue. Tables 5-6 provide information on the City's assessed valuation and direct and overlapping property tax rates. Table 7 shows the direct and overlapping sales tax rates. Table 8 provides a listing of principal property taxpayers based on assessed valuation for the current year and for nine years ago. Tables 9-11 show the tax levies and collection information.

Debt Capacity Information (Tables 12-16)

These schedules present information on the City's current levels of outstanding debt and ability to issue additional debt. Table 12 provides a breakdown by governmental and business-type activities of long-term debt. Table 13 shows only general obligation bonded debt payable prior to maturity. Table 14 provides the overlapping debt and the portion attributable to the City's taxpayers. Table 15 shows the legal debt margin limitations. Table 16 shows the operating revenue available to cover the revenue bond debt service.

Demographic and Economic Information (Tables 17-18)

These schedules present demographic and economic indicators for the last ten years, and the principal employers and percentage of workforce for the current year.

Operating Information (Tables 19-20)

These tables provide information about the City government, such as full-time employees, selected service indicators by function and selected operating indicators and information about capital assets.

Note: Unless otherwise noted, the information provided in this section is obtainable from the annual comprehensive financial reports for the relevant year.

TABLE 1

CITY OF FULTON, MISSOURI
Net Position by Component
Last Ten Fiscal Years
(accrual basis)

	Fiscal Year									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Governmental activities										
Net investment in capital assets	\$ 17,740,676	\$ 17,526,324	\$ 19,205,501	\$ 19,300,373	\$ 19,339,440	\$ 20,737,220	\$ 21,617,016	\$ 26,186,417	\$ 246,713,334	\$ 24,954,030
Restricted	6,977,736	7,103,708	6,965,490	6,115,373	5,300,318	7,464,107	8,571,981	11,902,508	15,534,004	13,709,036
Unrestricted	(1,590,871)	(1,117,599)	(669,825)	883,046	2,013,796	(636,954)	(1,319,626)	(4,860,486)	(4,892,334)	(348,639)
Total governmental activities net position	<u>\$ 23,127,541</u>	<u>\$ 23,512,433</u>	<u>\$ 25,501,166</u>	<u>\$ 26,298,792</u>	<u>\$ 26,653,554</u>	<u>\$ 27,564,373</u>	<u>\$ 28,869,371</u>	<u>\$ 33,228,439</u>	<u>\$ 257,355,004</u>	<u>\$ 38,314,427</u>
Business-type activity										
Net investment in capital assets	\$ 36,416,126	\$ 38,482,738	\$ 41,869,758	\$ 44,103,209	\$ 44,291,280	\$ 44,796,016	\$ 44,379,692	\$ 45,185,520	\$ 43,755,359	\$ 43,436,156
Restricted	340,076	340,076	340,076	340,076	340,076	667,212	564,540	340,076	2,968,503	2,122,102
Unrestricted	16,336,036	14,586,133	13,691,121	16,529,512	16,920,819	17,018,135	18,635,660	15,011,532	11,688,369	11,106,775
Total business-type activity net position	<u>\$ 53,092,238</u>	<u>\$ 53,408,947</u>	<u>\$ 55,900,955</u>	<u>\$ 60,972,797</u>	<u>\$ 61,552,175</u>	<u>\$ 62,481,363</u>	<u>\$ 63,579,892</u>	<u>\$ 60,537,128</u>	<u>\$ 58,412,231</u>	<u>\$ 56,665,033</u>
Primary government										
Net investment in capital assets	\$ 53,942,450	\$ 57,688,239	\$ 61,170,131	\$ 63,311,361	\$ 63,630,720	\$ 65,533,236	\$ 65,996,708	\$ 71,371,937	\$ 68,426,693	\$ 68,390,186
Restricted	7,443,784	7,305,566	6,455,449	5,081,243	5,640,394	8,131,319	9,136,521	12,242,584	18,502,507	15,831,138
Unrestricted	15,218,437	13,916,308	14,574,167	17,978,858	18,934,615	16,381,181	17,316,034	10,151,406	6,796,035	10,758,136
Total primary government net position	<u>\$ 76,604,671</u>	<u>\$ 78,910,113</u>	<u>\$ 82,199,747</u>	<u>\$ 86,371,462</u>	<u>\$ 88,205,729</u>	<u>\$ 90,045,736</u>	<u>\$ 92,449,263</u>	<u>\$ 93,765,927</u>	<u>\$ 93,725,235</u>	<u>\$ 94,979,460</u>

NOTE: The City implemented GASB 65 for the fiscal year ending December 31, 2013. As a result, beginning net position was reduced for governmental activities by \$308,459 and business-type activities by \$32,292. However, other than 2012, prior years were not restated.

NOTE: The City implemented GASB 68 for the fiscal year ending December 31, 2015. However, prior years were not restated.

TABLE 2

CITY OF FULTON, MISSOURI
 Changes in Net Position
 Last Ten Fiscal Years
 (accrual basis)

	Fiscal Year									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Expenses										
Governmental activities:										
General government	\$ 2,002,961	\$ 2,168,239	\$ 3,397,107	\$ 2,465,933	\$ 2,160,756	\$ 2,833,511	\$ 2,555,661	\$ 2,552,010	\$ 2,493,684	\$ 2,503,164
Public safety	3,995,704	4,002,037	3,991,169	4,330,403	4,360,530	4,352,641	4,461,197	4,418,107	4,096,144	4,062,401
Public works	2,600,508	2,616,820	2,549,988	2,744,756	2,873,627	2,774,370	2,982,428	3,048,447	2,742,570	2,758,442
Parks and recreation	772,184	805,868	867,543	927,381	884,185	687,489	781,284	609,025	1,013,456	1,449,646
Building and grounds maintenance	401,447	396,791	387,806	492,975	499,179	458,272	491,852	499,387	524,195	579,525
Interest and fees	684,171	661,389	548,737	523,601	479,743	461,192	436,793	422,727	542,759	482,587
Total governmental activities expenses	10,456,975	10,651,144	11,742,350	11,485,049	11,258,020	11,567,475	11,709,215	11,549,703	11,412,808	11,835,765
Business-type activity:										
Electrical	12,916,114	13,407,571	13,221,218	12,572,328	12,805,677	13,477,925	12,810,812	13,095,299	12,835,643	14,475,588
Gas	5,054,367	5,850,379	4,409,801	4,536,348	4,835,429	5,176,298	5,114,923	5,388,710	9,201,476	7,480,435
Water	1,732,414	1,655,557	1,356,531	1,672,767	1,639,553	1,658,445	1,759,733	1,731,630	1,609,272	1,572,830
Sewer	1,801,911	1,853,535	1,817,689	2,036,193	2,078,611	2,206,998	2,493,238	2,677,501	2,578,508	2,579,089
Solid waste	1,565,581	1,546,304	1,524,608	1,746,105	1,879,998	1,759,025	1,862,787	1,741,727	1,730,060	1,854,526
Airport	316,910	295,073	232,645	252,808	321,688	335,451	338,559	298,751	321,793	401,155
Parking facilities	16,449	16,519	37,923	16,420	16,425	17,497	18,302	18,311	18,066	18,066
Golf	677,586	661,944	672,296	673,282	688,773	652,553	703,121	862,133	827,065	1,005,724
Total business-type activity expenses	24,081,332	25,286,882	23,272,711	23,506,251	24,266,154	25,284,192	25,101,475	25,814,062	29,121,883	29,387,413
Total primary government expenses	\$ 34,538,307	\$ 35,938,026	\$ 35,015,061	\$ 34,991,300	\$ 35,524,174	\$ 36,851,667	\$ 36,810,690	\$ 37,363,765	\$ 40,534,691	\$ 41,223,178
Program Revenues										
Governmental activities:										
Charges for services:										
General government	\$ 1,600,932	\$ 1,658,312	\$ 1,728,430	\$ 1,829,694	\$ 1,982,863	\$ 2,118,909	\$ 2,160,894	\$ 1,927,012	\$ 2,080,815	\$ 2,209,592
Public safety	198,141	153,523	122,139	151,116	141,034	113,042	153,879	75,457	60,344	88,378
Public works	770,685	706,913	644,435	628,971	645,076	557,094	562,923	598,201	607,967	752,980
Parks and recreation	118,551	122,795	163,556	122,861	113,287	119,241	123,058	71,859	223,373	397,827
Building and grounds maintenance	4,754	6,678	4,599	8,896	3,063	4,990	5,749	6,125	10,566	19,340
Interest and fees	123,736	184,922	127,063	110,812	80,406	79,646	167,559	69,312	57,541	49,027
Miscellaneous										
Operating grants and contributions	60,463	48,381	71,582	51,203	61,004	191,691	239,559	293,448	280,320	137,723
Capital grants and contributions	241,010	322,690	49,097	-	-	182,858	-	-	-	-
Total governmental activities program revenues	3,118,272	3,204,214	2,910,901	2,903,553	3,026,733	3,367,471	3,413,621	3,041,414	3,320,926	3,654,867
Business-type activity:										
Electrical	13,890,542	14,071,058	13,864,321	15,028,201	14,228,316	15,097,352	14,919,585	14,125,458	14,579,819	14,962,261
Gas	5,697,580	6,184,447	4,891,823	4,479,703	4,763,105	5,331,277	5,623,934	5,961,139	6,265,723	6,886,594
Water	1,718,204	1,656,169	1,672,336	1,600,920	1,576,529	1,576,715	1,494,880	1,506,052	1,533,202	1,652,594
Sewer	2,546,249	2,536,614	2,801,048	2,943,813	3,111,947	3,115,816	3,015,931	3,015,890	3,047,585	3,151,779
Solid waste	1,641,431	1,688,594	1,723,736	1,746,086	1,852,315	1,791,472	1,793,783	1,812,436	1,922,446	2,054,115
Airport	175,199	161,853	133,134	121,579	149,106	164,841	186,324	146,678	192,977	215,148
Parking facilities	26,235	28,018	18,580	18,852	20,136	18,989	17,934	15,340	18,495	18,640
Golf	545,088	506,765	481,826	537,254	516,289	504,696	608,970	861,709	900,995	996,316
Operating grants and contributions	-	26,057	-	-	-	-	75,450	-	-	-
Capital grants and contributions	132,318	466,167	515,470	1,896,193	115,618	-	37,062	537,568	217,636	42,205
Total business-type activity program revenues	26,372,846	27,325,742	26,102,274	28,372,601	26,333,361	27,601,158	27,773,853	27,982,270	28,678,878	29,979,652
Total primary government program revenues	\$ 29,491,118	\$ 30,529,956	\$ 29,013,175	\$ 31,276,154	\$ 29,360,094	\$ 30,968,629	\$ 31,187,474	\$ 31,023,684	\$ 31,999,804	\$ 33,634,519

(continued)

TABLE 2

CITY OF FULTON, MISSOURI
Changes in Net Position (continued)
Last Ten Fiscal Years
(accrual basis)

	Fiscal Year									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Net (expense)/revenue										
Governmental activities	\$ (7,446,930)	\$ (8,831,449)	\$ (8,831,449)	\$ (8,581,496)	\$ (8,231,287)	\$ (8,200,004)	\$ (8,295,594)	\$ (8,508,289)	\$ (8,091,882)	\$ (8,180,898)
Business-type activity	2,038,860	2,829,563	2,829,563	4,866,350	2,067,207	2,316,966	2,671,378	2,168,208	(443,005)	592,239
Total primary government net expense	<u>\$ (5,408,070)</u>	<u>\$ (6,001,886)</u>	<u>\$ (6,001,886)</u>	<u>\$ (3,715,146)</u>	<u>\$ (6,164,080)</u>	<u>\$ (5,883,038)</u>	<u>\$ (5,624,216)</u>	<u>\$ (6,340,081)</u>	<u>\$ (8,534,887)</u>	<u>\$ (7,588,659)</u>
General Revenues and Other Changes in Net Position										
Governmental activities:										
Taxes										
Property taxes, levied for general purposes	\$ 554,002	\$ 553,889	\$ 637,883	\$ 680,398	\$ 889,412	\$ 654,097	\$ 778,900	\$ 718,291	\$ 841,713	\$ 862,659
Payments in lieu of taxes	1,124,965	1,128,300	545,461	182,155	116,421	200,169	150,516	215,237	235,255	238,573
General sales tax	3,013,932	3,284,273	3,240,058	3,421,841	4,146,345	4,247,519	4,293,571	4,468,015	5,498,290	5,742,799
Franchise tax	1,447,799	1,546,621	1,419,592	1,435,948	1,444,248	1,491,967	1,508,350	1,351,031	1,383,207	1,406,475
Motor fuel tax	377,533	385,042	394,270	398,396	402,316	400,838	404,947	380,839	413,570	479,981
Other tax	416,388	472,936	355,537	316,956	352,114	141,284	138,490	184,327	119,340	133,319
Interest income	39,716	31,446	32,095	46,844	70,169	150,700	183,478	39,251	12,295	122,005
Miscellaneous income	7,719	133,156	79,982	70,312	227,151	36,249	57,880	13,826	(160,223)	13,510
Net transfers (to) from other funds	1,050,000	1,900,000	1,388,000	399,325	1,838,000	1,788,000	2,084,460	5,496,540	1,833,000	2,183,000
Total governmental activities	<u>8,032,054</u>	<u>9,435,663</u>	<u>8,092,878</u>	<u>6,952,175</u>	<u>9,486,176</u>	<u>9,110,823</u>	<u>9,600,592</u>	<u>12,867,357</u>	<u>10,176,447</u>	<u>11,182,321</u>
Business-type activity:										
Interest income	56,338	43,761	39,232	62,882	170,215	293,764	360,116	29,029	4,066	115,264
Net transfers (to) from other funds	(1,050,000)	(1,900,000)	(1,388,000)	(399,325)	(1,838,000)	(1,788,000)	(2,084,460)	(5,496,540)	(1,833,000)	(2,183,000)
Miscellaneous income	74,588	134,088	127,268	122,230	179,956	106,458	151,495	256,359	147,042	166,963
Total business-type activity	<u>(919,074)</u>	<u>(1,722,151)</u>	<u>(1,221,500)</u>	<u>(214,213)</u>	<u>(1,487,829)</u>	<u>(1,387,778)</u>	<u>(1,572,849)</u>	<u>(5,211,152)</u>	<u>(1,681,892)</u>	<u>(1,900,773)</u>
Total primary government	<u>\$ 7,112,980</u>	<u>\$ 7,713,512</u>	<u>\$ 6,871,378</u>	<u>\$ 6,737,962</u>	<u>\$ 7,998,347</u>	<u>\$ 7,723,045</u>	<u>\$ 8,027,743</u>	<u>\$ 7,656,205</u>	<u>\$ 8,494,555</u>	<u>\$ 9,281,548</u>
Changes in net position										
Governmental activities	\$ 585,124	\$ 604,214	\$ (738,571)	\$ (1,629,321)	\$ 1,254,889	\$ 910,819	\$ 1,304,998	\$ 4,359,068	\$ 2,084,565	\$ 3,001,423
Business-type activity	1,119,786	1,107,412	1,608,063	4,652,137	579,378	929,188	1,098,529	(3,042,764)	(2,124,897)	(1,308,534)
Total primary government	<u>\$ 1,704,910</u>	<u>\$ 1,711,626</u>	<u>\$ 869,492</u>	<u>\$ 3,022,816</u>	<u>\$ 1,834,267</u>	<u>\$ 1,840,007</u>	<u>\$ 2,403,527</u>	<u>\$ 1,316,304</u>	<u>\$ (40,332)</u>	<u>\$ 1,692,889</u>

NOTE: The City implemented GASB 65 for the fiscal year ending December 31, 2013. As a result, no amortization of bond issuance costs was included in 2013 governmental or business-type expenses. However, prior years were not restated.

NOTE: The City implemented GASB 68 for the fiscal year ending December 31, 2015. However, prior years were not restated.

TABLE 3

**CITY OF FULTON, MISSOURI
Fund Balances of Governmental Funds
Last Ten Fiscal Years
(modified accrual basis)**

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
General Fund										
Nonspendable	\$ 272,879	\$ 293,204	\$ 280,392	\$ 286,153	\$ 311,559	\$ 385,669	\$ 330,869	\$ 361,948	\$ 370,884	\$ 389,919
Reserved/Restricted	992	992	992	992	992	992	992	3,405,977	1,362,232	992
Unreserved/Unassigned	(66,796)	159,376	141,257	1,049,490	2,183,366	1,123,275	582,649	(2,916,415)	619,816	2,378,192
Total General Fund	<u>\$ 207,075</u>	<u>\$ 453,572</u>	<u>\$ 422,641</u>	<u>\$ 1,336,635</u>	<u>\$ 2,495,917</u>	<u>\$ 1,509,936</u>	<u>\$ 914,510</u>	<u>\$ 851,510</u>	<u>\$ 2,352,932</u>	<u>\$ 2,769,103</u>
All other governmental funds										
Reserved/Restricted	\$ 7,076,716	\$ 6,938,498	\$ 6,088,241	\$ 4,714,175	\$ 5,587,389	\$ 6,868,641	\$ 8,154,931	\$ 8,470,531	\$ 9,578,274	\$ 10,585,361
Unassigned	(131,318)	(29,889)	(50,127)	(207,903)	(356,743)	(356,120)	(251,858)	(330,393)	(321,219)	(215,286)
Total all other governmental funds	<u>\$ 6,945,398</u>	<u>\$ 6,908,609</u>	<u>\$ 6,038,114</u>	<u>\$ 4,506,272</u>	<u>\$ 5,230,646</u>	<u>\$ 6,512,521</u>	<u>\$ 7,903,073</u>	<u>\$ 8,140,138</u>	<u>\$ 9,257,055</u>	<u>\$ 10,370,075</u>

TABLE 4

CITY OF FULTON, MISSOURI										
Changes in Fund Balances of Governmental Funds										
Last Ten Fiscal Years										
(modified accrual basis)										
	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Revenues										
Taxes	\$ 5,809,654	\$ 6,242,761	\$ 6,053,698	\$ 6,195,877	\$ 7,278,067	\$ 6,930,385	\$ 7,076,262	\$ 7,164,717	\$ 8,203,972	\$ 8,589,147
Licenses and permits	141,499	149,294	149,740	161,283	156,104	152,551	162,010	154,449	167,319	212,622
Intergovernmental revenues	301,473	352,221	139,529	51,203	61,004	380,729	239,559	304,154	316,056	155,445
Charges for services	1,974,125	1,953,016	1,943,647	2,056,445	2,120,236	2,276,247	2,307,472	2,190,501	2,277,377	2,561,433
Payments in lieu of taxes	1,125,776	1,110,529	545,461	182,155	116,421	200,169	150,516	215,237	235,255	238,573
Fines and forfeitures	144,992	104,131	65,051	86,423	83,989	60,146	95,937	32,213	10,654	5,050
Recreational fees	118,551	122,795	163,556	122,861	113,287	119,241	123,058	71,859	223,373	397,827
Miscellaneous										
Rent	39,657	52,737	51,437	55,549	64,414	59,045	52,437	52,969	67,151	66,324
Interest	163,111	215,892	158,753	156,520	147,024	215,130	334,110	107,158	69,703	167,521
Contributions	-	137,265	27,550	50	415	10,960	1,774	2,130	37,360	3,999
Other	32,993	16,783	52,749	105,011	180,067	17,166	34,024	58,714	76,991	14,201
Total revenues	<u>9,851,831</u>	<u>10,457,424</u>	<u>9,351,171</u>	<u>9,173,377</u>	<u>10,321,028</u>	<u>10,421,769</u>	<u>10,577,159</u>	<u>10,354,101</u>	<u>11,685,211</u>	<u>12,412,142</u>
Expenditures										
General government	1,998,891	2,025,700	3,174,945	1,836,858	1,910,471	2,153,542	2,235,130	2,133,411	2,261,212	2,401,628
Public safety	3,785,103	4,095,659	4,040,034	3,949,165	4,292,335	4,552,406	4,216,634	4,237,648	4,675,511	4,645,299
Public works	1,745,939	2,373,633	1,965,027	1,879,201	1,503,186	2,966,478	2,546,327	1,839,597	2,248,426	2,883,459
Parks and recreation	595,685	966,510	730,740	714,284	665,799	739,920	1,268,144	8,794,170	1,031,040	1,136,352
Building and grounds maintenance	372,907	423,300	394,710	477,572	473,340	472,795	480,168	489,848	546,381	606,618
Debt service:										
Principal	1,265,000	1,615,000	760,000	800,000	830,000	325,000	390,000	630,000	856,599	900,700
Interest and fees	703,170	650,562	575,141	543,520	500,025	471,723	447,611	439,546	546,054	501,860
Miscellaneous	2,014	-	-	-	134,798	239,211	304,754	557,229	225,877	2,285
Total expenditures	<u>10,468,709</u>	<u>12,150,364</u>	<u>11,640,597</u>	<u>10,200,600</u>	<u>10,309,954</u>	<u>11,921,075</u>	<u>11,888,768</u>	<u>19,121,449</u>	<u>12,391,100</u>	<u>13,078,201</u>
Excess of revenues over (under) expenditures	(616,878)	(1,692,940)	(2,289,426)	(1,027,223)	11,074	(1,499,306)	(1,311,609)	(8,767,348)	(705,889)	(666,059)
Other Financing Sources and (Uses)										
Transfers in	2,756,904	4,032,279	2,406,715	3,330,604	2,565,106	2,664,979	3,354,357	7,203,820	3,257,204	4,044,776
Transfers (out)	(1,706,904)	(2,132,279)	(1,018,715)	(2,931,279)	(727,106)	(876,979)	(1,269,897)	(1,707,280)	(1,424,204)	(1,861,776)
Proceeds on property sale	5,400	2,648	-	10,050	34,582	7,200	22,275	39,888	129,988	12,250
Debt proceeds	-	-	-	-	-	-	-	3,404,985	1,361,240	-
Total other financing sources	<u>1,055,400</u>	<u>1,902,648</u>	<u>1,388,000</u>	<u>409,375</u>	<u>1,872,582</u>	<u>1,795,200</u>	<u>2,106,735</u>	<u>8,941,413</u>	<u>3,324,228</u>	<u>2,195,250</u>
Net change in fund balances	<u>\$ 438,522</u>	<u>\$ 209,708</u>	<u>\$ (901,426)</u>	<u>\$ (617,848)</u>	<u>\$ 1,883,656</u>	<u>\$ 295,894</u>	<u>\$ 795,126</u>	<u>\$ 174,065</u>	<u>\$ 2,618,339</u>	<u>\$ 1,529,191</u>
Debt service as a percentage of noncapital expenditures (principal and interest only)	19.34%	21.29%	12.31%	14.08%	14.05%	8.57%	8.53%	10.67%	12.62%	11.89%

TABLE 5

CITY OF FULTON, MISSOURI
Assessed and Estimated Actual Values of Taxable Property
Last Ten Fiscal Years

<u>Fiscal Year Ended</u>	<u>Tax Year</u>	<u>Real Property</u>	<u>Personal Property</u>	<u>Total Assessed Value</u>	<u>Total Direct Tax Rate</u>	<u>Estimated Fair Market Value (1)</u>
2013	2013	78,897,482	24,403,828	103,301,310	0.5291	427,741,665
2014	2014	78,269,705	23,431,048	101,700,753	0.5291	490,471,937
2015	2015	78,570,540	23,435,269	102,005,809	0.5306	487,694,396
2016	2016	93,726,348	25,088,374	118,814,722	0.5587	496,469,027
2017	2017	105,705,011	23,964,520	129,669,531	0.5291	554,463,491
2018	2018	105,504,979	20,924,809	126,429,788	0.5353	546,002,041
2019	2019	116,981,901	22,028,270	139,010,171	0.5022	595,045,333
2020	2020	110,985,675	27,483,758	138,469,433	0.5279	594,954,748
2021	2021	112,062,602	29,060,436	141,123,038	0.5271	607,957,002
2022	2022	116,931,963	37,670,529	154,602,492	0.5271	607,957,002

(1) Following statewide reassessment in 1986, properties were assessed as follows:

Residential	19%
Agricultural	12%
Commercial	32%
Personal property	33.33%

TABLE 6

**CITY OF FULTON, MISSOURI
Property Tax Rates - Direct and Overlapping Governments
(Per \$100 of Assessed Value)
Last Ten Fiscal Years**

Tax Year	City		Fulton Public School District	County	State	Total
	General Fund	Total				
2013	0.5291	0.5291	4.2906	0.9638	0.0300	5.8135
2014	0.5291	0.5291	4.2306	0.9679	0.0300	5.7576
2015	0.5306	0.5306	4.2022	0.8963	0.0300	5.6591
2016	0.5587	0.5587	4.3019	0.8975	0.0300	5.7881
2017	0.5291	0.5291	4.0862	0.8965	0.0300	5.5418
2018	0.5353	0.5353	4.7695	1.0053	0.0300	6.3401
2019	0.5022	0.5022	4.6076	0.8770	0.0300	6.0168
2020	0.5279	0.5279	4.7083	0.9581	0.0300	6.2243
2021	0.5271	0.5271	4.6287	0.9523	0.0300	6.1381
2022	0.5271	0.5271	4.6439	0.9542	0.0300	6.1552

TABLE 7

**CITY OF FULTON, MISSOURI
Sales Tax Rates
Direct and Overlapping Governments
Last Ten Fiscal Years**

Fiscal Year	City of Fulton					County of Callaway	Callaway Co. Ambulance District	State of Missouri			Total Direct and Overlapping
	General	Transportation	Capital Improvements	Parks and Recreation/Stormwater	Total Direct Rate			General	Conservation	Parks and Soil	
2013	1.000	0.500	0.500		2.000	1.000	0.500	4.000	0.125	0.100	7.725
2014	1.000	0.500	0.500		2.000	1.000	0.500	4.000	0.125	0.100	7.725
2015	1.000	0.500	0.500		2.000	1.000	0.500	4.000	0.125	0.100	7.725
2016	1.000	0.500	0.500	0.500	2.500	1.000	0.500	4.000	0.125	0.100	8.225
2017	1.000	0.500	0.500	0.500	2.500	1.000	0.500	4.000	0.125	0.100	8.225
2018	1.000	0.500	0.500	0.500	2.500	1.000	0.500	4.000	0.125	0.100	8.225
2019	1.000	0.500	0.500	0.500	2.500	1.000	0.500	4.000	0.125	0.100	8.225
2020*	1.000	0.500	0.500	0.500	2.500	2.000	0.500	4.000	0.125	0.100	9.225
2021	1.000	0.500	0.500	0.500	2.500	2.000	0.500	4.000	0.125	0.100	9.225
2022	1.000	0.500	0.500	0.500	2.500	2.000	0.500	4.000	0.125	0.100	9.225

Source: Missouri Department of Revenue

Note: An additional .5% sales tax is in effect within a Transportation Development District located within the City of Fulton, effective in 2006.

* County tax rate increased to 2% effective 4/1/2020.

TABLE 8

**CITY OF FULTON, MISSOURI
Principal Property Taxpayers
Current Year and Nine Years Ago**

Name	Type of Business	2022		2013	
		Assessed Valuation (1)	Percentage of Total Assessed Valuation	Assessed Valuation (1)	Percentage of Total Assessed Valuation
Townsend Fulton, LLC	Distribution	\$ 7,821,194	5.06%	\$ 10,387,500	10.16%
Dolgen Corp (Dollar General)	Distribution	2,848,890	1.84%	2,489,060	2.43%
Callaway Electric Services, Co., LLC	Electric Utilities	2,115,936	1.37%	3,229,870	3.16%
Ovid Bell Press	Manufacturing	878,491	0.57%	1,765,740	1.73%
Wal-Mart Stores, Inc. #51	Retail	1,280,000	0.83%	2,304,330	2.25%
Harbison Walker International	Manufacturing	894,667	0.58%	1,564,940	1.53%
Nobel Health Real Estate, LLC/Healthmont of Mo	Health Care	967,210	0.63%	1,081,170	1.06%
Danuser Machine Co	Manufacturing	-	0.00%	774,130	0.76%
Tanglewood Hotels, LLC	Hotel	710,016	0.46%	-	0.00%
Hogan Truck Leasing	Trucking	-	0.00%	272,780	0.27%
Mike Doerhoff Development	Construction	-	0.00%	732,970	0.72%
Aramark Uniform Services, Inc.	Service	-	0.00%	242,550	0.24%
Callaway Bank	Banking	-	0.00%	1,028,650	1.01%
Backers Potato Chips	Manufacturing	-	0.00%	891,690	0.87%
The Fulton Group LLC	Real Estate Holdings	-	0.00%	2,963,290	2.90%
		<u>\$ 17,516,404</u>	<u>11.33%</u>	<u>\$ 29,728,670</u>	<u>28.78%</u>

(1) Per Callaway County Collector's office.

TABLE 9

**CITY OF FULTON, MISSOURI
Property Tax Levies and Collections
Last Ten Fiscal Years**

<u>Fiscal Year Ended</u>	<u>Tax Year</u>	<u>Net Current Tax Levy</u>	<u>Current Tax Collections</u>	<u>Percent of Levy Collected</u>	<u>Delinquent Tax Collections</u>	<u>Total Tax Collections</u>	<u>Total Collections as Percent of Net Current Tax Levy</u>	<u>Outstanding Delinquent Taxes</u>	<u>Percent of Net Levy</u>
2013	2013	544,688	516,029	94.7%	27,108	543,137	99.7%	88,165	16.2%
2014	2014	538,099	531,869	98.8%	5,536	537,405	99.9%	61,860	11.5%
2015	2015	543,550	499,481	91.9%	36,919	536,400	98.7%	69,010	12.7%
2016	2016	635,871	567,314	89.2%	67,250	634,564	99.8%	70,316	11.1%
2017	2017	690,066	616,631	89.4%	67,525	684,156	99.1%	76,226	11.0%
2018	2018	709,729	512,356	72.2%	90,366	602,723	84.9%	183,233	25.8%
2019	2019	687,208	549,324	79.9%	9,285	558,609	81.3%	95,457	13.9%
2020	2020	727,934	638,900	87.8%	142,341	781,241	107.3% *	42,151	5.8%
2021	2021	749,451	659,653	88.0%	117,838	777,491	103.7% *	14,111	1.9%
2022	2022	814,909	811,799	99.6%	3,110	814,909	100.0%	61,864	7.6%

Note: Property taxes captured by Tax Increment Financing Districts are not included.

* Due to delinquent tax collections.

TABLE 10

**CITY OF FULTON, MISSOURI
Sales Tax Collections and Estimated Retail Taxable Sales
Last Ten Fiscal Years**

<u>Fiscal Year Ended</u>	<u>1.00% General Sales Tax</u>	<u>0.50% Transportation Sales Tax</u>	<u>0.50% Capital Improvements Sales Tax</u>	<u>0.50% P&R/ Stormwater Sales Tax</u>	<u>Total</u>	<u>Estimated Taxable Retail Sales</u>
2013	\$ 1,505,019	\$ 752,510	\$ 752,510	\$ -	\$ 3,010,039	\$ 150,502,000
2014	1,638,159	819,080	819,080	-	3,276,319	163,816,000
2015	1,598,627	799,313	799,313	-	3,197,253	159,863,000
2016	1,595,884	797,943	797,943	181,952	3,373,722	159,588,000
2017	1,648,993	824,497	824,497	823,041	4,121,028	164,899,000
2018	1,630,591	815,294	815,294	815,299	4,076,479	163,059,000
2019	1,648,579	824,290	824,290	824,162	4,121,321	164,858,000
2020	1,685,915	842,960	842,958	842,097	4,213,931	168,592,000
2021	1,902,824	951,412	951,411	950,538	4,756,185	190,282,000
2022	1,978,672	989,336	989,336	988,138	4,945,482	197,867,000

TABLE 11

**CITY OF FULTON, MISSOURI
 Tax Increment Financing Revenue
 Last Ten Fiscal Years**

Fiscal Year Ended	Atkinson Road TIF Plan			Fulton Public Improvements TIF Plan			South Business 54 TIF Plan		
	Economic Activity Taxes	Payments in Lieu of Taxes	Total	Economic Activity Taxes	Payments in Lieu of Taxes	Total	Economic Activity Taxes	Payments in Lieu of Taxes	Total
2013	\$ 9,079	\$ 588,616	\$ 597,695	\$ 82,526	\$ 354,051	\$ 436,577	\$ 286,820	\$ 183,109	\$ 469,929
2014	9,329	583,493	592,822	91,380	354,475	445,855	312,441	172,561	485,002
2015	-	442,676	442,676	-	359,927	359,927	285,584	176,815	462,399
2016	-	-	-	-	-	-	289,746	180,867	470,613
2017	-	-	-	-	-	-	327,369	139,688	467,057
2018	-	-	-	-	-	-	86,084	200,169	286,253
2019	-	-	-	-	-	-	86,476	150,516	236,992
2020	-	-	-	-	-	-	143,086	215,237	358,323
2021	-	-	-	-	-	-	39,626	235,255	274,881
2022	-	-	-	-	-	-	96,516	238,573	335,089

TABLE 12

**CITY OF FULTON, MISSOURI
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years**

Fiscal Year	Governmental		Business-Type							Total Primary Government	Per Capita	% of Income
	Special Ltd. Obligation Revenue Bonds	Certificates of Participation	Neighborhood Improvement District Bonds	Certificates of Participation	Notes Payable	Sewerage System Revenue Bonds	Capital Leases					
2013	\$ 13,175,048	\$ -	\$ 820,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 13,995,048	1,097	5%	
2014	11,554,165	-	555,000	-	-	-	-	-	12,109,165	949	5%	
2015	10,788,284	-	280,000	-	-	-	101,000	3,821,089	14,990,373	1,159	6%	
2016	9,982,403	-	-	-	-	-	2,754,769	3,800,000	16,537,172	1,262	7%	
2017	9,146,522	-	-	-	-	-	7,750,787	3,400,000	20,297,309	1,580	9%	
2018	8,815,641	-	-	-	-	-	7,734,949	3,000,000	19,550,590	1,547	9%	
2019	8,419,760	-	-	-	-	-	7,333,949	2,633,333	18,387,042	1,435	8%	
2020	7,765,000	3,404,985	-	-	-	-	6,979,466	2,200,000	20,349,451	1,616	9%	
2021	7,010,000	4,682,611	-	-	3,390,000	-	6,616,169	1,800,001	23,498,781	1,847	10%	
2022	6,380,000	4,426,390	-	-	2,712,000	-	6,244,056	1,400,000	21,162,446	1,665	9%	

NOTE: Per capita data is based on the population from Table 17.

Details regarding the City's outstanding debt can be found in the notes to the basic financial statements. Amounts presented in this table represent the outstanding principal.

TABLE 13

**CITY OF FULTON, MISSOURI
Ratio of Net General Bonded Debt to Assessed Value
Last Ten Fiscal Years**

Fiscal Year Ended	Population (1)	Assessed Valuation	Gross Bonded Debt	Less		Net Bonded Debt	Ratio of Net Bonded Debt to Assessed Value	Net Bonded Debt Per Capita
				Special Revenue Debt	Debt Service Funds			
2013	12,760	103,301,310	13,995,048	13,175,048	-	820,000	0.79%	64.26
2014	12,760	101,700,753	12,109,165	11,554,165	-	555,000	0.55%	43.50
2015	12,939	102,005,809	11,068,284	10,788,284	-	280,000	0.27%	21.64
2016	13,103	118,814,722	9,982,403	9,982,403	-	-	0.00%	-
2017	12,844	129,669,531	9,146,522	9,146,522	-	-	0.00%	-
2018	12,635	126,429,788	8,815,641	8,815,641	-	-	0.00%	-
2019	12,809	139,010,171	8,419,760	8,419,760	-	-	0.00%	-
2020	12,596	138,469,433	7,765,000	7,765,000	-	-	0.00%	-
2021	12,721	140,046,111	7,022,998	6,616,169	-	-	0.00%	-
2022	12,721	154,602,492	6,380,000	6,380,000	-	-	0.00%	-

(1) Sources: Callaway County Chamber of Commerce and U.S. Census Bureau

TABLE 14

**CITY OF FULTON, MISSOURI
Direct and Overlapping Governmental Activities Debt
December 31, 2022**

<u>Name of Governmental Unit</u>	<u>Net Debt Outstanding (1)</u>	<u>Percentage Applicable to City of Fulton (2)</u>	<u>Amount Applicable to City of Fulton</u>
City of Fulton	\$ 10,806,390	100.00%	10,806,390
Fulton Public School District	32,037,425	61.36%	19,658,618
Callaway County	-	0%	-
Total direct and overlapping debt			<u>\$ 30,465,008</u>

(1) Gross general obligation debt outstanding less applicable amounts in Debt Service Funds.

(2) Determined by ratio of assessed valuation of property subject to taxation in overlapping unit to valuation of property subject to taxation in reporting unit as of December 31, 2010.

CITY OF FULTON, MISSOURI
Legal Debt Margin Information
December 31, 2022

TABLE 15

	With Existing Debt <u>December 2022</u>
Assessed Valuation, January 2022 (1) Net of property in TIF districts	\$ <u>112,469,654</u>
Debt limit - 20% of assessed value	22,493,931
Less general obligation debt outstanding	<u>0.00%</u>
Legal debt margin	<u>\$ 22,493,931</u>

(1) Provided by Callaway County Collector

TABLE 16

CITY OF FULTON, MISSOURI
Revenue Bond Coverage
Last Ten Fiscal Years

Fiscal Year	Revenues				Current Expenses	Net Revenue Available for Debt Service	Debt Service Requirement			Coverage
	TIF District CIST Revenues	Transfers from Other Funds, Net	Interest and Other	Total			Principal	Interest	Total	
2013	\$ 2,257,034		\$ 135,574	\$ 2,392,608	\$ 309,015	\$ 2,083,593	\$ 1,265,000	\$ 703,170	\$ 1,968,170	\$ 115,423
2014	2,365,505		193,952	2,559,457	310,935	2,248,522	1,615,000	650,562	2,265,562	(17,040)
2015	1,670,631		137,968	1,808,599	1,344,497	464,102	760,000	575,141	1,335,141	(871,039)
2016	1,419,964		139,407	1,559,371	3,891	1,555,480	800,000	543,520	1,343,520	211,960
2017	2,020,709		116,421	2,137,130	3,685	2,133,445	830,000	536,467	1,366,467	766,978
2018	1,970,671		197,405	2,168,076	243,273	1,924,803	325,000	471,325	796,325	1,128,478
2019	1,935,761		306,374	2,242,135	308,237	1,933,898	390,000	447,611	837,611	1,096,287
2020	2,083,629		83,887	2,167,516	562,499	1,605,017	630,000	431,978	1,061,978	543,039
2021	2,255,601		59,529	2,315,130	232,025	2,083,105	755,000	399,449	1,154,449	928,656
2022	2,348,242		130,302	2,478,544	8,466	2,470,078	630,000	351,625	981,625	1,488,453

Details regarding the City's outstanding debt can be found in the notes to the basic financial statements. Certain bonds were paid off early in 2014 and 2015, resulting in a negative debt coverage.

TABLE 17

**CITY OF FULTON, MISSOURI
Demographic Statistics
Last Ten Fiscal Years**

<u>Year</u>	<u>Population (1)</u>	<u>School Enrollment (2)</u>	<u>Callaway County Unemployment Rate (3)</u>	<u>Median Income Per Household (4)</u>	<u>Per Capita Income (4)</u>
2013	12,760	2,207	6.10%	43,791	21,331
2014	12,760	2,275	5.60%	41,201	19,716
2015	12,939	2,293	4.70%	40,274	18,436
2016	13,103	2,302	4.10%	41,451	16,990
2017	12,844	2,259	3.50%	41,275	18,139
2018	12,635	2,347	2.90%	40,935	16,672
2019	12,809	2,347	3.20%	43,623	17,874
2020	12,596	2,177	4.50%	47,040	18,436
2021	12,721	2,255	3.40%	47,356	18,047
2022	12,710	2,222	4.30%	47,040	19,451

Source of information:

(1) Callaway County Chamber of Commerce & U.S. Census Bureau

(2) Fulton Public School District

(3) Bureau of Labor Statistics as of December 31
(data not available for the City of Fulton)

(4) U.S. Census Bureau
(data not available for the City of Fulton)

TABLE 18

**CITY OF FULTON, MISSOURI
Principal Employers
Current Year and Nine Years Ago**

Employer	Product/Service	2022		2013	
		Total Employees	Percentage of Total City Employment	Total Employees	Percentage of Total City Employment
Fulton State Hospital	Mental Institution	1,200	20.24%	1,490	23.88%
Dollar General Distribution Center	Warehouse	750	12.65%	650	10.42%
Fulton Public Schools	Education	450	7.59%	450	7.21%
Fulton Reception & Diagnostic	Correctional Facility	288	4.86%	450	7.21%
Westminster College	Education	380	6.41%	170	2.72%
William Woods University	Education	256	4.32%	225	3.61%
Fulton Reception & Diagnostic	Government	288	4.86%	-	0.00%
City of Fulton	Government	179	3.02%	180	2.88%
Callaway County	Government	-	0.00%	177	2.84%
Danuser Machine Company	Manufacturing	135	2.28%	-	0.00%
Walsworth Fulton (formerly Ovid Bell)	Periodical Publishing	125	2.11%	125	2.00%
Harbison Walker International	Firebrick Manufacturing	-	0.00%	133	2.13%
		<u>4,051</u>	<u>68.34%</u>	<u>4,050</u>	<u>64.90%</u>

Sources: Callaway County Chamber of Commerce and U.S. Census Bureau

TABLE 19

CITY OF FULTON, MISSOURI
City Government Employees
by Function/Department
Last Five Fiscal Years

Function/Program	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
General Government					
Administration	6	6	6	7	8
Finance	11	11	12	10	9
Purchasing	3	3	3	3	3
Public Buildings					
Public Safety					
Police	31	31	33	33	33
Municipal Court	0	0	0	0	1
Fire	23	23	24	24	24
Planning & Protective Administration	5	5	5	5	6
Public Works					
Engineering	7	7	8	8	7
Street Maintenance	10	10	12	12	12
Traffic Control	2	2	2	2	2
Buildings and Grounds Maintenance	5	5	6	6	6
Cemetery	1	1	1	1	1
Parks and Recreation	9	9	8	8	8
Utilities Administration	3	3	3	3	3
Electric Department	13	13	13	14	12
Gas Department	9	9	9	9	9
Solid Waste Department	11	11	9	9	9
Wastewater Department	10	10	10	10	6
Golf Course	4	4	4	4	3
Garage	3	3	3	3	3
Water Department	7	7	8	8	8
Power Plant	6	6	6	6	6
Total	<u>179</u>	<u>179</u>	<u>185</u>	<u>185</u>	<u>179</u>

Source: City of Fulton Human Resources Department

TABLE 20

CITY OF FULTON, MISSOURI
Operating Indicators and
Capital Asset Information
Last Ten Fiscal Years

Date of Incorporation	1859									
Form of Government	Charter City									
Area	12									
Miles of streets	76.96 miles									
	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Municipal Court										
General Operating Revenue	\$ -	\$ -	\$ -	\$ 10,107,350	\$ 10,007,942	\$ 9,912,140	\$ 9,734,563	\$ 8,929,318	\$ 9,820,364	\$ 8,513,806
Traffic Violations	-	-	-	69,237	30,250	56,157	58,350	40,864	56,408	34,283
% of general operating revenue from traffic violations	0.00%	0.00%	0.00%	0.69%	0.30%	0.57%	0.60%	0.45%	0.57%	0.40%
Fire protection:										
Number of stations	2	2	2	2	2	2	2	2	2	2
* Total Calls	2033	1445	1063	1165	1,099	933	1,206	1,138	1,092	1,085
Police protection:										
Number of stations	1	1	1	1	1	1	1	1	1	1
** Total Calls	16846	17982	17811	21694	18564	1356	1,154	910	951	945
Education:										
Private schools	3	3	3	3	3	3	3	3	3	3
Elementary Schools - Public	3	3	3	3	3	3	3	3	3	3
Middle Schools - Public	1	1	1	1	1	1	1	1	1	1
High Schools - Public	1	1	1	1	1	1	1	1	1	1
Colleges and Universities	2	2	2	2	2	2	2	2	2	2
Municipal Electric Department:										
Number of consumers	5721	5721	5679	5648	5609	5,616	5,616	5,612	5,593	5,592
*** Peak demand on system	35MW	37MW	35MW	35MW	36MW	35MW	37MW	38MW	38MW	39MW
Municipal Gas Department:										
Number of consumers	3985	3993	3994	3978	3956	3,959	3,961	3,961	3,955	3,948
Average daily consumption	1724mcf	1712 mcf	1778 mcf	1860 mcf	1846 mcf	1555 mcf	1447 mcf	1619 mcf	1686 mcf	1873 mcf
Municipal Water Department:										
Number of consumers	4,611	4,581	4,544	4,504	4,461	4,454	4,452	4,446	4,420	4,401
Average daily consumption	1,113,500	1,065,147	1,014,107	1,038,086	1,167,673	1,038,873	1,117,620	1,136,491	1,144,877	1,588,063
*** Miles of water mains	106	106	106	105	105	97	97	97	97	97
Municipal Sewer Department:										
Number of connections	4495	4466	4434	4387	4,337	4,336	4,340	4,337	4,316	4,294
*** Miles of sanitary sewers	101	101	101	100	100	95	95	95	95	95
Building permits issued	76	76	220	76	170	142	66	135	114	115
Recreation and culture:										
Number of parks	9	9	9	9	9	9	9	9	9	9
Number of libraries	3	3	3	3	3	3	3	3	3	3
Golf courses	2	2	2	2	2	2	2	2	2	2
Municipal employees:										
**** Classified service	179	179	174	174	168	178	168	164	166	199
**** Unclassified (Department heads)	10	10	11	11	11	12	12	12	13	13
**** Exempt (City Council, Mayor, and volunteer fire and police)	20	20	10	10	10	10	10	10	10	10
Source										
* Fire Chief										
** Chief of Police, report to DOA										
*** Superintendent of Utilities										
**** City of Fulton Human Resources Department										
a Not required reporting by State of Missouri (302.241.2 RSMo)										